

Notice of Council



Date: Tuesday, 12 September 2023 at 7.00 pm

Venue: Council Chamber, BCP Civic Centre, Bournemouth BH2 6DY

Chairman:

Cllr L Dedman

Vice Chairman:

Cllr S Bull

Cllr C Adams
Cllr S Aitkenhead
Cllr H Allen
Cllr M Andrews
Cllr S Armstrong
Cllr J Bagwell
Cllr S Bartlett
Cllr J Beesley
Cllr P Broadhead
Cllr D Brown
Cllr O Brown
Cllr R Burton
Cllr J J Butt
Cllr P Canavan
Cllr S Carr-Brown
Cllr B Castle
Cllr J Challinor
Cllr A Chapmanlaw
Cllr B Chick
Cllr J Clements
Cllr E Connolly
Cllr P Cooper
Cllr M Cox
Cllr D d'Orton-Gibson
Cllr B Dove

Cllr M Dower
Cllr M Earl
Cllr J Edwards
Cllr G Farquhar
Cllr D Farr
Cllr A Filer
Cllr D A Flagg
Cllr M Gillett
Cllr C Goodall
Cllr A Hadley
Cllr M Haines
Cllr J Hanna
Cllr E Harman
Cllr R Herrett
Cllr P Hilliard
Cllr B Hitchcock
Cllr M Howell
Cllr A Keddie
Cllr M Le Poidevin
Cllr S Mackrow
Cllr R Maidment
Cllr A Martin
Cllr D Martin
Cllr G Martin
Cllr J Martin

Cllr C Matthews
Cllr S McCormack
Cllr P Miles
Cllr S Moore
Cllr A-M Moriarty
Cllr B Nanovo
Cllr L Northover
Cllr M Phipps
Cllr K Rampton
Cllr Dr F Rice
Cllr J Richardson
Cllr V Ricketts
Cllr C Rigby
Cllr K Salmon
Cllr J Salmon
Cllr P Sidaway
Cllr P Slade
Cllr V Slade
Cllr M Tarling
Cllr T Trent
Cllr O Walters
Cllr C Weight
Cllr L Williams
Cllr K Wilson

All Members of the Council 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 attend or view the live stream of this meeting at the following link: <https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?Mid=5383>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services on 01202 096660 or democratic.services@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

4 September 2023

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

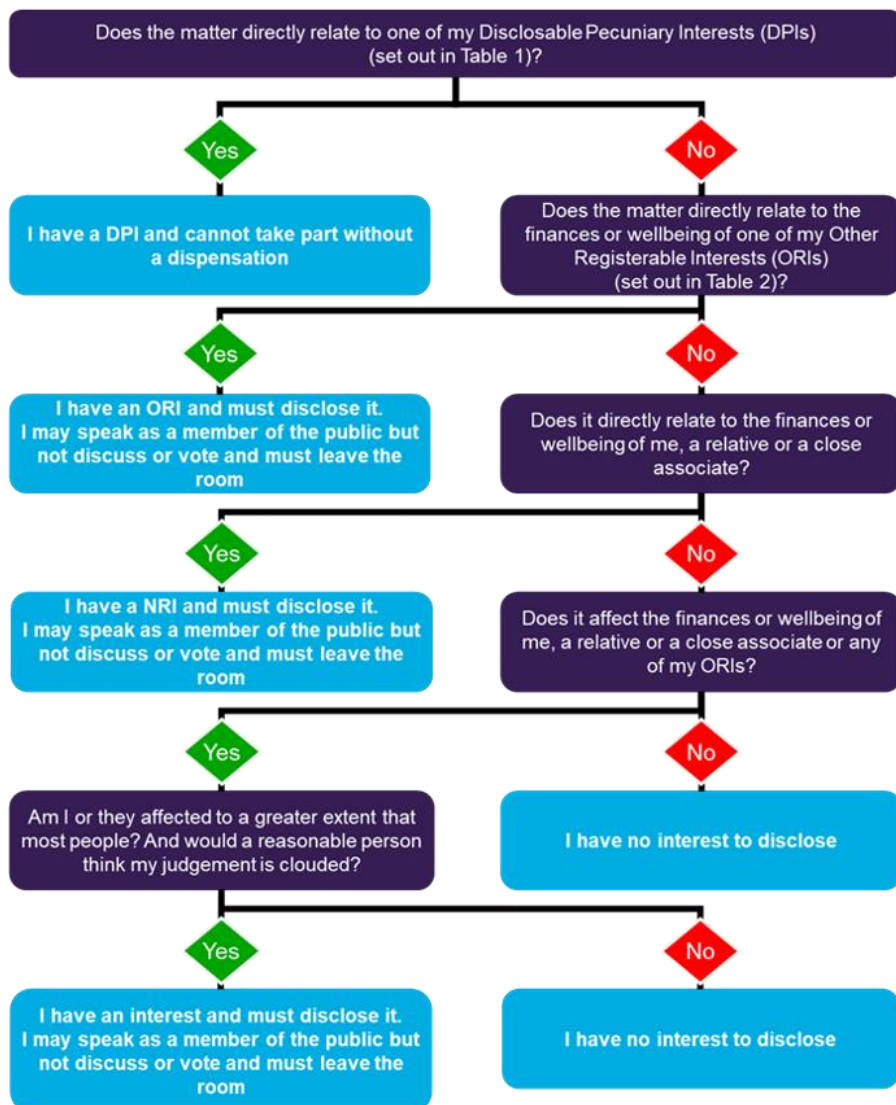


Maintaining and promoting high standards of conduct

Declaring interests at meetings

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

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



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

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

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 Councillors.

2. 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.

3. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 11 July 2023.

7 - 16

4. Announcements and Introductions from the Chairman

To receive any announcements from the Chairman.

5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these 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 public questions is mid-day 3 clear working days before the meeting.

The deadline for the submission of a statement is mid-day the working day before the meeting.

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

ITEMS OF BUSINESS

Recommendations from the Cabinet and Committees

Please refer to the recommendations detailed in items 6 to 10 below.

6. Cabinet 26 July 2023 - Minute No. 5 - Financial Outturn Report 2022/23

17 - 66

RECOMMENDED that Council: -

- (c) **Approves the 2023/24 capital virements to accept new grants above £1m as set out in Appendix C.**

Note – resolutions (a) and (b) were resolved matters by the Cabinet.

7. Cabinet 26 July 2023 - Minute No. 6 - Medium Term Financial Plan (MTFP) Update

67 - 96

The Cabinet at the meeting held on 26 July 2023 resolved as recommendation (e) to “delegate to the Director of Finance in consultation with the Portfolio Holder for Finance the assets to be put forward to Council for disposal from the list endorsed by the cross-party strategic asset disposal working party, and as set out in exempt Appendix D”.

In accordance with that resolution, recommendation (e) below incorporates the list of those assets recommended for disposal by the Director of Finance following consultation with the Portfolio Holder for Finance. Appended to this agenda at Appendix E, is a series of schedules for each of these assets which includes exempt information. Should the Council wish to discuss the detail of Appendices D or E, it will be necessary to exclude the press and public and move into exempt session. If applicable, the following resolution should be moved:

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

RECOMMENDED that Council: -

(e) approves the following list of assets for disposal:-

- **St Ambrose Cottage**
- **27 High Street, Christchurch**
- **Public Conveniences in Adastral Square, Canford Heath, Poole**
- **Waitrose Car Park, Christchurch but only to Christchurch Town Council**

(f) approves a reduction in the working capital loan facility to BCP FuturePlaces Ltd. The value and timing of the reduction to be delegated to the Director of Finance in consultation with the Portfolio Holder for Finance.

Note – resolutions (a), (b), (c) and (d) were resolved matters by the Cabinet.

8. Cabinet 26 July 2023 - Minute No. 10 - Children's Services Building Stronger Foundations Programme

97 - 110

RECOMMENDED that Council: -

- (a) Approves £4.462 million investment into Children's Services Improvement and transformation.**
- (b) The areas for investment to establish the structures and capacity needed to deliver transformation and improvement in children's services being delegates authority to the Director of Children's Services in consultation with the Chief Financial**

Officer with the allocation of funds and monitoring of impact and expenditure through the Children's Transformation Board.

Note – resolutions (c), (d) and (e) were resolved matters by the Cabinet.

- | | |
|---|------------------|
| <p>9. Audit and Governance Committee 27 July 2023 - Minute No. 8 - Treasury Management Monitoring Outturn 2022/23 and update for Quarter 1 2023/24</p> <p>RECOMMENDED to Council that the revised prudential indicators set out in table 10 of the report to the Audit and Governance Committee on 27 July 2023 be approved.</p> <p>Note – resolutions (a), (b) and (c) were resolved matters by the Audit and Governance Committee</p> | <p>111 - 126</p> |
| <p>10. Audit and Governance Committee 7 September 2023 - Review of the Council's Constitution - Recommendations of the Constitution Review Working Group</p> <p>To consider the recommendations arising from the Audit and Governance Committee scheduled for 7 September 2023. The recommendations will be circulated as soon as practicably possible following the meeting of Audit and Governance. A copy of the report and appendices to the Audit and Governance Committee have been published and available on the Council's web site.</p> | <p>To Follow</p> |
| <p>11. Overview and Scrutiny Annual Report</p> <p>Overview and Scrutiny (O&S) is a statutory function of all councils operating an executive model of decision making. In BCP Council, O&S activity is currently carried out by four O&S committees formed of councillors and co-opted members. There is a requirement to report on the work of O&S to Council, to ensure good visibility of the function and Council ownership of any improvements required.</p> <p>The annual report contains a summary of O&S activity undertaken over 2019-23, reflections on working practices and an action plan identifying strategic improvements to the O&S function.</p> | <p>127 - 192</p> |
| <p>12. Notices of Motion in accordance with Procedure Rule 10</p> <p>Knife Crime</p> <p>The following motion submitted in accordance with Procedure Rule 10 of the Meeting Procedure Rules has been proposed by Councillor S Armstrong and seconded by Councillor J Salmon: -</p> <p>BCP Council believes:</p> <p>Every family and community should be safe from the loss of a life due to knife crime.</p> <p>As community leaders, many of us are parents, grandparents and carers and we are all corporate parents - we have a responsibility to set an example to our children and young people and send a clear message that violence is never the answer, that young people can</p> | |

stand up for themselves and be heard without the need to arm themselves and harm others.

We need to keep working together to get to the root causes of knife crime – we acknowledge the efforts being made to tackle it head on by BCP Council and partners such as the Police, for example the dedicated work undertaken by the Community Safety Partnership who amongst many other things, have established a multi-agency Serious Violence Young Persons Task and Finish Group to lead on project and intervention work with the aim to reduce serious violent offences committed by young people.

BCP resolves:

- **To consider the amount of funding required to effectively deliver our Serious Violent Crime duty and if there is a short fall, to lobby the government for resources that reflect the specific needs of BCP.**
- **To work in partnership with other voluntary services such as youth organisations to find alternative sources of funding to develop and deliver early intervention programmes especially in areas where we know there are vulnerable young people and their families.**
- **To commit to working towards a public health approach that brings together youth services, community groups, schools, NHS and other statutory partners to tackle knife crime and serious violent crime in our neighbourhoods.**
- **That the Portfolio Holder for Housing and Regulatory Services reports back to Council on progress of the Community Safety Strategy in particular paying attention to knife crime, at the full council meeting in November. This update to include figures on the current attainment of the KPIs set out in the Community Safety Strategy. These figures to be available via a dashboard and shared with councillors and the relevant stakeholders.**

13. Additional Ordinary Council Meeting - 5 October 2023

It is RECOMMENDED that Council schedule an additional ordinary meeting of Council on Thursday 5 October 2023 at 7.00pm.

14. Questions from Councillors

The deadline for questions to be submitted to the Monitoring Officer is 4 September 2023.

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

To consider any urgent decisions taken by the Chief Executive in accordance with the Constitution.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
COUNCIL

Minutes of the Meeting held on 11 July 2023 at 7.00 pm

Present:-

Cllr L Dedman – Chairman

Cllr S Bull – Vice-Chairman

Present: Cllr C Adams, Cllr S Aitkenhead, Cllr M Andrews, Cllr S Armstrong, Cllr S Bartlett, Cllr J Beesley, Cllr P Broadhead, Cllr D Brown, Cllr O Brown, Cllr R Burton, Cllr P Canavan, Cllr S Carr-Brown, Cllr B Castle, Cllr J Challinor, Cllr A Chapmanlaw, Cllr B Chick, Cllr J Clements, Cllr E Connolly, Cllr P Cooper, Cllr M Cox, Cllr D d'Orton-Gibson, Cllr B Dove, Cllr M Dower, Cllr M Earl, Cllr J Edwards, Cllr G Farquhar, Cllr D Farr, Cllr A Filer, Cllr D A Flagg, Cllr M Gillett, Cllr C Goodall, Cllr A Hadley, Cllr J Hanna, Cllr E Harman, Cllr R Herrett, Cllr P Hilliard, Cllr M Howell, Cllr A Keddie, Cllr M Le Poidevin, Cllr S Mackrow, Cllr R Maidment, Cllr A Martin, Cllr D Martin, Cllr G Martin, Cllr J Martin, Cllr C Matthews, Cllr S McCormack, Cllr S Moore, Cllr A-M Moriarty, Cllr B Nanovo, Cllr M Phipps, Cllr K Rampton, Cllr Dr F Rice, Cllr J Richardson, Cllr C Rigby, Cllr K Salmon, Cllr J Salmon, Cllr P Sidaway, Cllr P Slade, Cllr V Slade, Cllr M Tarling, Cllr T Trent, Cllr O Walters, Cllr L Williams and Cllr K Wilson

10. Apologies

Apologies for absence were received from Councillors Allen, Bagwell, Butt, Haines, Miles, Northover and Ricketts.

11. Result of the By-Election

The Chairman welcomed Councillor Sara Armstrong who had been elected Councillor for the East Cliff and Springbourne ward at the by-election held on 29 June 2023.

12. Declarations of Interests

There were no declarations of interest made on this occasion.

13. Confirmation of Minutes

Clarity was sought on the 'revised' minutes of the meeting held on 21 March 2023, including detail on the nature of the revisions and their publication. Officers advised that the revisions were in response to a public question and added details that had inadvertently been omitted from the draft minutes. A more comprehensive answer would follow later in the

meeting, under agenda item 6 – public issues. Specific detail on the revisions could be provided following the meeting.

RESOLVED: That the minutes of the meetings held on 21 March and 23 May 2023 be approved as a correct record.

14. Announcements and Introductions from the Chairman

The Chairman updated Council on her activities since the last meeting. These included attendance at:

- An all-party parliamentary dog advisory committee;
- The Diverse Abilities open day, including the Royal visit;
- A concert in the Priory for HoneyPot Children's Charity;
- The opening of the Independent Funeral Homes Open Conference;
- Armed Forces Day;
- A Christchurch civic service;
- The Bournemouth Hebrew Congregation;
- The Arts University Summer Show;
- A Crown Court open day;
- The LGA Conference;
- A service to mark the Srebrenica genocide;
- The launch of a new boat entering a round-the-world race;
- The Shared Lives Tea Party.

The Chairman informed Council of the sad passing of Lord Kerslake, Chairman of BCP FuturePlaces. Councillor Vicki Slade, Leader of the Council, spoke in remembrance of Lord Kerslake.

15. URGENT BUSINESS - Appointment of interim independent Chair of BCP FuturePlaces Ltd

The Leader of the Council 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.

Due to the sad announcement on Sunday 2 July 2023 that Lord Kerslake, Chair of the FuturePlaces company board, had passed away, Council was asked to endorse the appointment of Karima Fahmy as interim chair of BCP FuturePlaces Ltd.

BCP FuturePlaces Ltd had been formed to ensure BCP Council had the capacity, expertise, and resources to drive investment in regeneration and unlock value from major council owned sites; and would enable BCP Council to ensure the delivery of new homes and well designed, local neighbourhoods.

The appointment of an interim independent Chair to the board of FuturePlaces would enhance governance by providing independent expertise, focus and scrutiny to FuturePlaces company board and business activities.

Following debate council moved to a vote: For: 55, Against: 10, Abstentions: 1

The motion was carried and it was:

RESOLVED that Council:

- (a) Endorsed the appointment of Karima Fahmy as interim Chair of the BCP FuturePlaces Ltd company board, to be appointed at the next available FuturePlaces board meeting;**
- (b) Noted that a recruitment process will take place over the summer to identify a permanent chair for the company board and details of this process and recommendation for appointment will be brought back to Council in due course.**

(Although this item did not appear on the agenda, the Chair agreed that it be dealt with as a matter of urgency in view of the need to appoint an interim Chair of BCP FuturePlaces Ltd)

16. Public Issues

A – Public Questions

Public Question from Soo Chapman

Given governance failure to alert and protect us from climate catastrophe as noted by the UN chief, Zak Goldsmith and the Chair of the Climate Change Committee it falls to BCP council to enact, with Dunkirk leadership, the speedy decarbonising safeguarding needed for all citizens.

BCP's climate chief warns of the immanence of Global Ecological Collapse, the lack of leadership and that there will be "no guarantee of a future" so when will the BCP public be educated as to the risks to well-being and be incentivised to help avoid the worst impacts of carbon bombing and ecosystem collapse?

Response by Councillor Andy Hadley, Portfolio Holder for Climate Response, Environment and Energy

Thank you Soo for your question and your indefatigable efforts to raise the alarm and promote awareness and action on Climate Change mitigation.

BCP Council is in the process of refreshing our corporate strategy and related documents and programmes. As part of this process the climate strategy and action plan are being enhanced to comprehensively manage our sustainability risks and opportunities. This has identified a number of priority actions across the Council services, and the BCP Area for the next few years. A series of external workshops is planned in coming months to share these actions, ask for feedback and to prompt action groups to start working towards their delivery.

One of the priority actions is to develop a community sustainability and climate engagement programme, using a number of our key sites, such as the Hengistbury Head Visitor Centre and the Durley Chine Environmental

Innovation Hub, to share and teach the science behind the current emergencies and threats, and what we can all do in response. This will be done in a way that accurately describes the challenges, using useful and relevant literature, but framed in a way that shows how collective, urgent positive action can meet these challenges, and provide achievable opportunities for a sustainable future that can improve the quality of life for all, and support our natural ecosystem.

We will work to develop and deliver this programme alongside existing teams, schools, colleges, universities, community groups and businesses. The programme will be offered to Councillors first so they are aware of the material and science and can support its engagement in the communities which they serve.

Public Question from Alex McKinstry

Could the Leader of the Council explain (or investigate) why omissions were made from the original draft minutes of the 21 March Full Council meeting - in particular, Cllr Broadhead's reply to the question from Mr Sofianos regarding the Standards regime, which was reduced from 283 words to 83 words. Why were the more provocative parts of that response edited out or excluded, including the entire 120-word concluding paragraph, where Cllr Broadhead made a number of very serious allegations against the public?

Response by Leader of the Council, Cllr Vicki Slade

Thank you Mr McKinstry for your question, and for your careful attention to the work of the Council; I don't think there is anybody else who reads quite so many minutes as you do. We really do appreciate the effort you go to in engaging with the Council, and I would like to reassure anyone else watching the meeting that we do welcome active engagement in all of our council meetings and are seeking to improve trust and transparency within the democratic process.

What you may not be aware of is that responses to questions are prepared in advance of the meeting and on this occasion the wording that was provided to the officers was used for the draft minutes. Therefore the officers were not aware of the additional paragraphs until later. The councillor responding to the question expanded the response and it is with regret that this was not included in full in the draft minutes. I am advised that upon receipt of your question highlighting this omission, as clarified to Cllr Farquhar earlier, the officers concerned reviewed the minutes and recording and agreed to publish a revised draft which is now on the council's web site.

I can reassure you that there was no political interference with the drafting of the minutes, and this was a genuine error which the officers have accepted.

Public Question from Daniel Parkin

This question relates to £330,000 of Section 106 monies, paid by the Bournemouth Development Company in relation to the Durley Road Car Park redevelopment scheme. I've heard allegations that these monies were not spent on improvements in the Durley Road area, but were instead allocated to the Council's general fund. Can you confirm whether this is correct, and how these monies have since been spent or utilised? Can you also provide any supporting documentation?

This matter was alluded to by the external auditor at the 27 October Audit and Governance meeting, although the Durley Road scheme was not specifically named. The auditor added that he had not investigated the allegation because it had been received outside the statutory inspection period for those accounts, and that £330,000 was in any case - his words - "not material to the overall set of accounts".

Response by Cllr Mike Cox, Portfolio Holder for Finance

The section 106 monies paid by Durley Road Development LLP, subsidiary to Bournemouth Development Company LLP, in relation to Durley Road Car Park redevelopment totalled £354,000. These included highway works of £330k and £24k in relation to parking changes in the Durley Road area.

To date approximately £78,000 has been spent on design fees, surveys and traffic regulation orders linked to the requirements of the Section 106 agreement. The remaining £276,000 is committed to be spent in the Durley Road area as per the agreement but spending has been delayed due to several factors. Work is expected to start in the coming months.

I would emphasise that Section 106 monies are specific in nature and agreed by the planning authority and cannot be released to offset general fund reserves.

Public Question from Philip Stanley Watts

The east cliff lift is an important part of National seaside heritage which was closed in 2016 owing to rockfall. Could the cabinet member tell me whether there are plans to reopen it and stabilise the cliffs?

Response by Councillor Andy Hadley, Portfolio Holder for Climate Response, Environment and Energy

Thank you for your question.

Since the cliff slip at East Cliff, there have been 3 attempts to secure external grants for stabilisation and regrading of the cliff, the last of which was successful.

Included within the Levelling Up grant is a specific project to invest £4.3m to stabilise/regrade the east cliff slip and that also includes developing feasibility options for the future of the lift.

In regard to stabilising the cliffs flanking the East Cliff Lift, I am able to confirm that preliminary studies have commenced in this respect, with a

team of structural engineers assessing the current condition of the existing structures. Ecologists and geotechnical engineers will be assessing the current state of the flanking slopes. These works are to inform the design for the cliff stabilisation scheme, and our aim is to then undertake the stability works during the winter of 2024/25.

In respect to the cliff lift itself, the practicality of any future remediation or alternative leisure offer, will be subject to an initial feasibility study that will commence later this year, which will be guided by the findings of the ongoing cliff stabilisation assessment and design.

We do not yet have the funding identified to re-provide lifts at this location. It is likely that we will explore a new design approach that is less dependent on the stability of the cliff (and therefore, less at risk of future damage). Any proposals would be subject to planning consideration and obtaining funding, but of course underpinned by the stability works we are now able to undertake.

There were no statements or petitions received for this meeting.

17. Review of the political balance of the Council, the allocation of seats on Committees to each Political Group, appointment of Councillors to Committees and appointments to Outside bodies

The Leader of the Council 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.

Council was requested to consider and approve the review of the political balance of the Council, the allocation of seats on Committees to each Political Group, appointment of Councillors to Committees and appointments to Outside bodies following the result of the by-election in the East Cliff and Springbourne Ward.

RESOLVED that:-

- (a) the revised political balance of the Council, as set out in Table 1 to this report be approved;**
- (b) the number of seats on each committee, as set out in Table 2 to this report, be approved;**
- (c) the allocation of committee seats to each political group, as set out in Table 3 to this report, be approved;**
- (d) the appointment of Councillors to Committees and Boards in accordance with the wishes of the political groups, as detailed in Table 4 to this report, be approved;**
- (e) the allocation of seats to each political group on the outside bodies as detailed in Table 5 to this report, be approved;**
- (f) the appointment of Councillors to the outside bodies in accordance with the wishes of the political groups, as detailed in Table 6 to this report, be approved;**

- (g) subject to (c) and (e) above the Council is requested to approve the appointment of unaligned Members to any Committees, Boards and Outside bodies as shown.**

Voting: Unanimous

18. Questions from Councillors

Question from Cllr Marcus Andrews

The previous administration of this Council entered into a £43.5 million contract with Inland Homes to construct 161 flats, a gym and some shops at Carters Quay Hamworthy in Poole in September 2021. Inland have made little progress in the construction: piling of the site stopped in February. There are reports that subcontractors have walked off site as they had not been paid.

Inland's shares were suspended from trading this April, and Inland has now delayed 3 times publishing its 2021-2022 accounts. Even Inland are saying that they will show a £90 million loss. 10 Directors have resigned since last September. My questions are:

1. Can the Chairman advise if, during a financial check we identified any financial concerns before the contract was signed?
2. Apart from the initial £8.25 million paid in 2021, have any more monies been paid to Inland?
3. What steps are now being taken to protect our investment? Are there penalties in the contract for the late delivery of the scheme, that was due to complete in September 2024: as we could be seeing a 12-month delay, assuming Inland can re-start building soon?

Reply from Cllr John Beesley, Chairman of the Audit and Governance Committee

Since the questions were received, there has been some discussion with Officers as to whether these issues are all directly within the remit of Audit and Governance.

Save as to the more general risk issues and the Council's Risk Register which are a fundamental responsibility of the Committee, I am however responding to the questions regardless of responsibility, in order to give Council the current updated position.

1. Full Council agreed to purchase a turnkey development for the land and completed building at the meeting on 14 September 2021 (agenda Item 8). The report set out the details of the acquisition, including the risks and the due diligence undertaken. As the transaction was for a property acquisition there was no requirement to carry out a formal procurement exercise which may have included additional credit checks.
2. Inland Partnerships Limited have been paid £6.75m to date in line with the Council's obligations under the contract for the independently certified works that have taken place, in addition to the £8.25m.

3. Legal advice is being taken to fully understand the Council's position. I have been advised that this is in addition to the ongoing discussions with Inland Homes regarding the best way to successfully deliver the scheme. Where appropriate any changes to the programme will be reflected in variations to the contract terms.

In terms of the Council's Corporate Risk Register, the A&G Committee review this on a quarterly basis. Escalation from Project Risk Registers to Service Risk Registers to the Corporate Risk Register can occur but this tends to be for risks that are Council-wide risks impacting most Council areas, not service specific or project specific. It is therefore not normal for A&G Committee to routinely consider specific project or service risk registers, but it can call these in as required. A&G Committee's primary role is to consider the adequacy of the overall risk management arrangements and the adequacy of managing the large strategic council wide risks within the Corporate Risk Register.

Supplementary question from Cllr Marcus Andrews

Does the Chairman agree that contracts like this that result in material delays and subsequent risks, should be subject to scrutiny by the A&G Committee to identify lessons to be learned and considered by Councillors?

Reply from Cllr John Beesley, Chairman of the Audit and Governance Committee

Further to advice received from the Council's Monitoring Officer, many of these issues are not a matter for the A&G committee, and subsequently there is a need to ensure the Committee's brief is not widened beyond its initial remit. The Council's Constitution sets out the purpose of the Committee, which is to provide independent assurance as to the adequacy of the risk management framework and internal control environment. It provides independent review of the Council's governance, risk management and control frameworks, and oversees financial reporting and annual governance processes, as well as internal and external audits, helping to ensure effective assurance arrangements are in place.

Specifics of the Council's contract with Inland Homes may be better referred to the relevant portfolio holder rather than the Chair of the A&G Committee, though I have done my best to answer Cllr Andrews' questions, some of which are around financial checks and the steps taken to protect the Council's investment, and these are more relevant to his supplementary question.

It is always within the Committee's remit to add items to its Forward Plan, and over the last four years this has taken place and has resulted in a significant increase in the number of Committee meetings over and above the routine quarterly reporting (up to 10, but most commonly 8 meetings per year). The subject of Inland Homes may be a something the Committee may wish to add to its Forward Plan in the future, but it may be that this will require additional time to collate the necessary data so that it can be fully discussed.

19. Notices of Motion in accordance with Procedure Rule 10

The following motion was submitted in accordance with Procedure Rule 9 of the Meeting Procedure Rules and was moved by Cllr S. Carr-Brown and seconded by Cllr S. Aitkenhead.

‘That BCP Council is concerned at the continuing pressures of the cost-of-living crisis on so many in our communities. This Council calls on the administration to set out as soon as possible as part of any revised budget proposals, what action it is planning to take this year specifically to ensure that levels of financial support are sufficient to promote community engagement, to assist the staff, charities and voluntary groups who are supporting families and the vulnerable. The Council should ensure that all BCP residents can easily access the support and help they need during this time of economic hardship.’

An amendment to the motion was moved by Cllr M. Earl and seconded by Cllr M. Cox.

‘That BCP Council is concerned at the continuing pressures of the cost-of-living crisis on so many in our communities.

~~This Council calls on the administration to~~ This Council:

A) calls on cabinet to work closely with partners, who are already undertaking incredible work to support our communities across BCP, to ensure that available funding in the current year such as the Household Support Fund 4 targets those most in need in line with the guidance for the funding;

~~B) calls on cabinet to set out as soon as possible as part of any revised budget proposals~~ in its next budget what action it is planning to take ~~this year~~ specifically to ensure that levels of financial support are sufficient to promote community engagement, to assist the staff, charities and voluntary groups who are supporting families and the vulnerable; and

~~The Council should~~ C) resolves to help ensure that all BCP residents can easily access the support they need whether that is through our own services, services provided by our partners and by the voluntary sector, or help and support in the community during this time of economic hardship.’

The proposer and seconded of the original motion accepted the proposed amendment in accordance with Procedure Rule 14.12 and Council gave its consent to the amendment.

(Cllr Maidment left the meeting at 8.18pm)

An amendment to the motion was moved by Cllr C. Rigby and seconded by Cllr K. Salmon, to add new (d) to read:

‘(d) Furthermore this Council requests that the leader or relevant portfolio holder makes formal representation to the Secretary of State for Levelling Up, Housing & Communities that funding to Local Authorities

be increased so that local authorities can provide support to residents during the cost of living crisis.'

The proposer and seconded of the substantive motion accepted the proposed amendment in accordance with Procedure Rule 14.12 and Council gave its consent to the amendment.

Following debate it was:

RESOLVED: that Council supports the motion as set out below:

That BCP Council is concerned at the continuing pressures of the cost-of-living crisis on so many in our communities.

This Council:

- (A) calls on cabinet to work closely with partners, who are already undertaking incredible work to support our communities across BCP, to ensure that available funding in the current year such as the Household Support Fund 4 targets those most in need in line with the guidance for the funding;**
- (B) calls on cabinet to set out in its next budget what action it is planning to take specifically to ensure that levels of financial support are sufficient to promote community engagement, to assist the staff, charities and voluntary groups who are supporting families and the vulnerable;**
- (C) resolves to help ensure that all BCP residents can easily access the support they need whether that is through our own services, services provided by our partners and by the voluntary sector or help and support in the community during this time of economic hardship; and**
- (D) furthermore this Council requests that the leader or relevant portfolio holder makes formal representation to the Secretary of State for Levelling Up, Housing & Communities that funding to Local Authorities be increased so that local authorities can provide support to residents during the cost of living crisis.**

Voting: Unanimous

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

The Chief Executive advised that there were no urgent decisions to be reported on this occasion.

The meeting ended at 8.42 pm

CHAIRMAN

CABINET

Report subject	Financial Outturn Report 2022/23
Meeting date	26 July 2023
Status	Public Report
Executive summary	<p>This report provides the 2022/23 financial outturn information for the general fund, capital programme and housing revenue account (HRA).</p> <p>The general fund outturn has achieved the previously forecast £10.6m surplus used to support the budget for 2023/24. Further revenue savings and asset sales realised as planned has avoided the need for a capitalisation direction to fund elements of the transformation programme in 2022/23.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <p>A) Note the financial outturn position for 2022/23.</p> <p>B) Approve the 2023/24 capital virement to accept a new grant below £1m as set out in Appendix C.</p> <p>It is RECOMMENDED that Council:</p> <p>C) Approve the 2023/24 capital virements to accept new grants above £1m as set out in Appendix C.</p>
Reason for recommendations	To report the financial outturn position for 2022/23 and obtain approval for acceptance of new capital grants for 2023/34 in accordance with the council's financial regulations.
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Ian O'Donnell, Director of Resources
Report Authors	<p>Adam Richens, Director of Finance and Chief Finance Officer adam.richens@bcpcouncil.gov.uk</p> <p>Nicola Webb, Assistant Chief Finance Officer nicola.webb@bcpcouncil.gov.uk</p> <p>Matthew Filmer, Assistant Chief Finance officer matthew.filmer@bcpcouncil.gov.uk</p>

Wards	Council-wide
Classification	For Decision

Background

1. In February 2022 Council agreed the annual general fund net revenue budget of £272m, a capital programme of £154m and the net use of earmarked reserves to support services of £34.7m. Budgets were also agreed for the housing revenue account (HRA) and the capital programme.
2. Council-wide restrictions on expenditure have been in place for most of the year to manage the unavoidable cost of living pressures from utilities, rising contract costs and general price inflation for supplies and services. Greater control of the staffing establishment was also implemented early in the year and, together with the challenging employment market, there has been a high level of staff vacancies during the year.
3. The impact of the expenditure controls could be seen in the February 2023 quarter three budget monitoring report to Cabinet. This included a projected general fund revenue surplus for the year of £10.1m. This was prior to February Council, and the late notification from government of an increase to business rates income for 2022/23 of £0.5m which moved the anticipated budget surplus to £10.6m. This surplus has been used to support the 2023/24 budget.
4. The financial strategy supporting the 2022/23 financial outturn can be summarised as.
 - Generate as a minimum the £10.6m surplus used to fund the approved budget for 2023/24.
 - Avoid the need for the council to draw down on a “minded to” capitalisation direction to fund either the transformation investment programme or Children’s services improvement expenditure.
 - Mitigate any emerging risks such as the working capital loan facility advanced to BCP FuturePlaces Ltd.
 - Mitigate the level of unidentified transformation savings underpinning the 2023/24 budget.
 - Consider increasing the level of unearmarked reserves as recommended in the corporate peer review.
5. To support this strategy Council in February as part of the 2023/24 Budget agreed to implement a control to strengthen commissioning, procurement, and contract management arrangements. This meant there was a spend control in place for all the final quarter. In addition, all opportunities were taken to support the outturn position including not permitting carry forwards between financial years (in line with a delegation to the Chief Finance Officer under the Financial Regulations).

Revenue outturn 2022/23

6. The forecast revenue outturn of £10.6m at quarter three has been achieved as detailed in Table 1 below.

Table 1 Revenue Outturn Summary table

Directorate	Working Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Adult Social Care	109,343	106,797	(2,545)
Children's Services	75,742	81,456	5,714
Commissioning Centre of Excellence	10,997	10,269	(728)
Operations	58,738	47,402	(11,336)
Resources	62,379	58,862	(3,517)
Transformation	(4,705)	(155)	4,550
Public Health	2,472	1,035	(1,437)
Total Net Cost of Service	314,965	305,667	(9,298)
Corporate Items	(42,922)	(46,047)	(3,125)
Net Budget Requirement	272,043	259,620	(12,423)
Funding			
Council Tax Income	(228,965)	(228,964)	1
Christchurch Parishes / Town Precept / Chartered Trustee	0	0	0
New Homes Bonus	(1,038)	(1,038)	(0)
Revenue Support Grant	(3,122)	(3,122)	(0)
NNDR Net Income	(56,841)	(54,991)	1,850
Lower Tier Service Grant 2022/23	(469)	(479)	(10)
Service Grant	(3,785)	(3,785)	0
Estimated (Surplus) / Deficit on the Collection Fund - NNDR	22,534	22,534	0
Estimated (Surplus) / Deficit on the Collection Fund - CTAX	(357)	(357)	0
Total Funding	(272,043)	(270,201)	1,841
Net Position	0	(10,582)	(10,582)

7. There is increased surplus at service level compared with the quarter three forecast. This has enabled additional central provisions to be established to balance emerging risks over the final quarter. It has also enabled the capital direction to be avoided.
8. Contributing to the favourable outturn were the on-going expenditure control mechanisms and recruitment difficulties across many service areas, and income streams performing better than previously anticipated over the final quarter. Appendix A provides a summary of general fund outturn variances and narrative detail for each services area.

Transformation

9. The total revenue costs of the transformation programme over 2022/23 were £15.6m, the largest element being the strategic partner costs of £11m. This work included the implementation in early April 2023 of the Microsoft Dynamics finance and operations system for accounting and human resources management. It also included the work to redesign services, such as housing and environment, in preparation for the implementation of the Dynamics customer resource management system and rationalisation of other business applications used by

services. These future developments are being implemented to improve customer interaction with the council as well as drive out savings and efficiencies.

10. The other main element of the revenue transformation costs were internal staff recharges of £4.4m. This includes for staff charged directly to the project to create additional capacity of £1.7m plus apportioned costs of £2.7m (£0.5m less than the quarter three forecast) for those staff working on transformation projects instead of their usual service activities.
11. The revenue costs of the transformation programme are funded by capital receipts using the government's permitted flexible use of capital receipts (FUCR) policy.
12. Transformation savings of £7.1m were delivered in the year as forecast at quarter three, representing a £1.6m shortfall on budget. Savings included those from third party spend (£3.3m), staff savings (£2.5m) and operating from a reduced estate (£1.1m).
13. Appendix A3 provides details of the transformation programme.

Reserves at March 2023

14. Earmarked reserves have been set aside for specific purposes. Table 2 below summarises the projected movement in reserves during the current financial year.

Table 2: Summary of movements in reserves 2022-23

	Balance 1 April 2022	Balance 31 March 2023	Movement
	£m	£m	£m
Un-earmarked reserves	15.3	17.9	2.6
Earmarked reserves*	114.3	68.5	(45.8)
Total reserves	129.6	86.4	(43.2)

These reserves do not include revenue reserves earmarked for capital or school balances.

*Earmarked reserves include:

- £4.8m Homes for Home for Ukraine Grant.

15. Appendix B provides the detail of reserves movements during the year and balances at 31 March 2023.

Dedicated Schools Grant (DSG) Outturn 2022/23

16. The DSG is a ring-fenced grant from the Department for Education, with funding allocated through four expenditure blocks for early years, mainstream schools, pupils with high needs, and to support a small range of central council services.
17. The 2022/23 budgeted high needs funding shortfall was £16.7 million. Other DSG blocks were set with balanced budgets with no surplus available to reduce the overall funding gap.

18. The accumulated deficit was budgeted to increase from £20.3m at 1 April 2022 to £37.0m by the end of the year. The outturn is an accumulated deficit of £35.5m largely from lower expenditure than anticipated for pupils with high needs.

Table 3: Summary position for dedicated schools grant

Dedicated Schools Grant	£m
Accumulated deficit 1 April 2022	20.3
Budgeted high needs shortfall 2022/23	16.7
In year saving 2022/23	(1.2)
Accumulated deficit 31 March 2023	35.8

19. The deficit is included in a specific unusable (negative) reserve on the council's balance sheet as a statutory override to normal accounting practice has been extended to cover a further three years (to 31 March 2026). This is to ensure that the deficit does not impact on general fund resources.
20. The government has been approached to establish a long term solution to the unsustainable DSG high needs deficit. Appendix B1 is a copy of the letter from the Chief Executive.

Capital budget outturn 2022-23

21. The capital investment programme includes only approved capital schemes that are supported by robust business cases. It does not include pipeline projects that are awaiting business case development and subsequent approval. It also excludes capital funding that, whilst approved, has not yet been allocated to capital projects.
22. The budget has been updated during the year to include new schemes, inclusion of slippage from 2021/22 and the reprofiling of expenditure into future years. Of the final £119m budget, 64% was spent with the balance carried forward into 2023/24.
23. Increases in raw materials prices, construction and labour costs compounded by delay in supply chains have reduced the ability to deliver the planned capital programme
24. Appendix C summarises capital spend by directorate and how this was funded in 2022/23.

Housing Revenue Account (HRA) monitoring

25. The HRA is a separate account within the council that ring-fences the income and expenditure associated with the council's housing stock. The HRA does not therefore directly impact on the council's wider general fund budget.
26. The revenue account produced a net surplus of £5.0m for the year, which is a shortfall on budget of £1.0m. Increased income of £0.9m for rents and other charges was offset by increased expenditure of £1.9m. There were cost pressures of £2.7m for repairs and maintenance due to inflation for labour and materials as well as increased volume. There was some offset from savings on

management costs (£0.5m) as the two neighbourhoods were brought together under a single management structure from the end of June. In addition, the £0.3m contingency remained unused. The net surplus is added to HRA reserves for future capital expenditure.

