

Notice of Corporate and Community Overview and Scrutiny Committee



Date: Monday, 6 February 2023 at 6.00 pm

Venue: Committee Room, First Floor, BCP Civic Centre Annex, St Stephen's Rd, Bournemouth BH2 6LL

Membership:

Chairman:

Cllr L Williams

Vice Chairman:

Cllr R Rocca

Cllr L Allison
Cllr M Andrews
Cllr S Bartlett

Cllr M Davies
Cllr L Dedman
Cllr N Hedges

Cllr M Iyengar
Cllr V Slade

All Members of the Corporate and Community Overview and Scrutiny Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5528>

If you would like any further information on the items to be considered at the meeting please contact: or email

Press enquiries should be directed to the Press Office: Tel: 01202 454668 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

27 January 2023



Available online and
on the Mod.gov app

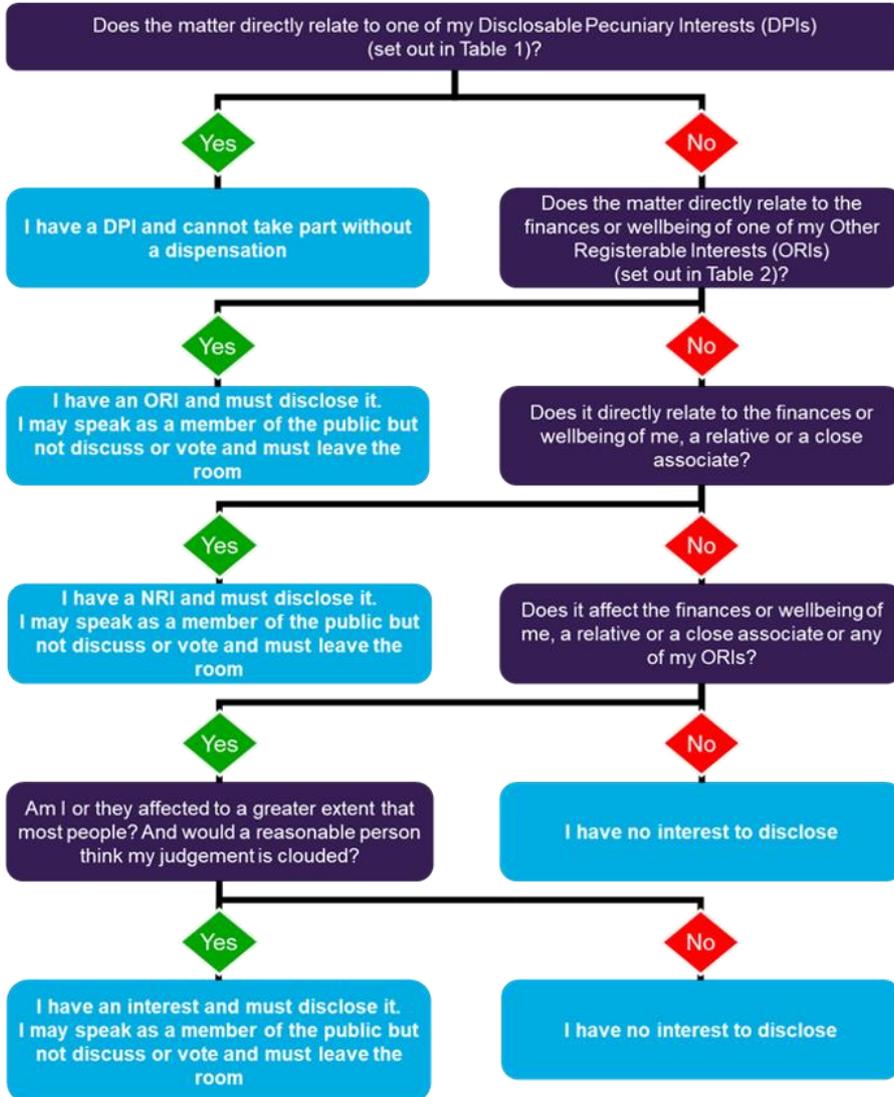
Icons for four mobile operating systems: a blue globe for Windows, an Apple logo for iOS, a green Android robot, and a blue Windows logo.

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. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. 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.bcpCouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of public questions is 4 clear working days before the meeting.

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

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

5. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 12 December 2022.

5 - 14

6. Transformation Programme Update

The Corporate and Community O&S Committee is asked to consider the attached report. The report outlines:

The implementation of the Council's new Organisational Design and Operating model is a fundamental part of the wider "Our New Normal" transformation programme.

15 - 22

Significant progress is being made in the implementation of the three programmes:

Organisational Design; including new technology and service redesign.

Where and how we work; in the refurbishment of the BCP Civic Centre and Poole Hub and Library with a full face to face Customer service offering.

Along with Supporting our Colleagues, with Pay & Reward, Values and Behaviours framework and new Talent Acquisition and Wellbeing strategies as well as underpinning the savings required by the Medium-Term Financial Plan.

7. Scrutiny of Finance Related Cabinet Reports

23 - 290

To consider the following Finance related reports scheduled for Cabinet consideration on 8 February 2023:

- 2023/24 Budget Report

The Corporate and Community O&S Committee is asked to scrutinise and comment on the report and if required make recommendations or observations as appropriate.

Cabinet member invited to attend for this item: Councillor Drew Mellor, Leader of the Council and Portfolio Holder for Finance and Transformation

8. Work Plan

291 - 300

The Corporate and Community Overview and Scrutiny Committee is asked to consider and note the Committee's work plan. Also included is a copy of the item request form which Committee members are asked to complete if they have an item to add to the Work Plan.

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

**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
CORPORATE AND COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of the Meeting held on 12 December 2022 at 6.00 pm

Present:-

Cllr L Williams – Chairman

Cllr R Rocca – Vice-Chairman

Present: Cllr M Andrews, Cllr S Bartlett, Cllr M Davies, Cllr L Dedman,
Cllr G Farquhar (In place of Cllr L Allison), Cllr M Iyengar,
Cllr D Kelsey and Cllr V Slade

Also in

Attendance: Cllr B Dove, Cllr J Kelly

49. Apologies

Apologies were received from Cllr L Allison.

50. Substitute Members

Notification had been received that Cllr G Farquhar was substituting for Cllr Allison for this meeting and that Cllr D Kelsey was filling the Conservative Group vacancy for this meeting as Cllr H Allen was no longer a member of the Committee.

51. Declarations of Interests

Cllr S Bartlett declared a non pecuniary interest in relation to the Harmonising the Management of BCP Leisure Centres report, in that he was a Director of BH Live.

52. Confirmation of Minutes

The Chairman reported on a proposed amendment to the minutes of the meeting held on 27 September 2022, following notification from Mr Alex McKinstry that his statements had been recorded incorrectly.

RESOLVED that the minutes of the meetings held on 27 September, 25 October and 18 November 2022 be confirmed as a correct record, subject to the following amendment to the minute on Public Issues, 27 September 2022:

Delete Statements 1 and 2 from Mr McKinstry and replace with the following revised Statement 1:

“I'm astounded this administration can allow a vital report to breach a statutory deadline by ten days. The breach lays this report wide open to legal challenge; an instructive case is Joicey, R (application of) v

Northumberland County Council (2014), where Justice Cranston said "information must be published by a local authority in good time for members of the public to ... digest it and make intelligent representations". The same surely applies to committee members, who've had just 30 hours to study a make-or-break report for Cabinet tomorrow. It smacks of scrutiny being downgraded, which brings me to my second statement."

Retain existing Statement 3 but renumber as Statement 2.

53. Public Issues

There were no public issues for this meeting,

54. BCP Community Safety Partnership Annual Report

Chief Superintendent Mark Callaghan, Chair of the Community Safety Partnership (CSP), 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. The report and accompanying presentation provided a comprehensive update on the activity and achievements of the CSP over the last year and looked ahead to the key issues for 2022/23, following the adoption of the new Community Safety Strategy. The Strategy had been developed by the Safer BCP and the CSP's priorities which had been informed by the annual community safety strategic assessment.

Ch Supt Callaghan and officers responded to questions on the report from the Chair of the Children's Services Overview and Scrutiny Committee to feed into his committee's working group on child exploitation, in particular, the ongoing analysis of profiles/trends for younger age groups in relation to types of crime (as victims and offenders) and the value of early intervention and prevention work. The Communities Manager agreed to circulate by email a more detailed breakdown of young people engaged in specialist treatment.

Ch Supt Callaghan and officers responded to questions from members about the role of the CSP and its partner agencies, its relationship with the PCC and the delivery of individual priorities, the key points being as follows:

- The CSP had a clear accountability and delivery structure on strategic, performance and operational levels. Performance, outcomes and the impact of strategic objectives and actions were monitored by the strategic sub groups and reported quarterly to the CSP Executive Board.
- While their roles and powers were different there was clear coherence between the strategic plans of the CSP and the PCC, with mutual involvement and co-operation to avoid duplication and ensure close alignment. The national review of CSPs and recent recommendations following a review of the PCC model were not

anticipated to result in major change on a local level due to this already close working relationship.

- There was a concern that there was a perception/resignation that drug taking was now generally accepted and that this did not match the CSP's strategic priorities. The Committee was assured that the clear link between many areas of crime and drugs was recognised and reflected in the work of Dorset Police in delivering the priorities of the Police and Crime Plan and in the priorities of the CSP in tackling substance misuse/addiction and associated anti-social behaviour (ASB). The Council continued to work with the Police on a daily basis to reduce housing related ASB and criminality.

The Portfolio Holder for Community Safety and Regulatory Services commented on the frankness of the report in setting out the challenges to be faced.