27. The capital account was significantly underspent for the year at only 51% of the £63m original budget. Planned maintenance was delivered at 91% but there was significant slippage in major programmes for new housing units. As a result of lower spend no new borrowing was required during the year.

28. Appendix D provides the detail of the HRA revenue and capital outturn

Companies and partner organisations

29. The financial sustainability of the council could also be affected by the performance of partners and subsidiaries in which it has a financial interest. Each of these entities has their own governance framework and arrangements for reporting their financial and operating performance.

30. Appendix E contains a summary of the outturns for these partner and subsidiary organisations. It should be noted that these are provisional figures and are unapproved by the respective boards of directors and are also subject to audit.

Scenarios

31. This is in the main a financial outturn report with different scenarios no longer relevant. Provisions have been calculated according to agreed policies and best estimates used to close the accounts when final charges and income due have not yet been received or notified.

Summary of financial implications

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

Summary of legal implications

33. The recommendations in this report are to comply with the council's financial regulations with attention drawn to significant budget variances as part of good financial planning to ensure the council remains financially viable over the current year and into the future.

Summary of human resources implications

34. There are no direct human resources implications from the recommendations in this report.

Summary of sustainability impact

35. There are no direct sustainability impacts from the recommendations in this report.

Summary of public health implications

36. The council is seeking to maintain appropriate services for the vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.

Summary of equality implications

37. Budget holders are managing their budgets with due regard to equalities issues.

Summary of risk assessment

38. There are no specific risks to consider other than to recognise that the outturn is prepared based on estimates and assumptions and variations between these and final amounts will impact on the financial outturn for 2023/24. Budget monitoring corporately will continue to be reported quarterly to manage these variances and other significant issues emerging throughout the year.

Background papers

39. The link to the budget monitoring report for quarter three 2022-23 is below:

[http://ced-pri-cms-02.ced.local/documents/s40433/Appendix%205%20-%20202223%20December%20Quarter%203%20Budget%20Monitoring.pdf?\\$LO\\$=1](http://ced-pri-cms-02.ced.local/documents/s40433/Appendix%205%20-%20202223%20December%20Quarter%203%20Budget%20Monitoring.pdf?LO=1)

Appendices

Appendix A	Revenue Outturn Budget Variances Narrative by Service Area
	A1 Revenue Outturn Budget Variances Schedule 2022-23
	A2 Revenue Outturn Summary 2022-23
	A3 Transformation Programme Detail 2022-23
Appendix B	Earmarked Reserves at 31 March 2023
	B1 Letter to the government from the Chief Executive regarding the Dedicated Schools Grant deficit
Appendix C	Capital Outturn 2022-23
Appendix D	HRA Outturn 2022-23
Appendix E	Companies Outturn 2022-23

This page is intentionally left blank

General Fund Revenue Budget Variances by Service Area 2022-23

Appendix A1 provides the detail of budget variances greater than £100,000 for 2022-23

Appendix A2 provides a summary outturn statement for 2022-23

The following paragraphs summarise the outturn position for each directorate.

Adult Social Care - net underspend £2.5 million (2%)

1. Council-wide restrictions on expenditure including extended periods for vacancies and release of earmarked reserves to mitigate the financial gap in the Medium-Term Financial Plan for the period 2023-2027 contributed to the Adult Social Care underspend overall.
2. Care cost pressures associated with the rising cost of care home fees and domiciliary care packages particularly supporting patients leaving hospital have continued to grow, raising the annual overspend to £12m for people with long term conditions. More people were placed in residential care because of supply shortage in the home care market, where there was also above budget demand for care packages.
3. Difficulties in recruitment in the home care market has reduced the ability to source appropriate care for people with learning disabilities and mental health. There were also challenges in sourcing suitable housing and delays in mental health hospital discharges which resulted in an underspend of £5.1m.
4. Whilst this underspend mitigated in part the overspend in the long-term conditions budget in 2022/23, it occurred due to supply shortage and cannot be assumed to be on-going in future years.
5. Further mitigating factors to offset the cost of care pressure include additional income from the NHS for continuing health care (CHC) due to catching up with the CHC assessments that were suspended during the pandemic and additional contributions for Section 117 mental health after care of £3.5m.
6. The Council made full use of the hospital discharge funding to mitigate pressures arising from the hospital flow approach which is to discharge those who no longer need to occupy beds as timely and safely as possible, with £1.8m used to support care cost pressures. A further £2.9m of this funding was used for specific contracts, as described in the commissioning and procurement section below.
7. Other mitigating factors include additional client contributions of £1.9m including some backlog charges and realignment after the pandemic, ordinary residence related back pay from another council of £0.4m and other operational savings including vacancies of £1.1m and other running costs.
8. A one-off transfer to earmarked reserve of £0.1 is planned for additional resources to tackle recovery of historic debt during 2023/24.

Children's Services - net overspend £5.7 million (7%)

9. Council-wide restrictions on expenditure has led to an improved financial position for Children's services compared with that previously forecast.
10. The final position has reduced the overspend in service areas compared with the forecast at quarter three. This has enabled the transformation programme costs of £1.7m to be absorbed avoiding the need to draw down on the provisionally agreed capitalisation direction.
11. Pressures previously reported continue for special educational needs and disabilities (SEND) transport of £1.6m due to fee increases, with a saving of £0.4m in mainstream transport.

12. Staffing costs now include the activity of staff and consultants relating to the service transformation programme as noted above. This includes the full additional cost for the purchased social worker team rather than the previous assumption that the majority would be covered by the capitalisation direction.
13. Net cost of care relating to unaccompanied asylum seeking children (UASC) has reduced slightly since quarter 3 with the pressure at £0.5m, this is still subject to confirmed home office grant funding as we are awaiting final decisions on submitted age assessments relating to the period January to March 2023. Other placement costs have reduced slightly due to some delays in commissioning appropriate placements. Other previously reported and unchanged pressures include £0.2m of lost savings from an unsuccessful bid to government for a new children's home.
14. There are various other service savings including less than expected spend on workforce training as opportunities to commission and attend outside training events were limited due to staff capacity.
15. There was an unexpected saving of £0.3m in the annual March invoice from Dorset Council relating to the long standing existing early retirement commitments that are now starting to unwind. These commitments date back to the local government reorganisations of 1997 (when Bournemouth and Poole took on their share of previous Dorset functions for unitary status) with further commitments added in 2019 from the addition of the Christchurch area. This new saving will be on-going in future years.
16. The previously planned allocation of unspent public health grant to support children's services related expenditure has been reduced in quarter four by £0.3m to £0.6m. This is to allow a reserve to be created to maintain a level of investment in the drugs and alcohol services to maximise the benefit from national programmes.

Commissioning and Procurement – net underspend £0.7 million (7%)

17. During the year commissioning and procurement teams have come together under a single management structure to increase consistency in working practices and provide the focus needed to drive out thirty party spend savings across the organisation.

Adult's Commissioning

18. The commissioning budget for adults achieved a £0.6m saving
19. The recovery of client contributions from the block booked care home placements improved during the third quarter achieving almost budget level. Additional income was received for continuing health care eligibility. There was some slippage in the delayed transfer of care beds, further slippage in employee vacancies and other miscellaneous savings.
20. The council used the additional income received from the new social care discharge fund pooled with the NHS, to incur additional expenditure of £2.9m. This includes specific contracts to enable more people to be discharged to an appropriate setting with more timely social care support. Priority was given to those approaches that were most effective in freeing up hospital beds and boosting the general adult social care workforce capacity through recruitment and retention.

Children's Commissioning and Strategic Procurement

21. The children commissioning and strategic procurement departments have achieved £0.1m saving collectively from staff vacancies and some additional income.

Operations – net underspend £11.3 million (19%)

22. Overall, the operations budget outturn is £4.8m higher than forecasted in quarter three. The main annual pressures relate to the rising cost of living, such as the significant growth in utilities costs of £3.1m, although these started to reduce over quarter four. Income from carparking benefitted from good weather over the first and second quarter and seasonal

income continued this trend despite poorer weather in the winter months. Income recovery from covid has been better than expected and exceeded expectations from last quarter in beach hut and overnight lodge rental, seafront-based concession contracts, and leisure centres. Other positive income movements are in the green waste service and significant in-year savings from vacancies from on-going spending controls.

Communities

23. The underspend in the communities directorate has been achieved as forecast at quarter three through a combination of release of an un-ringfenced reserve to the revenue account and a reduction in non-essential/non-statutory spend in line with the financial controls implemented across the council.

Environment

24. Over quarter four, savings have increased from on-going recruitment controls and labour market shortages, particularly evident across front line delivery roles. This has contributed to savings in grounds maintenance (£0.4m) and neighbourhood services (£0.3m).
25. The inability to recruit has also impacted delivery of the cleaner, greener, safer (CGS) single year initiative with savings of (£0.4m).
26. Other significant expenditure reductions from the quarter three forecast include from energy costs (£0.4m) as prices peaked earlier than forecast and from reduced festivals (0.3m).
27. Partially offsetting the above positive budget variances was a further loss of income from the crematorium service of £0.4m (bringing this to £1.2m for the year). Cremation income has come under considerable pressure since the introduction of new facilities at Harbour View in 2014 and recently at New Milton from April 2022, with each new facility securing market share previously held by the council's cremation service through extensive marketing and offering lower prices. There is also a trend for our customers to select lower price options.
28. As a result of the positive outturn overall for the service, a previously forecast saving from delay in recruiting resource to progress the climate change initiative of £0.3m has instead been transferred to an earmarked reserve to preserve the budget for activity to be undertaken in 2023/24.
29. Other annual variances previously reported have not changed significantly from the forecast at quarter three.
30. These include waste disposal recycling savings of £2.3m. The costs of recycled waste are heavily influenced by world events such as the current war in Ukraine and the recent pandemic, with UK based waste treatment companies influenced by global commodity markets. The council continues to benefit from a secure long-term contact with a major provider. More recent trends suggest the markets are returning to pre pandemic conditions and this is likely to influence the recycling price for the forthcoming year.
31. Commercial waste collection post pandemic is lower due to a smaller customer base, but this has been more than offset by the increase in business carried out via the waste transfer station sites. The council continues to offer a competitive option for SMEs with income ahead of budget by £0.6m as expected cancellations did not materialise.
32. Green waste subscriptions in the year exceeded the number expected by 7,700 bins with additional income of £0.4m achieved.
33. At the start of the year the policy was changed to capitalise a greater proportion of costs for highway maintenance & bin purchasing, with the revenue budget benefitting by £1.0m.

Transport and Engineering

34. Slightly ahead of the previous forecast, carparking income is above budget for the year by £1.2m as covid recovery was better than expected. As reported last time, in-year tariff increases plus the removal of concessionary festive parking realised a further £0.5m. The related pressures on the cost of providing the service were £0.6m as previously identified.
35. Concessionary fares savings of £0.95m were delivered, an increase of £0.15m compared with the quarter three forecast. Payments to bus operators are now reflective of actual journeys undertaken rather than based on pre-covid levels of funding that previously the Department for Transport (DfT) had expected to be continued for service sustainability. A large part of this saving is expected to be on-going and has been reflected in the budget for 2023/24.
36. New savings identified over quarter four include for staffing (£0.3m) and routine maintenance (£0.4m) as expenditure controls and recruitment difficulties continued into the fourth quarter.
37. Street lighting electricity pressures continue with cost mitigations of £0.2m realised, lower than previously forecast.

Destination and Culture

38. Expenditure controls have produced savings across the directorate, including reduced support for festivals (£0.3) in quarter four.
39. Income recovery from covid has been better than expected with beach hut income exceeding expectations (£0.5m), contract turnover rents higher (£0.5m) and with bad debts reduced for concessionaires (£0.2m).
40. Leisure centres have also performed well with income generated from swimming pools the main driver. BH Live activity exceeded expectations with service fee income ahead of budget (£0.2m). A one-year fixed price contract with SLM shielded the council from utility price rises in 2022/23. Both leisure contracts are due for renegotiation during 2023/24 and it is anticipated this will result in additional cost pressures.

Planning

41. The forecast at quarter three for additional agency spend of £0.4m has materialised at outturn. The service has been restructured for 2023/24 to include economic development activity with a plan to transition away from reliance on agency staff.

Housing

42. The Housing service has faced many challenges this financial year in managing the homelessness prevention grant (HPG) due to the level of homelessness, coupled with increased expenditure on utilities, rising contract prices and recruitment difficulties. Overall, at outturn the service has a small budget surplus representing only a small change compared with the forecast at quarter three. Although managing vacant posts has been difficult, it has helped mitigate the increasing costs.
43. The in-year (HPG) allocation of £2.0m was fully utilised as planned. HPG is expected to be fully spent by the end of 2024/25 by continuing activities to reduce homelessness.
44. The costs of administering Ukraine, Syrian and Afghan resettlement schemes were fully funded from in-year government grant allocations, and the balances will be carried forward in earmarked reserves. The HPG and other housing grants, are ring-fenced with a total of £8.4m in earmarked reserves, including in-year allocations and those brought forward from previous years.
45. The income shortfall from the acquisition strategy has reduced significantly from the start of the year though expenditure was higher than expected and resulted in a £0.2m pressure overall.

46. Telecare income for equipment rental charges and new installations anticipated a shortfall of £0.3m but income declined further than expected to £0.4m. However, several staff vacancies were left unfilled to mitigate against this pressure, saving £0.3m.
47. Housing benefit subsidy clawback, which is the homelessness top up cost borne by the service, was higher than expected at £0.8m. However, rather than drawing down more HPG impacting on the medium term financial plan (MTFP), this was able to be mitigated from the increased income received in the service overall.
48. The construction works team (CWT) achieved its budgeted surplus. Major projects being delivered include housing schemes on behalf of the HRA at Wilkinson Drive and Northbourne, skills & learning service relocation to the Dolphin Centre, Poole library, Durley Innovation Hub, and the phase 2 refurbishment of the BCP civic centre.
49. Garages and photovoltaic net surplus budget of £2.2m was achieved as expected. Cost pressures in relation to the cost of scaffolding for measures to defer pigeons from settling were managed from within existing budget allocations.
50. The £0.4m pressure on utilities from increasing gas and electricity prices, and contract inflationary causes, was realised as expected.
51. Housing services has identified mitigations for cost pressures, and these were delivered as expected, including the additional dividend from BBML, utilisation of HPG, S106 income from developers and additional unbudgeted income. There were also several unfilled vacancies which reflects the difficulty in recruitment and higher than usual staff turnover.
52. Income from the in-house trade services team achieved a higher than expected surplus of £0.4m from staffing recharges mainly to the HRA for increased activity.

Resources - net underspend £3.5m (6%)

53. Resources has seen cost pressures from utilities and other inflationary increases, plus reduced income likely being the result of the rising cost of living for households. However, these have been mitigated by staff vacancies and savings in the revenues and benefits service.

Customer, Business Support and Facilities Management

54. Customer services employee costs underspent by £1.2m against the additional £1.5m one-off agreed allocation for service improvement due to staff recruitment and retention difficulties.
55. The restructured business support service resulted in an overspend of £0.3m after the budget was reduced to contribute to the targeted transformation savings. This will require close monitoring in 2023/24 to ensure positions are replaced in line with the available base budget.
56. Facilities management: There is a utilities pressure of £0.4m, slightly below that reported at quarter three. Additional repairs and maintenance expenditure of £0.2m had previously been planned to be met from an earmarked reserve but this is instead needed for a new generator in 2023/24. The budgets for Poole and Christchurch civic centres were removed as transformation savings but there is a pressure from delayed closure of £0.4m, although energy costs are lower than anticipated at quarter three.
57. There are other savings across the service totalling £0.7m. This is from a combination of other staff vacancies which have been difficult to fill, small amounts of unbudgeted income and savings on office costs from reduced staff numbers across various sites, including cleaning costs, less postage/printing, and lower impact on overall maintenance.

Other Services

58. Finance: Savings on employee costs from health & safety have been realised of £0.2m. The £0.2m pressure on bank charges was slightly higher than expected due to the continuing management of three bank accounts. The delayed audits resulted in additional work and increased fees with an overspend of £0.2m identified in the final quarter. Insurance premiums were negotiated below budget, and additional income from recharges to the HRA and schools were finalised ahead of budget at year end.
59. ICT: The service retains a historic base budget revenue allocation of £0.2m for ICT replacement with £0.1m funded instead from capital and transformation funds. The £0.2m saving on unfilled vacancies remained due to difficulties in recruitment and opting to leave some posts vacant to mitigate overall pressures. Some staff also transferred through smarter structures/restructuring. There have been additional savings within this service (each under £0.1m) from the gradual decommissioning of software used by the legacy councils, and use of transformation funding. A £0.2m saving was realised from telephony due to a much higher use of alternative methods of communication, and printing was much lower than expected. Both were expected to increase in anticipation of higher staff numbers returning to offices, however this did not materialise as expected with many staff preferring the new ways of working.
60. Law & governance: Additional income from registrars was projected to offset the related additional salary costs approved in June, however the additional income has not materialised, resulting in an employee cost pressure of £0.2m (increasing from £0.1m) and an income pressure of just under £0.1m. Legal services have seen staff vacancies throughout the year which has resulted in the employment of additional temporary staff, however they have benefited from a £0.1m saving on the external legal expert advice budget. This is used to fund the cost of court cases for barristers if there is no capacity within existing staff and has the potential to generate high expenditure and easily exceed budget, so a prudent approach is taken when forecasting this budget until year end. Legal also received income from recharges to capital which was not budgeted.
61. Local Land Charges income has seen a significant reduction after October 2022 which is likely to be a direct result of the considerable increase in mortgage rates. The fall was slightly delayed from the September mini budget due to the mortgage offers already issued. It was hoped the income would recover towards the end of the year but unfortunately this was not the case and resulted in an overspend of £0.1m which is likely to be an ongoing issue into 2023/24, though mitigated marginally from fee increases.
62. Human resources: Employee costs underspent by £0.1m as forecast due to vacancies and staff engaged in the transformation work.
63. Major projects team: This team manages delivery of both capital and revenue projects and is funded from a combination of capital resource, revenue budget, external grants, and the transformation programme. There is an unfunded salary related pressure of £0.1m for 2022/23. This could increase to £0.6m in 2023/24 as transformation activity reduces and alternative funding sources from new projects are needed for staff employed on permanent contracts. Deployment of the major projects team in the new year is currently under review.
64. Regeneration: The council's client regeneration team underspent by £0.46m, an increase on quarter three as vacancies continued, reserves were applied, and the contingency remained unused.

Transformation

65. Transformation savings of £8.7m were built into the budget for 2022/23. Consistent with quarter three £1.5m of savings had not yet been identified for delivery by the year end.

Microsoft licence fees remain £1m underspent as reported last quarter due to the timing of transformation activity.

66. Further work continues in respect of third party spend savings included in future year budgets, given the difficulty in driving out savings with the current challenging economic outlook.
67. The base budget staff costs able to be transferred to the transformation programme has been reduced by £0.5m to give a £4m shortfall against a budget of £6.7m. This follows a review over quarter four of the available evidence to substantiate the charge for specific workstream activity, taking account of reduced staff costs from on-going vacancies across many service areas.

Central Items - net surplus £2.7m

68. At quarter three a net £10.5m surplus was forecast on central budgets comprising additional costs from the agreed pay award and staff redundancies of £5m offset by additional interest and income, use of grants and earmarked reserves, release of the contingency and a reduction in provisions (£15.5m).
69. At outturn the central surplus has been reduced by £8.2m to £2.3m as the positive outturn across services has enabled provisions to be increased to take account of current risk profiles.
70. Provision increases include £4m set aside as loan mitigation for FuturePlaces Ltd, a council wholly owned subsidiary, as cost recovery for successful projects is delayed and £2m for insurance following consideration of recent trends.
71. New rental agreements and increased provisions for property investments account for a further £1m of additional costs.
72. There was also increased spending of the contain outbreak management fund (COMF) of £0.4m.

This page is intentionally left blank

Budget Variances 2022/23

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Adult Social Care					
Adult Social Care - Services					
Cost of living	Third Party Payments	Care costs increase due to inflationary and market pressures	4,900	400	5,300
and other service pressures	Third Party Payments	Care costs for people with long term conditions	5,155	1,795	6,950
Savings, Efficiencies	Third Party Payments	Care Cost for people with Learning Disabilities and Mental Health	(3,707)	(1,414)	(5,121)
and Mitigations	Income	Health contributions for continuing health care eligible people and Section 117	(3,054)	(401)	(3,455)
	Income	Section 256 contributions and hospital discharge funding	(2,775)	985	(1,790)
	Income	Service user contributions	(1,656)	(272)	(1,928)
	Third Party Payments	Use of covid grants for residential and homecare	(257)	0	(257)
	Various	Other miscellaneous variances (each less than £100k)	24	(116)	(92)
	Employee costs	Directorate employee savings net of redundancy costs	(453)	(663)	(1,116)
	Income	Ordinary residence settlement from other councils	0	(382)	(382)
	Various	Training services	0	(131)	(131)
	Reserves	Utilisation of earmarked reserves specific to the service	(415)		(415)
	Use of earmarked reserves	Covid pressures	(113)		(113)
	Use of earmarked reserves	Various others each less than £100k	(235)	134	(101)
	Reserve created	Investment for 2023/24 debt recovery	107		107
Adult Social Care - Services Total			(2,479)	(65)	(2,544)
Commissioning CoE - Adults					
Cost of living	Third Party Payments	Tricuro contract impact of cost of living including energy	171		171
and other service pressures	Income	Service user contributions	226	(204)	22
	Third Party Payments	Home care fee increase		103	103
	Third Party Payments	Hospital discharge related expenditure		2,857	2,857
Savings, Efficiencies	Third Party Payments	Tricuro efficiencies to manage energy cost pressure	(171)		(171)
and Mitigations	Employee costs	Directorate unfilled vacancies	(136)	(84)	(220)
	Various	Other miscellaneous pressures (each less than £100k)	(46)	(22)	(68)
	Income	ASC hospital discharge funding		(2,935)	(2,935)
	Income	Health contributions for Continuing Health Care eligible people and Section 117		(237)	(237)
	Third Party Payments	Delayed transfer of care beds		(136)	(136)
Commissioning Centre of Excellence - Adults Total			44	(658)	(614)
Commissioning CoE Children & Procurement					
Savings, Efficiencies and Mitigations	Various	Miscellaneous pressures (each less than £100k)		(115)	(115)
Commissioning Centre of Excellence - Children and Procurement Total			0	(115)	(115)
Adult Social Care, Commissioning and Public Health Total			(2,435)	(838)	(3,273)

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Children's Services					
Cost of living and other service pressures	Third Party Contributions	Health contributions for care placements	1,483		1,483
	School Transport	Non-delivery of SEND transport savings	750		750
	School Transport	SEND / mainstream transport contract including fuel prices	1,350	250	1,600
	School Transport	Mainstream transport - other reasons	(300)	(90)	(390)
	Electricity/Gas costs	Cost inflation	182	(23)	159
	Staffing	Continued need for higher higher use of agency staff	760	198	958
	Staffing	Continued use of purchased team social work team	230	691	921
	Care	Residential care 16-18 savings not deliverable as project not taken forward	211		211
	Care	UASC - pressure of grant deficit for those aged over 18	708	(252)	456
	Care	Care demand pressures	1,810	(256)	1,554
	Reserve created	Investment for 2023/24 commissioning work	0	189	189
Savings, Efficiencies and Mitigations	Review of earmarked reserves	Public Health Partnership use of reserves	(935)	300	(635)
	Service saving	Various in-year service savings (each less than £100k)	(578)	(194)	(772)
	Service saving	Contracts / SLA's / other supplies & building costs		(303)	(303)
	Service saving	Workforce Development, training fees		(206)	(206)
	Employee costs	Existing (pre 1997) early retirement costs		(261)	(261)
Children's Services Total			5,671	43	5,714

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Operations					
Housing					
Cost of living and other service pressures	Electricity/Gas costs	Price inflation	155	29	184
	Income pressure	Telecare reduction in income	250	104	354
	Expenditure pressure	Council new build housing acquisition strategy delay	98	72	170
	Expenditure pressure	Housing related support contracts inflationary clause	227	20	247
	Service pressures	Housing options & partnerships	154		154
	Service pressures	Housing benefit subsidy clawback	0	729	729
Savings, Efficiencies and Mitigations	Service saving	Additional one-off dividend from Bournemouth Building Maintenance Ltd	(200)		(200)
	Service saving	Harmonisation of recharges to the two HRA neighbourhood	(100)		(100)
	Service saving	Homelessness prevention grant used to cover costs	(100)		(100)
	Service saving	Risk & Improvement	(154)		(154)
	Service saving	Others miscellaneous savings (each less than £100k)	(393)	(84)	(477)
	Employee costs	Telecare vacancy management	0	(267)	(267)
	Employee costs	Unfilled vacancies across housing options	0	(212)	(212)
	Income	In-house team net income from HRA	0	(430)	(430)
Housing Total			(63)	(39)	(102)
Environment					
Cost of living and other service pressures	Income pressure	Crematorium income pressure	733	443	1,176
	Expenditure pressure	Hydrotreated Vegetable Oil (HVO) costs	196		196
	Expenditure pressure	Reduced volume of waste bin replacements	(280)		(280)
	Expenditure pressure	Waste disposal contract savings	(385)	235	(150)
	Expenditure pressure	Parks catering additional costs		302	302
Savings, Efficiencies and Mitigations	Income	Sales of recyclate material – value and volume	(2,466)	122	(2,344)
	Expenditure	Capitalisation of neighbourhood highways costs less associated borrowing costs	(930)	(47)	(977)
	Income	Sales of waste material from the household waste recycling	(47)	7	(40)
	Income	Green waste income	(378)	(37)	(415)
	Employees	Paused recruitment strategic lead climate change until April 2023	(306)	306	0
	Expenditure	Vehicle Parts	(100)	6	(94)
	Income	Additional commercial income	0	(636)	(636)
	Expenditure	Poole crematorium business rates reduction (backdated)		(194)	(194)
	Service saving	Parks contracts/Borough farms - rents & wayleaves		(177)	(177)
	Employees	Employee costs across Neighbourhood Services		(319)	(319)
	Service saving	Vehicle access		(185)	(185)
	Service saving	Grounds maintenance reduced net costs		(368)	(368)
Environment Total			(3,963)	(542)	(4,505)

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Destination & Culture					
Cost of living and other service pressures	Expenditure pressure	BH Live additional income	68	(166)	(98)
Savings, Efficiencies and Mitigations	Service saving	Cultural Compact	(44)	73	29
	Service saving	Festival Coast Live	(95)	(298)	(393)
	Service saving	Cultural development and networking	(100)		(100)
	Reserves	SLM (liesure centres) reserve use	(340)	41	(299)
	Income	Beach hut income		(504)	(504)
	Income	Concessions - change in bad debt provision		(229)	(229)
	Income	Contracts - turnover rents adjustments calculated in arrears		(464)	(464)
Destination & Culture Total			(511)	(1,547)	(2,058)
Coroners					
Cost of living and other service pressures	Expenditure pressure	Increased / complex caseload	100	52	152
Coroners Total			100	52	152
Transport & Engineering					
Cost of living and other service pressures	Expenditure pressure	Car parks, rates increases, card charges and other expenditure items (link with increased income)	650	12	662
Savings, Efficiencies and Mitigations	Income	Car park income faster recovery from covid	(1,081)	(80)	(1,161)
	Income	Beach car park tariffs increased	(359)	0	(359)
	Income	Remove seasonal concession for car parking	(150)		(150)
	Expenditure	Concessionary Fares	(804)	(148)	(952)
	Expenditure	Street lighting (excluding utility pressure)	(353)	189	(164)
	Income	Recharging to capital schemes and service areas	(340)	(176)	(516)
	Reserves	FCERM reserve used for Hamworthy sea wall defences	(260)	1	(259)
	Expenditure	Capitalisation of asset engineering	(125)		(125)
	Various	Various others savings each less than £100k	0		0
	Income	Additional income from capital recharges	(400)		(400)
	Employees	Staffing Establishment/Agency		(290)	(290)
	Expenditure	Routine Maintenance		(382)	(382)
Transport & Engineering Total			(3,222)	(874)	(4,096)
Communities					
Savings, Efficiencies and Mitigations	Service saving	Stopping allocation to development of VRN	(150)		(150)
	Grant income	Recharge of community safety salaries to DA Grant	(25)		(25)
Communities Total			(325)	0	(325)

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Planning					
Cost of living and other service pressures	Expenditure pressure	Cost of agency staff	390	8	398
Planning Total			390	8	398
General Operations					
Cost of living and other service pressures	Electricity/Gas costs	Assumed price variations	3,513	(408)	3,105
	Expenditure pressure	Other miscellaneous pressures (each less than £100k)	189	161	350
Savings, Efficiencies and Mitigations	Service saving	Other miscellaneous savings (each less than £100k)	(2,422)	(1,189)	(3,611)
	Expenditure	Cleaner, Greener, Safer	(248)	(396)	(644)
Operations Directorate General Total			1,032	(1,832)	(800)
Operations Total			(6,562)	(4,774)	(11,336)

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Resources & Transformation					
Customer & Service Delivery					
Cost of living/service pressures/savings	Electricity/Gas costs	Facilities Management price variations	435	(43)	392
	Repairs & Maintenance	Corporate repairs & maintenance		207	207
	Office costs	Poole and Christchurch Civic Centres	527	(131)	396
	Employee costs	Business Support	0	312	312
	Employee costs	Customer Services - underspending against £1.5m allocation	(950)	(274)	(1,224)
	Expenditure	Library PFI Contract inflationary clause	150	(58)	92
	Service savings	Other less than £100k	(120)	(81)	(201)
Customer & Service Delivery Total			42	(68)	(26)
Resources & Transformation					
Cost of living/service pressures/savings	Employee costs	Major projects team unfunded salaries	70	53	123
	Employee costs	Audit & Management Assurance	(232)	(7)	(239)
	Employee costs	Human Resources	(127)	38	(89)
	Employee costs	Regeneration - vacancies / unused contingency	(300)	(163)	(463)
	Employee costs	IT, Data & Analytics	(176)	15	(161)
	Third Party Payments	Software contracts inflationary clause - resources	157		157
	Third Party Payments	Software contracts inflationary clause - SVPP, dev, customer	14		14
	Reserve created	Development of Mosaic Care System after data migration	250		250
	Service pressures	Bank Charges	127	39	166
	Service pressures	External audit fees - additional audit work over several years		233	233
	Income pressure	Reduced Land Charges income	177	(29)	148
	Service pressures	Registrars additional employee costs not covered by higher income as planned	106	45	151
	Service savings	Other miscellaneous variances (each less than £100k)	(519)	(19)	(538)
	Expenditure	Housing benefit - reduction in bad debt provision and increase in housing benefit overpayment income	0	(1,133)	(1,133)
	Service saving	Stour Valley and Poole Partnership - share of underspend and vacancy management	(316)	(822)	(1,138)
	Service saving	Elections - separate corporate budget established	(155)	0	(155)
	Expenditure	IT saving - telephones / mobile phones and printing	0	(211)	(211)
	Expenditure	External legal expert advice	0	(127)	(127)
	Expenditure	Insurance premium	0	(180)	(180)
	Income	Additional insurance income	0	(173)	(173)
	Income	Additional legal income - charge to capital programme	0	(126)	(126)
	Transformation	Recharge to transformation funded from FUCR	3,500	500	4,000
	Transformation	Delay in incurring costs of new licenses due to judicious system implementation planning.	(1,000)	(45)	(1,045)
	Transformation	Shortfall against transformation target	1,595	0	1,595
Resources & Transformation General Total			3,171	(2,112)	1,059
Resources & Transformation Total			3,213	(2,180)	1,033

Directorate / Service	Type	Description	Quarter 3 Total Variance	March Update	Quarter 4 Total Variance
			£000	£000	£000
Central Budgets					
Cost of living and other service pressures	Various	Other miscellaneous pressures (each less than £100k)	(34)	272	238
	Employee costs	Pay award above budget at £1,925 per FTE	4,139	0	4,139
	Employee costs	Transformation redundancy costs unable to be funded from the FUCR (new regulations from 1 April 2022)	889	0	889
	Investment Property	Increase in property-related provisions and impact of new rental agreements	0	1,039	1,039
Savings, Efficiencies and Mitigations	Income	Additional treasury management income due to higher interest rates and additional funding in advance of spend.	(1,930)	24	(1,906)
	Earmarked Reserve	Release transformation mitigation earmarked reserve not utilised as planned in 2021/22	(1,949)	0	(1,949)
	Grant Income	Contain outbreak management fund resources brought forward used for already planned expenditure	(1,851)	414	(1,437)
	Grant Income	Anticipation that the final reconciliation of the Covid 19 Sales, Fees and Charges grant claim will be approved	(1,402)	0	(1,402)
	Contingency	Contingency unused	(2,186)	0	(2,186)
	Income	Beach hut income restored from not taking forward the special purpose vehicle	(3,700)	0	(3,700)
	Corporate Provisions	Bournemouth Development Company (BDC) released portion of provision as developments are progressing	(1,000)	0	(1,000)
	Minimum Revenue Provision	Winter Gardens finance loan	(304)	0	(304)
	Employee costs	Government removal of 1.25% national insurance levy from November 2022	(583)	0	(583)
	Electricity/Gas costs	Utility cost variation from government support package	(100)	0	(100)
	Provisions	Provision to mitigate loan payments to BCP Future Places Ltd	0	4,000	4,000
	Provisions	Insurance provision increased following review of cases	0	2,000	2,000
	Income	Funding for 2022/23 in final government settlement for 2023/24	(458)	0	(458)
Central Budgets Total			(10,469)	7,749	(2,720)
Grand Total			(10,582)	0	(10,582)

This page is intentionally left blank



BCP Council - General Fund Summary 31 March 2023

Directorate	Working Budget £'000	Actual Outturn £'000	Outturn Variance £'000
Adult Social Care	109,343	106,797	(2,545)
Children's Services	75,742	81,456	5,714
Commissioning Centre of Excellence	10,997	10,269	(728)
Operations	58,738	47,402	(11,336)
Resources	62,379	58,862	(3,517)
Transformation	(4,705)	(155)	4,550
Public Health	2,472	1,035	(1,437)

Total Net Cost of Service	314,965	305,667	(9,298)
----------------------------------	----------------	----------------	----------------

Corporate Items

Interest Payable	3,339	3,196	(143)
Investment Income	(45)	(1,808)	(1,763)
Contribution from HRA	(949)	(1,119)	(170)
Investment Properties	(6,036)	(4,997)	1,039
Dividend Income	(100)	(111)	(11)
Levies	615	626	11
Minimum Revenue Provision	11,372	11,372	(0)
Apprentice Levy	622	744	122
Contingency	(1,924)	(1,578)	346
To and (From) Reserves	(56,918)	(59,097)	(2,179)
Pension Backfunding	5,284	5,317	33
Admin Charged to Grant Income	(1,380)	(1,710)	(330)
Provision - Future Places	0	4,000	4,000
Provision - Release of BDC Provision	0	(1,000)	(1,000)
Provision - Insurance	0	499	499
Release of beach hut Income budgeted as released to SPV	3,700	0	(3,700)
Other Corporate Items	(503)	(382)	121
Corporate Items	(42,922)	(46,047)	(3,125)

Net Budget Requirement	272,043	259,620	(12,423)
-------------------------------	----------------	----------------	-----------------

Funding

Council Tax Income	(228,965)	(228,964)	1
Christchurch Parishes / Town Precept / Chartered Trustee	0	0	0
New Homes Bonus	(1,038)	(1,038)	(0)
Revenue Support Grant	(3,122)	(3,122)	(0)
NNDR Net Income	(56,841)	(54,991)	1,850
Lower Tier Service Grant 2022/23	(469)	(479)	(10)
Service Grant	(3,785)	(3,785)	0
Estimated (Surplus) / Deficit on the Collection Fund - NNDR	22,534	22,534	0
Estimated (Surplus) / Deficit on the Collection Fund - CTAX	(357)	(357)	0

Total Funding	(272,043)	(270,201)	1,841
Net Position	0	(10,582)	(10,582)

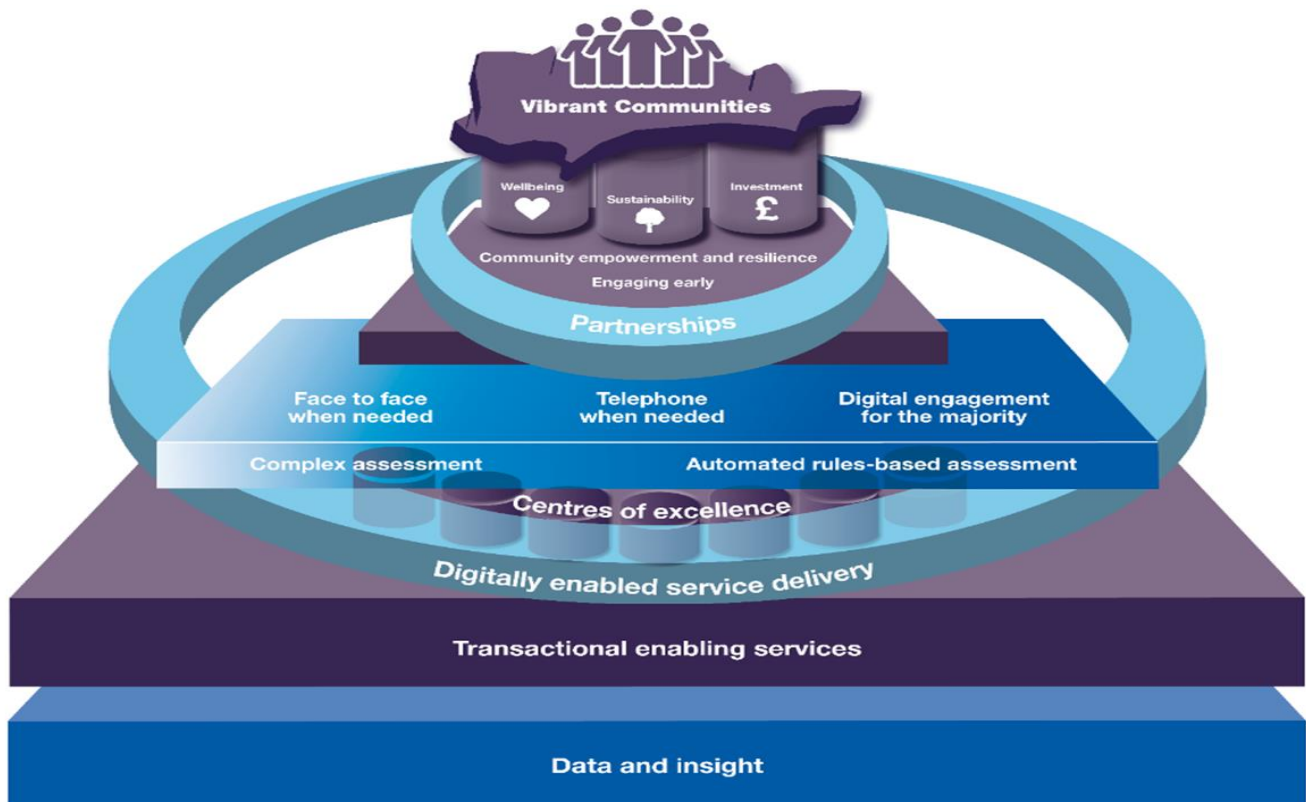
This page is intentionally left blank

Transformation Investment Programme 2022/23

Including the Flexible Use of Capital Receipts

1. As might be expected the council has inherited a range of legacy staffing arrangements, processes and systems and therefore has an opportunity to remove duplication, remove inefficiencies, and to leverage economies of scale whilst improving governance. Much of this formed the foundation of the argument for establishing the new council alongside the opportunity to fundamentally transform public services. Achievement of these benefits will be delivered by the adoption of a radically different operational model and specifically via;
 - Investment in technology
 - Investment in data and insight
 - Investment in new ways of working
 - Engaging and empowering our communities
 - Leveraging our partnerships
 - Creating equity in pay & conditions
 - Investing and rationalising the civic estate
2. Investment in three core technologies, along with the rationalisation and effective integration of our core service technologies, will enable the council to become the leading digital and insight driven local authority in the UK. Specifically, these are the investment in the Customer Relationship Management (CRM) system, investment in the Enterprise Resource Planning (ERP) systems (Finance and Human Resources), alongside establishing an appropriate data platform.

Figure 1: Our new Operating Model



3. A high-level business case was presented to Cabinet in November 2019 which set out the original scope of the council's organisation design project, which was facilitated by KPMG, and identified that it could potentially deliver up to £43.9m of gross annual savings by year 4 based on an investment of £29.5m. The original profile of these savings was assumed to accumulate as £7.8m in year 1 growing to £16.5m in year 2, £36.9m in year 3 and £43.9m in year 4. It should be highlighted that these savings will impact on the whole council including both General Fund and Housing Revenue Account (HRA) services.
4. Council on 7 July 2020 agreed to the extension of the project to a £38m programme referencing the accelerated leap forward in different ways of working because of the Covid-19 public health emergency and the need to accelerate the pace at which we generate savings and efficiencies. This report also approved the procurement of a strategic partner, approved oversight of the programme by a Cabinet Working Group as part of the governance arrangements and set out that the £43.9m must now be adopted as our minimum expectation of savings and efficiencies. Key milestones in the development of the Transformation Investment programme can therefore be set out as follows.
 - a) November 2019. First presented to Cabinet based on a report, costing £314,650, commission from KPMG.
 - b) June 2020 Cabinet (July Council). Establishment of a £37.62m budget for the implementation of the programme.
 - c) February 2021 (part of the 2021/22 budget report). Increase in the budget to £44.52m to allow an additional £6.9m for redundancy costs.
 - d) February 2022 (part of the 2022/23 budget report). Further increase in the budget to £67.86m to reflect the following additional elements
 - £20.09m Inclusion of internal base revenue budget staff costs, £6.7m for 3 years, where staff are not available to support day to day or statutory improvement duties, and will be apportioned and charged against the transformation investment programme.
 - £1.75m Investment in the data and insight capability
 - £1.5m Extra contingency
 - e) February 2023 (as part of the 2023/24 budget report). Reduced the transformation investment programme to £57.36m to reflect.
 - (£10.5m) Reduction in the annual recharge of internal base revenue costs to £3.2m for 3 years in line with the evidence base.
 - f) July 2023 (as part of this 2022/23 Financial Outturn report). Reduce the transformation investment programme to £56.87m to reflect
 - (£0.5m) Reduction in the annual recharge of internal base revenue costs to £2.7m for 2022/23. Ongoing review needed for future years.

The current consolidated position in respect of the transformation programme including the financial outturn position for 2022/23 is set out in figure 2 below.

Figure 2: Consolidated Transformation Programme Table

Transformation Investment Programme One-off / time-limited budget provision for the delivery of the programme		2020/21 Actual £m	2021/22 Actual £m	2022/23 Actual £m	Total Actuals £m	2023/24 Estimate £m	2024/25 Estimate £m	Overall Total £m
Capital Spend	Expenditure							
	Capital expenditure	1.19	0.05	0.76	2.00	0.90	0.70	3.60
		1.19	0.05	0.76	2.00	0.90	0.70	3.60
	Funding							
	Prudential Borrowing (funded from General Fund MRP)	0.00	0.00	(0.56)	(0.56)	(0.90)	(0.70)	(2.16)
Revenue Spend	Prudential Borrowing (funded from HRA land tfr)	(1.19)	(0.05)	(0.20)	(1.44)	0.00	0.00	(1.44)
		(1.19)	(0.05)	(0.76)	(2.00)	(0.90)	(0.70)	(3.60)
	Expenditure							
	One-off costs - including data and insight and capability	0.31	5.32	12.90	18.53	9.03	2.37	29.93
	Redundancy costs	0.00	0.56	0.01	0.57	4.11	8.22	12.90
	Contingency	0.00	0.00	0.00	0.00	0.67	0.68	1.35
	Staff costs apportioned to Transformation	0.00	0.00	2.70	2.70	3.20	3.19	9.09
		0.310	5.880	15.61	21.80	17.01	14.46	53.27
	Funding							
	Assumed fundable by Capital Receipts/Capital Direction	(0.31)	(3.88)	(15.61)	(19.80)	(17.01)	(14.46)	(51.27)
Total	Contributions from outside of the General Fund	0.00	(2.00)	0.00	(2.00)	0.00	0.00	(2.00)
		(0.31)	(5.88)	(15.61)	(21.80)	(17.01)	(14.46)	(53.27)
Total expenditure		1.50	5.93	16.37	23.80	17.91	15.16	56.87
Total funding		(1.50)	(5.93)	(16.37)	(23.80)	(17.91)	(15.16)	(56.87)

Transformation Investment Programme Ongoing base revenue budget of the council		2020/21 Actual £m	2021/22 Actual £m	2022/23 Actual £m	Total Actuals £m	2023/24 Estimate £m	2024/25 Estimate £m	Overall Total £m
Revenue Budget	Expenditure							
	Licences and other revenue costs of the programme	0.34	2.24	2.08	4.66	4.50	4.50	13.66
		0.34	2.24	2.08	4.66	4.50	4.50	13.66
	Savings and efficiencies							
	Transformation Programme Savings	0.00	(3.95)		(3.95)			(3.95)
	Programmed 2022/23 savings = £8.7m (extra £1.2m)							
	2022/23 In year - Savings delivered			(7.10)	(7.10)	(7.10)	(7.10)	(21.30)
	2022/23 In year - Savings remaining to be delivered				0.00	(1.60)	(1.60)	(3.20)
	Originally programmed 2023/24 savings = £18.7m (extra £10m)							
	3rd Party savings - Included within budgeted savings proposals				0.00	(0.91)	(0.91)	(1.81)
	3rd Party savings - Remaining to be identified				0.00	(9.09)	(9.09)	(18.19)
	Originally programmed 2024/25 savings = £43.9m (extra £25.2m)							
	Staff savings - Included within budgeted 23/24 services savings proposals				0.00	(5.76)	(5.76)	(11.52)
Staff savings - Remaining to be itemised		0.00	(3.95)	(7.10)	(11.05)	(24.46)	(43.90)	(79.41)

Funding Implications on the revenue budget		2020/21 Actual £m	2021/22 Actual £m	2022/23 Actual £m	Total Actuals £m	2023/24 Estimate £m	2024/25 Estimate £m	Overall Total £m
Revenue Budget	One-off Capital Investment							
	Minimum Revenue Provision and interest implications	0.00	0.28	0.28	0.56	0.47	0.69	1.72
		0.00	0.28	0.28	0.56	0.47	0.69	1.72
	One-off Revenue Investment							
Revenue foregone on asset disposed off		0.00	0.00	0.00	0.00	1.00	2.52	3.53
		0.00	0.00	0.00	0.00	1.00	2.52	3.53

Transformation Expenditure 2022/23

5. The £16.37m of expenditure incurred in 2022/23 can be analysed as follows.

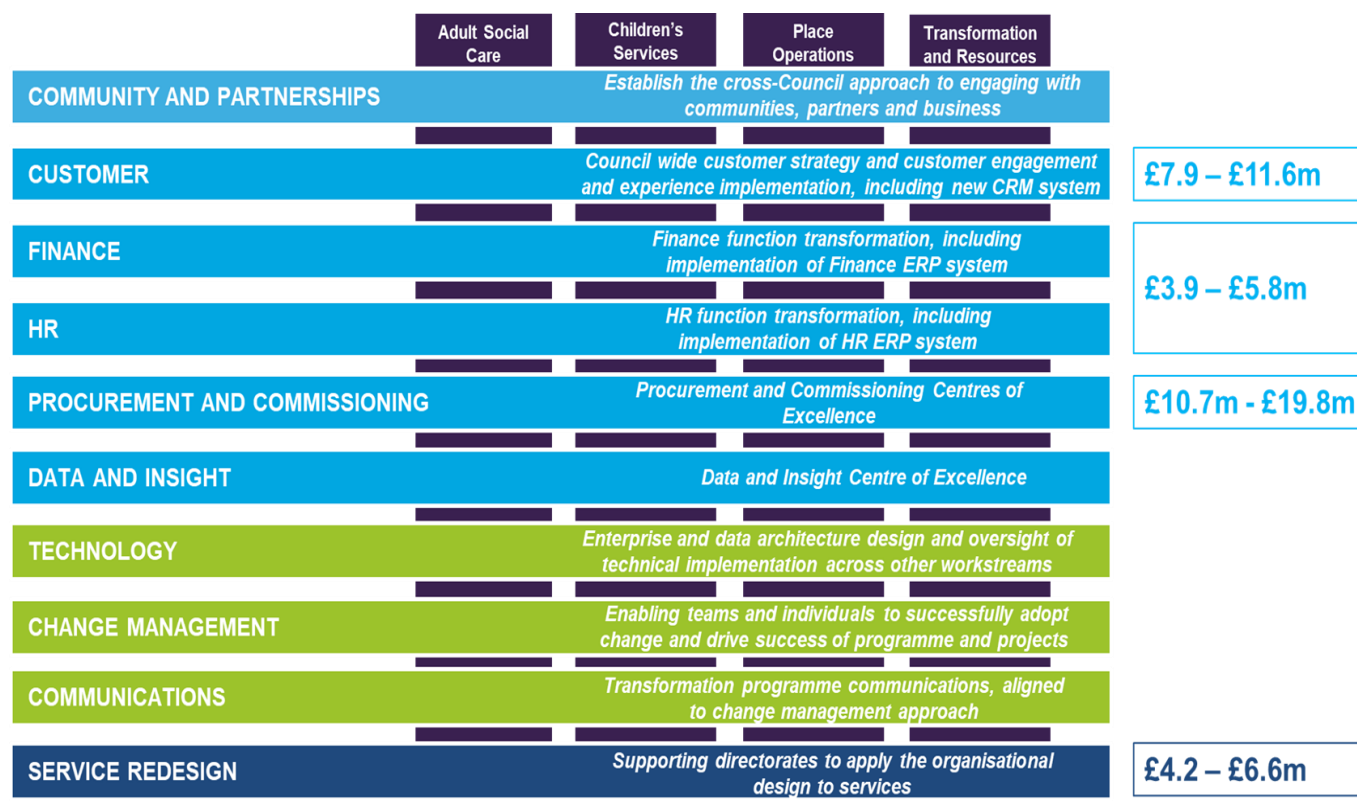
£0.76m	Laptops
£11.03m	Strategic Investment Partner – work package costs
£1.65m	Internal direct staff costs
£0.09m	Agency staff costs
£0.01m	Redundancy costs
£0.14m	ICT costs
£2.70m	Apportioned staff costs
£16.38m	Total 2022/23 costs

The work packages costs of the strategic investment partner include those supporting the delivery of the new integrated Finance and Operations (Enterprise Resource Planning) system.

Transformation Savings

6. The savings from the programme can be broken down into 10 separate workstreams with the total estimate being in the range £26.7m to £43.8m. These workstreams, and the savings they are assumed to deliver, can be articulated as follows.

Figure 14: Transformation savings workstreams.



5

7. In reflecting on the savings, the Council will need to consider the risk associated with the timing, and value of any assumptions subsequently hard coded within its medium-term financial plan (MTFP). Work is ongoing to consider the deliverability of the savings with the MTFP update report, which is presented as a separate report to

July Cabinet, looking to develop a financial strategy designed to present robust achievable savings for 2024/25 and avoid building a budget which includes unidentified savings. This new approach will mean the unidentified savings included in Figure 2 will be replaced with a schedule of savings known to be deliverable in support of the 2023/24, 2024/25 and future years budgets.

The (£7.1m) of savings delivered in 2023/24 can be analysed as follows.

(£3.327m)	Third Party expenditure reductions
(£1.726m)	Implement of new Smarter Staff Structures
(£1.141m)	Estate workstream - lease surrender, operating costs civic buildings
(£0.793m)	Business Support savings via vacancy management
(£0.111m)	Cost recovery – additional income

8. To aid delivery of the unidentified savings in 2023/24 the February 2023 budget report for 2023/24 approved a recommendation that sought to strengthen commissioning, procurement, and contract management arrangements. The variances which materialised in the final quarter of 2022/23 provide further evidence of the impact that ongoing control over expenditure can have on the cost profile of the organisation.

Flexible Use of Capital Receipts (FUCR)

9. As part of 2015 Spending Review (SR15), the government announced that to support local authorities to deliver more efficient and sustainable services it would allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of service reform and transformation. Guidance on the use of this flexibility stipulated that it applied to the three financial years to end March 2019. However, this was extended for a further three years to 31 March 2022 as part of the 2018/19 local government finance settlement and for a further three years to 31 March 2025 in April 2022.
10. The current guidance makes it clear that local authorities cannot borrow to finance the revenue costs of service reforms or improvements. In addition, local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use any existing stock of capital receipts to finance the revenue costs of reforming their services. Set up and implementation costs of any new processes or arrangements that will generate future ongoing savings and/or transform service delivery to reduce or improve the quality-of-service delivery in future years can be classified as qualifying expenditure. Costs associated with business-as-usual activity and the council's statutory duty to improve cannot be classified as qualifying expenditure. The ongoing revenue costs of any new processes or arrangements can also not be classified as qualifying expenditure. In addition, the guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that.
 - The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.

- In using the flexibility, the council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice

11. Council has previously engaged with both CIPFA Consultancy and the External Auditor to provide assurance that any such costs which it wishes to fund from the FUCR accords with the statutory guidance.
12. For 2022/23 the Council has funded the £15.61m of revenue expenditure on its transformation programme via the FUCR set out as follows.

(£5.069m)	Brought Forward Capital Receipts
(£19.039m)	In-year capital receipts (excluding those from vehicle sales)
£0.156m	Costs of disposal
£15.610m	Transformation Investment Programme expenditure
(£8.342m)	Capital Receipts carried forward

Capital receipts in-year included £12.6m for the Wessex Trade Industrial Centre in Poole, and £5.642m for the majority of the units the council owned at Airfield Industrial Estate, Christchurch.

Appendix B - Earmarked Reserves 31/3/23

Detail	31/03/22 Actual Balances £000's	Actual movement £000's	31/03/23 Actual Balances £000's
(A) - Financial Resilience Reserves	(42,433)	10,719	(31,714)
(B) - Transition and Transformation Reserves	(14,334)	14,149	(185)
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,990)	2,990	0
(D) - Insurance Reserve	(3,500)	(1,500)	(5,000)
(E) - Held in Partnership for External Organisations	(4,467)	1,334	(3,133)
(F) - Required by Statute or Legislation	(752)	(131)	(883)
(G) - Planning Related	(748)	238	(510)
(H) - Government Grants	(11,208)	(6,589)	(17,797)
(I) - Maintenance	(1,401)	(99)	(1,500)
(J) - ICT Development & Improvement	(1,426)	(144)	(1,570)
(K) - Corporate Priorities & Improvements	(2,497)	(2,593)	(5,090)
Sub Total Earmarked Reserve Balance	(85,756)	18,374	(67,382)
(Hi) - Government Grants (Covid)	(8,483)	8,083	(400)
(Hii) - NNDR Covid Grants	(19,097)	19,097	0
(Ki) - Covid recovery resources	(1,005)	295	(710)
Sub Total Covid Earmarked Reserve Balance	(28,585)	27,475	(1,110)
Total Earmarked Reserve Balance	(114,341)	45,849	(68,492)

(A) - Financial Resilience Reserves

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Designed to provide the Council with the ability to manage any emerging issues recognising the Council has been operating for two financial years, of which one was significantly impacted by Covid. Includes reserves to enable the management of the MTFP and resources which provide mitigation against the pandemic relating expenditure.			
Refinancing of the Capital Programme Reserve - step 1	0	0	0
MTFP Mitigation Reserve	(8,778)	8,778	0
MTFP Mitigation Reserve- annual review of reserves	(1,914)	1,914	0
Regeneration Priorities	(3,156)	3,084	(72)
Cleaner Greener Safer	(439)	439	0
Outturn 2021/22	(6,805)	3,286	(3,519)
Covid 19 Financial Resilience Reserve	(9,982)	9,982	0
Financial Services Capacity system development	(50)	50	0
Cost of Living Step 1	(2,900)	0	(2,900)
Refinancing of the Capital Programme Reserve - step 2	0	0	0
Cost of Living Step 2	(8,409)	638	(7,771)
Redirected Reserves	0	(5,298)	(5,298)
Outturn 2022/23	0	0	(10,582)
Revenue and benefits post-partnership reserve	0	(1,100)	(1,100)
Bournemouth Civic Centre West Wing Phase 1	0	(406)	(406)
Financial Resilience Reserves	(42,433)	21,367	(31,648)

(B) - Transition and Transformation Reserves

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Resources set aside to support the one-off change costs of associated with creating the new council and meeting the Councils costs associated with the transformation process.			
Transformation mitigation Reserve	(14,149)	14,149	0
BCP Programme Resources Pay & Reward Strategy	(185)	0	(185)
Transition and Transformation Reserves	(14,334)	14,149	(185)

(C) - Asset Investment Strategy Rent, Renewals and Repairs

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Resources set aside as part of the process of managing annual fluctuations in the rent, landlord repairs and costs associated with the council's commercial property acquisitions as set out in the Non Treasury Asset Investment Strategy.			
Asset Investment Strategy Rent, Renewals and Repairs	(2,990)	2,990	0

(D) - Insurance Reserve

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.			
Insurance Reserve	(3,500)	0	(5,000)

(E) - Held in Partnership for External Organisations

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.			
Dorset Waste Partnership	(202)	202	0
Dorset Adult Learning Service	(652)	(431)	(1,083)
Stour Valley and Poole Partnership	(1,849)	1,849	0
CCG Emotional Wellbeing and Mental Health	(78)	0	(78)
Flippers Nursery	(188)	(59)	(247)
Adult Safeguarding Board	(67)	(76)	(143)
Dorset Youth Offending Service Partnership	(536)	(85)	(621)
Music and Arts Education Partnership	(407)	(81)	(488)
Youth Programme	(50)	0	(50)
Bournemouth 2026 - West Howe Bid	(45)	0	(45)

Better Care Fund	(270)	9	(261)
Aspire Adoption Partnership	(90)	90	0
Local Safeguarding Partnership Board	(33)	0	(33)
Charter Trustees	0	0	0
UP2U	0	(74)	(74)
Domestic Homicide Reviews	0	(10)	(10)
Held in Partnership for External Organisations	(4,467)	1,334	(3,133)

(F) - Required by Statute or Legislation

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.			
Building Regulation Account	(139)	0	(139)
Bournemouth Library Private Finance Initiative (PFI)	(683)	(100)	(783)
Carbon Trust	70	(31)	39
Required by Statute or Legislation	(752)	(131)	(883)

(G) - Planning Related

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.			
Local Development Plan Reserve	(484)	115	(369)
Planning Hearing and Enforcement Reserve	(73)	73	0
Other Planning Related Reserves	(191)	50	(141)
Planning Related	(748)	238	(510)

(H) - Government Grants

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.			
Government Grants	(11,208)	(6,589)	(17,797)
COVID 19 Government Grants	(8,483)	8,083	(400)
NNDR Covid Grants	(19,097)	19,097	0
Total Unspent Grants	(38,788)	20,591	(18,197)

(I) - Maintenance

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.			
Corporate Maintenance Fund	(251)	0	(251)
Other Maintenance Related Reserves	(1,150)	(99)	(1,249)
Maintenance	(1,401)	(99)	(1,500)

(J) - ICT Development & Improvement

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Resources set aside to meet various ICT improvement projects			
ICT Development & Improvement	(1,426)	(144)	(1,570)

(K) -Corporate Priorities & Improvements

	31/03/22 Actual £000's	Actual Movement £000's	31/03/23 Actual £000's
Purpose: Amounts set aside to deliver various priorities, some of which will be of a historical nature inherited from the predecessor authorities.			
Capital Feasibility and Small Works Fund	(16)	0	(16)
Local Elections Reserve	(527)	(170)	(697)
Other Corporate Priorities & Improvements	(1,954)	(2,423)	(4,377)
Covid recovery resources	(1,005)	295	(710)
Corporate Priorities & Improvements	(3,502)	(2,298)	(5,800)

This page is intentionally left blank

Chief Executive
Bournemouth, Christchurch and Poole Council
Civic Centre
Bourne Avenue
Bournemouth
BH2 6DY



Rt Hon Michael Gove, MP
Secretary of State for Levelling Up,
Housing and Communities
2 Marsham Street
London
SW1P 4DF

Date: 14 July 2023
Our ref: GBF/ER
Contact: Graham Farrant
Email: graham.farrant@bcpcouncil.gov.uk

Dear Secretary of State,

Dedicated Schools Grant deficit

Thank you for your time last week at the LGA Conference when you met with Cllr Vikki Slade and me. We agreed that I would write to you to illustrate the continuing financial challenges that are being presented to this Council by the growing cost of the accumulating deficit on the Dedicated Schools Grant and the services that we provide that are funded from that.

Despite our best endeavours and supported by the Delivering Better Value (DBV) programme sponsored by DfE the accumulated deficit on the DSG is currently forecast to grow in future years, as follows:

	Balance 31/3/22 £m	Balance 31/3/23 £m	Balance Estimate 31/3/24 £m	Balance Estimate 31/3/25 £m	Balance Estimate 31/3/26 £m	Balance Estimate 31/3/27 £m
Dedicated Schools Grant	(20.3)	(35.8)	(63.7)	(105.9)	(157.8)	(218.7)

This estimate assumes that savings can be delivered from the activities identified through the DBV programme, including reducing EHCP growth, greater proportion of placements in mainstream schools, new places being created in special schools and with better utilisation to reduce use of higher cost independent schools. However, the timescale to deliver most of those savings is beyond our financial planning period.

This issue is also linked to our assessment by Ofsted as we have a Written Statement of Action to comply with regarding SEND provision across the BCP area.

As is the case with a number of other local authorities, we are incurring expenditure significantly greater than the resources made available by government for the High Needs Block within the Dedicated Schools Grant. This has been an issue ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014, but our problem has grown in more recent years as demand and costs have increased significantly above the funding increases. These EHCPs are legal documents which set out a child or young person's special educational needs and the support that is required to meet those needs. Although we have the responsibility for maintaining high needs expenditure within budget, we have almost no levers with which we

can affect this in the short term given the legal and service constraints and the costs are increasing more rapidly than the funding.

Statutory Instrument: At the moment we are completely reliant on the statutory set-aside of this budget and have no reserves or provision against which we can hold this debt should it materialise for the Council. If that were to happen at the end of the current set aside period in 2026, it would take much more than our available reserves and therefore the Council would be technically insolvent. Using current forecasts, we are likely to have negative reserves by March 2024.

Any private sector organisation which has negative reserves on its balance sheet, is likely to fail the “going concern” accounting concept. For the Council, as a local authority, the most likely scenario is that the Council’s Section 151 Officer would have to advise your department of their financial concerns and possibly issue a s114 report which would result in an immediate and severe curtailing of activity to the provision of non-statutory services and a reduction of statutory services.

It is clear that we need to continue to look to government to find a long-term solution to this fundamental challenge to our ongoing financial position. In addition, I should point out that the financing of this expenditure carries a cost to the Council, which is estimated to be costing us approximately £1.25m in financing costs alone this year. There is an argument, of course, that if this debt is not the responsibility of the Council, then Council Tax should not be used to fund the costs of cash-flowing the debt.

Additional funding: It is worth recognising that as part of the Autumn Statement the government announced that the core schools’ budget will increase. However, the DSG conditions of grant for 2023/24 stipulate the method by which a high proportion of the increase in funding is to be allocated to local specialist state-funded providers (maintained and academy special schools, hospital schools and alternative provisions). This limits the benefits of the increase to the Council. I wanted to draw this situation to your personal attention as it is clearly not sustainable in the longer term and when the set-aside is removed, currently scheduled for 2026, this Council will face an insurmountable financial challenge.

Please let me know if you require any further information or if you would want us to discuss the specific circumstances that we face with your team.

Yours sincerely,



Graham Farrant
Chief Executive

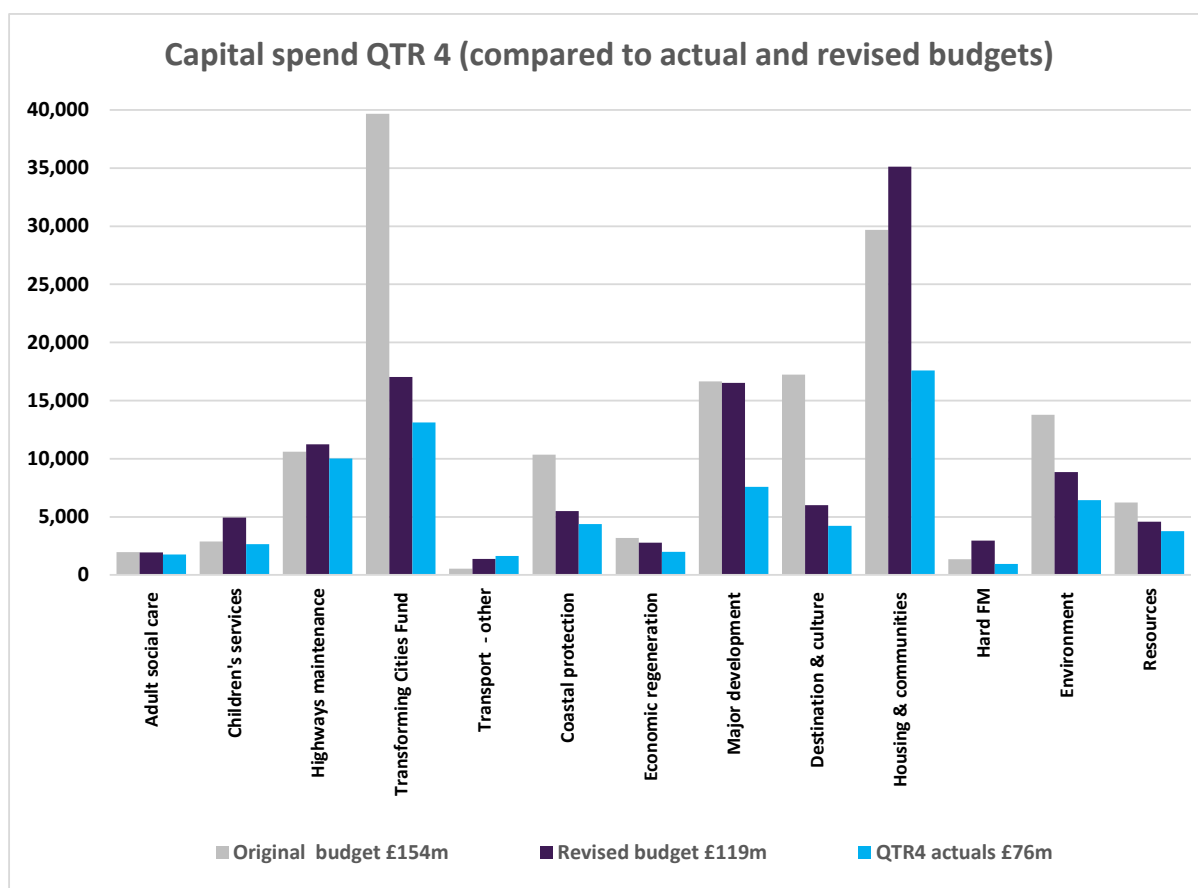
cc Councillor Vikki Slade, Leader of BCP Council

2022-23 Capital Outturn

Capital budget monitoring

1. This appendix covers the council's budgeted capital investment programme (CIP) for general fund capital expenditure only. Housing revenue account (HRA) related capital spend is included separately in Appendix D.
2. The capital investment programme includes only approved capital schemes that are supported by robust business cases. It does not include pipeline projects that are awaiting business case development and subsequent approval. It also excludes capital funding that, whilst approved, has not yet been allocated to capital projects.
3. In February 2022 Council approved a general fund capital investment programme budget of £154.1 million for 2022/23. This budget has since evolved, to include new schemes, inclusion of slippage for 2021/22 and the effect of reprofiling carrying expenditure forward into future years. These have all received appropriate approval in line with BCP financial regulations. The revised capital programme for 2022/23 now stands at £119 million. The chart below reflects quarter four spend against this revised programme.
4. In March 2023, £76 million (64%) of the revised full year capital budget of £119m had been spent.

Figure 1 below summarises capital spend by directorate.



5. At £76 million, final capital expenditure for 2022/23 is 64% of the revised capital programme for 2022/23 which now stands at £119 million. Covid-19 and Brexit continue to have significant impact on market conditions. This includes increases in raw materials prices, construction cost increases, and labour and material supply chain issues. This has impacted on delivery of the capital programme in various

ways. There have been increases in tendered prices compared with original estimates across capital projects, reduced capacity to undertake works to planned timeline because of labour shortages and in some cases fewer than expected responses to tenders issued. Some cost increases have been absorbed within risk / contingency allowances in approved capital budgets. Other price variations have required capital budget increases. These are funded from either BCP funds (for example developer S.106 contributions / community infrastructure levy (CIL)), external grant or additional prudential borrowing.

Capital programme financing 2022/23

6. Figure 2 below summarises the capital funding sources applied to 2022/23 capital spend:

	2022/23 £'000
Government grant	46,227
Third party receipts	682
s106 & Community Infrastructure Levy	1,481
External funding	48,390
Revenue funding for capital	679
Earmarked reserves	245
Futures Fund	768
Prudential borrowing	26,043
BCP funding	27,735
Capital investment programme funding	76,125

7. External sources have funded 64% of 2022/23 capital expenditure. This includes government grants, third party receipts, s106 developer contributions and community infrastructure levy (CIL). Most of the remaining capital expenditure is funded from prudential borrowing.
8. The use of BCP reserves to fund capital spend is restricted to expenditure for which no other sources of capital funding is identified. Examples include feasibility studies for potential future capital projects, earmarked reserves built up in partnership with third parties, and the council's annual corporate funding for BH Live asset maintenance.

Capital budget virements and acceptance of capital grants

9. In accordance with the council's financial regulations the following rules associated with capital virements, and acceptance of grants apply (after advice from the Chief Finance Officer):
- Acceptance of grants greater than £100,000 and up to £1 million require Cabinet approval
 - Virements over £1 million require prior Council approval.
 - Virements over £500,000 and up to £1 million require prior Cabinet approval.
 - Corporate Directors can approve virements over £100,000 up to £500,000.
 - Service Directors can approve virements up to £100,000.
10. The following capital virement to accept new grant requires **Cabinet approval**:
- Directorate:** **Operations**
- Purpose:** **Accept £0.7 million grant from the Football Foundation Trust**
- This Football Foundation grant and BCP partnership funding will be used to build a 3G artificial turf pitches, connecting paths, cycle parking provision and refurbish the community/Academy changing rooms at Rossmore Leisure Centre.
11. The following capital virements to accept new grants require **Council approval**, as they are above £1 million:
- Directorate:** **Operations**
- Purpose:** Accept £20 million of Department of Levelling Up Fund (LUF)
- At February 2023 Council accepted £18.2 million of LUF grant funding. This figure was later revised up by the Service to £20m following confirmation from the Department of Levelling Up of the final grant offered. As such Council is requested to accept the additional grant funding of £1.8m due to be received by the council to deliver seafront projects from March 2023 to 2025.
- Directorate:** **Operations**
- Purpose:** Accept £3.8 million grant funding (£3.61 million being for capital projects and £0.17 million for revenue) for Highways Active Travel 4 from Active Travel Fund England.
- The fund is to invest in the delivery, development, and improvement of a number of walking, wheeling and cycling infrastructure. This includes projects such as the Turbary Park Link, School Streets Permanent Measures, the Wallisdown Road Phase 4 (Boundary Roundabout to University) and Baiter Footpath and Cycleway.
- Directorate:** **Operations**
- Purpose:** Accept £1.9 million grant funding for A35 safety works from the Department of Transport.
- Funding received is to improve a section of the A35 in Bournemouth between the A338 Wessex Way and the A3060 Iford Roundabout on Castle Lane. This route has recently been identified by the Road Safety Foundation (RSF) as a Mixed Urban high-risk collision route and recommended for safety improvements under round 3 of the Road Safety Fund for Highway Authorities.

This page is intentionally left blank

2022-23 HRA Outturn

1. The Housing Revenue Account (HRA) is a separate account within the council that ring-fences the income and expenditure associated with the council's housing stock. The HRA does not therefore directly impact on the council's wider general fund budget.
2. Within the HRA the Council operates 9,570 tenanted properties. The management agreement with Poole Housing Partnership (PHP) was terminated on 30th June 2022 and all properties are now managed in-house by the council.

Revenue account

	Budget £000	Full year actuals £000	Variance £000
Income			
Dwelling rents	(45,043)	(45,568)	(525)
Non-dwelling rents	(270)	(241)	29
Charges for services and facilities	(2,103)	(2,264)	(161)
Contributions to expenditure	(381)	(607)	(226)
Total income	(47,797)	(48,680)	(883)
Expenditure			
Repairs and Maintenance	10,036	12,774	2,738
Supervision and Management	13,549	12,752	(797)
Rent, rates, taxes and other charges	427	468	41
Bad or doubtful debts	400	333	(67)
Total expenditure	24,412	26,327	1,915
Net operating (surplus) / deficit	(23,385)	(22,353)	1,032
Capital charges			
Debt management costs	186	192	6
Depreciation	11,791	12,396	605
Net interest payable	5,446	4,804	(642)
Total capital charges	17,423	17,392	(31)
Net (surplus) / deficit	(5,962)	(4,961)	1,001
Appropriations			
Contribution to funding of capital expenditure	0	410	410
Transfer to HRA reserve	5,962	4,551	(1,411)
Total appropriations	5,962	4,961	(1,001)

3. Dwelling rents: Total rental income of £45.6m was £0.5m favourable to budget. The favourable outturn was primarily due to the additional rental income received from new-build properties that have been completed but which were not included in the budget.
4. Charges for services and facilities: Income of £2.3m was £0.2m favourable to budget due to higher charges for communal utility costs.
5. Contributions to expenditure: Income of £0.6m was £0.2m favourable to budget due to higher-than-expected insurance reimbursements received during the year.
6. Repairs & Maintenance: Total expenditure of £12.8m was £2.7m adverse to budget. Repair costs have experienced significant inflationary cost pressures during the year. For example, the schedule of rates for Poole neighbourhood response repairs was increased by 9.8% at the start of August in accordance with the contract, which references increases to the prevailing rate of CPI inflation. Building materials inflation

has been significantly higher than CPI. This, together with high volumes of response repairs, resulted these exceeding the £3.2m budget by £1.0m. Planned repairs also exceeded budget significantly, with inflationary effects exacerbated by the need to catch-up on a backlog of electrical testing.

7. Supervision and Management: Total costs of £12.8m were £0.8m favourable to budget. Savings from no longer incurring PHP board and senior management costs amounted to £0.5m. Also, there was no need to utilise any of the £0.3m contingency fund that the HRA holds.
8. Charge for bad and doubtful debts: Charge of £0.3m for the year was £0.1m favourable to budget.
9. Depreciation: This is a notional charge to the revenue account. The amount is calculated by formula based on fixed asset values.
10. Net interest payable: Total net interest payable of £4.8m was £0.6m favourable to budget. This was due to higher-than-expected interest income due to higher interest rates. Also, the budget envisaged the HRA would have to borrow more during the year to fund its capital programme. However, due to slippage in the programme, no new borrowing was required.
11. Net surplus: The Revenue account produced a net surplus of £5.0m for the year. This was £1.0m below budget due to the net effect of the variances listed above. This surplus has been transferred to the ringfenced HRA reserves and will be used to support future capital investment in the existing stock and new-build housing.

Capital programme

12. In February 2022 Council approved an HRA capital programme budget of £63.1m for 2022/23. This included £48.1m investment in major projects, including those delivered as part of the council newbuild housing & acquisitions strategy (CNHAS)) and £15m in planned maintenance. Unspent approved capital budget on major projects of £7.8m was brought forward from the prior year and added to the 2022/23 capital budget allocation.

	Original Budget £000	Full year actuals £000	Variance £000
Planned maintenance	14,989	13,950	(1,039)
New-build projects	40,479	12,865	(27,614)
Purchase of existing houses	3,000	835	(2,165)
Other major projects (Admiral, Sterte cladding)	4,599	4,825	226
Total capital expenditure	63,067	32,475	(30,592)
Funded by:			
Current year surplus I & E	-	410	
HRA Reserve	5,913	7,972	
Major Repairs Reserve	12,786	13,156	
New-build Reserve	4,744	2,778	
Capital receipts	8,899	6,180	
Grants	1,125	1,270	
S106 contributions	550	709	
Borrowing	29,050	-	
Total funding of capital expenditure	63,067	32,475	

13. The planned maintenance programme, which covers capital maintenance such as kitchen and bathroom replacements, spent 93% of its budget during the year.
14. The CNHAS programme significantly underspent its budget during the year. Actual expenditure was £12.9m vs a budget of £40.0m.
15. A total of 23 new housing units were completed and tenanted during the year at the Moorside Road and Northbourne Day Centre sites. Also, construction of the 22 units at Alice Gardens have been completed but the council has not yet taken possession from the contractor as there are outstanding planning conditions to be discharged.
16. Other projects currently in the construction phase, including Herbert Avenue, Wilkinson Drive and Cabbage Patch car park, are due to deliver a further 49 units of housing in 2023/24.
17. The slippage in spending by the CNHAS programme was primarily due to the Princess Road, Templeman House and Hillbourne School sites not yet reaching construction phase.
18. Other major projects expenditure comprises Project Admiral, the major refurbishment of the four tower blocks in Poole old town, and the re-cladding of the Sterte towers. In December 2022 a £0.5m increase in the budget for Sterte was approved by Cabinet. An increase of £1.8m in the budget for Project Admiral to enable its progression to completion was approved by the chief executive in May 2023.
19. Funding of the capital programme: The 2022/23 HRA budget forecast that the HRA would need to borrow £29.0m to fund the capital expenditure for the year. Because of the slippage experience by the CNHAS programme, the HRA has been able to fund all capital expenditure from the various ringfenced reserves and capital receipts that it holds, without recourse to new borrowing.

This page is intentionally left blank

2022-23 Company Outturns

1. The following paragraphs contain a summary of the outturns for the council's partner and subsidiary organisations. It should be noted that these are provisional figures and are unapproved by the respective boards of directors and are also subject to audit.

Bournemouth Building & Maintenance Ltd (BBML)

2. The trading activities of BBML consist of programmed works for the council's housing revenue account, such as disabled adaptations, and building works for other council owned property.
3. Turnover for the financial year was £10.8 million compared with budget of £8.5 million. Provisional net profit for the year is £0.39 million compared with budgeted net profit of £0.31 million. Broadly speaking BBML generates around 3.8% net profit on its annual turnover.
4. BBML pays the Council an annual dividend of £0.1 million. An additional one-off dividend payment was made to the Council in 2022/23 of £0.2 million.
5. Retained profit reserves of £0.87 million (after payment of annual £0.1 million and additional one-off £0.2 million dividend) have accumulated over time. Retained profit reserves are earmarked to fund potential future BBML cost pressures.
6. Due to the materiality level for the council's statement of accounts, BBML is not consolidated into the group accounts.