RESOLVED that the progress of the CSP over the past year to November 2022 and the BCP Community Safety Strategy developed by Safer BCP and the Partnership's priorities, based on the recommendations from the annual Community Safety Strategic Assessment, be noted.

55. Update from the Police and Crime Commissioner

The Chairman welcomed Mr David Sidwick, Dorset Police and Crime Commissioner (PCC), to the meeting and invited him to make his presentation, 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.

The PCC reported that Dorset was now the sixth safest place in the Country. He outlined the main responsibilities of his role, one of which was to consult with local people and produce a Police and Crime Plan which identified local priorities and how these would be met. The PCC talked about the themes within each of the six priorities and gave details of some of the initiatives involved, as follows:

- **Cut crime and anti social behaviour:** The PCC highlighted work with the Council and housing associations and confirmed that he would be renewing the Relentless Community Fund for projects in 2023.
- **Make Policing more visible and connected:** Increasing numbers of police in the community and enhancing neighbourhood teams, ensuring information was publicly available on websites. Transforming reporting mechanisms. The PCC encouraged the use of the 101@dorset.pnn.police.uk email address for non-urgent reporting.
- **Fight violent crime and high harm:** The PCC was the national portfolio lead for alcohol and substance misuse. The enforcement/treatment/education approach was getting results and

he supported the Government's 'From Harm to Hope' drugs strategy, while acknowledging that it did not tackle the issue of recreational drugs. He was also the lead for the new pan Dorset Combatting Drugs Partnership, set up to deliver the strategy on a local footing.

- **Fight rural crime:** Increasing staffing of rural policing team, increasing use of legislation to address unauthorised encampments. The PCC also spoke about the important role of volunteers in the 'watch schemes' and the difference these made.
- **Put victims and communities first:** a range of initiatives to tackle crime and support vulnerable people.
- **Make every penny count:** The PCC highlighted the demands placed on policing in Dorset at a time when it was the second worst funded force per head in the Country with no account taken of seasonal adjustment or rurality, something he was lobbying the Home Office about.

The PCC and colleagues responded to questions on the following issues:

- Graffiti had been removed and CCTV repaired in Christchurch underpass. The underpass was now included in regular security patrols to manage anti-social behaviour and escalate as required.
- Outcomes and actions from a recent meeting between the PCC, Ch Supt Callaghan and the Mayor of Christchurch had been communicated and it was noted that the town clerk would be included in neighbourhood policing communications. The PCC was discussing the use of auto number plate recognition cameras with the Ch Supt.
- The PCC was renewing his Fix the Future fund in 2023 to offer support for initiatives which provided opportunities for young people. He was also rolling out the police cadets scheme.
- The use of the 101 email should be promoted to residents as there was still a perception that reporting crime was difficult. The PCC reiterated the importance of reporting and not assuming that the Police were already aware.

The Chairman thanked the PCC for his attendance and contribution to the meeting.

56. Mobile CCTV deployment and policy

The Director of Communities presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book. The report outlined the Council's approach to the deployment of mobile/deployable CCTV cameras and associated legislative requirements, evidence and infrastructure requirements. The report also advised how Councillors and members of the public could apply for a camera to be deployed.

The CCTV Manager responded to a query about cameras operating on Christchurch/Seabourne Road and the Director of Communities agreed to keep ward members updated.

A Committee member commented that CCTV was only as effective as when incidents were reported and monitored.

The Committee was advised that the Police monitored all CCTV camera footage, not just the Council's, and also used other footage such as that from mobile devices and doorbell cameras. It was possible to upload footage to the Dorset Police website.

57. Harmonising the management of BCP Leisure Centres

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

The Council was currently reviewing options for the future operational management of leisure sites to move towards a harmonised offer for BCP residents. The report outlined the five in-scope leisure centres at this stage and summarised the work undertaken to date. The report invited the Committee to provide comment and feedback on the options for future management of the in-scope leisure centres. This would be used to shape the Cabinet report and recommendations. Key points raised were as follows:

- The conclusion of the Built Facility Needs Assessment, that we have the right number of facilities for future population needs in the right places across the conurbation, should be tested. Members commented on previous reviews where capacity had been called into question, particularly in relation to swimming facilities. The long-term nature of the decisions being taken made it even more important to ensure this conclusion stood up to scrutiny.
- The rationale for the Council taking over the lease of the Bournemouth Indoor Bowls Centre (BIBC) was clarified, in that the previous tenant wanted to sell the lease and although approached, the bowling community was not in a viable position to take over. The Council then acquired the leasehold for the BIBC site and are currently reviewing the current and future use of what is a huge facility to ensure a good offer can be provided to a larger demographic.
- There were concerns at the lack of assurance in the report that bowls would continue to be provided at BIBC. Members commented on the social benefits for users. It was recognised that there were issues with costs and declining participation. Members sought assurance that either bowls or an alternative, regular form of provision to suit this clientele would be offered at BIBC and it was confirmed that this would be considered within the tender specification.

- While it was noted that a reduced membership offer had been arranged for BIBC members with indoor bowling facilities in Poole and Christchurch, this may not be a convenient alternative due to distance, particularly for those who don't drive.
- Assurance was sought that longer term considerations such as major maintenance had been factored into the evaluation exercise. Members were advised that this would be strengthened in the contract. It was noted that the contractor would not be expected to provide capital for major repairs.
- The need for consultation and the views of sports groups should be considered, particularly when feedback on in house facilities appeared to be more positive than current external operators. If the external operator option was pursued, the contracts had to be got right from the outset. There was a need to increase current levels of activity within the local population.
- The specific needs of certain cohorts, such as girls, should be provided for. Older people should have access to regular, meaningful, sustainable activities.
- A move was proposed and seconded "that BIBC be taken out of the scope of the report as it does not fit with the other facilities included as options in the report". In discussion, some members felt that BIBC should remain in scope at this early stage, others were not assured that an external provider would take account of their concerns. The proposal was not progressed due to an equal number of votes for and against the move (the Chairman abstaining and not exercising a casting vote).
- Members commented that the Council had a role in being able to subsidise provision for public benefit. The reason for leisure centres existing was to promote the health and well-being of BCP residents, it was not about the cost. It should be taken as a 'given' that whatever the Council decided to proceed with would be the most cost-effective/efficient approach to ensure the promotion of health and well-being. Members were assured that the tender specification would take account of the importance of health and well-being outcomes.

The Committee was advised of the next steps and timetable for decision making between now and the end of the SLM contract in September 2024. As the timescales for preparing the Cabinet report for January 2023 would not facilitate further input from the Committee it was agreed to include a copy of this minute with the report to ensure the Committee's views were highlighted.

58. 2022/23 Budget Monitoring and Financial Strategy Update

The Section 151 Officer presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

The Section 151 Officer reported that the latest local government finance policy statement confirmed most budget assumptions. He referred to the accumulating deficit of the Dedicated School Grant (DSG) which by 31 March 2024 would exceed total reserves. Although the Government had recently extended the statutory override for councils to 2025/26, a steer from Government on longer term plans to address the deficit would be most welcome. Officers responded to a number of issues raised in the subsequent discussion, including:

- The DSG deficit continued to grow because the Council was gaining more SEND cases than it was losing year on year.
- It was as yet unclear how much of the transformation investment programme would be funded by FUCR and/or the assumed capitalisation direction.
- Any unused Public Health grant returned to the Council was spent on public health initiatives within services.
- It was confirmed that additional costs associated with the time taken to recruit/retain children's social care staff were factored into the budget.
- There was a need to develop a strategy to address the DSG deficit, depending on the outcome of further discussions in January 2023.
- It was confirmed that the cost of staffing to the transformation programme had not yet been adjusted beyond 2022/23. There would be a further review before the final budget report in February 2023.
- Projects in the approved capital programme were being reviewed to identify any escalation of costs. Where further funding via borrowing was required for a project, a review of the business case was expected. In some cases, such as housing schemes, an increase in costs could be offset by an increase in income. It was noted that any increase to capital reserves would have financial implications elsewhere which would need to be assessed.
- The report acknowledged that the adult social care underspend could not be assumed as a future saving and there were concerns that the underspend was caused by not providing services and not filling staff vacancies due to a difficult, unresponsive market.

59. Work Plan

The Chairman referred to the current work plan, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'F' to these Minutes in the Minute Book.

The following items on the Cabinet Forward Plan were suggested for inclusion: Our Cultural Plan, Award of Gigabit Fibre Neutral Host Operator, Library Strategy, Pay and Reward. Other items suggested were the Shared Prosperity Fund and Investment Plan and scrutiny of external consultancy contracts. The Chief Executive advised that there was a forthcoming all member seminar on the Shared Prosperity item. It was noted that an additional meeting may be required if all these items were accepted.

Democratic Services agreed to circulate by email an update on the complaints procedure working group.

60. Exclusion of Press and Public

The public were not excluded from the meeting for the following item as committee members did not find the content of the report sufficient to warrant the exclusion.

61. Response to Overview and Scrutiny request for information

The Head of Estates presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book. The report had been prepared in response to the Committee's request for information about the wider list of assets considered for disposal, the reasons why assets had been shortlisted and the timetable for disposal.

The Committee was advised that there had never been a long list of assets, as when reviewing the register only a limited number matched the high-level criteria used for selection: to be non-strategic and of sufficient value to deliver the £20 capital receipt by the deadline of 31 March 2023. Committee members questioned why this had not been explained at the previous meeting on 18 November and felt that their questions had not been answered – for example, on what basis had one asset originally shortlisted subsequently been rejected. It was noted that the relevant Portfolio Holder was not present due to illness and that the Leader was not in attendance.

During the debate the Committee was advised to consider excluding the public from the meeting due to the further risk of exempt information being disclosed in discussion, shortlisted assets having already been accidentally named in the introduction to the report. A move to exclude the public on these grounds was not carried (2 votes in favour, 4 votes against, 2 abstentions).

The Committee was reminded of the Government's expectation that the Council should try to avoid the need for a further capitalisation direction in 2023/24 and 2024/25 by generating capital receipts through the sale of assets. This would be in addition to those already budgeted for. Further detail on this was anticipated in the February 2023 budget report. Committee members discussed making a revised recommendation and agreed that this should use the same wording as the recommendation previously made (but in their view not responded to), with additional wording to ensure the information they requested covered the period of the transformation programme.

RESOLVED that that Portfolio Holder be requested to present the following information to the Corporate and Community Overview and

Scrutiny Committee: 1. The wider list of assets considered for disposal and the reasons for those selected for shortlist and 2. The timetable for the controlled disposal of public assets, which maximises value and controls risk, over the period of the Transformation Programme.

The meeting ended at 10.19 pm

CHAIRMAN

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Corporate and Community Overview & Scrutiny Board



Report subject	Transformation Programme Update
Meeting date	6 February 2023
Status	Public Report
Executive summary	<p>The implementation of the Council’s new Organisational Design and Operating model is a fundamental part of the wider “Our New Normal” transformation programme.</p> <p>Significant progress is being made in the implementation of the three programmes:</p> <p>Organisational Design; including new technology and service redesign.</p> <p>Where and how we work; in the refurbishment of the BCP Civic Centre and Poole Hub and Library with a full face to face Customer service offering.</p> <p>Along with Supporting our Colleagues; with Pay & Reward, Values and Behaviours framework and new Talent Acquisition and Wellbeing strategies as well as underpinning the savings required by the Medium Term Financial Plan.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Corporate and Community Overview & Scrutiny Board note the progress made on the implementation of the Council’s new Organisational Design & Operating Model</p>
Reason for recommendations	To update Corporate and Community Overview & Scrutiny Board on progress in delivering the Council’s new Organisational Design & Operating Model.

Portfolio Holder(s):	Councillor Drew Mellor, Leader of the Council and Portfolio Holder for Transformation and Finance
Corporate Director	Graham Farrant – Chief Executive
Report Authors	Graham Farrant – Chief Executive. Katie Lacey – Director IT & Programmes
Wards	Council-wide
Classification	For Update

Background

1. BCP Council's Transformation Programme is described in full through the "Our New Normal" logo and corresponding communications platform within the BCP Council Intranet:
2. The programme's principal projects are as follows:
 - a. Our New Organisational Design – the design, implementation and benefits realisation in relation to the Council's new Operating Model as described and approved in the Cabinet Reports of November 2019 and June 2020;
 - b. Supporting Our Colleagues – the design and implementation of the Council's new Pay & Grading methodology along with the introduction of a single set of Terms & Conditions to replace those inherited from the preceding councils. This was described and approved in the Cabinet Report of September 2019 and is intended to ensure equal pay and conditions for all Council employees;
 - c. Where and How we Work – the design, implementation and benefits realisation in relation to Phase 1 of the Council's estate rationalisation strategy described in the Cabinet Report February 2020 and approved in Cabinet Report November 2020.
3. While the projects to deliver Our New Normal is managed as a single, integrated programme of transformation the high level decisions and updates to Cabinet and Council are kept separate for ease of decision-making. This extends to the budgets for each element of the programme, which are outlined, approved and managed independently of each other, albeit within the overall expenditure limits for the transformation programme as a whole
4. All council staff are regularly updated on the programmes' progress and asked for their input via face-to-face sessions at the Senior Leadership Network, on-line 'A Conversation With' sessions and through our regular internal communication such as 'Our Week'.
5. The whole programme is fundamentally linked to the successful completion of the Local Government Reorganisation (LGR) journey and the aspirational financial

targets set out in the reports that led up to LGR. The nature of this fundamental link is two fold:

- a. It is the delivery vehicle for the investment required to create a single, high performing and exemplar local authority and will remove the inequality, complexity, duplication and end-of-life systems and processes that existed in the preceding Councils, and
 - b. It is the delivery vehicle for the identification, estimation and realisation of the £43.9m in benefits and efficiencies that are now required to support the Medium Term Financial Plan (MTFP) and the Financial Strategy that sits behind it, having been identified and adopted as the upper end of estimated efficiencies that were available.
6. It should be noted that previous decisions taken to delay the implementation of pay and reward and bring forward savings from the Transformation programme to support the MTFP before the transformational work has been completed have put added pressure on the programme and the ability of the council to deliver against the programmes' original transformational ambition.

Progress to Date

7. A number of key milestones have been achieved since the last update to the Corporate and Community Overview & Scrutiny Board in May 2022.

Organisational Design & Operating Model

8. The work leading towards the implementation of the new ERP (Enterprise Resource Planning) system built on Microsoft Dynamics Finance and Operations which is planned to go live in April 2023. This will provide our staff, managers, HR and Finance colleagues with a single modern integrated Finance and HR system. Current systems are separated and require significant manual inputs to update data, which an ERP will connect and simplify updating processes and data matching.
9. We have implemented a new single common data platform using modern technology to help us gain a single view of our customers by mastering data from multiple sources. As we continue to develop this it will provide a single point of access to council wide connected insights. This is, and will be, truly transformational, enabling us to use our data and insight more effectively to improve service delivery. This is just the start of this journey, and the Data and Analytics team will continue to develop and refine the data sets and self-service reporting for use across the council. This work should give us a class-leading position using data and insights to design and change our services and support for our communities.
10. We have the initial build our new Customer Relationship Management (CRM) system built on Microsoft Dynamics Customer Engagement, which is planned to go live in the autumn of 2023. This will be a significant improvement for the customer contact centre and our citizens with a much-improved customer experience allowing those who can and want to interact with us online to do so, freeing up time for our contact centre team to deal with those with more complex needs over the telephone or face to face.
11. We have developed a new operating model for Commissioning and Procurement that supports the consolidation of all procurement activity into one service to

better leverage savings on 3rd party spend and reduce the cost and effort of procurement.

12. We are currently going live with a single application system (Mosaic) for Adults and Children's social care. This will reduce service risks, supports the Children's Services formal Written Statement of Action and reduces the number of systems in our IT architecture.
13. We are also delivering other service-based systems including the consolidation of three planning systems into one Planning system which is scheduled to complete in June 2023. The introduction of the new system is being built around a single BCP process for registration, validation and determination of Planning Applications, ensuring maximum flexibility and efficiency for the planning service, and clarity and consistency for our customers and stakeholders. We are also implementing a new case-management system for Legal Services to a similar timescale.
14. Customer led service redesign is now driven by the BCP team building on the work done with our strategic implementation partner KPMG and Agilisys. We have made good progress with our colleagues in Housing and Environment, identifying how these services should be delivered in line with our target operating model. This will ensure that common functions are brought together eg, customer contact, which will allow for more customer queries to be dealt with at the first point of contact, and a single view of our customers to be established. Typical customer journeys within these services have been captured with a view to ensuring they work as smoothly for customers as possible, and in particular so that they can be satisfactorily resolved through our digital platform in as many cases as possible. We have a high level plan and are now engaging with other departments. The key objectives of the work are:
 - a. **People** – To align the current operating structure for each service to the Target Operating Model and identify potential savings to be realised through moving to the new operating model.
 - b. **Process** - To redesign and develop end to end customer processes – from web site through CRM to back office systems. Providing a transformed simplified and standardised approach to digitally enabled service delivery.
 - c. **Technology** - To align the systems and technology within each service to the new technology infrastructure. Rationalise, simplify and integrate back office systems where appropriate.

Where and how we work

15. The refurbishment of BCP Civic centre is ongoing, with floors in the east and west wings being released for use as they become ready, and subject to the wider health and safety constraints affecting the building during this time. This means meeting rooms and additional touchdown workspace on East Wing floor 3 is now open to staff, which alleviates pressure on the limited meeting facilities in the Extension. East Wing Floor 4 is also now open and available to meet the storage requirements of services.
16. The remaining floors in the East Wing will be completed and released over the next 3 months. West wing civic meeting rooms Phoebe, Royal Hants and Rm50

have all been remodelled and updated, including the introduction of hybrid meeting technology and are now open. Accessibility is currently temporarily limited due to the lifts being located in the East Wing build site, but this should be resolved by March.

17. Poole Hub and Library, located in the Dolphin Centre, has been refurbished and has fully reopened. The building now provides a full face to face customer services offer, transferred from Poole Civic Centre, alongside the library service, as well as touchdown space for approximately 90 officers to work in the Poole area. Its new location should be more convenient for many of our customers, being located close to public transport links and other town centre facilities.
18. Further work is now being planned to improve the Council Chamber in the BCP Civic Centre in Bournemouth, which will entail improvements in technology, accessibility and comfort for users. This work is subject to a listed building consent process, which is now being progressed, ahead of establishing a clear timeline for completion of works. Consideration will be given as part of this project to the Coroners service accommodation, to ensure necessary improvements can be made to support the delivery of the service within the BCP Civic Centre
19. The Estates and Accommodation Project is now widening its focus and Phase 2 will aim to consolidate the wider council estate. Initial priorities have been identified and council buildings at Wallisdown Heights and St Ambrose Cottage are now scheduled for closure by March 2023. Staff and services affected are being relocated to either the BCP Civic Centre or alternative community based sites as appropriate. Further priorities are now being developed and will be progressed as soon as possible. This project will reduce the council's exposure to high energy and maintenance costs, and lead to a more fit for purpose and efficient office accommodation estate in the future.