Seascope Group Ltd

7. Seascope Group Limited owns two subsidiaries, Seascope South Limited and Seascope Homes and Property Limited.
8. The core activities of Seascope South Limited (SSL) are undertaking adaptations and conversions to non-council owned property. These are funded through disabled facility grants (DFG). Building maintenance and construction services are also provided, utilising the council's internal Construction Works Team (CWT).
9. Turnover for the financial year for SSL was £0.90 million, compared with a budget of £1.1 million. Provisional profit before tax is £0.07 million compared with a budget of £0.08 million.
10. Retained profit reserves of £0.25 million are estimated as at 31 March 2023. To date no dividends have been paid to Seascope Group Limited.
11. Seascope Homes and Property Limited (SHPL) provides housing solutions through the grant of assured short-hold tenancies to a variety of clients, including the homeless. SHPL leases properties purchased by the council to provide this housing.
12. Turnover for the financial year for SHPL was £1.6 million, compared with a budget of £2.0 million. Provisional profit before tax of £0.02 million is expected, compared with a budget of £0.05 million.
13. The results of the subsidiaries are combined to form the results of Seascope Group Limited (SGL). The provisional turnover for SGL was therefore £2.5 million (budget £3.1 million). Provisional profit before tax of £0.09 million compared with a budget of £0.13 million.
14. Due to the materiality level for the council's statement of accounts, Seascope Group will not be consolidated into the group accounts.

BCP FuturePlaces Ltd

15. BCP FuturePlaces Ltd ("FuturePlaces") is a wholly owned subsidiary of the Council.
16. FuturePlaces provide development advice to the Council regarding its strategic regeneration schemes across the three towns.
17. Provisional figures for the 2022/23 financial year show FuturePlaces has work in progress totalling £3.3m but has so far only invoiced £73k to the council. Under accounting rules, this is shown as an accounting loss at the current time, but the expectation is that most if not all of this will be invoiced and recovered in due course when the corresponding works are complete.
18. Due to the materiality level for the council's statement of accounts, FuturePlaces will not be consolidated into the group accounts.

Charities

19. The council has close links to three charities, the Five Parks Charity, Lower Central Gardens Trust and Russell-Cotes Art Gallery & Museum Charitable Trust.
20. Due to the materiality levels for the council only Lower Central Gardens Trust will be included in the council's group accounts. Materiality is assessed with reference to the size of the asset base in the balance sheet.

The Bournemouth Development Company LLP

21. Bournemouth Development Company LLP ("BDC") is a joint venture between the Council and Muse Places a wholly owned subsidiary of Morgan Sindall Group plc.
22. BDC is an active development partner and regeneration catalyst for the delivery of the Bournemouth Town Centre Vision.
23. BDC has a different year end to the council, consequently the figures incorporated in the council's group accounts rely on an amalgamation of the pro rata amount from the joint venture's 31 December 2022 year-end figures and from the quarter 1 management account information to 31 March 2023. Figures are not available to include in this report due to differing financial reporting years.

Tricuro

24. Tricuro is a group of two companies established under local authority trading company principles to undertake a range of adult social care services on behalf of BCP after Dorset Council moved their care contract to another provider on 3rd October 2022.
25. It is structured as a care company (Tricuro Limited) and a company providing support services (Tricuro Support Limited), with management through a joint Board. Tricuro Support Limited holds the contractual relationships with BCP, as well as the property leases and support services agreements.
26. Dorset Council still holds one ordinary share in Tricuro Support Limited as does BCP, which in turn owns 100% of the equity of Tricuro Limited.
27. The turnover for Tricuro in 2022/23 was £33 million, with £18.5 million (56%) attributable to the contract with BCP Council, £12.6 million (38%) from the contract with Dorset Council, £1.9 million (6%) from independent fees and charges. Dorset Council moved their care contract to another provider, so their Services transferred away from Tricuro on 3 October 2022.
28. Due to the materiality level for BCP Council statement of accounts Tricuro will not be consolidated into BCP Council's group accounts as the operating assets have remained with each council.

Aspire Adoption

- 29. Aspire Adoption is a partnership between BCP and Dorset Council.
- 30. Aspire work in partnership with Families for Children, a local voluntary adoption agency.
- 31. The purpose is to provide services for children and families through enabling and supporting the adoption and special guardianship process.
- 32. BCP contribution for 2022/23 to the partnership is £1.4 million with Dorset Council contributing £0.9 million.

This page is intentionally left blank

CABINET



Report subject	Medium Term Financial Plan (MTFP) Update
Meeting date	26 July 2023
Status	Public Report
Executive summary	<p>This report:</p> <ul style="list-style-type: none"> • Presents the latest medium-term financial plan (MTFP) of the council. • Proposes a financial strategy to support the delivery of a legally balanced budget for 2024/25. • Proposes a budget planning process and timeline for key financial reports. • Recognises the positive outturn from the 2022/23 financial year end and the impact on some of the key risk areas as identified in the setting of the 2023/24 budget.
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Approve the budget timetable and process as set out in Appendix A. 2. Approve the financial strategy to support the balancing of the 2024/25 Budget and MTFP as set out in Appendix B. 3. Endorse the updated MTFP position which only includes approved and identified savings & efficiency proposals. 4. Endorse Audit & Governance Committee being asked to consider recommending to Council a reduction in the Debt Threshold to £755m (from £1.334bn). <p>It is RECOMMENDED that Council:</p> <ol style="list-style-type: none"> 5. Approve the disposal of assets as endorsed by the cross-party strategic asset disposal working party, and as set out in confidential Appendix C. 6. Approve the reduction in the working capital loan facility to BCP FuturePlaces Ltd to £6m (from £8m) with immediate effect.
Reason for recommendations	To comply with accounting codes of practice and best practice which requires councils to have a rolling multi-year medium term financial plan.

	<p>To provide Cabinet with the latest high-level overview of the medium-term financial plan.</p> <p>To present a proposed financial strategy to support the delivery of a balanced budget for 2024/25.</p> <p>To ensure a prudent approach to financial management based on traditional approaches to local government financial management.</p>
Portfolio Holder	Cllr. Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Corporate Director for Resources
Report Author	Adam Richens, Director of Finance and Chief Finance Officer adam.richens@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

7. Council in February 2023 approved a budget for 2023/24 with the following key features.
 - a) A 4.99% council tax increase for 2023/24 with a financial planning assumption of a 4.99% increase for 2024/25 and 2.99% annually thereafter.
 - b) £15m per annum in extra resources allocated to the council's highest priority area, children's services.
 - c) £26m per annum in extra resources allocated to services for the most vulnerable members of our community namely adult services.
 - d) Due regard to the cost-of-living crisis and ongoing economic uncertainty.
 - e) Support to the integrity of the council's financial position and its future sustainability by way of a £1.9m contribution to earmarked reserves in 2023/24 to ensure they are in line with the minimum 5% of Net Revenue Expenditure threshold recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).
 - f) Use of £30m in one-off reserves to support the delivery of the 2023/24 budget. This was further to the use of £36m in support of the 2022/23 original budget and £30m in support of the 2021/22 original budget. It must be acknowledged that a significant proportion of these reserves were created from refinancing of the transformation and capital programmes, a review of inherited reserves and balances, and the deliberate cost-of-living mitigation actions taken in-year to support the 2023/24 budget.
 - g) The assumed delivery of a further £34m of service-based and transformation-based savings and efficiencies in addition to the £48m identified in support of the 2019/20, 2020/21, 2021/22 and 2022/23 budgets, bringing the total budgeted service-based annual savings and efficiencies following local government review

(LGR) to £82m. These savings will have prevented some of the more severe cuts to services implemented by other local authorities over this period.

8. The budget inherited by the current administration contained a number of significant risks. The first amongst these was that the financial outturn for 2022/23 could be delivered without needing to borrow to finance revenue expenditure. Borrowing is normally only permitted to finance capital expenditure however government as part of their Exceptional Finance Support programme had given the council a “minded to” capitalisation direction which would have allowed us to borrow up to £20m to fund revenue expenditure on the transformation investment programme and the Children’s Services improvement journey. A separate report on this Cabinet agenda confirms that the council heeded the advice of government in taking all necessary steps since September 2022, including controls on expenditure and asset sales, to avoid drawing down on the capitalisation direction.
9. In addition, the 2022/23 financial outturn report confirms that the council delivered the £10.6m surplus required to fund the 2023/24 approved budget as well as providing a degree of mitigation for a number of emerging risks such the working capital loan facility advanced to BCP FuturePlaces Ltd.
10. Although a positive step has been taken the financial challenge ahead should not be underestimated. Cabinet, Corporate Management Board, and Budget Holders need to continue to be focused on.
 - a) Delivering the £34m of assumed savings for 2023/24.
 - b) Identifying the £9m of unidentified transformation savings which formed part of the £34m alongside the £1.6m of savings from the £8.7m transformation target for 2022/23 remaining to be established.
 - c) Delivering a programme of asset disposals by the 31 March 2024 to finance the approved transformation investment programme forecast for 2023/24.
 - d) Continuing the improvement journey for Children’s Services.
 - e) Resolving the funding of the annual shortfall in resources to finance the High Needs (SEND pupil related) element of the Dedicated Schools Grant (DSG). The assumed in-year deficit for 2023/24 was £27.1m which once added to the accumulated deficit of £35.8m brought forward will mean the council is now projecting an accumulated deficit of £62.9m as of 31 March 2024. This level of accumulated and growing annual deficits is not sustainable and will mean as of 31 March 2024 the council is predicting to have negative reserve. Such a position would mean it is technically insolvent. However, there is a current statutory override which allows this deficit to be ignored until the 31 March 2026 meaning that the process that would normally have to be followed in such circumstances can be deferred for now.

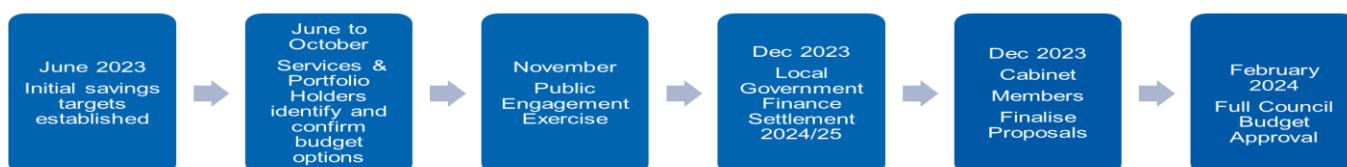
Update on risks associated with the 2023/24 budget

11. All services have confirmed that they have taken the necessary action to implement the savings assumed and specifically identified in the 2023/24 budget. It should however be recognised that a number of these were based on price changes to income streams which will be influenced by the elasticity of demand and therefore forecasts will need to be carefully monitored throughout the year.

12. Where savings were unidentified, particularly around the transformation programme, work is ongoing to establish the extent and timing of any individual savings that can actually be delivered. The spend control approved by council as part of the 2023/24 budget will provide some level of mitigation, as will an approach to review all variances during the 2022/23 financial year with a view to determining the scope for abating 2023/24 budgets and by doing so reducing the level of savings to be identified as part of the process.
13. The ongoing uncertainty caused by the cost-of-living crisis should not however be overlooked. As an example, provision was made a part of the 2023/24 budget for a 4.25% average pay award. The National Employer organisation has made an offer on behalf of member councils of £1,925 on every grade up to SCP 43 and 3.88% above this level. If agreed, and the unions have initially rejected the offer, this would equate to more like a 6.25% on average pay award and an additional in-year service pressure of £3.4m. Another example, which will act as a slight counterbalance to this issue, is that the current estimate is that not all the amount provided for increases in electricity and gas costs is likely to be needed.

Budget Planning Process

14. The budget for 2024/25 and the MTFP should be seen in the context of a rolling, evolving process structured to enable the ongoing proactive management and prioritisation of the council's resources.
15. As a relatively new council, setting the budgets in the first five years has been a challenge due to the lack of historic data and trend information for the council as a single entity. Stability around this position has been and will continue to be impacted by the ongoing uncertainty around the impact and long-term consequences of Covid-19 alongside that caused by the cost-of-living crisis.
16. Full details of the budget planning process and timetable to support the 2024/25 are set out in **Appendix A** attached. Key features include.
 - Public participation in the budget via and engagement process in November/December 2023.
 - Two budget cafés', one in October 2023 prior to the public engagement and one in January 2024 setting out the final budget proposals.
 - Cabinet members working with Corporate Management Board colleagues to shape the proposals between June and early October 2023.
17. A high-level summary can be shown as follows.



Inherited MTFP

18. Figure 1 below sets out the current Medium-Term Financial Plan (MTFP) to 2027. As a reminder to councillors, the table sets out changes in the revenue budgets, on an annual basis, either positive numbers which represent additional costs to be met, or negative numbers which represent forecast cost reductions or additional income. The variances are shown in the year in which they are expected to be first seen and are then assumed to recur on an ongoing basis in each of the following years. One-off changes will be seen as an entry in one year and will then be reversed out in a following year. For example, there is currently a £28.9m pressure in 2024/25 from using this level of resources in support of the 2023/24 budget.

19. **Figure 1:** Inherited MTFP as approved by Council in February 2023

Medium Term Financial Plan - Incremental Basis	Current Estimate 2024/25 £m	Current Estimate 2025/26 £m	Current Estimate 2026/27 £m	Total £m
Total inflationary and cost pressures	36.9	30.6	35.5	103.0
Council Tax - 4.99% in 2024/25 and 2.99% annually thereafter	(12.0)	(7.7)	(8.0)	(27.7)
Assumed increase in taxbase (no. of properties)	(1.4)	(1.2)	(1.3)	(3.9)
Second Homes and Empty Homes Premium		(6.2)		(6.2)
Core Government Grant Funding Changes		2.5		2.5
Assumed Social Care Grant Funding	(8.0)	(8.5)	(12.9)	(29.4)
One-off reserve funding being drawdown in 2023/24	28.9			28.9
Net Annual Funding Gap	44.4	9.5	13.3	67.2
Cumulative MTFP – Net Funding Gap	44.4	54.0	67.2	

20. The position as presented excludes the previously assumed additional savings and efficiencies. This is on the basis that they were either unidentified against a specific budget line of the council or the public had not been transparently made aware of or engaged as to their deliverability. This approach also recognises that the council has in the past been over-optimistic around assumed transformation savings both in terms of timing and value, a matter the recent LGA Peer Review warned against. This approach can also be linked to the external assurance review on behalf of the DLUHC which encourages the council not to have a budget and MTFP predicated on the delivery of overly optimistic transformation savings.

Financial Strategy supporting the delivery of a balanced budget for 2024/25

21. Clearly a huge amount now needs to be done. A financial strategy in support of the process for setting a legally balanced budget for 2024/25 is set out attached in **Appendix B**. This focuses on traditional local government financial management processes and revenue sources and a prudent approach to the council's financial management. This financial strategy will be reviewed alongside the development of an updated Corporate Strategy for the council following May's local elections.

22. Key aspects linked to the recommendations of the report are set out in the following section of the report.

Debt Threshold

23. Historically the council approved a debt threshold significantly above the level that it has currently committed to in order to emphasise its willingness to consider the use of borrowing to underpin its Big Plan ambitions. This results in significant concerns around the risk associated with higher levels and the robustness and accountability for any underlying business cases. The recommendation of this report is to now reduce the debt threshold to £755m based on the current committed level via the approved capital strategy, plus a 5% variance which equates to approximately £30m. This approach does not reduce the ambition of the council. It will though mean that Audit & Governance Committee will also need to consider the debt obligation associated with any significant new business cases which are underpinned by the use of borrowing which will strengthen the governance arrangements around the robustness of any proposal.

Capital Receipts from Asset Disposals

24. The financial strategy supporting both the 2023/24 and 2024/25 budgets assumes that to fund the one-off revenue costs associated the council's transformation programme the council will use the flexibility, currently only available to 31 March 2025, which enables such costs to be funded from capital receipts. This funding source can normally only be applied to the financing of capital expenditure. To support the identification of appropriate asset sales which can generate the required level of capital receipts, in the first instance by the 31 March 2024, a cross party asset disposal working group was established. The terms of reference of this group also included to review the disposal strategy, and to strengthen public trust and transparency in the process
25. **Appendix C** sets out the principles that the working party recommend are used moving forward to define assets that should be sold. The application of these principles has led to the proposal to Cabinet to dispose of the following assets in 2023/24.
- St Ambrose Cottage.
 - 27 High Street, Christchurch.
 - Public Conveniences in Adastral Square, Canford Heath, Poole.
 - Waitrose Car Park, Christchurch but only to the Town and Parish Council.
 - Madeira Road Student Accommodation.
26. Further details of these disposals are included in a separate **Appendix D** which is confidential on the basis that it contains the estimated values the council will be looking to achieve as a minimum on these disposals. These minimum values accord with the councils duty to achieve best value and are set in line with an independent valuation.

BCP FuturePlaces Ltd – Working Capital Loan Facility

27. As a fully owned subsidiary company of the council BCP FuturePlaces Ltd was created in June 2021 to accelerate and enhance the regeneration of the BCP area by providing expert development advice. Originally all activity was fully funded via a revenue budget within the council. Since 2022/23 a new "capital"

funding model was implemented which meant the revenue budget was removed and the council would purchase the advice of BCP FuturePlaces Ltd in arrears using capital resources, subject to the successful approval of capital business cases. To support this model an £8m working capital loan facility was put in place. As of June 2023, £4.75m had been drawn down. On the basis that this model is deemed to be of high risk a £4m provision was established in mitigation as part of the councils 2022/23 accounts.

28. A recommendation of this report is to reduce the financial risk exposure to the council by reducing the working capital loan facility to £6m. This will be supported by reducing the remit of the company to be narrower and more focused around a number of core schemes. A new more sustainable commissioning model is now being worked on for BCP Future Places Ltd which is likely to involve more of a hybrid between the complete revenue and complete capital models used to date.

Options Appraisal

29. As alternatives to the recommendations put forward councillors could consider.

Debt Threshold

30. Council is free to determine its own self-imposed debt threshold under the CIPFA Prudential Code. This means it is free to retain the current debt threshold, to reduce it by a lesser amount, or even to increase it further.
31. The approach to reduce the debt threshold is in line with the method the council has in the past adopted and it accords with a prudent, traditional approach to local government finance. This includes consideration of the duty to demonstrate value for money and the ability to ensure the security of funds raised via any business case.
32. The advantage of the recommended approach is that it strengthens governance and improves the transparency around any new significant business cases. It will though add an extra procedural process which may extend the timeline for a business cases approval depending on the timing within the Councils approved calendar of meetings.

Asset Disposal for Capital Receipts

33. The council has a wide range of assets of different types and natures that could be used instead of those proposed to generate a capital receipt. However, the Cross-Party Asset Disposal Working Group in putting these assets forward felt they best met the established criteria which for the investment property was the ability to generate a significant receipt by the 31 March 2024 time constraint.
34. Information was made available to the working group on all the assets held by the council, the current schedule of assets declared surplus and the details of investment properties. The Asset Management Strategy of the council will look to develop an ongoing programme of disposals to make best use of the Bournemouth Civic Centre, and to reduce both the operational costs and carbon impact of buildings the council no longer needs. This approach should ultimately deliver additional capital receipts that can be used to fund capital expenditure an example of which might be improvements to Civic Hubs.
35. The disadvantage of disposing of assets is that the council loses any income generated by those assets, which is particularly pertinent to investment

properties, and it has to continue to service any historic debt remaining to be paid off in respect of those assets.

BCP Future Places Ltd – Working Capital Loan Facility

36. Subject to its fiduciary duty to the taxpayers to be prudent in the administration of the funds held on their behalf the council is able to determine the appropriate value of the working capital loan facility. Previous budget and financial reports have continued to highlight the risk associated with the arrangement including any amounts drawn down which ultimately prove unrecoverable, or any payments made against outline business cases which then have to be written off to revenue if the council subsequently decides not to progress with the full business case.
37. Reducing the working capital loan facility to £6m will decrease the financial risk exposure to the council however the directors of BCP Future Places will need to assure themselves around sustainability of the company which may result in changes to its cost profile.

Summary financial implications

38. Any financial implications of the report's recommendations are considered, alongside alternative options, elsewhere within this report.

Summary of legal implications

39. The council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds on their behalf and an equal duty to consider the interests of the community which benefit from the services it provides.
40. It is the responsibility of councillors to ensure the council sets a balanced budget for the forthcoming year. In setting, such a budget councillors 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.
41. As a billing authority, failure to set a legal budget by 11 March each year may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999. It should however be noted that the deadline is, in reality, the 1 March each year to allow sufficient time for the council tax direct debit process to be adhered to.

Summary of human resources implications

42. There are no direct human resources implications associated with this report. However, the 2024/25 budget is likely to have a direct impact on the level of services delivered by the council, the mechanism by which those services are delivered and the associated staffing establishment.

Summary of sustainability impact

43. Provision was made as part of the 2023/24 budget to protect the £480,000 annual budget supporting climate change and ecological emergency activity. This is supplemented by a £763,000 Earmarked Reserve which protects any differentials between previous budget provisions and actual expenditure.

Summary of public health implications

44. The Department of Health and Social Care have announced the public health grant allocations for 2023/24. Nationally the grant will be £3.529 billion a rise of 3.3% in cash terms. Locally public health is delivered via a pan Dorset service arrangement in partnership with Dorset Council. The local increase was as follows:

- BCP Council £21.29m (£20.6m 2022/23) 3.3% increase
- Dorset Council £15.09m (£14.6m 2022/23) 3.4% increase

Summary of equality implications

45. Officers are expected to deliver the services they are responsible for with due regard to the equality's implications. A full equalities impact assessment will be undertaken as part of the final February 2024 report to members as part of the annual budget process.

Summary of risk assessment

46. Risks linked to recommendations, and alternatives and how mitigated.
47. The risks inherent in the 2023/24 budget were clearly set out in the February 2023 Council budget report for 2023/24. Key risks include.

Background papers

48. February 2023 Budget and Medium-Term Financial Plan 2023/24
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?Cld=284&Mld=5032&Ver=4>

Appendices

- Appendix A Budget Planning process and timetable.
- Appendix B Financial strategy supporting the delivery of the 2024/25 budget.
- Appendix C Principles for asset disposals.
- Appendix D **Confidential Appendix** – Detail proposed asset sale

This page is intentionally left blank

2024/25 Budget Timetable and Budget Process

1. The budget for 2024/25 and the MTFP should be seen in the context of a rolling, evolving process structured to enable the ongoing proactive management and prioritisation of the council's resources.
2. As a relatively new council, setting the budgets in the first five years has been a challenge due to the lack of complete historic data and trend information for the council as a single entity. Stability around this position has been and will continue to be impacted by ongoing uncertainty around the impact and long-term consequences of Covid-19 alongside that caused by the cost-of-living crisis.
3. The key dates in the 2024/25 budget setting process can be set out as follows.

26 July 2023	Cabinet – Quarter 4 / Financial Outturn 2022/23
26 July 2023	Cabinet - MTFP update report (including financial strategy)
6 September 2023	Cabinet - Quarter 1 23/24 budget monitoring
25 October 2023	Cabinet - MTFP update report
27 October 2023	Budget Café (all councillor presentations)
13 November 2023	Budget Engagement Exercise opens
13 December 2023	Cabinet - Quarter 2 23/24 budget monitoring
13 December 2023	Cabinet – MTFP update report
22 December 2023	Budget Engagement Exercise closes
10 January 2024	Cabinet (Council Tax – 2023/24 tax-base report)
11 January 2024	Audit & Governance (Treasury Management Strategy 2024/25)
17 January 2024	Budget Café 2 (all councillor presentation)
2 February 2024	Presentation to representatives from Commerce & Industry
7 February 2024	Cabinet - Quarter 3 23/24 budget monitoring
7 February 2024	Cabinet – 2024/25 proposed budget & MTFP update
20 February 2024	Council – 2024/25 proposed budget and council tax setting

BCP Council - Budget Process 2024/25

		Month	Decisions	Cabinet	Public Engagement	Budget Holders	Finance	Strategic Planning Cycle
78	Scrutiny	Feb	Council Budget Meeting					Budget 23/24 approved + 3 year MTFP
		March						
		April						
	Scrutiny	May						Local Elections
		June		Portfolio Holders engagement with budget holders to develop proposals for balancing the 2024/25 budget. Bi-weekly informal Cabinet progress meetings	Corporate Strategy Public Engagement Exercise	Services prepare savings, efficiency and income proposals to enable the 2024/25 budget to be balanced	Calculate initial savings targets	Refresh of the Corporate Strategy to align with the priorities of the new administration. Including June Strategy Week
		July	Cabinet MTFP Update Report				Draft progress update report	
		Aug					Fundamental refresh of the baseline	
	Scrutiny	Sept		Informal Cabinet Test & Challenge sessions of budget proposals	Budget Public Engagement Exercise - 6 weeks		Refine savings targets	Administrations finalise priorities for 2024/25
		Oct	Cabinet MTFP Update Report			Services present proposals	Draft Cabinet report on savings proposals	
		Nov					Draft progress update report	
	Scrutiny	Dec	Cabinet MTFP Update Report	Cabinet members finalise 2024/25 budget proposals		Service refine budget proposals in light of outcomes of public engagement exercise	Update MTFP and draft Cabinet report on final budget proposals	Finalisation of budget proposal for 2024/25 and MTFP for Cabinet and Council consideration
		Jan						
		Feb	Council Budget Meeting		Statutory Consultation Commerce & Industry			Budget 24/25 approved + 3 year MTFP

Key Financial Reports & Events - 23/24 Budget Monitoring & 24/25 Budget Timeline

Date	Event	Report Title / Action	Detail
June to September 2023	Budget Proposals	Corporate Directors, Service Directors and Budget Holders working with Portfolio Holders	Period for preparation of proposals for balancing the 2024/25 Budget.
26 July 2023	Cabinet	Medium Term Financial Plan (Update)	To include. <ul style="list-style-type: none"> • Update on MTFP • Proposed financial strategy • Budget process • Fundamental review of earmarked reserves
26 July 2023	Cabinet	Financial Outturn Report 2022/23	Summary report covering the financial outturn for 2022/23.
31 August 2023	Budget Refresh	Corporate Directors & Service Directors	Deadline to produce a refresh of the MTFP baseline financial resource requirements for each service for the four-year period to the 31 March 2028
6 September 2023	Cabinet	Quarter One 2023/24 Budget Monitoring Report	First quarter (April to June) budget monitoring for 2023/24.
22 September 2023	Budget Proposals	Corporate Directors, Service Directors and Budget Holders working with Portfolio Holders	Deadline of period for preparation of proposals for balancing the 2024/25 Budget.
25 September 2023	Budget Proposals	Informal Cabinet Test & Challenge Sessions	Weekly review over a 5-week period of budget proposals

Date	Event	Report Title / Action	Detail
13 October 2023	Budget Proposals	Informal Cabinet Test & Challenge Sessions	Deadline for informal Cabinet finalisation of draft budget proposals for consultation
25 October 2023	Cabinet	Medium Term Financial Plan (Update)	To include. <ul style="list-style-type: none"> fundamental refresh of the MTFP progress towards delivering a balanced budget for 2023/24
26 October 2023	Audit & Governance	2022/23 Statement of Accounts	Report presents the 2022/23 statement of accounts for BCP Council including the Annual Governance Statement.
27 October 2023	Budget Proposals	Budget Cafe	All Councillor Seminar
13 November 2023	Budget Proposals	Budget Engagement Exercise	6-week consultation opens
13 December 2023	Cabinet	2023/24 Budget Monitoring & MTFP Update	To include. <ul style="list-style-type: none"> second quarter (July to September) in-year budget monitoring progress on setting a balanced budget for 2024/25
22 December 2023	Budget Proposals	Budget Engagement Exercise	Consultation closes.
10 January 2024	Cabinet	Council Tax - Taxbase Report	2024/25 Council Tax Taxbase

Date	Event	Report Title / Action	Detail
11 January 2024	Audit & Governance	Treasury Management Strategy 2024/25	Seek approval for 2024/25 treasury management strategy
17 January 2024	Budget Proposals	Budget Cafe	All Councillor Seminar
2 February 2024	Budget Proposals	Presentation to representatives from Commerce & Industry	Statutory consultation on 2024/25 Budget & MTFP
7 February 2024	Cabinet	Quarter Three 2023/24 Budget Monitoring	Third quarter (October to December) budget monitoring for 2023/24.
7 February 2024	Cabinet	2024/25 Budget & MTFP Update	To include. <ul style="list-style-type: none"> • 2024/25 Provisional Local Government Finance Settlement • 2024/25 Budget Proposal • 2024/25 Council Tax Resolution
7 February 2024	Cabinet	Housing Revenue Account (HRA) 2024/25 Budget Setting	Seeks approval for the Housing Revenue Account (HRA) which is the separate account that ring-fences the income and expenditure associated with BCP Council's housing stock. Includes rents, service charges and other charges to tenants.

Date	Event	Report Title / Action	Detail
7 February 2024	Cabinet	Dedicated Schools Grant (DSG) and Early Years Funding Formula 2024/25	Setting the 2024/25 funding formulae for early education and childcare for eligible 2-year-olds and all 3- and 4-years olds, mainstream schools for pupils in reception to year 11.
21 February 2024	Council	2024/25 Budget & MTFP Update Report	Formal approval of the following. <ul style="list-style-type: none"> • General fund 2024/25 budget and council tax • Education and childcare funding formula • Housing Revenue Account 2024/25 budget and tenant charges.
March 2024	n/a	n/a	Publish 2024/25 Budget Book
June 2024	Cabinet	2023/24 Financial Outturn Report	Summary report covering the financial outturn for the financial year 2023/24.

Subject to determination

- The 2023/24 budget monitoring reports and the 2024/25 MTFP Budget reports will be subject to consideration by the Corporate and Community Overview and Scrutiny Committee.
- Dates of the precept meetings for the Town, Parish and Neighbourhood Councils in Christchurch and the Chartered Trustees in both Bournemouth & Poole

Financial Strategy

Supporting the 2024/25 Budget & Medium-Term Financial Plan (MTFP)

Focusing on traditional local government financial management processes and revenue sources the Cabinet working with Senior Officers has developed the following financial strategy to support the development of the 2024/25 Budget and Medium-Term Financial Plan.

Review of the inherited Medium Term Financial Plan

Test and challenge the inherited MTFP position to verify the robustness of any cost pressures provided for in light of the current cost of living crisis position. The assumption will be that no savings will be included unless they are evidenced as deliverable underpinned by appropriate governance arrangements around decision making.

Capital Receipts from Asset Disposals

Identify assets that can be sold to generate a capital receipt which in turn can be used, via the Flexible Use of Capital Receipts (FUCR) statutory guidance, to fund transformation investment programme costs in both 2023/24 and 2024/25. Please note this flexibility is not currently available after the 31 March 2025.

By developing an ongoing programme of sales of assets no longer needed for service or strategic reasons it is hoped, once the transformation programme has been financed, to generate resources that can be used to fund capital expenditure which might include improvements to Civic Hubs.

Accommodation Strategy

Fundamental review of occupied buildings with a view to further consolidating the staff in the civic centre and considering future options for owned buildings or passing back leasehold properties as soon as practical.

Review of the Collection Funds

A fundamental and detailed review of the collection funds, both Council Tax and Business Rates, as the position starts to stabilise in a post pandemic environment. To include a review of the top up and tariff arrangements, appeals and bad debt provisions, as well as the possibility to redistribute any retained balances.

Review of Balance Sheet

A fundamental review of the authority's balance sheet to include a fundamental review of Earmarked Reserves and to benchmark items such as bad debts provisions to compare with the levels and policies of other local authorities.

Harmonisation of Services

The intent is to harmonise all services across the conurbation following the 2019 Local Government Reorganisation. Good progress has been made however all outstanding areas of harmonisation will be reviewed to eliminate any areas of difference.

An Enabling Council – Strength Based Approach

Consider the extent to which the community would be better placed to manage council assets and the services delivered within them through volunteers and other sources of funding.

Explore Alternative structures for the delivery of services

Linked to the strength-based approach, explore via a community governance review, the extent to which a greater level of harmonisation can be achieved via the consistent transfer of services to town and parish councils with their separate precept arrangements. At the moment only some areas of BCP have such arrangements. Examples of services covered could be parks, open spaces, cemeteries.

Full Cost Recovery

Ensure that fees and charges are set at level to guarantee that all costs both revenue and capital, direct and indirect are fully recovered. As part of this process consideration will be given to the implementation of resident cards which creates a differential charging approach between residents and non-residents.

Opportunities to deliver further revenue will also be considered through a more commercial approach within services with a specific focus on the Operations Directorate.

Transformation

Test the evidence base to support the deliverability of any assumed transformation savings. In addition, verify the justification for any recharge of base revenue budget staff costs into the programme.

Invest to Save

Consider robust self-financing business cases that use the council's ability to borrow to invest in capital infrastructure which additionally will drive down operational costs or avoid demand pressures.

Integrated Care System

Discussions with the representatives of the new Integrated Care System (who represent the delivery of National Health Services across Dorset) with a view to determining how the two organisations can more effectively work together with a view to driving down the overall costs of the system.

Service Rationalisations

Consideration of services that the local authority is not required to provide and any expenditure on services that it currently provides above the statutory minimum.

Housing Revenue Account

Fundamental review of all recharges between the Housing Revenue Account and General Fund to ensure in line with latest best practice.

Debt Threshold (Capital Financing Requirement)

Previously the council's debt threshold was increased from its current level of £491m to £1.334bn to enable service-based expenditure to be financed from debt with the cost spread over the time period that will benefit from the expenditure and to support the big plan objectives including the delivery of regeneration and housing schemes. However, it is recognised that there is risk associated with taking on additional debt. The repayment of debt takes a precedence even over expenditure on the delivery of statutory services and even if a scheme is supported by the most robust business case there will always be considerable risk associated with the assumptions made and potential variables. Therefore, the Treasury Management report to the July Audit & Governance Committee will

recommended to reduce the debt threshold to £755m which is the peak position as set out in the current capital strategy of the authority with a 5% tolerance.

BCP FuturePlaces Ltd

Reconsider the commissioning and options associated with the future funding of BCP Future Places Ltd. This is likely to involve more of a hybrid funding model between the complete revenue funding model adopted in 2021/22 and the complete capital model adopted from 2022/23 onwards. This July MTFP Update report proposes reducing the working capital loan facility linked to the capital funding model from £8m to £6m.

Dedicated Schools Grant (DSG)

Includes continuing to explore with the Department for Education (DfE) the significant deficit accumulating on the Dedicated Schools Grant (DSG) and the solution as to how this will be funded. This could include a request to be part of the Governments Safety Net programme which Dorset Council are currently part off. This should also include reference to the fact that the council is required to cashflow the deficit which is having a significant impact on the resources available to support the general fund budget.

Participatory Budgets

Consideration of the ability to established small scale community grant allocations where the community decides how the money is spent and are involved in the scrutiny and monitoring following the original allocation.

Government Reforms

Continue to monitor and consider the impact of various government proposals which will have a direct impact on either the cost base or income sources available to the council. This includes the Social Care reforms which are currently delayed until October 2025 and the Extended Producer Responsibilities (ERP) which aims to shift the cost of collecting household waste from taxpayers to the producers and is currently due to be implemented from April 2024.

This page is intentionally left blank

Cross Party Asset Disposal Working Group

The cross-party asset working group is recommending the following principles are applied to determine future asset disposals.

Principle 1

1. We will ensure sufficient assets disposals are secured to enable the councils Transformation Programme costs to be fully funded by the Flexible Use of Capital Receipts. This will require disposal of assets where completion can be guaranteed by the 31 March of the relevant financial year and to the required amount.

Principle 2

2. Pursuant with s123 of the Local Government Act 1972, we will ensure Best Value is achieved in respect of any asset disposal by ensuring the value achieves the red book valuation as a minimum. We will also consider the use of overage clauses, where appropriate, to benefit from any future uplift in value.

Principle 3

3. We will constantly challenge ourselves as to the basis for holding any asset to ensure our portfolio is managed in an efficient and effective way. Holding costs and ability to reduce carbon footprint will be salient factors.

Principle 4

4. We will look to dispose of surplus, under-used, vacant land & buildings unless there is a strong strategic rationale for holding them for example - support future service delivery, regeneration, housing, or place making.

Principle 5

5. Provided consistent with other principles, we will support the acquisition of assets by community organisations and other public sector bodies such as Town and Parish Councils.

Principle 6

6. Estates Team capacity will be focused on the delivery of the required asset disposals.

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

CABINET



Report subject	Children's Services Building Stronger Foundations Programme
Meeting date	26 July 2023
Status	Public Report
Executive Summary	<p>a. This paper sets out:</p> <ol style="list-style-type: none"> I. The strategic context and case for change, II. The outline approach to transformation in children's services, and <p>b. Sets out the requested areas for the investment that is needed to establish the structures and capacity needed to deliver transformation in children's services. The recommendations of this report are requesting that Council commits to making a £4.462m allocation of extra revenue resources into the Children's Services. This one-off investment will be in addition to the £14.6m ongoing investment included in the approved revenue budget for 2023/24, which excluded pay base changes, and the one-off investment of £1.7m in the Children's Service improvement journey made during 2022/23. It also excludes the following additional one-off allocations approved since the budget for 2023/24 was set.</p> <ul style="list-style-type: none"> • £189k Children's commissioning Approved by Officer Decision Record by the Corporate Director for Wellbeing services funded via a specific Earmarked Reserve. • £784k Special Educations Needs & Disability Service Approved via CMB and an Officer Decision Record funded by a redirection principally Children's Services Earmarked Reserves no longer needed for their original purpose.

Recommendations	<p>It is RECOMMENDED that Cabinet recommend to Council:</p> <ul style="list-style-type: none"> a. Approves £4.462 million investment into Childrens Services improvement and transformation. b. The areas for investment to establish the structures and capacity needed to deliver transformation and improvement in children's services being delegates authority to the Director of Children's Services in consultation with the Chief Financial Officer with the allocation of funds and monitoring of impact and expenditure through the Children's Transformation Board. <p>It is recommended that Cabinet;</p> <ul style="list-style-type: none"> c. Note the progress made with the initial phase of the Children's Services Transformation Programme and the proposed areas of focus. d. Receives update reports on progress of the overall programme and the achievement of programme objectives and financial savings. e. Cabinet receives a full Business Case to support the deliverability of the transformation savings at the December 2023 meeting
Reason for recommendations	This investment will enable improved outcomes for children and young people in BCP, and the more effective and efficient services which are needed to secure a future Good Ofsted rating. In turn, this will contribute to the achievement of c. £7m in annual financial savings within the current MTFP cycle.
Portfolio Holders	Lead Portfolio Holder -Councillor Richard Burton
Corporate Director	Cathi Hadley- Corporate Director Childrens Services
Report Authors	Sarah Phipps, Transformation Consultation Richard Stoate, Transformation Consultant
Wards	Council Wide
Classification	For recommendation and decision

Background

- 1.1 The Children's Building Stronger Foundations (BSF) Programme is being established to coordinate the action needed to sustain and accelerate the required improvements in children's services, namely the achievement recurrent savings and to safely and appropriately manage and reduce the demand for statutory services. This report relates specifically to actions needed to set up the structures required for transformation and improvement.
- 1.2 The Programme is being developed in line with the BCP strategic priority to enable Brighter Futures for children and young people.
- 1.3 The Director of Children's Services (DCS) is putting in place permanent senior management arrangements to enable and drive change at pace. The DCS has already established improvement programmes and governance and assurance arrangements for SEND and children's social care in response to statutory inspections. Alongside service improvement, there is a clear need for a single, coordinated comprehensive transformation programme across children's services. Such a programme will support and enable improving outcomes for children and young people, ensuring value for money, and delivering financial efficiencies and savings.
- 1.4 This paper sets out:
 - a) The strategic context and case for change,
 - b) The approach to transformation in children's services, and
 - c) Sets out the requested areas for the investment that is needed to establish the structures and capacity needed to deliver transformation in children's services.
- 1.5 Children's services in BCP are facing significant challenges in relation to service demand, quality, effectiveness, and use of resources. The required improvements will not be made and sustained without a fundamental reset, and wide-ranging transformation and improvement of services. Without this, it is unlikely that long standing budget challenges will be resolved and BCP will not be able to achieve the improvement required in response to statutory inspections. This could potentially lead to further statutory intervention from the Department of Education in relation to SEND and children's social care.

Introduction – The Strategic Context and Case for Change

- 1.6 There is a well understood strategic context that is driving the need to transform the planning and delivery of services that support children and families in BCP, namely the need to improve the quality, effectiveness, impact and outcomes of services and the need to better manage and reduce the demand for statutory services thereby driving sustained financial efficiencies and savings. This is a similar experience facing other Local Authorities in England and one which is well described in the May 2022 'Independent Review of Children's Social Care'. [The-independent-review-of-childrens-social-care-Final-report.pdf \(childrensocialcare.independent-review.uk\)](https://childrensocialcare.independent-review.uk/The-independent-review-of-childrens-social-care-Final-report.pdf)
- 1.7 The BSF Programme will also take into account issues that have been identified as part of statutory inspections.
 - The July 2021 joint local area SEND inspection determined that a Written Statement of Action was required due to significant areas of weakness.

- The October 2020 Ofsted focused visit to BCP children's services identified on-going serious and widespread weaknesses in the quality of children's services, leaving vulnerable children at risk of harm.
- The December 2021 ILACS Inspection recognised that BCP are still on an improvement journey, as well as experiencing the impact of COVID.

1.8 A Statutory Direction was issued to BCP in March 2022, which appointed a new DfE (Department for Education) Improvement Advisor. The first Improvement Board under the Statutory Direction was held in late April 2022, and Hampshire County Council have been confirmed as the Sector Led Improvement Partner to BCP Council.

May 2022 Independent Review of Children's Social Care

- 1.9 The May 2022 Independent Review of Children's Social Care sets out an approach and a 5-year reform programme to reset children's social care from a system which is increasingly skewed to crisis intervention, with outcomes for children that continue to be unacceptably poor and costs that continue to rise. The review, chaired by Josh MacAlister advises that without a widespread 'reset' of services costs for children's social across the country will continue to rise whilst outcomes for children will continue to worsen. Headline recommendations from the review set out below will need to be reflected in the Children's Transformation Programme:
- a) Revolutionise Early and Family Help
 - b) Improvements to the Child Protection system
 - c) Different ways of working with families and communities
 - d) Critical improvements to the care market
 - e) Improvements for care experienced young people
 - f) Realising the potential of the workforce
 - g) A relentless focus on children and young people

Children's services approach to transformation and improvement

- 1.10 BCP have commissioned independent external capacity and expertise to support the DCS and Children's Services undertake a significant transformation and improvement programme. The first 'diagnostic' phase has been completed to better understand 'the here and now and to identify a programme of transformation and improvement.
- 1.11 The key benefits for BCP are:
- a) Support the delivery of services for children 'to ensure that the BCP city region becomes one of the best places in which children can live, learn, and grow up, with opportunities to stay in the area after they leave school, whether to go to university, to train or to work. This means supporting the health, wellbeing and development of children from birth, through their early years, right through their education and into their adulthood.
 - b) Design of a whole system approach can ensure the right families are identified and enabled to access the right services at the right time. Design of a whole system approach will ensure key programmes related to children's health and wellbeing will be resourced and delivered based on an accurate needs analysis

to improve key outcomes for children such as school readiness, health living, emotional wellbeing and educational attainment. This will also release pressures on other services such as A & E, the police and health.

- c) Design of a whole system approach will support the development of an overarching children's strategy with a coherent workforce strategy with a common training offer, career pathways as well as support culture change and renewed leadership. Design of a whole system approach can support the development of an overall Quality assurance framework that includes performance data, outcomes and evaluations.
- d) Design of a locality based multi-disciplinary operating model that works around the family can reduce duplication, improve coordination, and maximise use of resources.
- e) Design of a locality-based model will enable coproduction, participation and community resilience approaches to be embedded enabling families and partners to be meaningful stakeholders who can contribute to the design and delivery of services and participation in wider Council activities.
- f) Design of locality-based model will enable a test and learn approach as services can be delivered and evaluated to ensure the service offer remains evidence led based on most up to date needs analysis. Intensive family focussed work at an earlier stage of issues being identified will improve both engagement of the family as well as improve outcomes. This will reduce harm and ensure children can engage with positive activities, supportive adults and education to succeed. These approaches are known to reduce overall demand into statutory services and can positively prevent children coming into care or reduce the time children spend in care. This will release capacity within the social care system to improve quality of practice as well as potentially generate savings for CYPS, the Council and wider communities. For example, intensive home visiting (over and above the mandated visits) between birth and age two has shown to reduce income-related learning gaps, improve the quality of the home learning environment. It has been proven that this type of investment pays off, for the economy as well as for local communities.

Developing the Children's Service Building Stronger Foundations Programme

1.12 The second phase of work has now commenced which is to develop a 3-year transformation and improvement programme, named Building Stronger Foundations (BSF). Programme governance arrangements have been established and developing detailed plans to underpin the proposed areas for transformation.

1.13 The Children's BSF Programme Board is already in place, chaired by the DCS. The Programme will guided by the following principles:

- Robust governance and assurance
- Effective financial management
- Demonstrating impact and outcomes
- Services and systems connected around families: multi-agency teams based in localities and professionals' part of the community.
- Focus on relationships and bring even more compassion to processes and service delivery.

- Frontline practice embraces whole family working and co-production with families
- Decision making at all levels is data informed and intelligence driven
- Leaders at all levels trust each other, have a single vision and approach, solving problems as a system and sharing risks.
- Building capacity, skills, and confidence in the workforce

1.14 Additional capacity is now required to establish the Children's Services Transformation Programme. This is critical in order to achieve the key objectives of reducing spend and better managing and reducing the demand for children's social care and statutory services.

1.15 The following activities and functions are proposed:

- a) Establishing a **Programme Management Office**.
- b) **Workforce improvement**. Recruitment and retention campaign leading to a reduction in Agency Spend.
- c) **Commissioning Transformation**. Develop BCP Commissioning into a best-in-class service leading to a reduction in third party expenditure.
- d) **Targeted Service Delivery**. Key to achieving transformation is the use of data intelligence of inform the planning and organisation of service delivery, as well as maintaining detailed overview of delivery, performance and impact. A better understanding of data insight will lead to a step-change in our ability to understand residents' needs and connect them to a range of services, community offer, help through schools, digital advice and guidance. We will build long term analytical capacity and capability into BCP Children's Services.
- e) **Cultural change**. Invest in management and leadership leading to reduction in uncontrolled expenditure by: (i) Investment in Communications and Engagement capacity (ii) Leadership academy – a service and system design and leadership training programme for service managers across the partnership to develop our ability to lead the changes needed for children and young people, and to develop more cost-effective services that reduce demand.
- f) **Developing partnerships**. (i) Community help is important for all of us, be it from neighbours, friends and family, local interest groups, faith or voluntary sectors. This is what builds and maintains resilience in individuals and families. These connections to the community and resilience can be a distinguishing feature between families who thrive under difficult conditions, and those who need support from acute services. (ii) The Integrated Care System (ICS) brings with it a new era of integration at all levels of organisations – formal governance structures, service management, commissioning and strategic planning and operational delivery. Reinvigorated partnerships with the 'health family' is integral to unlocking long standing challenges to children's health and well-being as well as better service efficiency, effectiveness and impact between health and children's services. (iii) Schools, nurseries and further education settings are critical to many of the outcomes for children and families.
- g) **Reimagine Early Help service delivery model** leading to reduce expenditure in: (i) New foster care model; (ii) Brokerage; (iii) Children's Homes; (iv) Alternative Educational Provision from improved school inclusion and mental health provision in schools. A central premise to the new service delivery model is to support and sustain the local, and locality-based, delivery of services that build resilience, community engagement and family support. Both of these helps to manage demand for higher tariff, higher cost services.

- 1.16 Funding of £4.46m is being requested over 2 years in order to establish and deliver the BSF Programme. Work will take place with the Corporate central services in relation to the support required from finance, HR, commissioning/procurement, performance and communication.
- 1.17 Progress on the Programme and a further full business case for a new delivery model for Children's Services will be reported to Cabinet in December 2023. This will set out a detailed implementation and savings plan.

Options Appraisal

- 1.18 Not pursuing the recommendations in this report will create the following risks:
- a) The lived experience of children known to the local authority will be poor, with poorer outcomes for children and young people.
 - b) Likely further Department of Education Statutory intervention in relation to SEND and/or Children's Social Care.
 - c) Failing to reduce demand and continued overspending of the Children's Services budget.

Summary of financial implications

- 1.19 The recommendations of this report are requesting that Council commits to making a **£4.462m** allocation of extra revenue resources into the Children's Services. This one-off investment will be in addition to the £14.6m ongoing investment included in the approved revenue budget for 2023/24, which excluded pay base changes, and the one-off investment of £1.7m in the Children's Service improvement journey made during 2022/23. It also excludes the following additional one-off allocations approved since the budget for 2023/24 was set.
- £189k Children's commissioning
Approved by Officer Decision Record by the Corporate Director for Wellbeing services funded via a specific Earmarked Reserve.
 - £784k Special Education Needs & Disability Service
Approved via CMB and an Officer Decision Record funded by a redirection principally Children's Services Earmarked Reserves no longer needed for their original purpose.
- 1.20 This £4.462m extra resource allocation will be split £2.756m into supporting the Children's Services improvement journey and £1.706m into a specific Children's Services service layer transformation programme. **Appendix B** provides the detailed analysis of this expenditure between the various workstreams and, for the transformation expenditure, the estimated savings which will flow from the investment.
- 1.21 In respect of the funding for this extra £4.462m revenue resource allocation it is proposed that the following approach is adopted.

Improvement Expenditure - £2.756m

2023/24 £1.734m

From a drawn down on the extra £1.903m added to Unearmarked Reserve as part of the 2022/23 Financial Outturn of the Council created by Earmarked Reserves no longer required for their original purpose.

2024/25 £1.022m

To be included as an additional service pressure as part of the budget process for 2024/25. This will increase the £44.4m funding gap for 2024/25.

Transformation Expenditure - £1.706m

2023/24 £1.346m

2024/25 £0.360m

To be funded via the Flexible Use of Capital Receipts flexibility which is available to Councils in 2023/24 and 2024/25. Normally capital receipts can only be used to fund capital expenditure or repay debt. However up to the 31 March 2025 there is a government flexibility which allows them to be used to fund revenue expenditure which meets its definition of Transformation. This definition highlights that it cannot be used to meet either ongoing business as usual costs or expenditure associated with the statutory duty to improve, and any expenditure must be specifically designed to generate an ongoing revenue saving.

The Medium-Term Financial Plan report presented separately on this Cabinet agenda makes a recommendation to Council in regard to asset sales to ensure there are sufficient capital receipts available.

As with all transformation expenditure the Council will need to be able to provide an evidence base to the External Auditor of both the expected and actual expenditure and the actual savings delivered compared to planned outcomes.

- 1.22 This report outlines that the £1.706m Transformation Expenditure will complement the council's overall transformation investment programme and enable delivery of savings of up to £3.9m in 2024/25 growing to £6.4m per year by 2026/27. However, the recommendations of the report suggest that these are treated as indicative only at this (Outline Business Case) stage with more details of the actual savings, associated delivery plans, risks and consequences being presented as part of a further report to Cabinet (Full Business Case stage) in December 2023.

Summary of legal implications

- 1.23 The Council are required by law to hold direct accountability for the effectiveness, availability and value for money of the children's services. The functions of the portfolio holder and Director of Children's Services are set out in section 18(2) of the Children Act 2004. This includes responsibility for children and young people receiving education or children's social care services in their area and all children looked after by the local authority or in custody (regardless of where they are placed).
- 1.24 There are almost 300 statutory duties in relation to children's services, including the responsibility to:

- act as a corporate parent for looked after children
- ensure fair access to a diverse supply of good schools
- ensure access to high quality provision for children with SEND
- provide alternative provision for children outside of mainstream education provision
- provide suitable home to school transport arrangements
- promote high quality early years provision
- work with partners to provide services for children involved in the youth justice system
- understand local need and secure the provision of services for children and young people to meet this need
- secure access to sufficient educational and recreational leisure time activities
- promote children and young people's involvement in public decision making and promote participation in education and training

1.25 This proposal will improve the Council's ability to discharge all of these duties more effectively.

Summary of human resources implications

1.26 This report sets out a proposal that will seek to enhance the working culture with children's services in BCP. It will include the development of a new leadership and workforce development strategy. At the current stage there are no substantive human resources implications to report. We will update Cabinet on the full human resources implications once a full business case has been developed for these elements.

Summary of sustainability impact

1.27 Full sustainability impact will be considered as a vital part of all future business cases and will be reported to Cabinet.

Summary of public health implications

1.28 One of the primary aims of this proposal is to increase positive impacts on all children's health and wellbeing across BCP. Detailed descriptions of these impacts will be reported to Cabinet with a full business case in December 2023.

Summary of equality implications

- 1.29 The Full Assessment has included children and young people as service users and staff. Consideration of age, disability, gender and race as protected characteristics have been considered. The principal potential impact is positive on service users. The impact on staff will continue to be reviewed as proposals develop.

Summary of risk assessment

- 1.30 Failure to deliver the proposed transformation of children's services risks negative impact on the lived experience of children known to the local authority. As part of the proposal, a detailed outcomes and impact framework will be developed to monitor and manage the delivery of outcomes for children and young people. Through this improved knowledge of our impact, we will effectively mitigate this risk.
- 1.31 In cases of persistent or systemic failure there is a presumption that children's services would be subject to further intervention from DfE. In order to mitigate this risk the leadership of the Council will prioritise the needs of children. Leaders will be well informed, will work positively with the Improvement Partner and Commissioner, and will hold the DCS and their leadership team to account for the quality of practice and the challenges in the local area. Strategic leaders will ensure that relationships with key partners provide a helpful and supportive context to work effectively with children and families.
- 1.32 Improving Children's Services will bring with it financial implications. Should improvement fail this will create additional budget pressures and continued overspending of the Children's Services budget. An integral part of this proposal is mitigation measures for financial risk to improve the skills and tools available to budget holders to ensure sound fiscal management.

Background papers

- 1.33 There are no background papers to this report.

Appendices

- 1.34 Appendix A: Building Stronger Foundations: A business case for investment in Children's Services improvement and transformation.
- 1.35 Appendix B: Detailed expenditure analysis.

Building Stronger Foundations - Improvement / Transformation Costs - 2023/24 & 2024/25

					2023-24			2024-25			
Theme	Description		CONSULTANT DAY RATE	Assumed days 2023/24	Improvement	Transformation	TOTAL	Improvement	Transformation	TOTAL	GRAND TOTAL
0. Programme Management	Management of BSF programme and implementation change management	Transformation Partner	£975	242	117,975	117,975	235,950	-	-	-	235,950
			£675	243	82,013	82,013	164,025	-	-	-	164,025
		Transformation and Change Management Team	BCP employee	19,928	19,928	39,856	-	-	-	39,856	
			TBC (Estimate £600 day)	120	36,000	36,000	72,000	-	-	-	72,000
		Communications Support	£600	120	36,000	36,000	72,000	-	-	-	72,000
1. Workforce	REMOVED										-
2. Commissioning	Develop BCP Commissioning into a best-in-class service leading to a reduction in third party expenditure	Commissioning Transformation Resource	£600	243		145,800	145,800	-	-	-	145,800
			£550	208		114,400	114,400	-	-	-	114,400
			£550	243		133,650	133,650	-	-	-	133,650
3. Targeted Service Delivery	Improvements in use of data intelligence in service delivery. Build long term analytical capacity and capability into BCP Children's Services	Business Analyst capacity (Performance Team)	TBC (Estimate £550 day)	120	66,000		66,000	-	-	-	66,000
4. Culture	Invest in management and leadership training leading to reduction in uncontrolled expenditure	Management and Leadership Programme			100,000		100,000	-	-	-	100,000
5. Partnerships	Invest in Partnerships:	Schools engagement	TBC (Estimate £550 day)	136	74,800		74,800	-	-	-	74,800
	(a) Schools										
	(b) Health – leverage health spend	Health Partnerships SME	£675	192	129,600		129,600	-	-	-	129,600
	(c) Third Sector – unlocking community capacity	Community Engagement Project			375,000		375,000	375,000		375,000	750,000
	(d) Provider Market	Provider market engagement	TBC (Estimate £550 day)	91	50,050		50,050	-	-	-	50,050
6. New Service delivery Model	Reimagine Early Help service delivery model leading to reduced expenditure in:	Service redesign team	£975	120		117,000	117,000	-	-	-	117,000
			£975	120		117,000	117,000	-	-	-	117,000
			TBC (Estimate £750 day)	88		66,000	66,000	-	-	-	66,000
		Temporary capability and capacity in Early Help	TBC (Estimate £750 day)	480		360,000	360,000		360,000	360,000	720,000
	CSC Service Improvement: New Foster Care Model / Brokerage / Children's Homes	Mockingbird family model development			350,000		350,000	350,000		350,000	700,000
	Education & SEND Improvement	Education and SEND SME Resource	£975	120	117,000		117,000	117,000		117,000	234,000
			TBC (Estimate £750 day)	240	180,000		180,000	180,000		180,000	360,000
					TOTALS	1,734,366	1,345,766	3,080,131	1,022,000	360,000	1,382,000
						Incurred/ committed	1,386,281			Total IMPROVEMENT	2,756,366
										Total TRANSFORMATION	1,705,766
											4,462,131

This page is intentionally left blank

Building Stronger Foundations - Savings 2024/25 to 2026/27

Theme	Description	Current Cost Pressure Narrative	Current Cost	2023/24	2024/25	2025/26	2026/27	TOTAL
1. Workforce	REMOVED							
2. Commissioning	Deliver KPMG target savings of 4% (by 24/25) to 7% (by 25/26) of controllable third party expenditure	Total Children's Services (Third Party Spend)	24,860,000	-	994,400	1,243,000	1,740,200	3,977,600
3. Targeted Service Delivery	Invest in a digital-first strategy to deliver intelligence-led service provision	Overall efficiency from improved targeting of resources		Indirect savings				-
4. Culture	Investment in management leadership resulting in improved control over expenditure			Indirect savings				-
5. Partnerships	Invest in Partnerships:			Indirect savings				-
	(a) Schools							
	(b) Health – leverage health spend	Increased partner contributions to service delivery	N/A	-	500,000	1,000,000	1,000,000	2,500,000
	(c) Third Sector – unlocking community capacity			Indirect savings				-
6. New Service delivery Model	Overall reduction in Children's Services budgets (non-third party spend) through new service delivery model	Total Children's Services (non-Third Party Spend)	61,231,620	-	2,449,265	3,673,897	3,673,897	9,797,059
	CSC Service Improvement: New Foster Care Model / Brokerage / Children's Homes			Indirect savings				-
	Education & SEND Improvement			Indirect savings				-
Overall proposition	Overall reduction in the total Children's Services budget by 8% by 2026/27	Total Children's Services budget	86,091,620	-	3,943,665	5,916,897	6,414,097	16,274,659

Commissioning saving based on identified budget of £24.860m from work undertaken by Commercially Public Ltd relating to Third Party Spend.
Saving estimated as 4% in 24/25, 5% in 25/26 and 7% in 26/27
(caution over double counting with corporate third party transformation saving?)

Increased partner contributions based on improved working relationships with health partners. Saving estimated at £500k in 24/25 increasing to £1m in 25/26

The baseline budget used for the overall reduction in Children's Services (£61.231m) is derived from deducting the Third Party Spend budget (£24.860m) from the total Net Children's Budget (£86.091m).

Savings are then assumed to be 4% in 24/25 rising to 6% 25/26 (based on comparative success in other authorities)

This page is intentionally left blank



Audit & Governance Committee

Report Subject	Treasury Management Monitoring Outturn 2022/23 and update for Quarter 1 2023/24
Meeting date	27 July 2023
Status	Public
Executive summary	<p>This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2022 to 31 March 2023.</p> <p>A surplus of £1.9m has been achieved through a reduced need to carry out temporary borrowing due to high cash balances as well as increasing interest rates earned on the Council's investments.</p> <p>In addition, the report also sets out the Quarter One performance for 2023/24 which forecasts an underspend of £665k due to the increase in interest rates.</p> <p>Further to the standard update the report seeks approval to decrease our borrowing headroom.</p>
Recommendations	<p>It is recommended that Audit & Governance Committee:</p> <ol style="list-style-type: none"> 1) note the reported activity of the Treasury Management function for 2022/23 2) note the reported activity of the Treasury Management function for April to June of 2023/24. 3) note and endorse the update on borrowing set out in paragraph 20. 4) approve and recommend to Council the revised prudential indicators set out in table 10.
Reasons for recommendations	<p>It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members.</p> <p>Council is required to approve any changes to the prudential indicators based on a recommendation from the Audit & Governance Committee.</p>
Portfolio Holder	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Ian O'Donnell, Interim Director of Corporate Resources
Service Director	Adam Richens - Chief Financial Officer

Classification	For information and recommendation
Report author	Annalie Muirhead, Finance Manager - Technical ☎ 01202 123730 ✉ annalie.muirhead@bcpcouncil.gov.uk Matthew Filmer, Assistant Chief Financial Officer ☎ 01202 128503 ✉ matthew.filmer@bcpcouncil.gov.uk

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.
2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2011).
3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.
4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments, and compliance with prudential indicators.

Economic Background (Link Treasury Services)

5. In June 2023, the Bank of England's Monetary Policy Committee (MPC) voted by a majority of 7-2 to raise the Bank Rate from 4.50% to 5.00%. In May, the Bank of England released a new set of forecasts, which saw the largest ever upside revision to growth since the Bank gained independence in 1997. The Bank of England's revised view now erases past expectations that the UK will enter a recession this year and that the real economy will be 2.25% bigger by mid-2026. The change was predicated on plunging gas prices, additional fiscal support, and more resilient consumers.
6. The UK latest inflation rate was 8.7% in April and May 2023, down from the peak of 11.1% in October. The rate is still much higher than the Bank of England's 2% inflation target, however CPI inflation is expected to fall significantly further during the course of the year, in the main reflecting developments in energy prices.
7. Food prices appear to have replaced energy prices as a key concern, and although that is now expected to have peaked, any shift down is likely to be slow due to high energy prices and hedging strategies in the food supply chain. On wages, survey data suggests that wage growth could ease further later this year, with signs that employees are moving jobs less frequently and employers are getting more applications for job vacancies.

8. The Bank of England now expects prices to fall to 5.1% by the close of this year, compared to 3.9% seen in February, with price pressures now expected to cool more slowly, however the outlook is for inflation to get back below its 2% target in two years, when based on current market forecasts.
9. The MPC has not committed to raising rates again or suggested that 50bps rises are now the norm. However, it looks highly probable, given the on-going strength of inflation and employment data, that the Bank will need to raise rates to at least 5.5% and to keep rates at their peak until the mid-point of 2024. Link Treasury Services believe it is only a matter of time before the rise in rates weakens the economy sufficiently to push it into recession. That is why instead of rising to between 6.00%-6.25%, as is currently priced in by markets, they consider rates are more likely to peak between 5.50-6.00%.

Interest Rates

10. Table 1 below, produced by the authority's treasury consultants Link Asset Services, sets out their current projection of interest rates over the medium term.

Table 1: Interest rate projection (Link Treasury Services)

Interest Rate Forecasts								
Bank Rate	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25
Link	5.50%	5.50%	5.50%	5.25%	4.75%	4.25%	3.75%	3.25%
Cap Econ	5.25%	5.25%	5.25%	5.25%	4.75%	4.50%	4.00%	3.50%
5Y PWLB RATE								
Link	5.60%	5.30%	5.10%	4.80%	4.50%	4.20%	3.90%	3.60%
Cap Econ	5.10%	4.80%	4.60%	4.40%	4.20%	4.00%	4.00%	3.90%
10Y PWLB RATE								
Link	5.20%	5.00%	4.90%	4.70%	4.40%	4.20%	3.90%	3.70%
Cap Econ	5.00%	4.80%	4.60%	4.50%	4.30%	4.10%	4.00%	3.90%
25Y PWLB RATE								
Link	5.40%	5.20%	5.10%	4.90%	4.70%	4.50%	4.20%	4.00%
Cap Econ	5.20%	5.10%	4.90%	4.70%	4.50%	4.30%	4.30%	4.20%
50Y PWLB RATE								
Link	5.10%	5.00%	4.90%	4.70%	4.50%	4.30%	4.00%	3.80%
Cap Econ	4.90%	4.90%	4.80%	4.60%	4.40%	4.30%	4.20%	4.10%

Treasury Management Performance 2022/23

11. Table 2 below shows the final overall treasury management position for 2022/23. Investment income overachieved the budget set for 2022/23 by £1.8m. This was due to increasing interest rates, much higher than originally forecast, being earned on the Council investments as well as having higher cash balances than forecasted.
12. The interest paid on borrowing was £143k under budget. This is due to a lower level of short-term borrowing being required than expected, due to increased cash balances. No long-term borrowing was taken out in 2022/23.

Table 2: Treasury Management Performance 2022/23

	Actuals 2022/23 £'000	Budget 2022/23 £'000	Variance 2022/23 £'000
<u>Expenditure</u>			
Interest Paid on Borrowings	3,196	3,339	(143)
<u>Income</u>			
Investment Interest Received	(1,808)	(45)	(1,763)
Total	1,388	3,294	(1,906)

Borrowing

13. The Council has adopted a two-pool approach to debt management, separating the debts of the General Fund (Pool 1) and the Housing Revenue Account (HRA) (Pool 2). The HRA pool is a combination of both the Poole and Bournemouth Neighbourhood HRA accounts.
14. Table 3 below shows the closing level of borrowing for the Council's two loans pool.

Table 3: Council Borrowings as at 31 March 2023

Initial Loan Value £'000	Interest Rate	Balance as at 31 March 23 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
10,000	4.00%	10,000	31-Jul-2023	10,000	-	North Somerset Council
2,000	3.93%	2,000	31-Jul-2023	2,000	-	South Derbyshire District Council
208	2.66%	208	22-Aug-2023	-	208	PWLB loan 509032 (EIP)
3,000	4.00%	3,000	01-Sep-2023	3,000	-	Tendring District Council
5,000	4.00%	5,000	14-Sep-2023	5,000	-	Vale of White Horse Council
3,673	0.00%	64	01-Apr-2023	64	-	Salix
23,881	3.72% <i>Average Rate</i>	20,272		20,064	208	
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		188,896		62,000	126,896	
22,625	2.26% + RPI Annually	15,514	17-Oct-2039	15,514	-	Prudential Assurance Co
49,000	2.83%	48,231	24-May-2068	48,231	-	Phoenix Life Limited
284,402		272,913		145,809	127,104	

15. Table 4 below shows the closing level of the Council Capital Financing Requirement and how that is made up of actual external borrowing and what the level of under borrowing.

Table 4: Council Capital Financing Requirement 31 March 2023

	General Fund £000	HRA £000	Total £000
External Borrowing	145,809	127,104	272,913
Internal Borrowing (under borrowing)	212,121	5,599	217,720
Capital Financing Requirement	357,930	132,703	490,633

Investments

16. During the year, cash surpluses are invested by the Treasury Management team through direct dealing or money brokers with approved counterparties. The Council's counterparty list i.e., the list of organisations that it has been agreed that the Council can invest with has become increasingly restricted in recent years due to the economic climate and the criteria used to select appropriate organisations.
17. A full list of investments held by the authority as of 31 March 2023 is shown in Table 5 below.

Table 5: Investment Summary as at 31 March 2023

Investments	Maturity Date	Principal Amount £	Interest %
<u>Fixed Term Deposits</u>			
Bury Metropolitan Council	13-Apr-2023	6,000,000	4.40%
Wokingham Borough Council	24-Apr-2023	10,000,000	4.40%
Telford & Wrekin Council	11-Sep-2023	10,000,000	4.70%
Sub Total		26,000,000	
<u>Call Account</u>			
HSBC Sterling Liquidity Fund	Instant access	9,400,000	4.13%
Total		35,400,000	

18. The Treasury Management function achieved average returns of 2.00% for the period 1 April 2022 to 31 March 2023 for its combined investment compared to the SONIA average rate of 2.24%. The reason for lower average returns than the SONIA average rate is due to the fact more investments were held in the first half of the financial year, when interest rates were much lower than the second half of the year. From 1 April 2022 to 30 September 2022, average returns were 1.22% compared to SONIA average rate of 1.18%.

Treasury Management Performance 2023/24

19. Table 6 below shows the overall treasury management position for 2023/24. The current forecast is a surplus of £665k on interest receivable budgets reflecting the increase in interest rates.

Table 6: Treasury Management performance 2023/24

	Forecast 2023/24 £'000	Budget 2023/24 £'000	Variance 2023/24 £'000
<u>Expenditure</u>			
Interest Paid on Borrowings	3,483	3,483	0
<u>Income</u>			
Investment Interest Received	(3,200)	(2,535)	(665)
Total	283	948	(665)

Borrowing

20. Table 7 below shows the closing level of borrowing for the Council's two loans pool.

Table 7: Council Borrowings as at 30 June 2023

Initial Loan Value £'000	Interest Rate	Balance as at 31 March 23 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
10,000	4.00%	10,000	31-Jul-2023	10,000	-	North Somerset Council
2,000	3.93%	2,000	31-Jul-2023	2,000	-	South Derbyshire District Council
208	2.66%	208	22-Aug-2023	-	208	PWLB loan 509032 (EIP)
3,000	4.00%	3,000	01-Sep-2023	3,000	-	Tendring District Council
5,000	4.00%	5,000	14-Sep-2023	5,000	-	Vale of White Horse Council
20,208	3.72% Average Rate	20,208		20,000	208	
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		188,896		62,000	126,896	
22,625	2.26% + RPI Annually	15,318	17-Oct-2039	15,514	-	Prudential Assurance Co
49,000	2.83%	47,968	24-May-2068	48,231	-	Phoenix Life Limited
231,729		272,390		145,745	127,104	

Investments

21. A full list of investments held by the authority as at 30 June 2023 is shown in Table 8 below.

Table 8: Investment Summary as at 30 June 2023

Investments	Maturity Date	Principal Amount £	Interest %
<u>Fixed Term Deposits</u>			
Stockport Metropolitan Borough Council	05-Jul-2023	10,000,000	4.75%
Telford & Wrekin Council	11-Sep-2023	10,000,000	4.70%
Goldman Sachs International Bank	17-Oct-2023	12,000,000	4.77%
Lloyds Bank Corporate Markets	03-Nov-2023	10,000,000	5.00%
Lloyds Bank Corporate Markets	17-Nov-2023	4,000,000	5.00%
Close Brothers	17-Nov-2023	10,000,000	5.00%
Lloyds Bank Corporate Markets	01-Dec-2023	8,000,000	5.30%
Goldman Sachs International Bank	07-Dec-2023	11,500,000	5.25%
Sub Total		75,500,000	
<u>Call Account</u>			
Aberdeen Standard Liquidity Fund	Instant access	12,250,000	4.83%
Total		87,750,000	

22. The Treasury Management function has achieved returns of 4.37% for the period 1 April 2023 to 30 June 2023 for its combined investment, in line with the SONIA overnight rate of 4.37%.

Prudential Indicators and Member Training

23. The Treasury Management Prudential Code Indicators were set as part of the 2022/23 & 2022/23 Treasury Management Strategy. It can be confirmed that all indicators have been complied with during all of 2022/23 and the period 1 April 2022 to 31 June 2023.
24. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring.

25. Appendix 1 has been attached to this report showing the Council's new liability benchmark treasury indicator to support the financing risk management of the capital financing requirement.
26. Given new members have joined the Audit & Governance Committee, full training will be given with optional invites to all members. Possible dates will be sent out after this meeting.

Compliance with Policy

27. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial Regulations. The recent internal audit in August 2022 rated the Treasury Management function as "Reasonable" assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
28. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2022/23 and the period 1 April 2022 to 30 June 2023.

Decrease the Councils Debt Threshold (Capital Financing Requirement)

29. As part of the financial strategy supporting the development of the 2023/24 budget the council in November 2022 approved a revision to its self-imposed debt threshold, see table 9 below. The decision was to move our debt threshold to 257% of our NRE which would move the council to the mid-point average and support a debt level of £855m. The decision to increase the Council debt threshold to £1.334bn represented 387% of our NRE. This moved the council's threshold from the mid-point range compared to upper tier authorities including metropolitan boroughs to the top of the 3rd quarter. There were two main drivers for extending the Council's debt threshold.

1) To enable service-based capital expenditure to be financed from debt with the cost spread over the time-period that will benefit from the expenditure.

2) To support the big plan objectives of the previous administration, including the delivery of regeneration and housing business cases which will provide an ongoing resource base for the authority, as a minimum, once the borrowing is repaid.

Table 9: Previously agreed Treasury Indicators: limits to borrowing activity

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Operational boundary	855	1,334	1,334	1,334
Authorised limit	905	1,384	1,384	1,384

30. The previous approach resulted in concerns around the risk associated with higher debt levels and the robustness and accountability for any underlying business cases. The recommendation of this report is to now reduce the debt threshold to £755m based on the current committed level via the approved capital strategy, plus a 5% variance which equates to approximately £30m. This approach does not reduce the ambition of the council. It will though mean that Audit & Governance Committee will also need to consider the debt obligation associated with any significant new business cases which are underpinned by the use of borrowing which will strengthen the governance arrangements around the robustness of any proposal.
31. The approach to reduce the debt threshold is in line with the method the council has in the past adopted and it accords with a prudent, traditional approach to local government finance. This includes consideration of the duty to demonstrate value for money and the ability to ensure the security of funds raised via any business case.
32. The advantage of the recommend approach is that it strengthens governance and improves the transparency round any new significant business cases. It will though add an extra procedural process which may extended the timeline for a business cases approval depending on the timing within the Councils approved calendar of meetings.
33. Self-imposed debt levels are set against the Councils Capital Financing Requirement (CFR). Such levels are a requirement of the CIPFA Prudential Code and link into the prudential indicators agreed by Council based on recommendations of the Audit and Governance Committee who are responsible for the Treasury Management Strategy.
34. The recommended new indicators are as follows:

Table 10: Revised Treasury Indicators: limits to borrowing activity.

	2022/23 Actual £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Operational boundary	855	755	755	755
Authorised limit	905	785	785	785

Summary of Financial/Resource Implications

35. Financial implications are as outlined within the report.

Summary of Legal Implications

36. There are no known legal implications.

Summary of Equalities and Diversity Impact

37. The Treasury Management activity does not directly impact on any of the services provided by the Council or how those services are structured. The success of the function will have an impact on the extent to which sufficient financial resources are available to fund services to all members of the community.

Summary of Risk Assessment

38. The Treasury Management Policy seeks to consider and minimise various risks encountered when investing surplus cash through the money markets. The aim in accordance with the CIPFA Code of Practice for Treasury Management is to place a greater emphasis on the security and liquidity of funds rather than the return gained on investments. The main perceived risks associated with treasury management are discussed below.

Credit Risks

39. Risk that a counterparty will default, fully or partially, on an investment placed with them. There were no counterparty defaults during the year to date, the Council's position is that it will invest the majority of its cash in the main UK Banks which are considered to be relatively risk adverse and have been heavily protected by the UK Government over the last few years. The strategy is being constantly monitored and may change if UK Bank Long Term ratings fall below acceptable levels.

Liquidity Risks

40. Aims to ensure that the Council has sufficient cash available when it is needed. This was actively managed throughout the year and there are no liquidity issues to report.

Re-financing Risks

41. Managing the exposure to replacing financial instruments (borrowings) as and when they mature. The Council continues to monitor premiums and discounts in relation to redeeming debt early. Only if interest rates result in a discount that will benefit the Council would early redemption be considered.

Interest Rate Risks

42. Exposure to interest rate movements on its borrowings and investments. The Council is protected from rate movements once a loan or investment is agreed as the vast majority of transactions are secured at a fixed rate.

Price Risk

43. Relates to changes in the value of an investment due to variation in price. The Council does not invest in Gilts or any other investments that would lead to a reduction in the principal value repaid on maturity.