Supporting our colleagues

Talent Strategy

20. We have developed a Talent strategy that underpins three of the four priority themes of the People Strategy
 - a. **High Performing Teams** - Workstreams are; building a sustained performance culture; resourced for the future and customer focused; delivering at pace.
 - b. **Delivering our Potential** - Workstreams are: continuously improving and encouraging innovation and flexibility.
 - c. **Inspiring People** - Workstreams: leading change; celebrating our diversity
21. The talent strategy has 5 core pillars of which each has a set of deliverables in the next 3 years:
 - a. Talent Acquisition
 - b. Talent Enablement
 - c. Workforce Shaping
 - d. Sustained performance culture

- e. Diverse, equitable inclusive talent enablement framework
22. The Covid pandemic, the UK's exit from the European Union, changing demographics and the uncertain economic climate has created some profound and immediate changes to how society operates, and to how employees interact and work. Remote working, dynamic reallocation of resources the recognition to accelerate digitalisation and automation to meet changing council service and employment, and individual customers' needs has increased rapidly
 23. We need to change how we acquire, invest and develop our current workforce for now and for the future, and develop one which is flexible, responsive and maximises the use of automation and digitalisation to lower transactional costs.

Wellbeing strategy

24. We have developed a Wellbeing strategy that is prevention focused and has the aim of ensuring that wellbeing is embedded in everything we do, championed at all levels and across all services, so that positive wellbeing becomes part of our culture. The strategy has been developed with input from the Mind workplace wellbeing survey done in 2021/22
25. The strategy encompasses the physical, mental, social, financial and environmental wellbeing of our people and recognises that much of what we do at work can impact people's overall wellbeing. A new Wellbeing Charter will soon be launched endorsing the support for colleagues and signposting to appropriate support services where required

Our culture, values and behaviours

26. We have developed a behavioural framework that articulates the Council's values and the associated behaviours expected of our colleagues in order to live the values in our everyday roles and work towards the creation of our desired culture. The embedding of these values has begun, and a programme of activity and communications is in place.
27. We have also developed a performance management framework which builds on those behaviours and will be used to set clear performance expectations throughout the council's employment structures and to enable appropriate career development and progression.

Pay and Reward

28. A revised grading structure has been agreed that supports a lower implementation cost and fewer colleagues impacted by the change. A revised plan is in place throughout 2023 with the planned implementation scheduled for January 2024 subject to a positive trade union ballot outcome.
29. With the support of the trade unions, we have developed and implemented a full suite of HR policies that harmonise legacy procedures for employment related processes. All remaining terms and conditions will be addressed through the implementation of Pay and Reward

Options Appraisal

30. This section is not applicable to this report.

Summary of financial implications

31. There are no financial implications directly arising from this update report.

Summary of legal implications

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

Summary of human resources implications

33. There are no human resources implications directly arising from this report.

34. It should be noted that each element of Our New Normal undertakes regular engagement with both Unions and the wider staff of BCP Council.]

Summary of sustainability impact

35. There are no sustainability impacts directly arising from this report.

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

39. The Programme Team continue to maintain a detailed Risks and Issues log and are using it on a weekly basis as we implement programme.

Background papers

- Cabinet Report September 2019 – Implementation of Pay & Reward Strategy
- Cabinet Report November 2019 – Organisational Development Design Outcomes
- Cabinet Report February 2020 – Organisational Development Estates & Accommodation Strategy
- Cabinet Report November 2020 – Estates & Accommodation project
- Cabinet Report June 2020 – Organisation Design Implementation & Budget
- Cabinet Report December 2020 – Acceleration of Transformation savings for 21/22 budget
- Cabinet Report October 2021 – Organisational Design – Implementation Progress.
- Corporate and Community Overview & Scrutiny Board May 2022 – Transformation Programme Presentation.

Appendices

There are no appendices to this report.

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CABINET



Report subject	Budget and Medium-Term Financial Plan 2023/24
Meeting date	8 February 2023
Status	Public Report
Executive summary	<p>To set out for Cabinet consideration and recommendation to Council the proposed 2023/24 budget and council tax based on.</p> <ul style="list-style-type: none"> • Increasing Council Tax by 2.99% in 2023/24 in line with the government's annual basic threshold. • Collecting the full additional 2% Adult Social Care (ASC) precept in 2023/24. • The implementation of £32.9m of savings and efficiencies from 1 April 2023 onwards (List 1). • The implementation of £2.2m of additional savings and efficiencies from 1 July 2023 onwards (List 2).
Recommendations	<p>Cabinet recommends that Council:</p> <p>1) undertakes a recorded vote in relation to the following items as required by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2014.</p> <p>a) agrees that a net budget of £308.831m, resulting in a total council tax requirement of £243.797m, is set for 2023/24 based on the draft local government settlement figures published by government in December 2022.</p> <p>b) agrees an increase in council tax of 2.99% for 2023/24 in respect of the basic annual threshold and the collection of the additional social care precept of 2%.</p> <p>c) confirms the key assumptions and provisions made in the budget as proposed and set out in paragraph 48 to 65.</p> <p>d) approves the 2022/23 capital budget virement to accept the £18.2m Levelling Up Fund (Round 2) capital grant as set out in Appendix 5</p> <p>e) agrees the allocations to service areas in the budget as set out in Appendix 6.</p> <p>f) agrees the implementation of £32.9m of List 1 savings as set out at Appendix 6a from 1 April 2023.</p>

g) agrees the implementation of £2.2m in annualised List 2 savings as set out at Appendix 6a from 1 July 2023.

h) approves the continuation of the current Local Council Tax Support Scheme (LCTSS) into 2023/24 as set out in sections 64.

i) continues the discretionary local scheme for war pensioners in which the Council disregards all prescribed War Disablement Pension or prescribed War Widow's/War Widower's Pensions income over and above the statutory limits for both Housing Benefit and Council Tax Support.

j) recognises that via the governments Council Tax Support Fund, and for 2023/24 only, LCTSS claimants' bills will be reduced by up to £25.

k) implements a control to strengthen commissioning, procurement, and contract management arrangements in support of the delivery third party spend transformation savings.

l) approves the flexible use of capital receipts efficiency strategy as set out in paragraphs 75 to 83.

m) approves the capital investment programme (CIP) as set out in paragraphs 116 to 142 and Appendix 7.

n) approves the capitalisation of £0.9m of highway neighbourhood expenditure each year for the period of the MTFP, funded from prudential borrowing.

o) agrees capital investment of £5m in seafront infrastructure assets funded by borrowing supported by revisions to beach hut fees.

p) agrees capital investment of £0.3m in the council's IT & IS capital infrastructure investment plan as set out in Appendix 7c and as funded from borrowing.

q) confirms the previously approved budget of £12.5 million for Roeshot Hill and Crescent Road to be repurposed and used under the CNHAS Programme.

r) agrees the capitalisation of the council's waste bin replacement strategy at £0.4 million per annum funded by borrowing.

s) approves Cabinet's recommendation 7 September 2022 to increase the acquisition programme 4a (street acquisitions) budget originally approved by Council in February 2022 from £47.9 million to £68.8 million.

t) approves the asset management plan as set out as Appendix 8.

u) agrees the treasury management strategy (TMS) and prudential indicators as set out in paragraphs 164 to 176 and Appendix 9.

v) accepts and supports the formal advice of the chief finance officer on the robustness of the budget and the adequacy of the reserves as set out in paragraphs 177 to 182 and Appendix 10.

	<p>w) approves the chief officers' pay policy statement for consideration and approval by the council in accordance with the provisions of the Localism Act 2011 as set out in paragraphs 184 to 186 and Appendix 10.</p> <p>x) requests that the chief finance officer provides Council with a schedule setting out the rate of council tax for each category of dwelling further to councillor's consideration of the decision required in respect of (1) above and after taking account of the precepts to be levied by the local police and fire authorities, neighbourhood, town and parish councils, and chartered trustees once these have been determined prior to the Council meeting on the 21 February 2023.</p>
Reason for recommendations	The council is required to set an annual balanced budget presenting how its financial resources, both income and expenditure, are to be allocated and utilised.
Portfolio Holder(s):	Cllr Drew Mellor – Leader and Portfolio Holder for Finance and Transformation
Report Authors	<p>Adam Richens Chief Finance Officer and Director of Finance 01202 123027 adam.richens@bcpcouncil.gov.uk</p> <p>Graham Farrant Chief Executive 01202 127976 graham.farrant@bcpcouncil.gov.uk</p> <p>Nicola Webb, Assistant Chief Finance Officer Matthew Filmer, Assistant Chief Finance Officer</p>
Wards	Council-wide
Classification	For Recommendation

Overview of the proposed 2023/24 budget

1. The 2023/24 budget as presented is one which moves the council onto a more sustainable financial footing by the following measures.
 - a) In line with the government threshold increases council tax by 2.99% for the basic element and 2% for the social care precept. This does mean that across the 4-year period since BCP Council was formed the average increase in across the BCP area has been below that of a majority of upper tier authorities.

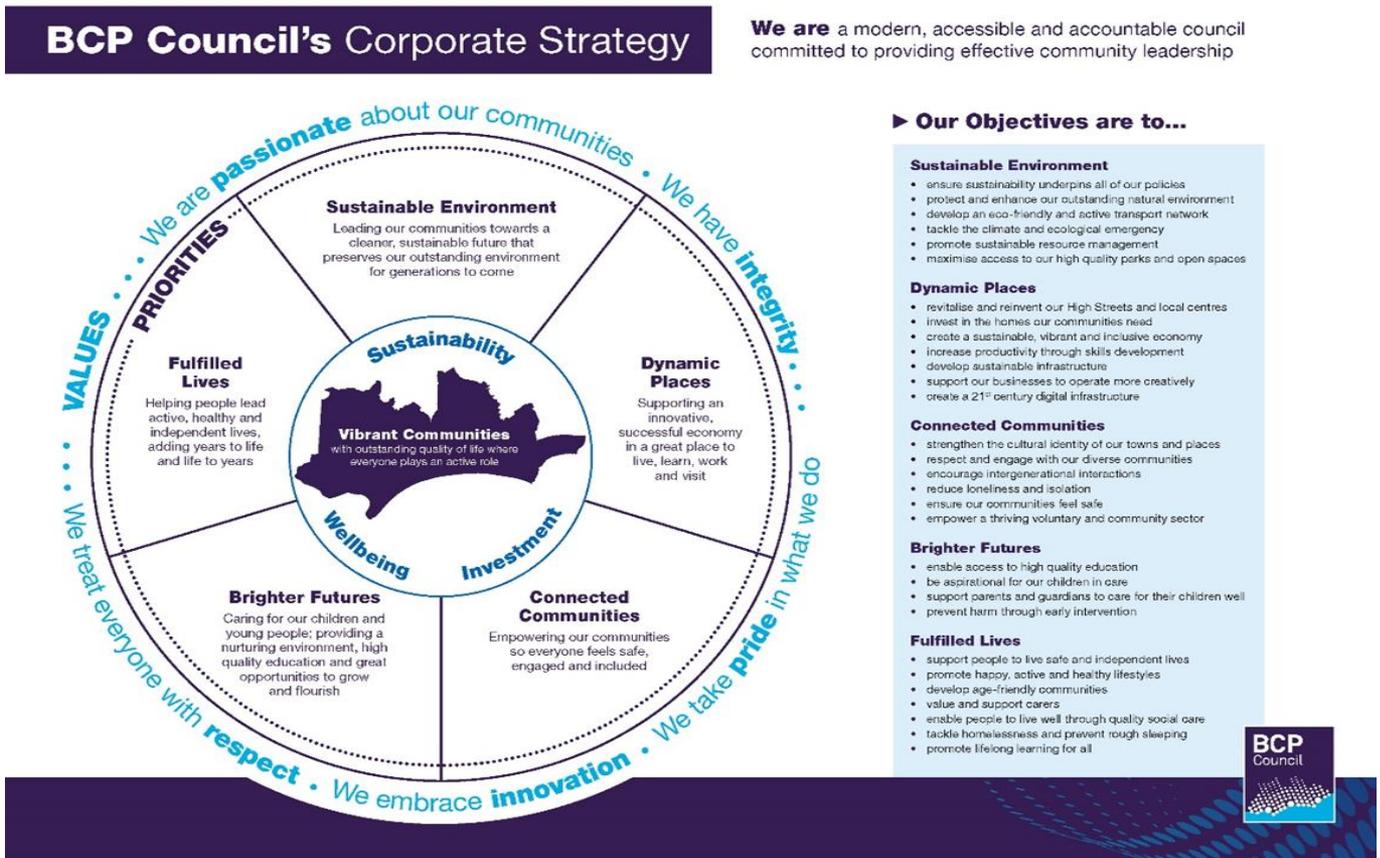
- b) continues to work to ensure consistent standards of service and charges are delivered across the BCP area.
- c) invests £14.6m extra in the council's highest priority area, children's services (excluding council pay base changes). This takes the total cumulative annual increase in revenue spending on children's services to £32.4m over the last three years.
- d) prioritises investment in services to the most vulnerable members of our community with an extra £25.5m allocated for adult services (excluding council pay base changes).
- e) has due regard to the ongoing cost of living crisis and ongoing economic uncertainty and the need to support the integrity of the council's financial position and its future sustainability. This includes increasing the council unearmarked reserves by £1.934m 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) is based on the delivery of a further £34.5m in assumed 2023/24 service-based and transformation-based savings and efficiencies in addition to the £47.9m 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 £82.4m. These savings have prevented some of the more severe cuts to services implemented by other local authorities over this period.
- g) continues the transformation of the council and our journey to create a vibrant new entity which re-imagines and creates a modern and efficient organisation.
- h) continues to protect and invest in vital frontline services as far as is possible.

Background Detail

2. In considering the development of the 2023/24 budget for BCP Council it will be within the context of having been formed in 2019 as the most complex piece of Local Government Reorganisation in a generation. It will be in the context of a unitary authority which is currently only in its fourth year of operation, with annual gross turnover of around £0.8 billion, and an annual net revenue budget which for 2022/23 was £272m per annum. It is also critical that consideration is given to the ambition and purpose of the council as expressed through the Council's Big Plan and the approved Corporate Strategy as well as the legacy impact on the organisation's financial and non-financial resources of the global Covid-19 public health emergency and the ongoing cost of living crisis.
3. Our Big Plan is our vision that the BCP region will be one of the best coastal places in the world in which to live, work, invest and play. This vision picks up many of the aspirational themes for the place from the original Local Government Reorganisation planning papers.
4. Our Big Plan is supported by five major concepts which have been developed to deliver significant changes across our whole area over the next five to ten years. It is expected that these will support the creation of 13,000 jobs across all sectors of our economy, creating wealth for our businesses and livelihoods for our families. The five concepts are.
 - **Investing in an iconic place.** Demonstrating our pride through a positive and innovative image recognising the clean and green quality of both our urban and natural environments.

- **Investing in our seafront.** Enhancing what is already recognised as amongst the cleanest and most beautiful region coasts in the world.
 - **Rejuvenating Poole.** Bringing a vibrant, attractive, and sustainable mix of residency, business, hospitality, retail, culture, and green spaces to the heart of Poole, the Quay, and the area between the two bridges.
 - **Investing in our physical and digital infrastructure.** Designed to ensure that BCP has the best connectivity in the country, whether through superfast broadband and digital connectivity or through land, air, and sea transport.
 - **Aim to deliver more than 15,000 new homes.** For all incomes and tenures, through both our own civic investment and by supporting and enabling developers to build homes with a mix of affordable and high-end apartments and houses.
5. These reflect the scale of the council's ambition for the area and enable the articulation of our vision with key regional and sub-regional partners and with government. These projects are underpinned by the work we will do to develop vibrant **communities**, to promote our **culture** and our leisure and entertainment offer, and to ensure the BCP city region becomes one of the best places in which **children** can live, learn, grow up and succeed.
6. The Big Plan is further supported by the BCP Corporate Strategy which was adopted by the Council on 5 November 2020 and was updated in February 2022. The vision is to create “vibrant communities with outstanding quality of life where everyone plays an active role”. The high-level strategy sets out five council priorities and a commitment to become a modern, accessible, and accountable council committed to providing effective community leadership. These priorities are:
- **Sustainable Environment** - leading our communities towards a cleaner, sustainable future that preserves our outstanding environment for generations to come.
 - **Dynamic Places** - supporting an innovative, successful economy in a great place to live, learn, work and visit.
 - **Connected Communities** - empowering our communities so everyone feels safe, engaged, and included.
 - **Brighter Futures** - caring for our children and young people; providing a nurturing environment, high quality education and great opportunities to grow and flourish.
 - **Fulfilled Lives** - helping people lead active, healthy, and independent lives, adding years to life and life to years.

Figure 1: BCP Corporate Strategy



- The Corporate Strategy is supported by an agreed set of core values and delivery plans which lay out how the council will achieve the priorities.
- In support of the Corporate Plan and Corporate Strategy the council has identified the policy and strategy documents required to ensure the vision and priorities of the council are clear and that they are achieved through robust practice which aligns with the council's culture and behaviours. The ongoing process of policy harmonisation and creation has ensured 149 policy documents are in place across the Council and a further 18, as set out in Appendix 1 will be in place within the next 12 months.
- Despite the challenging financial environment faced by all (see Cost of living, below), the Council still made an impact on residents and businesses as it pursued its ambitions set out in the Big Plan and Corporate Strategy. Over the last year the Council used one-off investment into key areas to make local communities cleaner, greener and safer. This has had a really positive impact – from working with partners to reduce anti-social behaviour by 11.3% between April and December 2022, to tackling fly-tipping and investing £1.69M in improving the summer experience on the seafront. Commercial seafront activities are forecast to generate over £6M in profit to support our budget and council services this year – more than ever before. The Council has also supported over 100 community groups and projects, and its ASPIRE project has helped residents make healthier lifestyle choices and find employment. The Council's house-building programme has gone from a standing start to identify a pipeline of 1,400 potential new council homes, which will contribute towards a BCP-wide target of 15,000 we and our partners have committed to.

10. Furthermore, due to the hard work of Cabinet and Officers, early work to mitigate the impacts of the inflationary related pressures this year have resulted in the Council avoiding the need for the widescale cuts to services and provisions which have been seen by many local authorities in the past six months.
11. As with the 2021/22 and 2022/23 budgets, the 2023/24 budget needs to take account of the legacy impact of the world's biggest public health emergency for a generation. Since March 2020, the Covid-19 pandemic has required urgent, ongoing, and decisive action to support our community and maintain the integrity of the council's financial position and future sustainability. In addition, this budget needs to reflect on material changes to the council's financial position caused by the impact of the cost-of-living crisis which has seen rapidly increasing inflation driven by the post pandemic economic environment, the war in Ukraine, and government's fiscal policies.
12. The 2022/23 budget as presented to Council in February 2022 was described as a bold, confident, and dynamic budget, which included several risks that were set out and assessed in detail in that year's budget report.
13. These included a commitment to bring forward a proposal to create a Special Purpose Vehicle (SPV) that would enable the commercialisation of the council's beach hut assets and incidentally generate a capital receipt which could be used to fund the council's transformation investment programme using the Flexible Use of Capital Receipts (FUCR). This flexibility allows councils to fund revenue expenditure from capital receipts which can normally only be used to fund capital expenditure, and this plan would have replaced the need to fund these transformation costs via disposal of some of the Council's assets.