Background papers

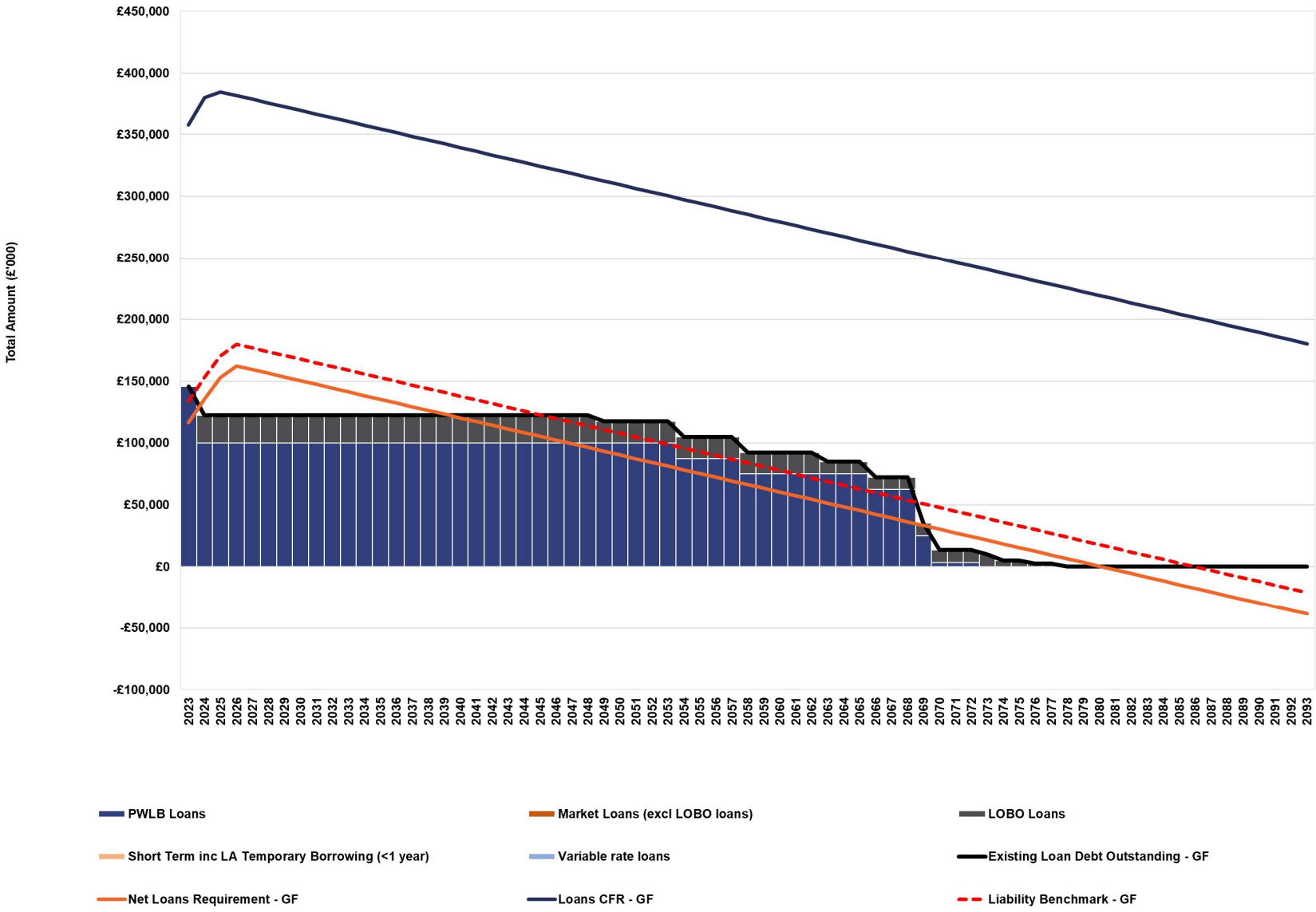
44. Treasury Management report to Full Council on 22 February 2023
<https://democracy.bcpccouncil.gov.uk/documents/g5032/Public%20reports%20pack%2021st-Feb-2023%2019.01%20Council.pdf?T=10>

Appendices

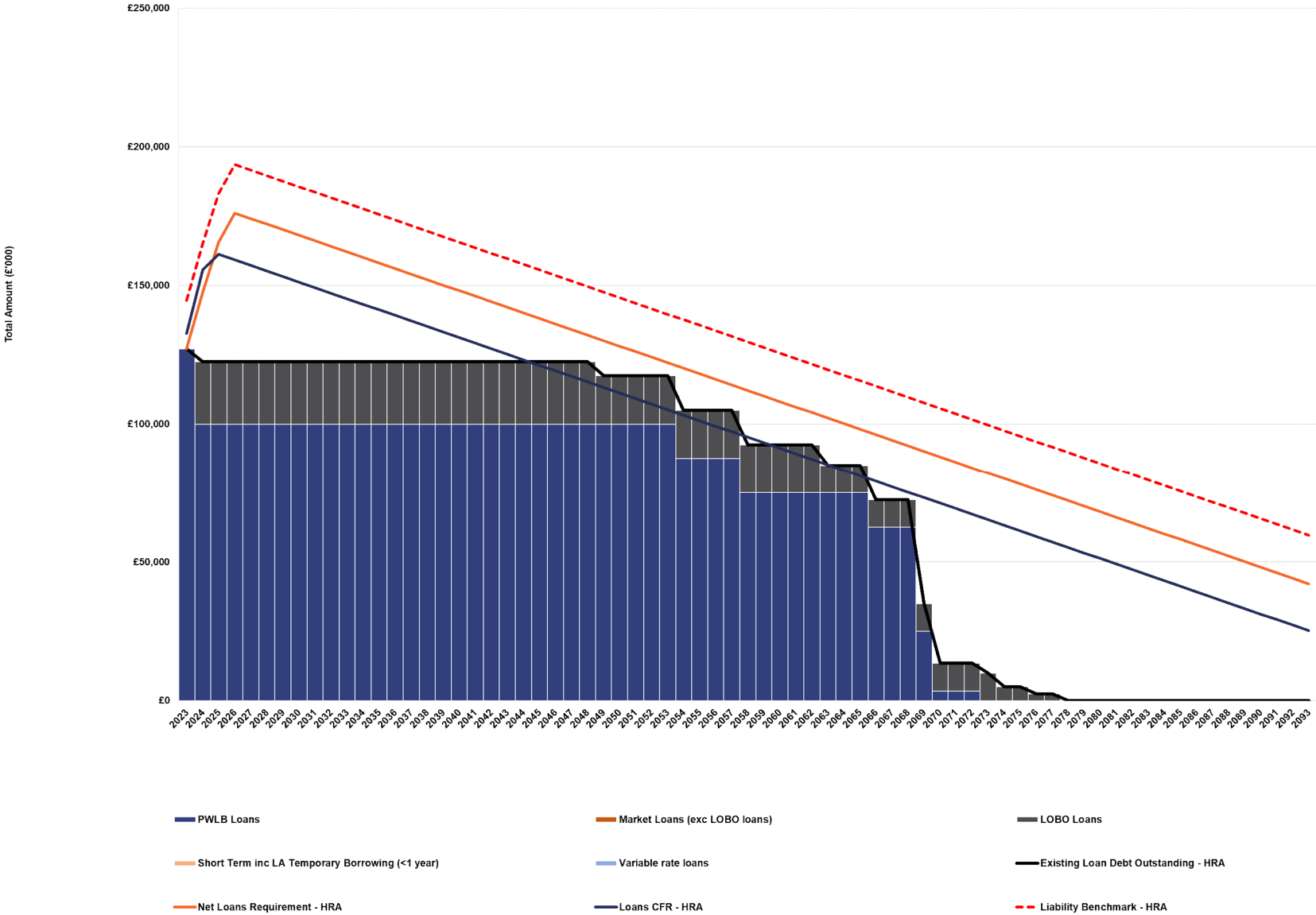
Appendix 1 – BCP Liability Benchmarking

Appendix 2 – Details of capital commitment against the debt ceiling

Appendix 1 - Liability Benchmark - General Fund



Appendix 1 - Liability Benchmark - HRA



Appendix 2 - Approved Capital Schemes and known commitments

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Regeneration schemes					
Carter's Quay	25,504	4,868			30,372
Winter Gardens					0
Holes Bay	697				697
Pokesdown Station	700	1,900			2,600
Smart Places Gigabit Fibre	2,840	2,833			5,673
Wessex Fields highways works	5,600				5,600
Sub-total	35,342	9,601	0	0	44,943
Housing Council Newbuild & Acquisitions Strategy (CNHAS)					
Temporary accommodation	6,288	1,680	2,610		10,578
CNHAS - residential street properties	207				207
CNHAS - Care Experience Young People (CI)	3,674				3,674
CNHAS - Private Rented Sector (PRS)	13,051	21,285	1,591		35,927
CNHAS Alma Road (former GP surgery)	2,090	1,710			3,800
CNHAS Oakdale	350	1,400	2,620		4,370
CNHAS Roeshot Hill PRS	6,095				6,095
CNHAS Crescent Road	1,623				1,623
CNHAS Princess Road (hostel and PRS)	8,500	5,074			13,574
CNHAS HRA Moorside Road	28				28
CNHAS HRA Cabbage Patch	28				28
CNHAS HRA Wilkinson Drive	743				743
CNHAS HRA Northbourne					0
CNHAS HRA Craven Court	2,965				2,965
CNHAS HRA Templeman House	1,309				1,309
CNHAS HRA Mountbatten Gardens					0
CNHAS HRA Princess Road	4,208	9,000			13,208
CNHAS HRA Duck Lane	988	800			1,788
CNHAS HRA Surrey Road	406	966			1,372
CNHAS HRA 43 Bingham Road	370				370
CNHAS HRA Roeshot Hill (shared and afford)	4,304				4,304
CNHAS HRA Cynthia House	1,599				1,599
CNHAS HRA Herbert Avenue	328				328
CNHAS HRA Hillbourne	4,417	1,916	475	153	6,961
CNHAS HRA Oakdale	3,143	4,494			7,637
CNHAS HRA Egmont Road	956				956
CNHAS HRA Redhorn Close	798	553			1,351
CNHAS HRA Dale Close	295	144			439
CNHAS HRA Lake Avenue	348	303			651
CNHAS HRA Junction Road	332	156	12		500
CNHAS HRA Cavan Crescent / Sopers Lane	798	308			1,106
Luckham Road					0
Alma Road	8	12			20
Constitution Hill	46				46
Purchase & Repair	2,100	2,100	2,100	2,100	8,400
Project Admiral	285				285
Sub-total	72,681	51,901	9,408	2,253	136,243
Seafront development					
Bistro on the beach (Southbourne)	5,986				5,986
Canford Cliffs - new beach huts	3,118				3,118
Canford Cliffs - pavilion	1,142				1,142
Mudeford Beach House Café	956				956
Festival Coast Live	169				169
Various other seafront	82				82
Sub-total	11,454	0	0	0	11,454
Other					
Cleaner, Greener, Safer	403				403
Highways maintenance - capitalised	1,000	1,000	1,000	1,000	4,000
BIC medium term refurbishment	1,654				1,654
Muscliff natural burial ground					110
Cleaner Greener Safer - additional CCTV	101				101
Cleaner Greener Safer - safer improvements	40				40
Automated toilet - Old Orchard Poole					0

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
ICT investment plan	642				642
Various other coast protection					112
St Stephen's homelessness hub					679
Sub-total	3,840	1,000	1,000	1,000	7,739

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Schemes underway					
Fleet replacement	10,067	6,463			16,530
Poole Park Railway					200
BCP civic centre	2,204				2,204
Transformation programme (capital)					960
Libraries ICT investment	192	65			257
Estates maintenance (Bmouth pier, Russell Cotes, minor other)					126
Skills & Learning (relocation to Dolphin Centre)					743
Parkway House					329
Street lighting investment					320
Various Children's (Hillbourne and Carter)	646				646
Various transportation incl £40k Carter works in TCF					40
Various other environment (King's Prk athletics, Lwr Gdns Aviary)					63
Honeycombe Chine					25
Various other adults					3
Sub-total	13,109	6,528	0	0	22,446
Schemes leveraging in significant external funding					
Poole Bay beach management plan			2,282	1,758	4,040
Upton Country Park Discovery Project	214				227
Rossmore & Two Rivers Meet artificial pitch					727
Poole Museum - Our Museum Project					793
Scaplen's Court					180
Russell Cotes urgent repair works	213				213
Poole & Bournemouth Crematoria					546
Fernheath playing fields					100
Sub-total	427	0	2,282	1,758	6,826
Total approved prudential borrowing	136,852	69,030	12,690	5,011	229,651

	2023/24 £000	2024/25 £000	2025/26 £000	2026/27 £000	Total £000
Capital Financing Requirement Balance B	490,633	670,075	723,167	717,505	
Regeneration schemes	35,342	9,601	0	0	59,850
Council Newbuild & Acquisitions Strategy (Cf	72,681	51,901	9,408	2,253	182,875
Seafront development	11,454	0	0	0	11,973
Other	3,840	1,000	1,000	1,000	9,685
Schemes underway	13,109	6,528	0	0	32,094
Schemes leveraging in significant external fu	427	0	2,282	1,758	6,826
Total approved prudential borrowing	136,852	69,030	12,690	5,011	303,304
Other known commitments					
IFRS16 - Leases changes estimate	59,000	3,000	1,000	1,000	64,000
Sub-total	59,000	3,000	1,000	1,000	64,000
Total Approved and committed borrowing	195,852	72,030	13,690	6,011	367,304

This page is intentionally left blank

Council



Report subject	Overview and Scrutiny Annual Report
Meeting date	12 September 2023
Status	Public Report
Executive summary	<p>Overview and Scrutiny (O&S) is a statutory function of all councils operating an executive model of decision making. In BCP Council, O&S activity is carried out by four O&S committees formed of councillors and co-opted members. There is a requirement to report on the work of O&S to Council, to ensure good visibility of the function and Council ownership of any improvements required.</p> <p>The annual report contains a summary of O&S activity undertaken over 2019-23, reflections on working practices and an action plan identifying strategic improvements to the O&S function.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>Council notes the content of the annual report and agrees the associated action plan.</p>
Reason for recommendations	<p>The Constitution requires the Statutory Scrutiny Officer to report to Council on an annual basis on the work of Overview and Scrutiny, including recommendations for any changes that may be required to ensure the function remains fit for purpose. The report must be informed by consultation with the Chairs and Vice-Chairs of the O&S Committees and referred to the four O&S Committees for comment. This consultation took place over May and June 2023.</p> <p>Consideration and noting of the annual report content and agreement of the associated action plan by Council upholds principle b) of good scrutiny, as outlined in the Constitution, that O&S shall 'be a Councillor led and owned function that seeks to continuously improve through self-reflection and development'.</p>

Portfolio Holder(s):	Not applicable – Overview and Scrutiny is a non-executive function.
Corporate Director	Graham Farrant - Chief Executive
Report Authors	Lindsay Marshall – Overview and Scrutiny Specialist
Wards	Council-wide
Classification	For Decision

Background

What is Overview and Scrutiny?

1. Overview and Scrutiny (O&S) is an integral part of the Council's governance structure and is a statutory requirement for BCP Council. All councils operating executive arrangements must have at least one O&S committee, which holds powers to obtain information, require attendance from council officers and members and to make recommendations.
2. Additional powers to scrutinise NHS services and review the work of the local community safety partnership mean that O&S committees have an important role in acting as a 'check and balance' to decisions made both within the council and in external organisations.
3. Under the Local Government Act 2000, O&S committees are uniquely placed with powers to bring multiple stakeholders and members of the public together to find solutions to matters affecting the locality and have the right to scrutinise 'any matter affecting the local authority area or the inhabitants of the area.'
4. The majority of councils base their O&S arrangements on commonly held principles of good scrutiny. These are set out in the BCP Constitution, which states that the O&S Committees shall:
 - a) contribute to sound decision making in a timely way by holding decision makers to account as a 'critical friend';
 - b) be a Councillor led and owned function that seeks to continuously improve through self-reflection and development;
 - c) enable the voice and concerns of the public to be heard and reflected in the Council's decision-making process;
 - d) engage in decision making and policy development at an appropriate time to be able to have influence;
 - e) contribute to and reflect the vision and priorities of the Council; and
 - f) be agile and be able to respond to changing and emerging priorities at the right time with flexible working methods.

5. O&S work aligns to all principles of the Council's Corporate Strategy - Sustainable Environment; Dynamic Places; Connected Communities; Brighter Futures; and Fulfilled Lives. O&S activity over the last four years has focussed on matters as wide ranging as:
 - revitalising and reinventing our high streets and local centres,
 - tackling the climate and ecological emergency, and
 - enabling people to live well through quality social care.

The breadth of work undertaken highlights the impact that O&S can have on the Council and its communities when used effectively to enhance decision making.

6. The Ministerial foreword of 'Overview and Scrutiny: statutory guidance for councils and combined authorities' by the Department of Levelling Up, Housing and Communities (DLUHC) states:

"The role that overview and scrutiny can play in holding an authority's decision-makers to account makes it fundamentally important to the successful functioning of local democracy.

Effective scrutiny helps secure the efficient delivery of public services and drives improvements within the authority itself. Conversely, poor scrutiny can be indicative of wider governance, leadership, and service failure."

The Overview and Scrutiny Annual Report

7. The purpose of the O&S annual report is to outline the activity and output of the O&S function over the previous year, and to set out suggested improvements for the function to ensure it remains fit for purpose.
8. The report will be received at a meeting of Council but is aimed at all stakeholders of O&S – this includes those within the Council, external partners, and the public and communities served by the O&S function. Owing to the pandemic, a full review of the O&S committee structure and staff absence within the Democratic Services team this report has been delayed and now covers a four-year period from the vesting of the new BCP authority in April 2019 to May 2023. Future reports will be delivered annually.
9. This is the report of the Statutory Scrutiny Officer, who is responsible for supporting and promoting O&S activity. Contribution has been made by the previous Chairs of O&S Committees; the wider Democratic Services team, members of which support the individual O&S committees on a day-to-day basis; and all O&S Committees.

Summary of Overview and Scrutiny 2019-2023 – activity and challenges

10. O&S in BCP Council has operated within a uniquely challenging environment since April 2019, when BCP Council was established replacing Bournemouth, Christchurch and Poole Councils and part of Dorset County Council. O&S arrangements for the new authority were designed in the lead up to this date by the BCP Shadow Authority, comprised of members of the preceding authorities. The Shadow Authority therefore had the challenge of designing an O&S function for an entirely new council of unknown members and political balance.

11. At time of design, the priorities of the new council were unknown, and O&S design was based on good practice, led by the advice and guidance of the Centre for Governance and Scrutiny (CfGS). The aim was to ensure robust governance was in place for the new authority by establishing a day one operating structure for O&S that could offer support and challenge to the significant volume of critical decisions that were anticipated for a brand-new authority.
12. Further challenges presented by the pandemic came within a year of the new Council's life, and inevitably shaped the ways that O&S work was undertaken, and the topics focussed upon. By necessity, BCP Council swiftly moved to holding virtual O&S meetings, which became the default mechanism for all council meetings for 12 months.
13. The significant organisational change required to transform three preceding councils into one was by no means completed on day one. For most areas of council operation, creation of the new authority marked the start of the transformation journey, which has remained a priority of the Council to date. This has meant that O&S has had to establish the best way of using its resources to support the authority through these changes, along with providing input to significant 'business as usual' decisions as well as establishing work priorities of its own. Work planning for O&S has consequently been highly challenging as members try to balance these priorities and understand where they can make the most impact, with workloads for all committees high. Diverse ways of working were trialled to support this, such as rapporteurs, working groups, inquiries, and portfolio holder challenge sessions.
14. The Council had no single party with a majority after the May 2019 elections and so operated under an alliance of multiple political parties for 17 months and then saw changes in political balance and leadership which resulted in a new administration, new Cabinet portfolios, changes in O&S memberships and chairmanships, and a shift in work priorities.
15. O&S committees adapted to these political changes and used this opportunity to reflect on working practices and try new ones, but inevitably took longer to establish working practices that were both effective and embedded. The organic challenge that comes with a finely balanced political makeup has meant that many of the decisions made by the Cabinet over the period covered by this report have been subject to significant levels of scrutiny under both political leaderships and this style of pre-decision scrutiny has dominated the work programmes of some committees over this period.
16. The Council undertook a full review of the O&S function in 2021-22, to reflect on its operation to date and make improvements where required. The number and remit of O&S committees was changed as a result, with implementation in May 2022. This report includes an overview of activities of the O&S committees before and after the structure was changed. This is discussed in further detail in paragraphs 20-27 below.
17. In 2019 the Government published statutory guidance for Overview and Scrutiny based on the first full review of O&S in local government since its introduction. The emerging themes of the guidance were taken account of in the design of the day one operating model for O&S for BCP.
18. To identify areas of weakness and improvement O&S arrangements have now been reviewed against the guidance to produce an action plan for O&S. The

action plan accompanies this report at Appendix 2 and sets out a one-year plan for changes to O&S to ensure that BCP is taking appropriate steps to align O&S working practices to the good practice standards set out in the guidance. The Action Plan is discussed in more detail in paragraphs 34 to 42 below.

Scrutiny activity 2019-2023

19. In 2019-2022 the Council operated with three O&S committees – the Overview and Scrutiny Board, Children’s Services Overview and Scrutiny Committee and Health and Adult Social Care Overview and Scrutiny Committee. Changes to the structure were implemented in the 2022/23 municipal year with changes to the number of O&S committees and their respective remits. A summary of work undertaken in all committees is set out in Appendix 1 accompanying this report.

2022 – A new model for Overview and Scrutiny

20. In 2021, a review of existing O&S arrangements was commissioned by the Audit and Governance Committee. Input was provided by a variety of O&S stakeholders, with the work led by the Audit and Governance Committee which provided a space for detailed independent review that took account of all political views. Through the O&S review, proposals were tested and challenged on multiple occasions by representatives of all political groups, Audit and Governance Committee members and Council.
21. The aim of the O&S review was to ensure that the O&S Committee structure remained fit for purpose prior to and beyond the next Council elections in 2023. This was in line with the recommendations of the Centre for Governance and Scrutiny (CfGS) for arrangements to be reviewed two years post vesting. It was recognised that the O&S structure and ways of working established in 2019 may need modification to remain fit for purpose when the Council and its priorities had been established.
22. A range of stakeholders were involved in the review and some clear cross-party messages gathered included:
- a concern that the balance of scrutiny responsibilities across the three committees was not aiding effective in-depth understanding of scrutiny topics or effective outputs;
 - Overview and Scrutiny Board meetings were too long and numerous – 33 additional meetings were held by the Board during 2019-21;
 - a wish to undertake more ‘overview’ work on topics established directly by O&S members or other backbench councillors, which may not necessarily relate directly to Cabinet decisions.
23. Changes to the O&S committee structure were made to remove the O&S Board and establish four O&S committees of equal standing based on the themes of Place; Corporate and Community; Children’s Services, and Health and Adult Social Care. The revised structure including the remit of each committee is outlined in Figure 1 below.



Figure 1 –Overview and Scrutiny Committees, membership and meeting frequency, established May 2022

24. The resulting model agreed by Council changed the O&S structure with the aim of responding to concerns around meeting duration and high levels of workload by establishing two new committees in place of the previous O&S Board. A reduction in the frequency of meetings across all committees was also agreed, to release capacity for committees to explore other scrutiny mechanisms available besides Cabinet scrutiny, including working groups, longer term task and finish groups, evidence sessions and the Councillor Call for Action, all of which are set out in the Constitution in more detail. It was also hoped that a change in meeting numbers would release the necessary officer capacity to support more effective O&S outcomes.
25. Regular discussions between all O&S chairs were held over 2019-23, which provided an opportunity for sharing of common challenges, solutions and joint working opportunities. Continuation of these is an action highlighted within the O&S Action Plan, to maintain oversight of the effectiveness of O&S, as the removal of the O&S Board also removed the responsibility from a designated O&S committee for resource monitoring and development of the whole function. This responsibility now sits with O&S chairs collectively, with the opportunity for issues to be raised to Council as necessary through the O&S annual report.
26. The remit of the O&S Committees as outlined in Figure 1 is based on the division of Portfolio Holder responsibilities. Portfolio Holder responsibilities are changeable and from time to time it may be necessary to modify the designation of functions across the four O&S Committees to maintain efficient fit and clear lines of accountability. Changes will be included as required within the annual report of the Statutory Scrutiny Officer to Council.
27. Following the change in administration in May 2023 a request was made by the Leader of the Council to modify the remit of O&S committees and the frequency of meetings. This report is focussed on the April 2019-April 2023 period of O&S activity, and does not address this work. The suggested changes to the O&S committees will be the subject of a separate report to Council.

LGA Peer Challenge and Capitalisation Directive

28. In April 2022, the findings of an LGA Corporate Peer Challenge for BCP were published which provided comment on some aspects of O&S. Effective governance within the Health and Adult Social Care O&S Committee was highlighted:

'Health scrutiny is working well and there are developing links with Dorset Council to join up across the ICS footprint. Partners engage well, and the committee's work on the pressures faced across the system, particularly in adult social care regarding hospital discharge and enabling people to remain at home is a strength.'
29. The impact and effectiveness of the O&S Board, (in its current format as of inspection in November 2021), was questioned, and the report highlighted that:

'political tensions continue to be played out in a way that is not always constructive and risks damaging the reputation of BCP. This risks distracting the Council from its ability to unify and move forward in the best interests of the residents and councillors themselves.'
30. Overall, reviewers concluded that:

‘Overview and Scrutiny is not consistently adding value and needs to be reset to deliver on its purpose of ensuring that the Council is open, transparent, accountable and delivers improved policy and services.’

31. Councillors were able to take account of these findings towards the end of the review of the O&S structure in 2022, which provided basis for altering the committee structure from an O&S Board and committees to the structure set out in Figure 1.
32. In September 2022, the Department for Levelling Up, Housing and Communities issued a ‘minded to’ offer of financial support to BCP Council in the form of a capitalisation direction for the financial year 2022/23. Accompanying this offer was the condition that:

‘the Council undergoes an external assurance review of its finances and governance arrangements. This review will advise on the amount of support required, help to ensure that the Council is on a sustainable footing going forwards, and ensure that policies and procedures are in place for robust decision making and accountability.’
33. Actions to improve O&S have been set out with this in mind, to ensure that practices are strengthened and are as closely aligned to the Government’s view of good practice for O&S as possible. This version of the O&S Annual Report also captures the actions arising from the DLUHC Assurance Review, published August 2023, and the Chief Executive’s own Assurance Review. Owing to the publication date of these reviews, this update has been included within the report since the version circulated to O&S Committees. The Assurance Reviews are discussed in further detail at paragraph 56 below.

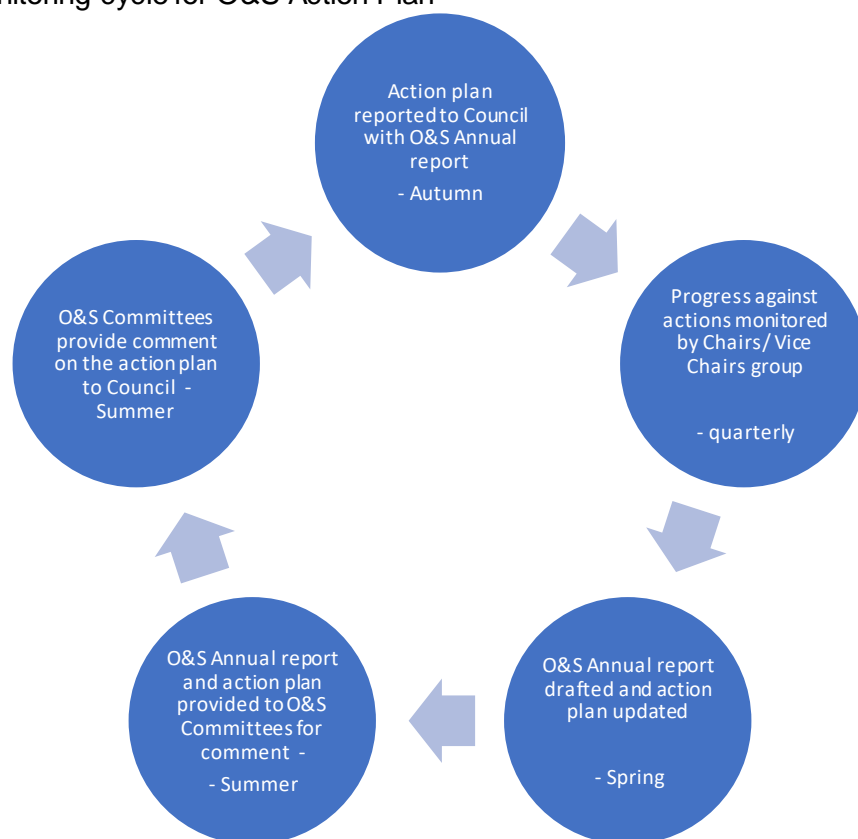
Statutory Scrutiny Guidance and Action Plan

34. Changes made to the O&S committee structure in 2022 provided some reset to O&S. The election of a new Council in 2023 provides an ideal opportunity for a full reset of O&S and its working practice and to address the reflections made about O&S in the LGA Peer Challenge as well as the DLUHC Assurance Review and Chief Executive’s Assurance Review.
35. An O&S Action Plan has been developed to capture areas for development. To establish actions, all practices within the O&S function have been assessed against the Government guidance *‘Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities’* (2019) in a desktop exercise undertaken by the Statutory Scrutiny Officer. The guidance provides a benchmark for good working practices in O&S and is statutory, meaning that guidance should be followed unless there is a good reason not to. Since August 2023, recommendations arising from the DLUHC Assurance Review and Chief Executive’s Assurance Review have also been included within the Action Plan.
36. Much of the statutory guidance relates to ways of working and the Council-wide approach to O&S. The clearest message is the need for a strong organisational culture in which there is collective ownership of Overview and Scrutiny, parity of esteem for O&S and value placed on the challenge that O&S can provide. The guidance highlights that:

‘the prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails.’
37. The guidance is themed as follows:

- Culture
 - Resourcing
 - Selecting Committee Members
 - Power to Access Information
 - Planning Work
 - Evidence Sessions
38. The O&S Action Plan follows the themes of the guidance. All relevant paragraphs of the guidance have been included within the action plan, to aid readers' understanding of why actions have been identified. Actions contained are set over one year and will provide a mechanism to measure improvements that are made to O&S.
39. Priority areas for actions include:
- member and officer training
 - identification of a clear focus for O&S work, communicated to the organisation
 - annual work programming for O&S committees
 - strengthening the O&S/ Cabinet relationship
 - development of working methods which make the most effective use of committee time
 - O&S function ownership by O&S Chairs
 - role descriptions for leading O&S positions
 - the development of tools and protocols to support O&S work
40. Accountability for improvements to O&S ultimately sits with Council, through the receipt of the O&S annual report, although O&S Chairs and Vice Chairs will take an active role in monitoring progress throughout the year. The monitoring cycle for the O&S Action Plan is outlined in Figure 2 below.

Figure 2 – monitoring cycle for O&S Action Plan



41. It must be stressed that delivery of the action plan within one municipal year is ambitious. Direct officer support to O&S is split between core functions (the servicing of meetings and production of minutes and agendas) and proactive support to assist councillors in the planning of effective scrutiny sessions, and making improvements to the O&S function.

42. All actions not yet completed are currently on track to complete without slippage. However, there is a risk that timescales for improvement will not be met if officer resources to support the O&S function are diverted elsewhere - for example in frequent revisions to work programmes or the establishment and servicing of additional meetings significantly beyond the level currently identified for O&S committees.

Resourcing O&S

43. An action of particular importance is the need for committees to carefully assess the resource available to them and plan their annual work programmes. Work programming sessions are planned for all O&S committees in summer 2023 and will provide the opportunity to select the majority of the year's O&S work.

44. A planned programme of O&S work for each committee, leaving sufficient capacity for some arising issues to be accommodated throughout the year, will ensure that all work can be completed within the programme of meetings (five meetings per municipal year) and officers within the Council can prepare O&S reports in a timely way to ensure that they are responding fully to the requests of committees.

45. Over 2019-23 86 O&S meetings were programmed as able to be resourced within existing budgets. 40 additional O&S meetings were called, which represents an increase of 47%. Many of these meetings were held by the O&S Board, with the review of the O&S structure in 2021 seeking to remedy this. However, in 2022/23 a total of 26 meetings of O&S committees were held representing a continued increase from the level programmed, by 30%. The level of additional O&S business undertaken post the review of the O&S committee structure therefore remains some way beyond that which can be accommodated effectively within existing resources. Committee agendas also frequently included more than the recommended two items of substantive business leading to long meetings over the 2019-23 period.
46. Although councillors have the right to request that almost any item of council business be scrutinised, the effect of calling many additional meetings and scrutinising multiple items on a frequent basis is a reduction in the quality of O&S outputs.
47. This can result from both a reduction in the level of officer support that can be provided to O&S work (diverted from proactive advice and assistance in the planning of effective scrutiny sessions to the core business of servicing meetings, agendas and minute production) and a tendency to take a 'broad brush' approach to scrutiny topics - rather than a 'deep dive', which is more likely to lead to valuable outcomes.
48. The review of O&S in 2021 highlighted a clear cross-party wish to undertake more in-depth review work, however the summary of work for 2022-23 at Appendix 1 shows a continued high level of update reports, Cabinet scrutiny and limited in-depth reviews by comparison.
49. In order to realise councillors' aspirations to undertake more 'deep dive' work and to maximise the value of O&S outputs a determined focus to select the most high priority and high value work will be required for all committees in 2023/24. Diversifying working methods to include more than standard committee reports will assist with this, as will strengthening relationships with executive members and officers to aid the selection of value – added topics. For context, the statutory guidance states in this respect:
'Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.'
50. In 2023 the Constitution Review Working Group was asked to again review the meeting numbers for O&S Committees owing to a concern that five meetings per year was insufficient. In March 2023, Council considered this and agreed that meeting numbers should remain at five per year, subject to subsequent review by Council after the May 2023 local elections. Work has been taking place over summer 2023 to review O&S meeting numbers and is the subject of a separate report to Council.
51. It is strongly advised that any further consideration by Council of O&S meeting numbers take account of the comments of the statutory guidance on resourcing scrutiny, as follows:

'The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority. Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.'

52. It is notable that O&S meetings have consistently over-reached the level planned for over the 2019-23 period. If it is considered that additional O&S meetings are required on a long-term basis to accommodate the priorities of O&S, and the authority, it is strongly advised that this be accompanied by an increase in officer resource to provide direct support for these meetings.
53. There is a risk that without an increase in resource to match an increase in O&S meeting numbers the improvements identified within the O&S Action Plan will not be realised and the statutory guidance will consequently not be properly upheld by the Council. The value of O&S outputs will also be limited for the reasons identified in paragraphs 46-47 above. The FTE cost of a Democratic and Overview and Scrutiny Officer to support O&S work including on-costs would be in the region of £40k.
54. The benefit of effectively resourcing scrutiny is explored in detail within the guidance and set out more fully in the Action Plan at Appendix 2.

Report consultation and updates - summer 2023

55. An earlier version of the annual report was received by all O&S Committees during May and June 2023, in line with the requirements of the constitution. This provided opportunity for all committees to reflect on the O&S work undertaken to date, ways of working, and improvements that could be made, as well as embedding the key messages around effective O&S. Committees provided comment, with the following being the main points arising:
- The opportunity to reset O&S for the new council term should be maximised.
 - A recognition of the need to improve O&S culture.
 - The importance of training to support councillors in achieving good scrutiny outcomes.
 - A need to focus on matters of priority to residents.
 - The importance of data supply to O&S on regular basis, for monitoring outside of committee and use in identifying priority areas of scrutiny.
 - A desire to engage earlier in policy development in order to maximise the impact of O&S engagement, including the potential for O&S to surface issues that are not already planned for decision or policy development.
 - The fine balance between committee led areas of work and Cabinet pre-decision scrutiny and the need to avoid O&S forward plans being dominated by Cabinet scrutiny. The importance of early and regular communication from decision makers of forthcoming priorities to support O&S planning in this respect, along with agility from O&S to respond to changing priorities.
 - The work programming challenge faced by the programmed 5 meetings per year for each committee and the need prioritise robustly to maximise these.
 - A desire from O&S councillors to undertake a greater role outside of committee meetings to maintain oversight of issues and lead their own informal research, including work as nominated rapporteurs to monitor issues on behalf of committees.

- The integral role that robust scrutiny plays in the decision- making process and the importance of demonstrating to the public that difficult issues can be scrutinised in an open and constructive way.
56. On 3 August 2023 a Best Value Notice and Assurance Review was issued to the Council from the Department of Levelling Up, Housing and Communities (DLUHC). The Chief Executive also published his own Assurance Review. Recommendations relating to O&S from these reviews have been captured in an updated version of the O&S Action Plan during August 2023.
57. During summer 2023, Officers supporting O&S have been diverted to the work to modify the O&S structure, which is the subject of a separate report to Council. This is outlined further at paragraph 27 of this report. Accordingly, the dates for delivery of the O&S action plan have been adjusted since publication of this report to the O&S Committees, to reflect achievable outcomes within the resources available.

Options Appraisal

58. The Overview and Scrutiny Annual Report is for noting to ensure Council awareness of O&S activity. Approval of the action plan at Appendix Two of the report will ensure progress can be monitored against actions to improve the Overview and Scrutiny function to respond to statutory guidance and recommendations made by DLUHC and the Chief Executive. The Council may also opt to modify the action plan further as appropriate.

Summary of financial implications

59. There are no direct financial implications related with the production of this report. The report explores the implications of resourcing O&S in paragraphs 43 to 54 above, and highlights that the demands on resource associated with the O&S function may have implications in terms of additional staff requirements to support. Any direct implications relating to this will be outlined in subsequent reports to Council relating to O&S meeting numbers, if required.

Summary of legal implications

60. Overview and Scrutiny is a statutory function of all councils operating an executive model of decision making. Improvements to the function, outlined in the report, will ensure that the work of O&S Committees in BCP Council complies with relevant legislation and upholds statutory guidance.

Summary of human resources implications

61. There are no human resources implications from this report.

Summary of sustainability impact

62. There are no sustainability implications arising from this report.

Summary of public health implications

63. There are no public health implications arising from this report.

Summary of equality implications

64. The Constitution of BCP Council sets out the rights of public access to the democratic process.

Summary of risk assessment

65. The improvements identified for O&S, as set out in the O&S Action Plan at Appendix 2, will ensure that statutory Government guidance is upheld. There is a risk that the guidance will not be properly upheld by the Council if actions identified are not taken.

Background papers

Published works:

['Statutory Guidance on Overview and Scrutiny in Local and Combined Authorities'](#)

[LGA Corporate Peer Challenge: BCP Council Feedback report: 16-19 November 2021](#)

[Department for Levelling Up, Housing & Communities - Letter Paul Scully 2 September 2022](#)

[BCP Council Best Value Notice Issued on 3 August 2023](#)

[External Assurance Review of Bournemouth Christchurch and Poole Council, 3 August 2023](#)

[BCP Council Assurance Review – Graham Farrant, Chief Executive BCP Council, March 2023](#)

Appendices

Appendix 1– Summary of O&S Activity 2019-2023

Appendix 2 – Overview and Scrutiny Action Plan 2023-24

BCP Council Overview and Scrutiny Annual Report 2023

Appendix 1 – Summary of O&S Activity 2019-2023

Overview and Scrutiny Board - 2019-2022

Key Stats –

- **Board members – 15**
- **Scheduled meetings per year – 10**
- **Additional meetings held – 33**
- **Working Groups – 1**
- **Call-In considerations - 3**

The O&S Board met monthly throughout 2019-2022. Meetings were aligned to those of Cabinet, in order that O&S could engage as required in the anticipated level of Cabinet decisions that would be made in the early months of BCP Council. Councillors were keen to closely track the work of Cabinet and many Cabinet decisions were scrutinised, which quickly led to the establishment of an additional meeting per month to accommodate workload. In addition, the Board undertook work of its own that did not relate directly to Cabinet decisions and held the responsibility for consideration of all 'call-in' matters. Chairmanship and membership of the Board changed during this period, as a result of a change in the Administration of the Council. This influenced the style of work undertaken and prompted a drive to try new ways of working.

Activity highlights for the O&S Board are outlined below:

2019-20

- O&S Board established, with training provided in the basics of scrutiny, questioning skills and budget scrutiny skills.
- Strong focus on pre-decision scrutiny, with multiple Cabinet reports scrutinised and resulting recommendations made to Cabinet.
- Call for Evidence on 5G Connectivity - multiple partners and residents invited to provide views on the implementation of 5G in the BCP area. Recommendations were made to Cabinet and a body of evidence passed to Public Health England.
- Pokesdown Train Station – an inquiry triggered by community concerns, with representatives of South West Rail, ward Councillors and members of the public invited to a committee meeting to discuss the reasons why accessibility at Pokesdown Station was insufficient. Representations were made to Cabinet Members and the Ministry of Transport as a result.
- Budget scrutiny meetings.
- Business Improvement Districts – discussions held with Portfolio Holder and representatives of BIDS in BCP area to understand aims and issues.
- Response to the pandemic – meetings of the Council took place via skype, and focus shifted to scrutinise the Council's response to the pandemic and its recovery and reset plans. Scrutiny usually undertaken in other O&S committees was carried out at O&S Board meetings to ensure that all necessary scrutiny could continue whilst the Council focussed its resources on essential pandemic related activity.

2020-21

- Continuation of pandemic related scrutiny - themed monthly impact inquiries for economy and tourism, transport and infrastructure, and community and people involving Portfolio Holders, key officers, and community involvement such as BIDS.
- Annual Crime and Disorder scrutiny meeting.
- Budget scrutiny meeting.
- Cabinet Portfolio Holder challenge sessions introduced, themed across monthly meetings.
- Call- In of Whitecliff Road ETRO – no recommendations made to Cabinet.
- Local Plan Working Group established – cross party working group to consider the issues and options consultation document. This group met frequently throughout 2021, with effective cross party working and detailed consideration and consultation provided to the developing document.
- Sale of Christchurch by-pass car park - unanimous recommendation made to Council that the car park not be sold.
- Strong focus on pre-decision scrutiny, with multiple Cabinet reports scrutinised and resulting recommendations made to Cabinet.

2021-22

- Return to face to face/hybrid meetings.
- Cross-party aim from the committee to try different forms of scrutiny –including greater level of ‘overview’ work driven by non-executive Councillors to assist in earlier policy development within the Council.
- Scrutiny requests accepted from Councillors on tree management across BCP Area and highway maintenance – a committee report on highway maintenance was considered by the committee and a working group on tree management was commissioned to commence at the appropriate time (note – this was since passed to and agreed for inclusion on the work plan for Place O&S Committee which was established in April 2022).
- Transformation inquiry session – to monitor progress on the Council’s transformation programme, with attendance from the Leader of the Council, relevant officers, a union representative, and the Council’s Strategic Implementation Partner KPMG. This led to agreement for annual monitoring by the committee.
- Complaints and Local Government and Social Care Ombudsman (LGSCO) annual report monitoring.
- Seasonal response review – to monitor the effectiveness of the Council’s seasonal response 2021.
- Scrutiny of Pokesdown Railway Station improvements – to scrutinise the funding implications to the Council associated with planned improvements to the station.
- Scrutiny of BCP Council’s Planning Committee structure following request from member of the public, including representatives from Parish Councils along with ward Councillors.
- Annual Crime and Disorder scrutiny meeting.
- Call – In - Tatnam Road Experimental Traffic Regulation Order, with recommendation made to Cabinet that the decision be reconsidered.

2021-22 (continued)

- Climate Change Inquiry - to test and challenge the Council's role in tackling climate change with recommendation made to Cabinet for the development of a BCP Climate Emergency Strategic Policy and Risk Assessment with associated implementation plan.
- Budget scrutiny meeting.
- Call-In – Homeless Health Hub – no recommendation to Cabinet made for reconsideration of the decision.
- Scrutiny of the Council's response to the emergency in Ukraine.
- Scrutiny of the Corporate Peer Challenge Feedback Report and Action Plan.

2022-2023

- The O&S Board was disbanded in April 2022 following a review of the O&S structure. Activity previously within the remit of the Board was split between two newly formed committees – Place O&S Committee and Corporate and Community O&S Committee. With the introduction of the new committees the number of ordinary meetings per year for all O&S Committees was reduced to five. The revised structure is outlined at Figure 1 below.