Department of Levelling Up, Housing and Communities (DLUHC)

14. Following unseen representations made directly to DLUHC and both subsequent dialogue and correspondence with the Council, government confirmed on the 2 August 2022 that they had changed the FUCR statutory guidance. These changes would not prevent the council from setting up a SPV to commercialise its beach hut assets but would prevent the use of any capital receipt generated from such an arrangement to fund the transformation investment programme. As part of the announcement the Rt Hon Greg Clark, Secretary of State for Levelling Up Housing & Communities, wrote to all Council Leaders. This correspondence emphasised that Government was carefully monitoring the sector and will strengthen the Prudential Capital Framework where they believe local taxpayers are being put at unacceptable risk. It also emphasised that councils should not be expending valuable time and resources on exploring novel practices and ways to circumvent the rules set by government and advised commercial firms and companies who design and encourage these schemes to pay close attention to the amended direction.
15. In addition, the Secretary of State then wrote to firms offering council commercial advice to seek their help in not supporting councils to pursue strategies that engage in risky financial practices.
16. Post the change in guidance to the FUCR the Council needed to consider other methods for funding the transformation programme. As such the proposals included.
 - Determining if the council had sufficient base revenue budgetary resources to cover its cost.
 - Working with DHLUC to consider methods that are compliant with the letter and spirit of the FUCR statutory guidance such as asset sales.

- Exploring the option to apply under the governments Exceptional Finance Support (EFS) programme for a capitalisation direction. A capitalisation direction provides the ability to borrow to fund revenue expenditure which is normally disallowed by legislation and for the cost to be spread over a 20-year period.

Request for a Capitalisation Direction

17. Consequentially, an application to DLUHC for a capitalisation direction was submitted on 15 July 2022 to fund the following potential costs of the Council, which had arisen following the change in government guidance:

Figure 2: July 2022 - Submitted Capitalisation Direction

	22/23 £m	23/24 £m	24/25 £m	Total £m
Transformation Investment Programme	25.3	21.6	10.0	56.9
Children's services transformation programme (<i>not budgeted</i>)	2.0	5.0	5.0	12.0
Adult Services transformation programme (<i>not budgeted</i>)	2.0	5.0	5.0	12.0
Capital Receipts - already delivered	(1.9)	0.0	0.0	(1.9)
Capital Receipts - scheduled and assumed deliverable	(7.4)	(3.7)	(1.1)	(12.2)
Net Position on the transformation programme	20.0	27.9	18.9	66.8
Pay and Reward project - Implementation cost			9.1	9.1
Capitalisation Direction	20.0	27.9	28.0	75.9

18. After an intensive period of detailed and extensive information exchange over the summer period on 2 September 2022 the council received a letter from Paul Scully MP, the then Minister of State at DLUHC. In response to our Exceptional Financial Support application, it offered a minded to, in principle, £20m capitalisation direction for 2022/23 subject to the following conditions.
- An external review of the council's finances and governance arrangements to take place in the autumn of 2022.
 - The production of a plan for addressing its budget gap in 2023/24 and beyond by the end of September 2022. This plan should seek to use all the resources available to the council to close the budget gap, be fully within the spirit and intent of all local government guidance and aim to eliminate any amount of exceptional financial support required going forward.
19. The letter also emphasised that no decision in respect of 2023/24 or 2024/25 capitalisation directions will be made until after the above reviews have been completed and even then, not before the Local Government Finance Settlements for those years are known. The external reviews will also enable a final decision on any total amount of EFS for 2022/23 as well as any further conditions that may be imposed.
20. The position of the DLUHC to the council's budget setting process for 2023/24 is set out in a letter to the Council Leader from Lee Rowley MP Parliamentary Under-Secretary of State for Local Government and Building Safety, received on the 25 January 2023 (Appendix 2). In this letter he encourages the council to consider its long-term sustainability, plan for a secure future and that if the budget were to include further commercial opportunities to proceed with caution, ensuring it is fully compliant with statutory guidance and that the advice of the statutory officers is fully considered alongside advice from relevant bodies such as CIPFA. The letter ends by emphasising that it is a condition of the ESF support that the council's budget must be fully within the spirit and intent of all local government guidance.

Cost of Living Crisis

21. As referenced earlier another material change to the risk profile of the council's budget is rapidly increasing inflation driven by the post pandemic economic environment, the war in Ukraine, and government fiscal policies. Cost of living inflationary pressures (with the consumer price index currently at 10.1%), have previously been estimated to be around £25m in 22/23 and £30m for 2023/24. Inflation has been increasing at its fast rate for 40 years. These pressures are similar to those consistently being reported by other local authorities nationally and they are creating high levels of financial planning uncertainty due constant changes and variations to the costs of goods, materials and services required to deliver council operations.
22. To stress the point the latest indications are that inflation in 2022 will be 10.1% Consumer Price Index (CPI) and 13% as measured by the Retail Price Index (RPI). This compares to the 3.7% CPI forecast for 2022 assumed in the government's 2021 Autumn Budget. It should be borne in mind that a number of the council's contracts have annual price adjustments linked to either CPI or RPI and the rate of inflation is normally a significant factor in discussions around any annual pay awards. Besides these the other area the council is particularly exposed to is in respect of rising energy costs, especially electricity (street lighting / leisure centres / owned building) and gas. To emphasise the volatility, the price of electricity and gas increased by 80% within a single 24-hour period during the period after February 2022. Clearly the resultant financial challenge is being felt by both our community, be those residents or businesses, and directly by the council with costs significantly above those assumed in the 2022/23 budget.
23. Recognising the severity of the impact of the cost-of-living crisis early action was taken to manage its impact. This included a series of Budget Challenge meetings in April and May 2022 between the councillors who form the Cabinet and senior officers. These were established based on the expectation that Portfolio Holders and Service Managers would take all reasonable steps to manage within their delegated budgets with an overall expectation of collective responsibility across the council.

Updated Financial Strategy

24. Acknowledging the requirement to address the overall changes to the financial risk profile of the council Cabinet meet with Senior Officers and developed a revised financial strategy for 2023/24 which focuses on traditional local government financial management processes and revenue sources. This strategy was adopted by Cabinet at its meeting on 28 September 2022 with workstreams which can be summarised as.
 - a) Financial Outturn

The aim being to deliver a surplus in 2022/23 which can be used to create resources (via an earmarked reserve) which then can be drawn down in support of the 2023/24 budget.
 - b) Transformation Programme

Review proposed expenditure to ensure it is absolutely necessary to deliver the key essential elements of the programme, costs associated with service enhancement are avoided, and processes are adopted to avoid or reduce redundancy costs.
 - c) Non-Strategic Asset Disposals

Establish a schedule of non-strategic assets disposals which can be used, via the Flexible Use of Capital Receipts (FUCR) statutory guidance, to fund transformation costs as a potential alternative to the capitalisation direction.

d) Accommodation Strategy

Fundamental review of buildings occupied by BCP Council 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.

e) Commercial Opportunities

In line with the approved recommendation of Cabinet on 7 September 2022, explore options across the council to deliver revenue through further commercialisation.

f) Staff Cost Base

Consider several proposals designed to reduce the employee cost basis of the authority either temporary or permanently, including.

- Increasing the percentage of the employee establishment not budgeted (vacancy drag) for 2023/24 from 2% to 5%.
- Determine extent to which vacant posts can be held or permanently removed.
- Limit the use of agency employees to essential cover only.
- Bring forward at pace a council wide apprenticeship programme.

It should be noted that any savings in staff or third party spend will, in the first instance, be considered as part of the programmed transformation savings which is focused on reducing the head count of the authority and reducing the amount spent externally.

g) 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.

h) 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.

i) Harmonisation of Services

The Council has ambitions to harmonise all services across the conurbation following on from Local Government Reorganisation. Good progress has been made. The proposal now is to review all outstanding areas of harmonisation with an intent to eliminate as many areas of difference as possible, within the budget parameters

j) Integrated Care System

Advance ongoing 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.

k) Review of Earmarked Reserves and Company/Third Party Balances

Annual review of earmarked reserves to ensure funds are not being tied up unnecessarily and where appropriate are being released to support the proposed budgets of the council.

l) Capitalisation – Recharges

Further review of any costs currently charged to revenue which in line with the Local Authority Accounting Code of Practice can legitimately be charged to capital. Similarly, consideration should be undertaken to ensure robust arrangements are in place regarding costs apportioned/charged against government grants and the housing revenue account.

m) Review of the Council's 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.

n) Influence and Lobbying

This includes requesting government support the council in managing the financial consequences of the cost-of living crisis as well as changing legislation or allowing local authorities to increase appropriate statutorily set fees (such as penalty charge notices for car park enforcement), or where the fee does not cover the cost of the service provided, and charges in reflection of previous and future forecast rates of inflation.

o) Service Rationalisations

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

25. In addition, and in support of the revised financial strategy Cabinet agreed to place an update on the financial strategy as a standing item on its agenda. They also agreed that no new financial commitments will be made until such time as there is a balanced budget for 2023/24 other than with the specific agreement of the Chief Finance Officer in consultation with the Portfolio Holder for Finance. The reports have been provided to all meetings of the Cabinet other than the January meeting when the settlement figures were being worked on in preparation for this report. The expenditure controls have been maintained which has had a demonstrable positive impact on the availability of resources for next year as set out in the proposed budget.
26. This process and associated work enabled the council to respond to DLUHC and provide the detailed plan for addressing the 2023/23 budget. This position was set out in the October financial strategy update report to Cabinet.