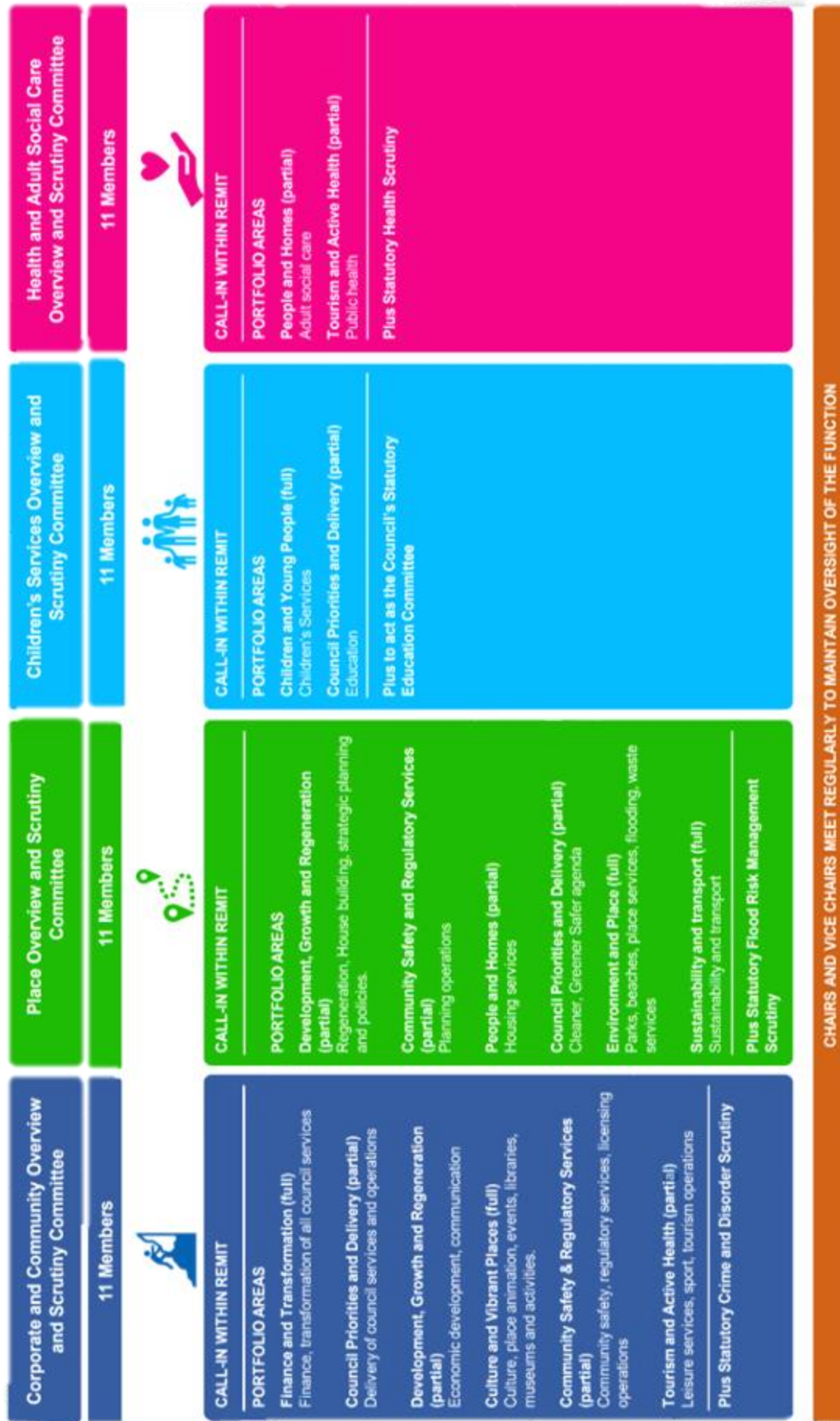


Figure 1 – revised Overview and Scrutiny Committee Structure, 2022-23.

Corporate & Community Overview and Scrutiny Committee – 2022-23

Key Stats –

- **Committee members – 11**
- **Scheduled meetings per year – 5**
- **Additional meetings held – 4**
- **Working Groups – 0**
- **Call-In considerations - 0**

This committee met five times per year, with four additional meetings in 2022/23. The remit of the committee covered half of those previously scrutinised by the O&S Board, including finance, transformation, economic development, culture, community safety, tourism, and leisure services. The committee was also designated to undertake statutory annual crime and disorder scrutiny. Much of the workload in 2022/23 was focussed on scrutinising the Council's finance strategy, with three of the four special meetings held for this purpose.

Activity highlights for the Corporate & Community O&S Committee are outlined below:

2022-23

- Corporate and Community O&S Committee established, and work programme priorities identified for 2022-23.
- Scrutiny of Fly-Tipping and Fly-Posting Enforcement Pilot Cabinet Report with community related insight provided by committee members, and endorsement of the extension of the pilot.
- Update on BCP transformation programme in May 2022 and February 2023 to ensure this important area of Council activity had O&S oversight.
- Finance related scrutiny at regular intervals throughout the year, including updates on Medium Term Financial Plan; Budget Monitoring Reports; scrutiny of Outturn Report 2021/22 and scrutiny of the 2023/24 Budget Report.
- Scrutiny of the commercialisation of beach hut assets through Special Purpose Vehicle (SPV).
- Scrutiny of the Council's finance strategy in monthly meetings from September 2022 to mirror regular updates to Cabinet – three special meetings were held during September 2022 – April 2023 for this purpose. This additional level of scrutiny on the Council's finances supplemented regular budget monitoring undertaken by the committee. This followed the Council's decision not to pursue funding of its transformation programme through the commercialisation of beach hut assets, and in response to the Government's minded to offer of exceptional financial support to the Council in the form of a £20m capitalisation direction in September 2022.
- Seasonal response review – to monitor the effectiveness of the Council's seasonal response 2022.

2022-23 (continued)

- Scrutiny of the Cost of Living Pressures Cabinet Report- an overview provided to the committee on the Council's responses to cost of living pressures and work with public and private sector partners to support communities; along with the impact of the pressures on the Council itself.
- Themed Statutory Crime and Disorder Scrutiny meeting, including scrutiny of the BCP Community Safety Partnership Annual Report, update from the Police and Crime Commissioner and briefing report on mobile CCTV deployment and policy in BCP.
- Harmonising the management of BCP leisure centres – early opportunity to contribute to the forthcoming Cabinet report.

Place Overview and Scrutiny Committee - 2022-23

Key Stats –

- **Committee members – 11**
- **Scheduled meetings per year – 5**
- **Additional meetings held – 1**
- **Working Groups– 1**
- **Call-In considerations - 0**

This committee met five times per year, with one additional meeting. The remit of the committee covered half of those previously scrutinised by the O&S Board, including planning, regeneration, housing, environment, sustainability, and transport. A particular focus of the committee was close scrutiny of the work of Future Places, a Council wholly owned urban regeneration company. This included detailed scrutiny of business cases when available.

Activity highlights for the Place O&S Committee are outlined below:

- Place O&S Committee established, and work programme priorities identified for 2022-23.
- Planning Service improvement - follow up report on progress since previous reporting to the O&S Board in 2021.
- Overview of the play provision in BCP and the development of a BCP Play Strategy.
- BCP Future Places Ltd – scrutiny of the business plan and funding mechanism to be proposed to Cabinet.
- Project update on Bournemouth Development Company LLP Winter Gardens scheme.
- Update on Bournemouth Development Company LLP to provide an update on all current BDC project activity and outline the actions which flowed from an independent review of the BDC governance structure in March 2021.
- Update on bus services within the Bournemouth, Christchurch and Poole area to monitor the impact on bus services following the cease in operations of Yellow Buses.
- Briefing requested by committee on SWEP (Severe Weather Emergency Protocol), including the wider offer in place all year round for those verified as rough sleeping in the BCP area.
- Bereavement Services business plan 2020-26 progress update; and options appraisal for the future Poole Crematorium facility. This resulted in a recommendation that Cabinet aim for a reopening of cremators at the Poole Crematorium facility by 2025/56, and a decision made by Cabinet for a report detailing options for the replacement of cremator(s) to be brought to Cabinet within 6 months, with the aim of working towards new cremator(s) being installed in the next 18 months.

2022-23 (continued)

- Future Places – introduction from new Independent Chairman and discussion with committee on community and Councillor engagement aspirations in Future Places proposals.
- Impact of budget on services within the remit of Place O&S Committee
- Fire Breaks – report request by committee to consider the current policy on wildfires following a large heathland fire on Canford Heath nature reserve, and other wildfire events across BCP.
- WISE Fly Tipping Enforcement Review Cabinet report with endorsement of recommendations.
- Future Places special meeting – scrutiny of outline business cases relating to Chapel Lane; Constitution Hill; Christchurch Civic Centre; Poole Civic Centre, and project outline case for Poole Quay providing opportunity for input to the onward shaping of the projects.
- Poole Crematorium – consideration of Cabinet report containing detailed options for the replacement of cremators, following review and recommendations made by the committee earlier in the year.
- Climate Programme – scrutiny of the annual report and opportunity for review and comment on the draft Climate Strategy and Action Plan.
- Levelling Up and Regeneration Bill – overview of reforms to national planning policy and implications for the emerging BCP Local Plan.
- Tree Strategy Working Group established (ongoing as of Spring 2023) to provide overview and Councillor engagement on the developing Tree Strategy for BCP.

Children's Services Overview and Scrutiny Committee -2019-2023

Key Stats –

- **Committee members** – 11, plus 4 parent governor/ Diocesan co- opted members and 4 Youth Parliament representatives
- **Scheduled meetings per year** – 6 (reduced to 5 in 2022/23)
- **Additional meetings held** – 2
- **Working Groups** – 3
- **Call-In considerations** - 0

This committee met six times a year until 2022/23 when the meetings were reduced to five per year. Workload included a mix of Cabinet decision scrutiny, partnership and external agency scrutiny and review of the committee's own established topics. In addition to test and challenge of decisions, the committee fulfilled an oversight role of activity in the children's services area and relied on effective working relationships with key officers within the children's services directorate to ensure that scrutiny dialogue was open and transparent, and O&S resources were targeted in the most meaningful areas.

Activity highlights for the Children's Services O&S Committee are outlined below:

2019-20

- Formation of BCP's Children's Services Overview and Scrutiny Committee.
- Training provided to the committee by the CfGS, and peer mentoring provided to the Chair and Vice Chair.
- Consideration and election of co-opted members, in addition to the statutory requirements, to include an Academy Governor representative and the elected Members of Youth Parliament for BCP.
- Introduction of an action sheet appended to the minutes to track decisions, actions and outcomes.
- Consideration and scrutiny of new BCP strategies, policies and arrangements relating to children's services such as the Corporate Safeguarding Strategy, Corporate Parenting Strategy and Pan-Dorset Safeguarding Partnership.
- Annual monitoring of the Youth Justice Plan.
- Monitoring BCP's response to child exploitation.
- Monitoring data and outcomes from schools.
- Children's Services budget review.
- Engagement in the improvement journey following a Peer Review of BCP Front Door and Children's Services Self-Assessment and Improvement Plan.
- Monitoring of the workforce strategy for Children's Services and Children's Services restructure following the formation of BCP Council.
- Working Group on the Family Support Strategy held to provide detailed input into the Strategy prior to consideration by the full committee and recommendation on to Cabinet.

2020-21

- Annual Monitoring of Youth Justice Plan.
- Successful move to online meetings in June following the start of the Covid19 Pandemic.
- Introduction of a standing item to consider the impact of Covid19 on children and young people and the Children's Services response, including children's mental health and the impact of returning to school post 'stay at home' phase of pandemic.
- Regular scrutiny and monitoring of Ofsted visits, action plan and improvement journey.
- Establishment of the Children's Services Learning and Improvement Working Group – this group met once, with its work then superseded by the formation Children and Young People's Partnership Plan which was scrutinised by the full committee.
- Contribution to the establishment of the Children and Young People's Partnership Board, and the Plan developed by the newly formed Board.
- Monitoring BCP's Response to Child Exploitation including child exploitation improvement plan.
- Monitoring the progress of harmonisation in early help services.
- Monitoring CAMHS (children and young people's mental health) Transformation.
- Reporting participation from Youth Parliament Representatives, outlining their priorities for the year, and later reporting to reflect on progress.
- Introduction of 'information only' items to be circulated outside of committee to free up agenda time for value added scrutiny.
- Introduction of a verbal Portfolio Holder update to provide the committee with direct dialogue opportunity with Portfolio Holders and update on work.

2021-22

- Return to face to face/hybrid meetings.
- Annual Monitoring of Youth Justice Plan.
- Continued regular scrutiny of improvement journey and full ILACS (Inspecting local authority children's services) report outcomes and actions, including committee requests for performance information to substantiate progress being reported.
- Briefing on the Covid impact on Pupil Premium use by schools, and support to vulnerable children and families during pandemic; the Covid 'summer offer' to address gaps in learning and other support needs following the impact of the pandemic.
- Scrutiny and monitoring of the SEND written statement of action and improvement journey.
- Scrutiny of the sufficiency strategy for Children in Care and Care Experienced Young People.
- Scrutiny of the Virtual School Annual Report.
- Monitoring the development of the Children's Services Partnership Academy and its outputs.
- Monitoring the Capital Programme of funding for Children's Services projects.
- Monitoring the Children's Social Care improvement journey.
- Consideration of the School Place Planning Strategy and school admissions arrangements.
- Reporting participation from Youth Parliament Representatives.
- Continuation of 'information only' items circulated outside of committee.
- Continuation of Portfolio Holder Updates established in 2020/21

- Scrutiny of the Children's Services Improvement Plan following the December 2021 inspection, to monitor improvements in Children's Social Care functions. Scrutiny of the Improvement Plan formed a substantive part of the committee work plan over the year including monitoring of progress in relation to the Quality Assurance Framework; workforce stability and resource management; updates following monitoring visits from Ofsted and an update on the overall outcomes following the first year of improvement actions.
- Annual Monitoring of Youth Justice Plan
- Child exploitation, including County Lines and knife crime – an update report on the actions and progress in identifying and supporting children and young people who are the victims of child exploitation. This led to the committee commissioning in depth scrutiny on this area in the form of a working group (ongoing as of Spring 2023).
- Home to School Transport – review of the draft policy to replace previous legacy Council policies and consideration of consultation responses.
- Scrutiny of the SEND Improvement Plan following the Council's submission of a Written Statement of Action (WSoA). This included themed SEND related agenda items to consider exclusions from schools in BCP; expansion of specialist school places across BCP and monitoring of progress against the main areas of significant weakness.
- Covid update – briefing on the lasting impact including academic progress and mental health, two years after the start of the pandemic.
- Review of options for SEND Mainstream Banding and related financial implications, with the committee recommending an option to Cabinet.
- Update from Members of Youth Parliament on their work to date and their national and local priorities and plans.
- Progress update report on the improvement work within the Care Experienced Young People's Service
- Update on the impact of the newly created specialist school places at Longspee Ensbury Park Campus, including an overview of the teaching and learning opportunities, lessons learned and mitigations for future schemes.
- Review and recommendation to Council of the new RE syllabus from BCP SACRE
- Scrutiny and recommendation to Cabinet of the annual School Admission Arrangements 2024/25
- Regular updates on key performance indicators for Quarter 1-3.
- Update on SEND Programme of Expansion – Broadstone Middle School.
- Pan-Dorset Safeguarding Children Partnership – review of annual report.
- Briefing report on school attainment and progress in 2022.
- Briefing on the Joint Inspection of Dorset Combined Youth Justice Service by HMI Probation.
- Scrutiny of the Virtual School Annual Report.
- Update on SEND Capital Programme and the Council's progress in the Department for Education's Delivering Better Value (DBV) programme.
- Continuation of 'information only' items circulated outside of committee.
- Continuation of Portfolio Holder Updates established in 2020/21

Health & Adult Social Care Overview and Scrutiny Committee -2019-2023

Key Stats –

- **Committee members** – 11, plus Healthwatch representative
- **Scheduled meetings per year** – 6 (reduced to 5 in 2022/23)
- **Additional meetings held** – 0
- **Working Groups** – 4, including 1 informal joint working group with Dorset Council.
- **Call-In considerations** - 0

This committee met six times a year until 2022/23 when the meetings were reduced to five per year. Workload included a mix of Cabinet decision scrutiny, partnership and external agency scrutiny and review of its own established topics. In addition to test and challenge of decisions, the committee fulfilled an oversight role of activity related to Adult Social Care, Public Health, and external agency scrutiny such as NHS Trusts, and fulfilled the Council's statutory health scrutiny obligations. Effective scrutiny of external agencies relied upon strong relationships and the building of a knowledge base regarding a complex subject matter to enable appreciative yet robust scrutiny where required. These skills were particularly important since 2020 when Public Health took on an unprecedented role in all our lives with the management of local measures relating to the pandemic. In this respect, the committee provided another means of public assurance that covid related measures led by Public Health were being tested and challenged.

Activity highlights for the Health & Adult Social Care O&S Committee are outlined below:

2019-20

- Formation of BCP's Health and Adult Social Care Overview and Scrutiny Committee
- Training provided to the committee by the CfGS.
- Judicial Review and Secretary of State/ Independent Reconfiguration Panel (IRP) review of Dorset Clinical Commissioning Groups (CCG) 'Clinical Services Review' project. The committee tracked the progress of both the Judicial Review challenging the changes to the delivery of local health services in Dorset proposed by the Clinical Commissioning Group, and the subsequent IRP review as requested by the Secretary of State.
- Overview of the Dorset Integrated Care System.
- Scrutiny of the Safeguarding Adults Board Annual Report and oversight of a review and proposals to improve the Board.
- Mental Health Rehabilitation Services – oversight of proposals from the CCG
- Dementia Services Review and proposed new model of care – oversight of proposals from the CCG.
- Review and comment on the BCP Safeguarding Strategy prior to Cabinet decision.
- Scrutiny of Quality Accounts for NHS organisations.
- Scrutiny of the Annual report on Complaints and Customer Feedback relating to Adult Social Care.

2019-20 (continued)

- Scrutiny of the Health and Social Care elements of the Cabinet Performance Report
- Update on the Out of Hours Service for Adult Social Care following its launch in November 2019.
- Update on the Adult Social Care current points of first contact for BCP residents and the proposed new single model.
- Budget and MTFP scrutiny relating to the Health and Adult Social Care remit.
- The Big Plan 2018-21 Commissioning Strategy for Adults with Learning Disabilities- update on progress in delivering the actions contained within The Big Plan.
- Healthwatch and O&S Committee relationship established, with an introduction to the contract and priorities of Healthwatch.
- Update on the Better Care Fund and scrutiny of delivery and performance.
- Introduction of 'information only' items to be circulated outside of committee to free up agenda time for value added scrutiny.
- Introduction of Portfolio Holder updates to committee.
- Monitoring of issues using 'rapporteur' method of individual committee members monitoring progress and reporting back to committee.
- Adult Social Care Charging Strategy Working Group – the committee commissioned a Working Group to collaborate with officers in the Adult Social Care department to act as a test and challenge function in the development of the new Charging Policy for Adult Social Care (ASC) for the Council. The group met three times between September 2019 and July 2020 before subsequent approval by Cabinet.

2020-21

- Successful move to online meetings in June following the start of the Covid19 Pandemic.
- Update on the merger, services and estates programme for University Hospitals Dorset.
- Scrutiny of the Annual report on Complaints and Customer Feedback relating to Adult Social Care.
- Consideration and comment on the Adult Social Care Strategy ahead of its approval by Cabinet.
- Monitoring and scrutiny of Public Health and the Council's response to Covid19. The committee tracked the pandemic and scrutinised the Public Health Dorset and BCP Council response to the Covid19 pandemic over an extended period of time (2020-2022).
- Update from the CCG on the delivery of the Health Check Programme for people with a learning disability.
- Scrutiny of the Safeguarding Adults Board Annual Report.
- Completion of the Adult Social Care Charging Strategy Working Group, and consideration of the proposed policy by the committee, for onward recommendation to Cabinet.
- Update on the Dorset NHS and Public Health Dorset Covid19 Winter Response.
- Update on the development and performance of Tricuro.
- Scrutiny of the local response to the national Hospital Discharge Policy and the Home First approach.
- Update and early input into the development of the Council's Suicide Prevention Plan.
- Oversight and input into the health aspects of the Draft Homelessness Strategy.
- Update on the Strategic Outline Case for the University Hospitals Dorset Foundation Trust (UHDFT) New Hospitals Programme, following the clinical services review in 2017.
- Consideration of the Healthwatch Dorset Draft Workplan 2021/22.
- Continuation of 'information only' items circulated outside of committee.
- Continuation of Portfolio Holder Updates established in 2020/2.

2021-22

- Return to face to face/hybrid meetings.
- Continued monitoring and scrutinising of Public Health and the Council's ongoing response to Covid19, including a focussed report to the committee of the impact of the pandemic on Adult Social Care and a summary of the financial impact.
- Update on the Adult Social Care point of first contact service design and implementation plan.
- The Big Plan 2018-21 Commissioning Strategy for Adults with Learning Disabilities – update on progress in delivering the actions contained within The Big Plan.
- BCP and Dorset Joint Health Scrutiny Protocol - Members considered and approved a Joint Health Scrutiny Protocol that would enable joint scrutiny between BCP and Dorset Councils on issues affecting all residents across both conurbations; where the NHS may propose significant variation in local health services across the geographical area as a whole; or where overlap also exists in the Clinical Commissioning Group, the Hospital Trusts, Dorset Healthcare Community Trusts and Healthwatch Dorset.
- Overview of the development of a Market Position Statement for Adults, to assist with effective engagement and communication with providers of Adult Social Care and support effective commissioning.
- Review of the commissioning strategies regarding care home placements for older people and extra care housing for vulnerable adults with recommendations proposed and accepted by Cabinet.
- Review of the Disabled Facilities Grant Policy prior to its consideration by Cabinet.
- Working Group established to track and input into the development of the strategy relating to BCP Carers. The committee agreed to hold informal sessions involving members and external consultees, to allow input during the development of the BCP Carers' Review strategy. Sessions were held between July – November 2021, including a full committee update in November. The committee made recommendations including lobbying MPs for a review of a Carer's Allowance especially in relation to the level of care required and promotion of care as a career.
- Update on the implementation of the Adult Social Care Charging Policy – this followed the working group on the policy led by the committee in 2019/20.
- Scrutiny of the Annual report on Complaints and Customer Feedback relating to Adult Social Care.
- Scrutiny of the Safeguarding Adults Board Annual Report.
- Update on the progress of the Healthwatch Dorset Draft Workplan 2021/22.
- Update on progress following the BCP Dementia Services Review.
- Update on the implementation of the Home First approach across the Dorset Integrated Care System.
- Update on the performance of the Adult Social Care Emergency Duty Service.
- Update on the Health Infrastructure Plan from University Hospitals Dorset.
- Continuation of 'information only' items circulated outside of committee.
- Continuation of Portfolio Holder Updates established in 2020/2.

2022-23

- Continued monitoring and scrutinising of Public Health and the Council's ongoing response to Covid19.
- Update on the Outpatient Assessment Centre at Dorset Health Village, which became operational in November 2021.
- Progress report on the multi-agency Pan Dorset suicide prevention programme, along with an update on progress of BCP Council's own Suicide Prevention Plan.
- Update on the Integrated Care Strategy providing opportunity for committee involvement in the principles, approach, and timelines for the developing strategy.
- Update on the establishment of a Combating Drugs Partnership Board to oversee the delivery of the Government's Drugs Strategy and its three main aims of treatment/ recovery, enforcement, and prevention.
- Update on the Dorset Integrated Urgent Care Service, including an overview of performance, challenges, and future developments.
- Update in summer 2022 on the findings of the Carers Services Review, undertaken in collaboration with carers and key stakeholders to inform the new BCP Carers Strategy, with later review and recommendation to Cabinet of the full BCP Carers Strategy in September.
- Updates on the development of a new BCP Council Day Opportunities Strategy and the related case for change.
- Updates on Tricuro, including governance arrangements following the exit of Dorset Council from the Tricuro agreement.
- Update on the Clinical Services Review, including building works at Poole Hospital and Royal Bournemouth Hospital, and the Maternity Service.
- Overview of the diagnostic review and options appraisal carried out on the future of care technology within Adult Social Care at BCP Council, with the committee recommending to Cabinet the full-service transformation of care technology within adult social care to maximise benefits for both the public and the Council.
- Update on the latest CQC Assurance Process.
- Overview of the BCP Health and Wellbeing Board and update on the priority areas of work contained within the Health and Wellbeing Strategy.
- Scrutiny of the Safeguarding Adults Board Annual Report.
- Scrutiny of the Annual report on Complaints and Customer Feedback relating to Adult Social Care.
- Update on the transformation of the Adult Social Care Contact Centre.
- Update from Healthwatch on the Young Listeners Project that supported young volunteers to carry out a peer-led engagement project to identify improvements to health services for young people.
- Update on the position on the national introduction of Liberty Protection Safeguards and its impact on the Council.
- Scrutiny of the draft BCP Council Adult Social Care Market Sustainability Plan
- Informal joint scrutiny held with Dorset on the South West Ambulance Trust, with more joint scrutiny planned for 2023/24.
- Continuation of 'information only' items circulated outside of committee.
- Continuation of Portfolio Holder Updates established in 2020/21.

This page is intentionally left blank

Overview and Scrutiny Action Plan 2023-24

Key		
Code	Description	Action Lead
	Member Training – induction and refresher	Democratic Services Team
	Member Training – Chairs	
	Member Training – ongoing programme of training	
	Officer Training	
	Role Descriptions for O&S leads	
	Chairs' Meetings	
	Work Selection and Scoping	
	Community Insight	
	Web Presence	
	Working Methods	
	Terms of Reference for O&S Committees	
	Constitution Review	
	Library of O&S Resources	
	Protocol and Tool Development	
	Annual Reporting on O&S	
	Resourcing	
	Communications	
	Corporate Management Team Action	Corporate Management Team
	Cabinet Action	Cabinet
	Chief Executive/ Leader Action	Chief Executive/ Leader
	Supporting Children's Services O&S	Democratic Services Team
RAG Rating		
	Significant delay likely to affect action completion	
	Some delay likely to affect action completion	
	Action on track to complete as planned	
	Action completed	

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
Culture				
<i>Scrutiny is Member Led</i>				
<i>The prevailing organisational culture, behaviours and attitudes of an authority will largely determine whether its scrutiny function succeeds or fails. While everyone in an authority can play a role in creating an environment conducive to effective scrutiny, it is important that this is led and owned by members, given their role in setting and maintaining the culture of an authority.</i>	1a	New Councillor and refresher training to be provided to include – O&S in BCP is Member led	Complete	MT1
	1b	Role descriptions to be developed for Councillors in leading O&S roles to clarify expectations for this role	Autumn 2023	RD1
	1c	Establish calendar of meeting dates for O&S chairs for collective leadership and oversight of the effectiveness of the O&S function.	Autumn 2023	CM1
<i>Scrutiny is understood and recognised across the organisation</i>				
<i>Recognising scrutiny's legal and democratic legitimacy – all members and officers should recognise and appreciate the importance and legitimacy the scrutiny function is afforded by the law. It was created to act as a check and balance on the executive and is a statutory requirement for all authorities operating executive arrangements and for combined authorities.</i>	2a	New Councillor and refresher training to be provided to include – Background and statutory powers of O&S, to raise the profile and importance of the scrutiny function within the organisation	Complete	MT1
	2b	Officer refresher training to be provided to include – Background and statutory powers of O&S, to raise the profile and importance of the scrutiny function within the organisation	Winter 2023	OT1
<i>Scrutiny draws on community insight and selects topics of community relevance</i>				
<i>Councillors have a unique legitimacy derived from their being democratically elected. The insights that they can bring by having this close connection to local people are part of what gives scrutiny its value.</i>	3a	New Councillor and refresher training to be provided to include – Councillors bring community insight to their scrutiny work	Complete	MT1

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
	3b	Strengthen O&S work selection criteria, as set out in the constitution, to include consideration of the impact and value to the public when selecting work programme topics. Review for use in annual work programming for O&S Committees	Autumn 2023	WS1
	3c	Use is made of community insight through the selection of work topics that are driven by community need, evidence sessions, use of subject experts and data providing the view of residents and community groups.	In annual work programming for O&S Committees - Autumn 2023	CI1
	3d	Develop O&S web pages to clarify public role in O&S, ways to engage and improve ease of access for topic suggestion	Autumn 2024	WP1
Scrutiny has a clear role and focus				
<i>Identifying a clear role and focus – authorities should take steps to ensure scrutiny has a clear role and focus within the organisation, i.e. a niche within which it can clearly demonstrate it adds value. Therefore, prioritisation is necessary to ensure the scrutiny function concentrates on delivering work that is of genuine value and relevance to the work of the wider authority – this is one of the most challenging parts of scrutiny, and a critical element to get right if it is to be recognised as a strategic function of the authority</i>	4a	Scrutiny committees agree a clear communicable role or focus for the year when planning their work programme in order to assist in topic selection and in ensuring that stakeholders can anticipate which topics are likely to be of interest to scrutiny, and plan accordingly for engagement. This may be in the form of a 'lens' (eg. risk) through which to scrutinise topics, or a key priority or set of priorities for a committee (eg. 'budget' or 'ofsted improvement plan')	In annual work programming for O&S Committees – Autumn 2023	WS1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
	4b	Committees carefully consider the type and balance of work undertaken to ensure that work aims can be met within the meeting capacity available. This will require a determined focus to undertake work in diverse ways eg. <ul style="list-style-type: none"> receiving information based reports outside of meetings, establishing O&S rapporteurs (topic champions) to maintain oversight of an issue and report back to committee on exceptions reducing the level of Cabinet decision scrutiny to free up capacity for more overview work. 	In annual work programming for O&S Committees – Autumn 2023	WM1
	4c	Develop user friendly terms of reference documents for each O&S committee based on split of responsibility set out in constitution.	Complete	TOR1
<i>There is a clear distinction between scrutiny and audit</i>				
<i>Authorities should ensure a clear division of responsibilities between the scrutiny function and the audit function. While it is appropriate for scrutiny to pay due regard to the authority's financial position, this will need to happen in the context of the formal audit role. The authority's section 151 officer should advise scrutiny on how to manage this dynamic</i>	5a	Division of responsibility already established within the Articles of the Constitution.	Complete	CR1
	5b	A&G chair invitation to be scheduled into annual programme of O&S Chairs meetings	Autumn 2023	CM1
<i>While scrutiny has no role in the investigation or oversight of the authority's whistleblowing arrangements, the findings of independent whistleblowing investigations might be of interest to scrutiny committees as they consider their wider implications.</i>	6	Develop a library of O&S oversight information, provided in an online format for Councillors to access independently, to include – The findings of independent whistleblowing investigations	Spring/ Summer 2024	L1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>The relationship between scrutiny and the executive is effective</i>				
<i>Ensuring early and regular engagement between the executive and scrutiny – authorities should ensure early and regular discussion takes place between scrutiny and the executive, especially regarding the latter's future work programme.</i>	7a	Portfolio Holders attend O&S meetings when requested, or send deputies	Immediate and ongoing request to Cabinet	C1
	7b	The Cabinet Forward Plan is regularly updated with sufficient notice of forthcoming priorities to enable O&S to engage effectively at an early stage in policy shaping	Immediate and ongoing request to Cabinet	C1
	7c	The Constitution sets out that it is good practice for there to be regular, informal dialogue between O&S leads and Portfolio Holders in order that O&S can understand developing Cabinet priorities, discuss and assess the value that Overview and Scrutiny can provide and contribute in a timely way to policy development (O&S Procedure Rule 8.3).	Complete	CR1
	7d	Role descriptions to be developed for Councillors in leading O&S roles to clarify expectation that scrutiny chairs establish informal working arrangements with relevant Portfolio Holders.	Autumn 2023	RD1
	7e	Lines of accountability between scrutiny committees and Portfolio Holders were agreed by Council in April 2022- review after election when any change to Cabinet portfolios are known and document these in a more granular way than is captured within the constitution to aid transparency.	Autumn 2023 Initial update complete Summer 2023. Await outcome of	TOR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)			proposed O&S structure changes to update further.	
	7f	Maintain a review of the Portfolio/ O&S Committee alignment to ensure that it is fit for purpose, with amendments to be suggested via O&S annual report to Council, as required.	Summer 2024	AR1
<i>The executive should not try to exercise control over the work of the scrutiny committee. This could be direct, e.g. by purporting to 'order' scrutiny to look at, or not look at, certain issues, or indirect, e.g. through the use of the whip or as a tool of political patronage, and the committee itself should remember its statutory purpose when carrying out its work. All members and officers should consider the role the scrutiny committee plays to be that of a 'critical friend' not a de facto 'opposition'. Scrutiny chairs have a particular role to play in establishing the profile and nature of their committee</i>	8a	O&S considers work requested by Cabinet or Council using the criteria written into the constitution - Criteria already exists in constitution and is used to assess requests.	Complete	WS1
	8b	New Councillor and refresher training to be provided to include – All Political Groups be reminded of the incompatibility of the whip with O&S, and the forms that this may take.	Complete	MT1
	8c	O&S chairs to be opposition members, where practicable, to reduce risk of executive control being exercised over O&S – referral to Constitution Review Working Group for consideration of any appropriate Constitution changes to set out this good practice - prior to May 2024 O&S Chairs elections.	Spring 2024	CR1
	8d	Role descriptions to be developed for Councillors in leading roles to clarify expectation that scrutiny chairs establish informal committee pre-meetings, to assist the committee in working towards its aims and taking a cross-party approach to scrutiny.	Autumn 2023	RD1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
	8e	O&S Chairing skills training to be delivered to include the benefit of pre-meetings, and management of political dynamics in scrutiny to avoid a de facto opposition approach.	Winter 2024 General chairing already provided in Summer 2023 induction	MT2
<i>The chair of the scrutiny committee should determine the nature and extent of an executive member's participation in a scrutiny committee meeting, and in any informal scrutiny task group meeting</i>	9a	Clarity of O&S powers in determining attendees and participation already written into constitution at O&S Procedure Rule 9.1	Complete	CR1
	9b	New Councillor and refresher training to be provided to include – Clarity of scrutiny's powers in determining attendees and participation in O&S.	Complete	MT1
	9c	Scrutiny committees to be asked to consider appropriate invitees when scoping a piece of work and to consider where more value may be added by an officer/ scrutiny session as opposed to a Cabinet member scrutiny – In annual work programming for O&S Committees and ongoing, during work programming discussions at each meeting.	Autumn 2023	WS1
Managing disagreement				
<i>Effective scrutiny involves looking at issues that can be politically contentious. It is therefore inevitable that, at times, an executive will disagree with the findings or recommendations of a scrutiny committee. It is the job of both the executive and scrutiny to work together to reduce the risk of this happening, and authorities should take steps to predict, identify and act on disagreement. One</i>	10	Executive members and O&S Chairs group to consider the value for BCP in preparing an executive – scrutiny protocol	Winter 2023	C1/ CM1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>way in which this can be done is via an 'executive-scrutiny protocol' which can help define the relationship between the two and mitigate any differences of opinion before they manifest themselves in unhelpful and unproductive ways. The benefit of this approach is that it provides a framework for disagreement and debate, and a way to manage it when it happens. Often, the value of such a protocol lies in the dialogue that underpins its preparation. It is important that these protocols are reviewed on a regular basis.</i>				
<i>Scrutiny committees do have the power to 'call in' decisions, i.e. ask the executive to reconsider them before they are implemented, but should not view it as a substitute for early involvement in the decision-making process or as a party-political tool.</i>	11	Use of call-in be monitored and reflected within annual report to Council.	Summer 2024	AR1
Ensuring impartial advice from officers				
<i>Authorities, particularly senior officers, should ensure all officers are free to provide impartial advice to scrutiny committees. This is fundamental to effective scrutiny. Of particular importance is the role played by 'statutory officers' – the monitoring officer, the section 151 officer and the head of paid service, and where relevant the statutory scrutiny officer. These individuals have a particular role in ensuring that timely, relevant and high-quality advice is provided to scrutiny.</i>	12	Officer refresher training to be provided to include – The importance of impartial advice to O&S	Winter 2023	OT1
Communicating scrutiny's role and purpose to the wider authority				
<i>The scrutiny function can often lack support and recognition within an authority because there is a lack of awareness among both members and officers about the specific role it plays, which individuals are involved and its relevance to the authority's wider work. Authorities should, therefore, take steps to ensure all members and officers are made aware of the role the scrutiny committee plays in the organisation, its value and the outcomes it</i>	13	Officer refresher training to be provided to include – The identity of those providing officer support to O&S. See also Action 2b above	Winter 2023	OT1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>can deliver, the powers it has, its membership and, if appropriate, the identity of those providing officer support.</i>				
<i>Maintaining the interest of full Council in the work of the scrutiny committee</i>				
<i>Part of communicating scrutiny's role and purpose to the wider authority should happen through the formal, public role of full Council – particularly given that scrutiny will undertake valuable work to highlight challenging issues that an authority will be facing and subjects that will be a focus of full Council's work. Authorities should therefore take steps to ensure full Council is informed of the work the scrutiny committee is doing.</i>	14a	Report annually to Council on the work of scrutiny, and progress on actions to improve scrutiny	Summer 2024	AR1
<i>One way in which this can be done is by reports and recommendations being submitted to full Council rather than solely to the executive. Scrutiny should decide when it would be appropriate to submit reports for wider debate in this way, taking into account the relevance of reports to full Council business, as well as full Council's capacity to consider and respond in a timely manner. Such reports would supplement the annual report to full Council on scrutiny's activities and raise awareness of ongoing work.</i>	14b	New Councillor and refresher training to be provided to include – The appropriate route for recommendations to full Council or Cabinet	Complete	MT1
	14c	Consideration be given to any amendments required to constitution to clarify reporting routes from O&S - referral to Constitution Review Working Group for consideration.	Winter 2023	CR1
<i>Communicating scrutiny's role to the public</i>				
<i>Authorities should ensure scrutiny has a profile in the wider community. Consideration should be given to how and when to engage the authority's communications officers, and any other relevant channels, to understand how to get that message across. This will usually require engagement early on in the work programming process</i>	15a	Consideration be given to the promotion of outcomes via Communications Team at the scoping stage of O&S work	In annual work programming for O&S Committees – Autumn 2023	COM1
	15b	O&S webpage development - See action 3b above	Summer 2024	WP1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
Ensuring scrutiny members are supported in having an independent mindset				
<i>Formal committee meetings provide a vital opportunity for scrutiny members to question the executive and officers. Inevitably, some committee members will come from the same political party as a member they are scrutinising and might well have a long-standing personal, or familial, relationship with them.</i>	16a	New Councillor and refresher training to be provided to include – The importance of an independent mind-set to O&S	Complete	MT1
<i>Scrutiny members should bear in mind, however, that adopting an independent mind-set is fundamental to carrying out their work effectively. In practice, this is likely to require scrutiny chairs working proactively to identify any potentially contentious issues and plan how to manage them.</i>	16b	O&S Chairs are supported by Officers to identify and plan for contentious issues through Chairs briefings.	Briefings have been taking place each cycle. Programme of briefings to be agreed by Autumn 2023	WS1
	16c	Establish calendar of meeting dates for O&S chairs to include-monitoring the independence of O&S	Autumn 2023	CM1
Resourcing scrutiny				
<i>The resource an authority allocates to the scrutiny function plays a pivotal role in determining how successful that function is and therefore the value it can add to the work of the authority.</i>	17	Consideration be given to the level of officer resource available to support scrutiny and that this is appropriate to ensure effective outputs that add value to the organisation – discussion with O&S chairs group, with views to be passed to Corporate Management Team.	Autumn/ Winter 2023	R1/ CMT1
<i>Ultimately it is up to each authority to decide on the resource it provides, but every authority should recognise that creating and sustaining an effective scrutiny function requires them to allocate resources to it.</i>				
<i>When deciding on the level of resource to allocate to the scrutiny function, the factors an authority should consider include: •</i>				

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from: Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)	ID	Action for BCP Council	RAG and timescales	Code
<i>Scrutiny's legal powers and responsibilities; • The particular role and remit scrutiny will play in the authority; • The training requirements of scrutiny members and support officers, particularly the support needed to ask effective questions of the executive and other key partners, and make effective recommendations; • The need for ad hoc external support where expertise does not exist in the council; • Effectively-resourced scrutiny has been shown to add value to the work of authorities, improving their ability to meet the needs of local people; and • Effectively-resourced scrutiny can help policy formulation and so minimise the need for call-in of executive decisions</i>				
<i>Authorities should also recognise that support for scrutiny committees, task groups and other activities is not solely about budgets and provision of officer time, although these are clearly extremely important elements. Effective support is also about the ways in which the wider authority engages with those who carry out the scrutiny function (both members and officers).</i>	18a	New Councillor and refresher training to be provided to include – Use of resource, and effective wider authority engagement in O&S	Complete	MT1
	18b	Officer refresher training to be provided to include – Use of resource, and effective wider authority engagement in O&S	Winter 2023	OT1
	18c	As required by the constitution, all requests for O&S committees to undertake work are considered by Committees against the current resource levels available to support the request	In annual work programming for O&S Committees – Autumn 2023	R1
	18d	Establish calendar of meeting dates for O&S chairs to include-monitoring the total level of resource available across the O&S function	Autumn 2023	CM1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
Statutory scrutiny officers				
<i>Combined authorities, upper and single tier authorities are required to designate a statutory scrutiny officer, someone whose role is to:</i> <ul style="list-style-type: none"> • promote the role of the authority's scrutiny committee; • provide support to the scrutiny committee and its members; and • provide support and guidance to members and officers relating to the functions of the scrutiny committee. 	19a	Statutory scrutiny officer is appointed and sits within the Democratic Services Team.	Complete	R1
	19b	The Statutory Scrutiny Officer role is set out in the constitution to aid authority wide understanding - referral to Constitution Review Working Group for consideration.	Winter 2023	CR1
	19c	New Councillor and refresher training to be provided to include – The role of the statutory scrutiny officer, to increase visibility	Complete	MT1
	19d	Officer refresher training to be provided to include – The role of the statutory scrutiny officer, to increase visibility	Winter 2023	OT1
	19e	Consider the interface of the statutory scrutiny officer role with Corporate Management Team to ensure that planning for engagement with scrutiny can be considered for significant forthcoming decisions	Winter 2023	CMT1
Officer resource models				
<i>Authorities should ensure that, whatever model they employ, officers tasked with providing scrutiny support are able to provide impartial advice. This might require consideration of the need to build safeguards into the way that support is provided. The nature of these safeguards will differ according to the specific role scrutiny plays in the organisation.</i>	20	Officer refresher training to be provided to include – The importance of impartial advice to O&S	Winter 2023	OT1
Selecting Committee Members				

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>Selecting the right members to serve on scrutiny committees is essential if those committees are to function effectively. Where a committee is made up of members who have the necessary skills and commitment, it is far more likely to be taken seriously by the wider authority.</i> <i>When selecting individual members to serve on scrutiny committees, an authority should consider a member's experience, expertise, interests, ability to act impartially, ability to work as part of a group, and capacity to serve.</i>	21a	New Councillor and refresher training to be provided to include – Appropriate selection of committee members, in order that this can be taken account of by political groups when establishing their committee representation.	Complete	MT1
<i>Authorities should not take into account a member's perceived level of support for or opposition to a particular political party (notwithstanding the wider legal requirement for proportionality)</i> <i>Members invariably have different skill-sets. What an authority must consider when forming a committee is that, as a group, it possesses the requisite expertise, commitment and ability to act impartially to fulfil its functions.</i>	21b	A programme of ongoing scrutiny skills training to be developed for delivery to O&S Councillors throughout municipal year 2023/24.	Autumn 2023 – May 2024	MT3
<i>Authorities are reminded that members of the executive cannot be members of a scrutiny committee. Authorities should take care to ensure that, as a minimum, members holding less formal executive positions, e.g. as Cabinet assistants, do not sit on scrutinising committees looking at portfolios to which those roles relate. Authorities should articulate in their constitutions how conflicts of</i>	22a	Review Constitution rules for clarity on the principle of Executive lead members sitting on O&S referral to Constitution Review Working Group for consideration.	Winter 2023	CR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>interest, including familial links between executive and scrutiny responsibilities should be managed, including where members stand down from the executive and move to a scrutiny role, and vice-versa.</i>	22b	Review constitution to consider providing further clarity on how to manage conflicts of interest, including when Councillors move between roles - referral to Constitution Review Working Group for consideration.	Winter 2023	CR1
Selecting a chair				
<i>The Chair plays a leadership role on a scrutiny committee as they are largely responsible for establishing its profile, influence and ways of working.</i> <i>The attributes authorities should and should not take into account when selecting individual committee members also apply to the selection of the Chair, but the Chair should also possess the ability to lead and build a sense of teamwork and consensus among committee members.</i>	23a	New Councillor and refresher training to be provided to include – Appropriate selection of committee chairs, in order that this can be taken account of by political groups when establishing their proposed chair nominees	Complete	MT1
	23b	O&S Chairing skills training to be delivered to include - leadership skills.	Winter 2024 General chairing already provided in Summer 2023 induction	MT2
<i>Given their pre-eminent role on the scrutiny committee, it is strongly recommended that the Chair not preside over scrutiny of their relatives</i>	24	Review constitution to consider providing further clarity on the Chair not presiding over scrutiny of relatives- referral to Constitution Review Working Group for consideration.	Winter 2023	CR1
<i>The method for selecting a Chair is for each authority to decide for itself, however every authority should consider taking a vote by secret ballot.</i>	25a	Secret ballot method vote for Chair and Vice Chair is already in place within constitution at Meeting Procedure Rule 19.	Complete	CR1
	25b	See 8c above 'opposition chairs'	Spring 2024	CR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>The role of the chair</i> <i>Chairs should pay special attention to the need to guard the committee's independence. Importantly, however, they should take care to avoid the committee being, and being viewed as, a de facto opposition to the executive.</i>	26	O&S Chairing skills training to be delivered to include – independence of O&S, and the need to avoid de facto opposition role.	Winter 2024 General chairing already provided in Summer 2023 induction	MT2
<i>Training for committee members</i> <i>Authorities should ensure committee members are offered induction when they take up their role and ongoing training so they can carry out their responsibilities effectively. Authorities should pay attention to the need to ensure committee members are aware of their legal powers, and how to prepare for and ask relevant questions at scrutiny sessions.</i> <i>When deciding on training requirements for committee members, authorities should consider taking advantage of opportunities offered by external providers in the sector.</i>	27a	See action 2a above - new Councillor and refresher training on statutory powers of O&S	Complete	MT1
	27b	A programme of ongoing scrutiny skills training to be developed for delivery to O&S Councillors throughout municipal year 2023/24, to include – questioning skills training.	Autumn 2023 – May 2024	MT3
	27c	Training to be delivered by external facilitators as appropriate and according to budget available	Autumn 2023 – May 2024	MT3
<i>While members and their support officers will often have significant local insight and an understanding of local people and their needs, the provision of outside expertise can be invaluable. There are two principal ways to procure this:</i> <i>• Co-option – formal co-option is provided for in legislation.</i>	28a	Facility to use external experts by O&S is already set out in constitution at Article 6, Rule 6.6.	Complete	CR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>Authorities must establish a co-option scheme to determine how individuals will be co-opted onto committees; and</i> <ul style="list-style-type: none"> • <i>Technical advisers – depending on the subject matter, independent local experts might exist who can provide advice and assistance in evaluating evidence</i> 	28b	Consideration be given to the appropriate use of external experts at the scoping stage of O&S work. – In annual work programming for O&S Committees and ongoing, during work programming discussions at each meeting.	Autumn 2023	WS1
Powers to Access Information				
<i>A scrutiny committee needs access to relevant information the authority holds, and to receive it in good time, if it is to do its job effectively.</i> <i>This need is recognised in law, with members of scrutiny committees enjoying powers to access information. In particular, regulations give enhanced powers to a scrutiny member to access exempt or confidential information. This is in addition to existing rights for councillors to have access to information to perform their duties, including common law rights to request information and rights to request information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.</i> <i>When considering what information scrutiny needs in order to carry out its work, scrutiny members and the executive should consider scrutiny's role and the legal rights that committees and their individual members have, as well as their need to receive timely and accurate information to carry out their duties effectively.</i>	29a	Enhanced rights of O&S in relation to access to information are already set out in Constitution at Access to Information Procedure Rule 24.	Complete	CR1
	29b	New Councillor and refresher training to be provided to include – enhanced rights of O&S in relation to access to information	Complete	MT1
<i>Scrutiny members should have access to a regularly available source of key information about the management of the authority – particularly on performance, management and risk. Where this information exists, and scrutiny members are given support to understand it, the potential for what officers might consider</i>	30a	Develop a library of O&S oversight information, provided in an online format for Councillors to access independently, to include - Performance, Management, Finance, Risk, Complaints, Business Cases and Ombudsman information.	Spring/ Summer 24	L1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>unfocused and unproductive requests is reduced as members will be able to frame their requests from a more informed position.</i>		This will assist in 'horizon scanning' to enhance the effectiveness of O&S work planning.		
	30b	A programme of ongoing scrutiny skills training to be developed for delivery to O&S Councillors throughout municipal year 2023/24, to include – Interpretation performance, management and risk information, and its application to O&S work programming.	Autumn 2023 – May 2024	MT3
<i>Officers should speak to scrutiny members to ensure they understand the reasons why information is needed, thereby making the authority better able to provide information that is relevant and timely, as well as ensuring that the authority complies with legal requirements.</i> <i>Regulations already stipulate a timeframe for executives to comply with requests from a scrutiny member. When agreeing to such requests, authorities should:</i> <ul style="list-style-type: none"> • consider whether seeking clarification from the information requester could help better target the request; and • Ensure the information is supplied in a format appropriate to the recipient's needs. 	31	Support scrutiny committees to be clear in identifying information needs and to scope larger pieces of work effectively so that information expectations can be met by officers and executive members. – In annual work programming for O&S Committees and ongoing, during work programming discussions at each meeting.	Autumn 2023 Briefings to scope report content have been taking place each cycle.	WS1
<i>While each request for information should be judged on its individual merits, authorities should adopt a default position of sharing the information they hold, on request, with scrutiny committee members.</i>	32	Officer refresher training to be provided to include – Default position of sharing information with O&S	Winter 2023	OT1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>The law recognises that there might be instances where it is legitimate for an authority to withhold information and places a requirement on the executive to provide the scrutiny committee with a written statement setting out its reasons for that decision. However, members of the executive and senior officers should take particular care to avoid refusing requests, or limiting the information they provide, for reasons of party political or reputational expediency. Before an authority takes a decision not to share information it holds, it should give serious consideration to whether that information could be shared in closed session</i>	33a	Situations where information may be withheld from O&S, and actions to communicate this, are already set out in the Constitution at Access to Information Procedure Rule 24.	Complete	CR1
	33b	New Councillor and refresher training to be provided to include – Default position of sharing information with O&S, and situations where information may be withheld.	Complete	MT1
	33c	Officer refresher training to be provided to include – Default position of sharing information with O&S, and situations where information may be withheld.	Winter 2023	OT1
<i>Committees should be aware of their legal power to require members of the executive and officers to attend before them to answer questions. It is the duty of members and officers to comply with such requests.</i>	34a	Requirement for Cabinet members and officers to attend O&S when requested is already set out in constitution at O&S Procedure Rule 9.	Complete	CR1
	34b	Identification of attendees and formal requests to Cabinet and officers to attend is required by the constitution and an embedded practice.	Complete	WS1
	34c	Portfolio Holders attend O&S meetings in response to requests, or send deputies.	Ongoing request to Cabinet	C1
	34d	New Councillor and refresher training to be provided to include – Requirement of Cabinet members and officers to attend scrutiny when requested	Complete	MT1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
	34e	Officer refresher training to be provided to include – Requirement of Cabinet members and officers to attend scrutiny when requested	Winter 2023	OT1
Seeking information from external organisations				
<i>Scrutiny members should also consider the need to supplement any authority-held information they receive with information and intelligence that might be available from other sources, and should note in particular their statutory powers to access information from certain external organisations</i>	35	Develop a library of O&S oversight information, provided in an online format for Councillors to access independently, to include - Information from external organisations, as appropriate, to support individual work items and annual work programming	Spring/ Summer 24	L1
<i>When asking an external organisation to provide documentation or appear before it, and where that organisation is not legally obliged to do either, scrutiny committees should consider the following:</i>	36a	Guidelines for scrutinising external organisations is already included within the Council's Constitution at O&S Procedure Rule 10.	Complete	CR1
<i>a) The need to explain the purpose of scrutiny – the organisation being approached might have little or no awareness of the committee's work, or of an authority's scrutiny function more generally, and so might be reluctant to comply with any request;</i> <i>b) The benefits of an informal approach – individuals from external organisations can have fixed perceptions of what an evidence session entails and may be unwilling to subject themselves to detailed public scrutiny if they believe it could reflect badly on them or their employer. Making an informal approach can help reassure an organisation of the aims of the committee, the type of information being sought and the manner in which the evidence session would be conducted;</i> <i>c) How to encourage compliance with the request – scrutiny committees will want to frame their approach on a case by case basis. For contentious issues, committees might want to</i>	36b	Develop a user friendly protocol to assist committees with approaching, preparing for and scrutinising external organisations.	Summer 2024	P1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>emphasise the opportunity their request gives the organisation to 'set the record straight' in a public setting; and</i> <i>d) Who to approach – a committee might instinctively want to ask the Chief Executive or Managing Director of an organisation to appear at an evidence session, however it could be more beneficial to engage front-line staff when seeking operational-level detail rather than senior executives who might only be able to talk in more general terms. When making a request to a specific individual, the committee should consider the type of information it is seeking, the nature of the organisation in question and the authority's pre-existing relationship with it.</i>				
Following 'the Council Pound'				
<i>Scrutiny committees will often have a keen interest in 'following the council pound', i.e. scrutinising organisations that receive public funding to deliver goods and services.</i> <i>Authorities should recognise the legitimacy of this interest and, where relevant, consider the need to provide assistance to scrutiny members and their support staff to obtain information from organisations the council has contracted to deliver services. In particular, when agreeing contracts with these bodies, authorities should consider whether it would be appropriate to include a requirement for them to supply information to or appear before scrutiny committees</i>	37	Officer refresher training to be provided to include – Support to scrutiny committees in respect of scrutinising organisations that receive public funding to deliver goods and services	Winter 2023	OT1
Planning Work				
<i>Effective scrutiny should have a defined impact on the ground, with the committee making recommendations that will make a tangible difference to the work of the authority. To have this kind of impact, scrutiny committees need to plan their work programme, i.e. draw up a long-term agenda and consider making it flexible enough to</i>	38a	O&S committees agree a work programme annually drawing ideas from relevant sources, that enables reports to be prepared and brought to the committee in a timely way.	In annual work programming for O&S Committees	WS1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)			– Autumn 2023	
<i>accommodate any urgent, short-term issues that might arise during the year.</i>	38b	Work programmes are based on realistic assessment of resources available to O&S, also retaining capacity for some arising issues to be accommodated.	In annual work programming for O&S Committees – Autumn 2023	R1
	38c	New Councillor and refresher training to be provided to include – Effective O&S Work programming and best use of resources	Complete	MT1
	38d	Feedback is gathered on O&S outputs and a tool developed to measure the success of O&S.	Summer 2024	P1
<i>Authorities with multiple scrutiny committees sometimes have a separate work programme for each committee. Where this happens, consideration should be given to how to co-ordinate the various committees' work to make best use of the total resources available.</i>	39a	Each O&S committee may establish separate work plans, with responsibility for monitoring use of resource across all work plans sitting with O&S Chairs. This is set out in the Constitution at O&S Procedure Rules 2 and 3.	Complete	CR1
	39b	Establish calendar of meeting dates for O&S chairs to include collective leadership monitoring of O&S resource	Autumn 2023	CM1
Being clear about scrutiny's role				
<i>Scrutiny works best when it has a clear role and function. This provides focus and direction. While scrutiny has the power to look at anything which affects 'the area, or the area's inhabitants', authorities will often find it difficult to support a scrutiny function that carries out generalised oversight across the wide range of issues experienced by local people, particularly in the context of partnership working. Prioritisation is necessary, which means that</i>	40	See actions 4a, b and c above – O&S 'focus', working methods and terms of reference.	Autumn 2023	WS1/ WM1/ TOR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from: Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)	ID	Action for BCP Council	RAG and timescales	Code
<p><i>there might be things that, despite being important, scrutiny will not be able to look at.</i></p> <p><i>Different overall roles could include having a focus on risk, the authority's finances, or on the way the authority works with its partners.</i></p> <p><i>Applying this focus does not mean that certain subjects are 'off limits'. It is more about looking at topics and deciding whether their relative importance justifies the positive impact scrutiny's further involvement could bring.</i></p>				
<p><i>When thinking about scrutiny's focus, members should be supported by key senior officers. The statutory scrutiny officer, if an authority has one, will need to take a leading role in supporting members to clarify the role and function of scrutiny, and championing that role once agreed.</i></p>	41a	<p>Senior officers and the statutory scrutiny officer support committees in selecting priorities that are of relevance and can add value to the organisation.</p> <p>– In annual work programming for O&S Committees and ongoing, during work programming discussions at each meeting.</p>	<p>Autumn 2023</p> <p>Potential areas for scrutiny already identified through service based training at first meetings of all committees in Summer 2023</p>	WS1
	41b	<p>Statutory scrutiny officer to ensure that scrutiny priorities are promoted to Executive members and the wider officer corps via</p>	<p>Following annual work programmin</p>	WS1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)		Corporate Management Board and information sharing with Cabinet members.	g – Autumn 2023	
Who to speak to				
<p><i>Evidence will need to be gathered to inform the work programming process. This will ensure that it looks at the right topics, in the right way and at the right time. Gathering evidence requires conversations with:</i></p> <ul style="list-style-type: none"> <i>The public -</i> <p><i>It is likely that formal 'consultation' with the public on the scrutiny work programme will be ineffective. Asking individual scrutiny members to have conversations with individuals and groups in their own local areas can work better. Insights gained from the public through individual pieces of scrutiny work can be fed back into the work programming process. Listening to and participating in conversations in places where local people come together, including in online forums, can help authorities engage people on their own terms and yield more positive results</i></p> <p><i>Authorities should consider how their communications officers can help scrutiny engage with the public, and how wider internal expertise and local knowledge from both members and officers might make a contribution.</i></p> <ul style="list-style-type: none"> <i>The authority's partners –</i> <p><i>relationships with other partners should not be limited to evidence-gathering to support individual reviews or agenda items. A range of partners are likely to have insights that will prove useful:</i></p>	42a	New Councillor and refresher training to be provided to include – Sources of input to annual work programming, to include community insight to their scrutiny work, partner information and Cabinet forthcoming priorities	Complete	MT1
	42b	See 3C above – use of community insight in O&S work	In annual work programming for O&S Committees – Autumn 2023	CI1
	42c	Statutory scrutiny officer to work with communications team to establish how scrutiny can promote its work priorities and gather public insight. To include proactive work with communications team in Spring 2024 to gather public insight to inform future annual work programming in Summer 2024.	Spring 2024	COM1
	42d	See 35 above: Develop a library of O&S oversight information, provided in an online format for Councillors to access independently, to include -	Spring/ Summer 24	L1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<p><i>o Public sector partners (like the NHS and community safety partners, over which scrutiny has specific legal powers);</i></p> <p><i>o Voluntary sector partners;</i></p> <p><i>o Contractors and commissioning partners (including partners in joint ventures and authority-owned companies);</i></p> <p><i>o In parished areas, town, community and parish councils;</i></p> <p><i>o Neighbouring principal councils (both in two-tier and unitary areas);</i></p> <p><i>o Cross-authority bodies and organisations, such as Local Enterprise Partnerships; and</i></p> <p><i>o Others with a stake and interest in the local area – large local employers, for example.</i></p> <ul style="list-style-type: none"> <i>The executive –</i> <p><i>a principal partner in discussions on the work programme should be the executive (and senior officers). The executive should not direct scrutiny's work, but conversations will help scrutiny members better understand how their work can be designed to align with the best opportunities to influence the authority's wider work.</i></p>		Information from external organisations, as appropriate, to support individual work items and annual work programming		
	42e	Cabinet is asked to provide input to annual O&S work programming to indicate forthcoming areas of work where O&S can add value.	In annual work programming for O&S Committees – Autumn 2023	C1
	42f	See 7b above: The Cabinet Forward Plan is regularly updated with sufficient notice of forthcoming priorities to enable O&S to engage effectively at an early stage in policy shaping	Ongoing request to Cabinet	C1
	42g	See 7c above: Role descriptions to be developed for Councillors in leading O&S roles to clarify expectation that scrutiny chairs	Autumn 2023	RD1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
		establish informal working arrangements with relevant Portfolio Holders to ensure scrutiny can be informed of Cabinet priorities in a timely way.		
Information sources				
<i>Scrutiny will need access to relevant information to inform its work programme. The type of information will depend on the specific role and function scrutiny plays within the authority, but might include:</i> <ul style="list-style-type: none"><i>• Performance information from across the authority and its partners;</i><i>• Finance and risk information from across the authority and its partners;</i><i>• Corporate complaints information, and aggregated information from political groups about the subject matter of members' surgeries;</i><i>• Business cases and options appraisals (and other planning information) for forthcoming major decisions. This information will be of particular use for pre -decision scrutiny; and</i><i>• Reports and recommendations issued by relevant ombudsmen, especially the Local Government and Social Care Ombudsman.</i>	43a	See 30a above: Develop a library of O&S oversight information, provided in an online format for Councillors to access independently, to include - Performance, Management, Finance, Risk, Complaints, Business Cases and Ombudsman information. This will assist in 'horizon scanning' to enhance the effectiveness of O&S work planning.	Spring/ Summer 24	L1
<i>As committees can meet in closed session, commercial confidentiality should not preclude the sharing of information. Authorities should note, however, that the default for meetings should be that they are held in public</i>	43b	Presumption is made that library of information for O&S Councillors is public, with non public information shared in appropriate alternative environment to ensure Councillors can remain informed.	Spring/ Summer 24	L1
<i>Scrutiny members should consider keeping this information under regular review. It is likely to be easier to do this outside committee, rather than bringing such information to committee 'to note', or to provide an update, as a matter of course.</i>	44	Support committees to work in more diverse ways to maintain oversight of key information, including circulating information outside of meetings and the use of rapporteurs or champions for particular topics. This will free up committee resource for value added scrutiny.	In annual work programming for O&S Committees – Autumn 2023	WM1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
Shortlisting topics				
<p><i>Approaches to shortlisting topics should reflect scrutiny's overall role in the authority. This will require the development of bespoke, local solutions, however when considering whether an item should be included in the work programme, the kind of questions a scrutiny committee should consider might include:</i></p> <ul style="list-style-type: none"> • <i>Do we understand the benefits scrutiny would bring to this issue?</i> • <i>How could we best carry out work on this subject?</i> • <i>What would be the best outcome of this work?</i> • <i>How would this work engage with the activity of the executive and other decision-makers, including partners?</i> 	45a	<p>Extend the use of the 'scrutiny request form' already in place for commissioned items, to encourage consideration of the value to be added by all reports, such as scrutiny's consideration of Cabinet pre-decision items and officer proposed items.</p> <p>– In annual work programming for O&S Committees and ongoing, during work programming discussions at each meeting.</p>	Autumn 2023	WS1
<p><i>Some authorities use scoring systems to evaluate and rank work programme proposals. If these are used to provoke discussion and debate, based on evidence, about what priorities should be, they can be a useful tool. Others take a looser approach. Whichever method is adopted, a committee should be able to justify how and why a decision has been taken to include certain issues and not others.</i></p>	45b	Review 'scrutiny request form' and update as appropriate to incorporate all suggested areas referenced in O&S guidance.	Autumn 2023	P1
<p><i>Scrutiny members should accept that shortlisting can be difficult; scrutiny committees have finite resources and deciding how these are best allocated is tough. They should understand that, if work programming is robust and effective, there might well be issues that they want to look at that nonetheless are not selected.</i></p>	45c	<p>See 18c above:</p> <p>As required by the constitution, all requests for O&S work are considered by Committees against the current resource levels available to support the request</p>	Immediate, as arising, and in annual work programming for O&S Committees – Autumn 2023	R1
Carrying out work				
Selected topics can be scrutinised in several ways, including:	46a	Methods of carrying out O&S work are set out within the Constitution at Article 6, Rule 6.9.	Complete	CR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from: Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)	ID	Action for BCP Council	RAG and timescales	Code
<p><i>a) As a single item on a committee agenda – this often presents a limited opportunity for effective scrutiny, but may be appropriate for some issues or where the committee wants to maintain a formal watching brief over a given issue;</i></p> <p><i>b) At a single meeting – which could be a committee meeting or something less formal. This can provide an opportunity to have a single public meeting about a given subject, or to have a meeting at which evidence is taken from a number of witnesses;</i></p> <p><i>c) At a task and finish review of two or three meetings – short, sharp scrutiny review are likely to be most effective even for complex topics. Properly focused, they ensure members can swiftly reach conclusions and make recommendations, perhaps over the course of a couple of months or less;</i></p> <p><i>d) Via a longer-term task and finish review – the ‘traditional’ task and finish model – with perhaps six or seven meetings spread over a number of months – is still appropriate when scrutiny needs to dig into a complex topic in significant detail. However, the resource implications of such work, and its length, can make it unattractive for all but the most complex matters; and</i></p> <p><i>e) By establishing a ‘standing panel’ – this falls short of establishing a whole new committee but may reflect a necessity to keep a watching brief over a critical local issue, especially where members feel they need to convene regularly to carry out that oversight. Again, the resource implications of this approach means that it will be rarely used</i></p>				
	46b	Support committees to actively consider diverse ways of working other than committee reports to secure most effective outputs	In annual work programming for O&S Committees – Autumn 2023	WM1
	46c	Review and develop task and finish/ working group scoping document, protocol and joint working group protocol	Summer 2024	P1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
Evidence sessions				
<p><i>Evidence sessions are a key way in which scrutiny committees inform their work. They might happen at formal committee, in less formal 'task and finish' groups or at standalone sessions.</i></p> <p><i>Good preparation is a vital part of conducting effective evidence sessions. Members should have a clear idea of what the committee hopes to get out of each session and appreciate that success will depend on their ability to work together on the day.</i></p>	47	Consider the appropriateness of conducting evidence sessions to scrutinise particular topics when planning annual work programmes. These will need proactive planning to ensure that sufficient resource can be made available to support effective sessions.	In annual work programming for O&S Committees – Autumn 2023	WM1
How to plan				
<p><i>Effective planning does not necessarily involve a large number of pre-meetings, the development of complex scopes or the drafting of questioning plans. It is more often about setting overall objectives and then considering what type of questions (and the way in which they are asked) can best elicit the information the committee is seeking. This applies as much to individual agenda items as it does for longer evidence sessions – there should always be consideration in advance of what scrutiny is trying to get out of a particular evidence session.</i></p>	48	New Councillor and refresher training to be provided to include – Evidence led approach to O&S, and how to conduct an effective evidence session	Complete	MT1
<p><i>Chairs play a vital role in leading discussions on objective-setting and ensuring all members are aware of the specific role each will play during the evidence session.</i></p> <p><i>As far as possible there should be consensus among scrutiny members about the objective of an evidence session before it starts. It is important to recognise that members have different perspectives on certain issues, and so might not share the objectives for a session that are ultimately adopted. Where this happens, the Chair will need to be aware of this divergence of views and bear it in mind when planning the evidence session.</i></p>	49	O&S Chairing skills training to be delivered to include how to plan for and lead evidence sessions, establish aims and manage different objectives from committee members	Winter 2024 General chairing already provided in Summer 2023 induction	MT2

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from: Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)	ID	Action for BCP Council	RAG and timescales	Code
<p><i>Effective planning should mean that at the end of a session it is relatively straightforward for the chair to draw together themes and highlight the key findings. It is unlikely that the committee will be able to develop and agree recommendations immediately, but, unless the session is part of a wider inquiry, enough evidence should have been gathered to allow the chair to set a clear direction.</i></p> <p><i>After an evidence session, the committee might wish to hold a short 'wash-up' meeting to review whether their objectives were met and lessons could be learned for future sessions</i></p>	50	O&S Chairing skills training to be delivered to include how to draw together themes and highlight key findings at the end of evidence sessions – this approach to be extended to all O&S work items to ensure Chairs can provide transparent summary of discussions.	Winter 2024 General chairing already provided in Summer 2023 induction	MT2
Developing recommendations				
<p><i>The development and agreement of recommendations is often an iterative process. It will usually be appropriate for this to be done only by members, assisted by co-optees where relevant. When deciding on recommendations, however, members should have due regard to advice received from officers, particularly the Monitoring Officer.</i></p> <p><i>The drafting of reports is usually, but not always, carried out by officers, directed by members.</i></p>	51a	Officer refresher training to be provided to include – Officers to provide timely, transparent advice to committees in all areas of O&S work, as appropriate.	Winter 2023	OT1
	51b	For longer pieces of O&S work, a lead officer to be identified at the scoping stage who will support report drafting - include this within relevant protocols listed at 46c above.	Immediate, as arising (WS1/R1) Protocol review Summer 2024 (P1)	WS1/R1/P1
<p><i>Authorities draft reports and recommendations in a number of ways, but there are normally three stages:</i></p> <p><i>i. the development of a 'heads of report' – a document setting out general findings that members can then discuss as they consider the overall structure and focus of the report and its recommendations;</i></p> <p><i>ii. The development of those findings, which will set out some</i></p>	52	New Councillor and refresher training to be provided to include – Consideration of appropriate recommendations and reporting route for O&S work, to include consideration of what SMART recommendations may look like. Consideration of this to take place at the scoping stage of O&S work, to ensure scope is clear enough and to provide an indication of the value that is likely to be added by the work undertaken.	Complete	MT1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from: Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)	ID	Action for BCP Council	RAG and timescales	Code
<p><i>areas on which recommendations might be made; and</i></p> <p><i>iii. the drafting of the full report.</i></p> <p><i>Recommendations should be evidence-based and SMART, i.e. specific, measurable, achievable, relevant and timed. Where appropriate, committees may wish to consider sharing them in draft with interested parties.</i></p> <p><i>Committees should bear in mind that often six to eight recommendations are sufficient to enable the authority to focus its response, although there may be specific circumstances in which more might be appropriate.</i></p>				
<p><i>Sharing draft recommendations with executive members should not provide an opportunity for them to revise or block recommendations before they are made. It should, however, provide an opportunity for errors to be identified and corrected, and for a more general sense-check</i></p>	53	<p>New Councillor and refresher training to be provided to include –</p> <p>The role of executive member consultation during draft reporting stages.</p>	Complete	MT1
Chief Executive's Assurance Review, June 2023 – recommendations and comments relating to O&S				
<p><i>In a No Overall Control council it is useful to ensure there is an opportunity to elect a Chair from outside of the administration to each Overview and Scrutiny Committee, to ensure appropriate scrutiny and holding the Executive to account.</i></p> <p><i>Opposition councillors have recently been given a majority of positions on the principal Overview and Scrutiny committees as a result of changes in the political balance calculations. Opposition councillors appear to be content to keep Conservative councillors as Chairs for the Committees where they are already in place, for the remainder of this Council term.</i></p>	54a	<p>Since May 2023 all O&S Committees have appointed a Chair, and in most cases, a Vice-Chair from outside of the Administration.</p>	Complete – monitor long term.	CL1
	54b	<p>Action relating to potential constitutional changes to clarify the good practice of opposition chairs outlined at 8c above.</p>	Spring 2024	CR1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<p><i>Overview and scrutiny committees are to be encouraged to take evidence and contributions from officers as well as portfolio holders, to ensure a more informed basis to O&S recommendations.</i></p> <p><i>There is still a marked reluctance amongst the broader overview and scrutiny committees to ask questions directly of officers and there are regular comments that leading councillors do not give clear answers to questions, but other councillors do not seek that clarity from officers, which they could.</i></p> <p><i>Since June there has been a noticeable shift in emphasis within the Council, with officers being invited to contribute on specific issues in Cabinet and this need needs to be extended to O&S committees</i></p> <p><i>Continue to encourage full participation and clarity of answers in all meetings, and incorporate into training for Overview and Scrutiny committee members.</i></p>	55	Multiple actions relating to O&S powers to question, skills training, and planning of evidence sessions are outlined above. These will all assist with encouraging evidence and contributions from officers as well as portfolio holders, to increase the effectiveness of scrutiny sessions. See 9a, 9b, 9c, 27b and 48 above.	See relevant actions above	See relevant actions above
<p><i>Overview and scrutiny committees should continue to increase their focus on policy development and engagement rather than pre-Cabinet scrutiny.</i></p> <p><i>There has been little movement in the focus of the two new overview and scrutiny committees (Place and Corporate & Community) that have replaced the Corporate O&S Board, with an ongoing focus on pre-Cabinet scrutiny.</i></p> <p><i>Since the elections in May, the administration has sought to restructure Overview and Scrutiny, which will establish a closer link</i></p>	56a	Induction training and O&S annual report presentations to O&S Committees in May / June stressed the importance of timely engagement in policy development and decision making and to have impact. Potential areas for scrutiny were identified to committees by senior officers through service based training at first meetings of all committees in Summer 2023, which will provide opportunity for movement away from pre-Cabinet scrutiny. Annual work planning for all committees, balancing policy and pre-Cabinet scrutiny, has begun.	Majority of O&S work to be planned by conclusion of annual work programming sessions – Autumn 2023	WS1

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<p><i>to the Cabinet cycle for one O&S Committee but keeps the other 3 committees removed from the Cabinet cycle. Agendas need to be monitored to ensure that the O&S function focuses on policy development.</i></p> <p><i>Incorporate into training for Overview and Scrutiny committee members and monitor agendas, encouraging a wider role for Overview and Scrutiny committees.</i></p>	56b	<p>Ongoing support to promote a balance of O&S work is identified through multiple actions above.</p> <p>Encouraging an effective balance of scrutiny work involves many factors including effective engagement with Cabinet and senior officers to ensure O&S understanding of forthcoming priorities; training; work planning actions and monitoring and reporting on scrutiny outputs to ensure Council ownership of the balance of O&S work.</p> <p>These actions will embed a practice of selecting topics which generate meaningful outcomes and balance policy engagement with pre-Cabinet scrutiny.</p> <p>See actions 1c, 4b,7b,7c,7d, 14a, 38c, 38d, 41, 42e, 43a, 45a above.</p>	See relevant actions above	See relevant actions above
<p><i>Overview and scrutiny committees should consider putting more focus into corporate performance reporting, challenging the executive to ensure that improvement plans are having an effect and improving the services that are missing their targets.</i></p> <p><i>There is an opportunity to strengthen the focus of O&S on performance management, through the overview and scrutiny committees.</i></p> <p><i>Incorporate into training for Overview and Scrutiny committee members and monitor agendas, encouraging Overview and Scrutiny Committees to focus on performance management information.</i></p>	57	See 30a and 30b above relating to the provision of performance management information and associated training.	See relevant actions above	See relevant actions above
<p><i>Need to ensure the party whip is not applied to O&S functions. This message needs to be reinforced and the situation monitored.</i></p>	58	Actions relating to training, chairing and monitoring the independence of O&S are set out above. See 8b, 8d,8e, 16a and 16c and 26 above.	See relevant actions above	See relevant actions above

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>There has been no recent evidence of the party whip being applied to O&S functions, but this needs to be monitored. A positive statement will be sought from Group Leaders.</i>				
DLUHC External Assurance Review of BCP Council, August 2023 – recommendations and comments relating to O&S				
<i>The Council reviews the Transformation programme and agrees a realistic and deliverable programme by October 2023. The Council sets up effective mechanisms for Member oversight and monitoring of the delivery of the programme by June 2023</i>	59	O&S to consider and establish its role in this member oversight and monitoring	In annual work programming for O&S Committees – Autumn 2023	WS1
<i>The Council establishes a sound budget setting process and begins preparations for the 2024/25 budget as soon as possible after the local government elections and has proposals drafted for a sustainable MTFP and three-year budget by the end of September 2023</i>	60	O&S to consider and establish its role in the budget setting process	In annual work programming for O&S Committees – Autumn 2023	WS1
<i>The Council, with the active leadership of the respective group leaders, uses the opportunity of a new Council to reset the Member / Member and Member / officer culture and relationships. The new Council must use the support offered by the LGA and set up a comprehensive programme of Member induction and an ongoing programme of Member training. The induction programme should be in place by June 2023 and the ongoing programme by July 2023</i>	61a	New Councillor and refresher training has been provided.	Complete	MT1
	61b	A programme of ongoing scrutiny skills training to be developed for delivery to O&S Councillors throughout municipal year 2023/24	Autumn 2023 – May 2024	MT3
	61c	General chairing skills training already provided to Councillors in Summer 2023 induction.	Complete	MT2

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
	61d	LGA provided Leadership training has been offered to all O&S Chairs	Scheduled to take place Jan/ Feb 2024	MT2
	61e	The LGA has been engaged to provide support to O&S with plans in development between BCP/ LGA/ CfGS to support effective work programming.	Autumn 2023	WS1
<i>The Council puts in place a regular annual cycle for the business plans, mid-year reviews and year end reviews of all its companies to be reported to the appropriate scrutiny and decision-making bodies. This should be in place by June 2023 to begin the 2024/25 process</i>	62	O&S to consider and establish its role in this review process	In annual work programming for O&S Committees – Autumn 2023	WS1
<i>The Council has four scrutiny committees – Corporate and Community; Children's Services; Health and Adult Social Care, and Place. Scrutiny has focused rather heavily on pre scrutiny of Cabinet decisions rather than having a broader focus or looking at policy development. I was told by a range of people that politics has got in the way of effective scrutiny. When scrutiny has looked at wider issues the feedback has been more positive – I was told of a good example of scrutiny inviting the Police and Crime Commissioner and neighbourhood watch representatives to a scrutiny committee. The Centre for Governance and Scrutiny summarise scrutiny's role as providing a space to bring critical friend challenge and support to decision making; providing a way of challenging and supporting partner organisations; bringing issues that matter to local people and the local community into decision making; and surface issues that the Council should be engaging with but which are not yet part of formal decision making.</i>	63	See 56a and 56b above.	See relevant actions above	See relevant actions above

Overview and Scrutiny Action Plan 2023-24

Relevant Extract from:	ID	Action for BCP Council	RAG and timescales	Code
Statutory Guidance on O&S (ID 1-53) Chief Executive's Assurance Review (ID 54-58) DLUHC Assurance Review (ID 59 – 64)				
<i>From what I have seen there is an opportunity at BCP – as there is with many other councils – to develop the scrutiny role along the lines above rather than simply to focus on pre-cabinet scrutiny. There is an opportunity with a new Council to ensure that Councillors have training and support to enable them to develop their role in overview and scrutiny. This should be built into the Member induction and ongoing training programme.</i>				
<i>The DfE Advisor has commented that the Scrutiny Committee [Children's Services O&S] and particularly its Chair (prior to the elections) have been engaged in a proper and appropriate way. The Chair of scrutiny prior to the elections has now been appointed as the Cabinet Member and therefore the Statutory Lead Member for Children's Services. Given the position of children's services the change in both the Cabinet Member and Scrutiny Chair roles will need careful management and both Members will need focussed support to discharge these key roles.</i>	64a	Work programming support provided summer 2023. Further support to be provided to complete annual work programming.	Autumn 2023	CS1
	64b	Focussed support provided by service area lead to identify and provide relevant performance information to support the committee in its role.	Provided summer 2023 and ongoing.	CS1
	64c	Ongoing training plan for the Committee in development	Autumn 2023	CS1
	64d	Establish links with O&S Chairs in other authorities that have experience of similar improvement journey	Links established and provided to the Chair summer 2023.	CS1
	64e	LGA hosted Children's Services Leadership training offered to Chair. This is in addition to the Chairing and leadership skills training identified at 61c and 61d above.	Takes place in October 2023.	CS1

This page is intentionally left blank