Public Engagement

27. In support of the process for setting a budget for 2023/24 the Council undertook an extensive budget engagement exercise asking residents and stakeholders to tell us what council services are most important to them and to share their ideas as to how we can work together to continue to provide services. The online survey haveyoursay.bpcouncil.gov.uk/budget was open between the 14 November 2022 and 23 December 2022 with paper copies also available in libraries. The engagement was promoted widely through a variety of channels including local media coverage, the council's social media channels, community and resident group Facebook pages and the council's e-newsletter. We held 3 drop-in events in Bournemouth, Christchurch and

Poole which included handing out postcards promoting the engagement in each of the town centres. All council colleagues were encouraged to share the engagement with their networks.

28. The outcome of this consultation was 1,473 responses to the survey with 249 ideas submitted to the ideas wall and 112 associated comments. A full analysis is presented as appendix 3 to this report

Autumn Statement

29. On 17 November 2022, the Chancellor of the Exchequer delivered his Autumn Statement, alongside the Office for Budget Responsibility's (OBR's) new set of economic and fiscal outlook forecasts. The Autumn Statement responded to the OBR forecasts and set out the medium-term path for public finances nationally. This follows the previous Chancellor's Growth Plan announcements in late September 2022, the majority of which were subsequently rolled back, with the notable exception that the Health and Social Care Levy which has been, and remains, cancelled. As part of the statement the Chancellor set two new fiscal policy rules.
- Public sector net debt (excluding the Bank of England) needs to be falling as a percentage of GDP by the fifth year of the rolling forecast; and
 - Public sector net borrowing (the deficit) needs to be below 3% of GDP by the fifth year of the rolling forecast.
30. To meet both of those rules, the Autumn Statement delivered public finance measures related to tax and spending worth £55bn by 2027/28. Of this, around £30bn is related to spending policy decisions and £24bn through tax policy decisions. Most of the decisions on spending will make an impact after this Spending Review period (with extra spending committed in this Spending Review period) and the extra tax revenues phased in gradually over the forecast period.
31. Specifically, in respect of issues salient to local government, the Autumn Statement made the following announcements
- a) Local authorities have been given additional flexibility in setting council tax for both 2023/24 and 2024/25, by increasing the referendum limit for increases in council tax to 3% per year. In addition, local authorities with social care responsibilities will be able to increase the adult social care precept by up to 2% per year. The previous policy, set at the 2021 Spending Review, was for a general limit of 2%, with an extra 1% for adult social care.
 - b) Government will limit the increases in social rents in 2023/24. Under current rules, rents could have risen by up to 11.1% as they tracked inflation, but now they will only be able to rise by a maximum of 7%. This reduction will impact on spending power on the council's housing stock as maintenance and construction prices have continued to rise quickly.
 - c) Following the recommendations of the independent Low Pay Commission (LPC), the National Living Wage (NLW) for individuals aged 23 and over will be increased by 9.7% to £10.42 an hour from 1 April 2023. This will impact on the cost of many of the councils externally procured contracts most notably those associated with the provision of care services.
 - d) The national rollout of social care charging reforms has been delayed from October 2023 to October 2025. The funding has been retained in local authority budgets to meet current pressures as set out below.

e) Additional social care grant funding.

- £1.3 billion in 2023/24 and £1.9 billion in 2024/25 will be distributed to local authorities through the Social Care Grant for adult and children's social care.
- £600 million will be distributed in 2023/24 and £1 billion in 2024/25 through the Better Care Fund, with the intention of getting people out of hospital on time into care settings and freeing up NHS beds.
- £400 million in 2023/24 and £680 million in 2024/25 will be distributed through a grant ringfenced for adult social care which is also intended to help to support hospital discharge.

f) A further year-long extension to the Household Support Fund.

g) From 1 April 2023, a revaluation will update rateable values for business rates with a £13.6m support package put in place to protect ratepayers facing increases including.

- The business rates multipliers for 2023/24, will be frozen.
- A new Transitional Relief scheme limiting the rate at which bills can increase due to the revaluation.
- A more generous Retail, Hospitality and Leisure relief for eligible properties in 2023/24.
- A Supporting Small Business scheme to cap bill increases for businesses that lose other relief due to the revaluation.
- The Autumn Statement commits to protect Local Authorities for any loss of income from these business rate measures, and Local Authorities will receive new burdens funding for any additional administrative and IT costs.

Provisional Local Government Finance Settlement for 2023/24

32. On 19 December 2022, the Secretary of State for the DLUHC, Rt. Hon. Michael Gove MP, announced the 2023/24 provisional local government finance settlement. This was preceded on the 12 December 2022 by a local government finance policy statement which set out some detailed assumptions in advance of the settlement. For BCP this policy statement included notification that government will be extending for another 3-years to 31 March 2026 the statutory override which allows the council to ignore, for the purposes of determining its solvency, the accumulating deficit of the dedicated school's grant. This policy statement also confirmed that the review of relative needs and resources ('Fair Funding Review') and a reset of business rates growth will not be implemented in the next two years.

33. It regards to the provisional settlement, it confirmed that the next two years will essentially be two rollover settlements based on the overall funding envelope set out in the Autumn Statement. It provided provisional figures for 2023/24 and principles for 2024/25. Key elements of the settlement not previously included in either the Autumn Statement or policy statement include:

- A new grant has been created to ensure every authority has an increase in Core Spending Power (CSP) of at least 3%. This guarantee will be funded from the removal of the previous Lower Tier Services Grant (LTSG) and the reduced cost of the New Homes Bonus.

- Three grants have been rolled into the Revenue Support Grant (RSG) calculation namely the Local Council Tax Support Administration grant (£469k), the Family Annex Council Tax Discount Grant (£43k), and the Food Safety Enforcement grant. As such this will mean these grants are not protected in the way they were as specific grants.
- A further grant, the Independent Living Fund (£937k) has been rolled into the Social Care Grant.
- Confirmation that it was the fifth consecutive one-year financial settlement.

34. Figure 3 below sets out the impact of the provisional 2023/24 local government finance settlement as it pertains to BCP Council.

Figure 3: Provisional LG 2023/24 Finance Settlement - Unringfenced grants

	2022/23 £m	2023/24 £m	Change £m
Business Rates	56.8	58.9	+2.1
Unringfenced Grants			
Revenue Support Grant	3.1	3.9	+0.8
LSCT Administration Grant	0.5	0.0	-0.5
Service Grant	3.8	2.1	-1.7
Lower Tier Services Grant	0.5	0.0	-0.5
New Homes Bonus	1.0	0.3	-0.7
Specific Grants			
Social Care Grant	15.3	25.5	+10.2
Independent Living Fund	0.9	0.0	-0.9
Improved Better Care Fund	13.4	13.4	0.0
	95.3	104.1	+8.8

35. It should be highlight in addition to the above un-ringfenced grants the council will also receive.

- £4.1m Market Sustainability and Improvement Fund
- £1.9m Adult Social Care Discharge Fund

The expectation is that each of these will be matched by equivalent expenditure, with the ASC Discharge Fund expected to form part of the Better Care Fund plans with the NHS.

2022/23 In-year – Quarter 3 - Budget Monitoring Position

36. The December projection for the 2022/23 revenue budget outturn is a forecast surplus of £10.1m overall. There is an overspend within services offset by a central budget surplus.

37. This position demonstrates the positive impact that expenditure controls implemented by Cabinet as part of a Finance Update report to its 29 September 2022 meeting, are forecast to have on the budget outturn. These controls have been implemented as part

of the endorsed financial strategy (further details of which were set out in section 22 of this report), and which focuses on traditional financial management processes to enable the council to set a balanced budget for 2023/24 and beyond. It is possible that this outturn position will continue to improve as these expenditure controls continue to bear down on service expenditure and as officers continue to reduce costs.

38. The intent is to lift this expenditure control once Council agrees the budget for 2023/24 on 21 February 2023. That said, services will need to be mindful of the underspend and savings commitments made by way of contributions towards the 2022/23 forecast outturn therefore spend arrangements are not expected to return to standard operating expenditure levels until the new 2023/24 financial year. Even then it is suggested that a Corporate Management Team and Portfolio Holder process is put in place to consider if stopped activity is indeed required rather than it being automatically restarted. Such a process would also help the delivery of the transformation 3rd party spend savings through more robust procurement and contract management arrangements.
39. To that effect, and as set out later in this report at section 72, to mitigate the inclusion in the 2023/24 budget of un-itemised third party spend savings this report includes a recommendation to put in place of a control on third party spend.
40. Full details of the December 2022 forecast outturn for the year are set out in Appendix 5 and Appendices 5a to 5d.

2023/24 Proposed Budget

41. The budget for 2023/24 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 and as such the Leader of the Council has been clear that work will remain ongoing in relation to efforts to materially improve this budget position for the remainder of this financial year.
42. As a relatively new council, setting the budgets in the first four years has been a challenge due to the lack of complete historic data and trend information for the council as a single entity. There will also be ongoing uncertainty around any information that is available due to the impact and long-term consequences of Covid-19 alongside that caused by the cost-of-living crisis.
43. The key dates in the 2023/24 budget setting process can be set out as follows.

22 June 2022	Cabinet (MTFP update, financial strategy, 21/22 financial outturn)
7 September 2022	Cabinet (Finance Update including Quarter 1 22/23 budget monitoring)
28 September 2022	Cabinet (Finance Strategy Update report)
26 October 2022	Cabinet (Finance Strategy Update report)
23 November 2022	Cabinet (Finance Strategy Update report)
7 December 2022	Budget Café (all councillor presentations)
14 December 2022	Cabinet (Finance Update including Quarter 2 2022/23 budget monitoring)
23 December 2022	Budget Engagement Exercise closes
11 January 2023	Cabinet (Council Tax – 2022/23 tax-base report)
12 January 2023	Audit & Governance (Treasury Management Strategy 2023/24)

18 January 2023	Budget Café 2 (all councillor presentation)
3 February 2023	Presentation to representatives from Commerce & Industry
8 February 2023	Cabinet (2023/24 Budget, MTFP update, Quarter 3 22/23 budget monitoring)
21 February 2023	Council (2023/24 Budget & MTFP update report)

44. Figure 4 below sets out the budget for 2023/24 and Medium-Term Financial Plan (MTFP) to 2027. As a reminder to councillors, the following 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 being reversed out in a following year. For example, it is currently assumed to use £10.1m from the forecast outturn for 2022/23 in support of the 2023/24 budget.
45. Key features of the 2023/24 budget as presented include.
- £25.5m investment in adult social care services (excluding pay, pensions, and national insurance uplifts).
 - £14.6m investment in children's services (excluding pay, pensions, and national insurance uplifts).
 - 4.25% assumed pay award for 2023/24 based on a survey undertaken by the Chief Financial Officer with other upper tier treasurers.
 - £32.9m of list one savings with an implementation date 1 April 2023 and £2.592m of list two savings which will be implemented on the 1 July 2023.
 - 4.99% increase in council tax for 2023/24 made up off 2.99% for the basic amount and 2% for the social care precept. The financial planning assumption for future years will be 4.99% in 2024/25 and 2.99% annually thereafter. Increases in the council's council tax base.
 - Provision for the social care grants announced by government as part of the November 2022 Autumn Statement and as set out in detail as part of the provisional local government finance settlement for 2023/24.
 - Utilising the £10.1m forecast financial outturn for the current 2022/23 financial year which will be carried forward via an earmarked reserve.
 - Utilising £5.3m in reprovioned earmarked reserves to support the 2023/24 budget.
 - Utilising the £14.2m cost of living mitigation resources set aside based on the 2021/22 financial outturn to support the 2023/24 budget. These will be carried forward via an earmarked reserve.
 - Investment of an addition £1.234m on a one-off bases into unearmarked reserves to move the councils unearmarked reserves to the 5% of net revenue expenditure threshold often used as a barometer of good practice.

Figure 4: 4-year Medium Term Financial Plan 2023 to 2027

Adjustments to the cost of services	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Adult social care and public health	25.4	15.0	8.1	8.7	57.2
Adult social care reforms	0.0	0.0	5.8	10.2	16.0
Children's services	14.6	8.4	9.0	9.6	41.6
Operations	8.2	3.4	1.8	1.1	14.4
Reversal of securitisation of income stream proposal	(3.7)	0.0	0.0	0.0	(3.7)
Resource services	1.6	1.4	0.5	0.5	4.0
Staff costs being charged to transformation prior 25/26	3.5	0.0	3.2	0.0	6.7
Capitalisation direction 22/23 cost of capital & interest repayments	0.2	0.0	0.0	0.0	0.2
Transformation base revenue budget costs	1.1	0.0	0.0	0.0	1.1
Transformation redundancy costs that cannot be charged against FUCR	2.1	(1.9)	(0.1)	0.0	0.1
Corporate priorities one-offs for 2022/23	(9.7)	0.0	0.0	0.0	(9.7)
Pay related costs	10.6	7.8	3.7	3.6	25.7
Pay and grading project	1.0	1.1	(1.0)	1.9	3.0
Debt and capital adjustments	0.2	0.4	(0.3)	(0.1)	0.2
Treasury Management & Investment income adjusted disposals	(1.5)	1.3	(0.1)	0.0	(0.3)
Total adjustments in respect of cost of services	53.6	36.9	30.6	35.5	156.5
Adjustments in respect of resource levels					
Council tax – revenue - 5% 23/24 & 24/25, 2.99% per annum thereafter	(11.3)	(12.0)	(7.7)	(8.0)	(39.0)
Council tax - taxbase	(3.4)	(1.4)	(1.2)	(1.3)	(7.3)
Council tax - single person discount	(0.2)	0.0	0.0	0.0	(0.2)
Council tax - second homes 100% premium	0.0	0.0	(5.3)	0.0	(5.3)
Council tax - empty homes premium after 1st rather than 2nd year	0.0	0.0	(0.9)	0.0	(0.9)
Business Rates	(2.3)	0.0	0.0	0.0	(2.3)
Collection fund – (surplus) / deficit distribution net of S31 grant	1.9	0.0	0.0	0.0	1.9
Government core grant funding changes	2.0	0.0	2.5	0.0	4.5
Assumed social care reforms funding	0.0	0.0	(5.8)	(10.2)	(16.0)
Assumed additional social care grant funding	(14.5)	(8.0)	(2.7)	(2.7)	(27.9)
Reserve Funding - One-off funding supporting 2022/23 budget	36.1	0.0	0.0	0.0	36.1
Reserve Funding - Removal of COMF contribution 2022/23 priorities	1.0	0.0	0.0	0.0	1.0
Reserve Funding - Improved outturn 2021/22 to support 23/24 budget	(14.2)	14.2	0.0	0.0	0.0
Reserve Funding - Redirect earmarked reserve to support 23/24 budget	(5.3)	5.3	0.0	0.0	0.0
Reserve Funding - Assumed surplus 2022/23 to support 23/24 budget	(10.1)	10.1	0.0	0.0	0.0
Reserve Funding - Contribution to unearmarked reserves	1.2	(1.2)	0.0	0.0	0.0
Total previously assumed adjustments in resource levels	(19.1)	7.0	(21.1)	(22.2)	(55.4)
Assumed additional savings, and efficiencies					
Unitemised Transformation savings	(9.0)	(15.9)	0.0	0.0	(24.9)
Scheduled service based savings (include. Adults, Children's, Transformation)	(25.5)	(7.5)	(2.6)	(2.6)	(38.1)
Roundings	(0.1)	0.1	(0.1)	0.0	(0.1)
Unidentified Adult Social Care savings (2.99% growth restriction)	0.0	(1.5)	(3.1)	(3.5)	(8.1)
Unidentified Children's savings (2.99% growth restriction)	0.0	(4.5)	(6.5)	(7.0)	(18.0)
Total assumed annual extra savings and efficiencies	(34.6)	(29.3)	(12.3)	(13.0)	(89.2)
Annual – Net Funding Gap	(0.0)	14.7	(2.8)	0.2	12.0
Cumulative MTFP – Net Funding Gap	(0.0)	14.6	11.9	12.0	

46. Key changes from the position as set out in the 14 December 2022/23 Budget Monitoring and Financial Strategy Update report to Cabinet can be articulated as follows.
- a) Implications of the provisional 2023/24 local government finance settlement.
 - b) Refinement of several detailed items with the latest available information and the ongoing assessment to evaluate the robustness of the budget
 - c) Reprofile of various savings proposals between 2023/34 and 2024/25
 - d) Remove some (previously referred to as below the line) savings proposals completely from the MTFP
47. Based on the assumptions within the MTFP, the Council will need to identify a further £14.9m of ongoing revenue savings to balance the 2024/25 budget. This is in addition to delivering.
- i. £23.1m of additional annual savings including £15.9m currently un-itemised but committed to as part of the corporate transformation investment programme
 - ii. £4.5m of currently unidentified savings in Children's services which it is assumed will flow from their service specific transformation programme
 - iii. £1.5m of currently unidentified savings in Adult Social Care which it is assumed will flow from their service specific transformation programme

Additional investment into services

48. **Adult Social Care – Service Pressures £25.5m (21% increase over 2022/23 budget excluding pay related costs)**

The MTFP makes provision for an additional gross £57.2m investment in adult social care services over the 4-year period to March 2027. This pressure is a combination of:

- 1) Assumptions around inflationary pressures within the care market. These pressures relate mainly to increases for providers in staffing costs where a significant driver is the consequential impact of increases in the National Living Wage (NLW).
- 2) Demographic growth within the learning disability and mental health client group.
- 3) Growth in demand for complex, costly care packages for people with long-term conditions including those to support the NHS urgent and emergency care system as well as preventing delayed discharges from hospital.
- 4) Loss of rental income from a care home closure (part year).
- 5) Termination of one-off use of the Disabled Facilities Grant carried forward from previous years to support community equipment.
- 6) Cost of care pressures following government direction to work towards paying a fair cost of care. The additional investment matches the additional social care money allocated to BCP Council but is below what is being demanded by providers.
- 7) Ongoing pressures resulting from increased activity because of the hospital flow approach to timely and safe discharge for those who no longer need to stay, also influenced by supply shortage in the home care market and higher use of residential care. The time-limited extra investment only goes as far as the additional social care money allocated to BCP Council.

The National Living Wage has been confirmed at £10.42 per hour from April 2023. This is 10p higher than the previous estimate from the Local Government Association (LGA) issued in June 2022.

The NLW remains a key driver for the cost of care services affecting 70% of the cost of providing personal care, therefore, it has been factored into the cost pressures increasing 9.7% from April 2023 and 5.5% from April 2024 increasing to £10.99 per hour (the LGA latest forecast is within a range of £10.82 - £11.35), then 2% for the remainder of the MTFP period.

The remaining 30% of the cost of providing personal care is driven by other inflationary cost of living factors.

It should also be noted that a Mental Capacity (Amendment) Bill has replaced the Deprivation of Liberty Safeguards (DoLS) with a scheme known as the Liberty Protection Safeguards (LPS) which was expected to commence in April 2022. These arrangements describe the procedures necessary to deprive people of their liberty because of lack of capacity to consent to their care arrangements. The implementation of the new scheme has been postponed again and further announcements are awaited. The council will commit spending on this activity up to any amount funded by the government.

49. **Adult Social Care Charging Reforms – A service pressure of £16m in 2025/26 and 2026/27 matched by income**

The Government has listened to the concerns of local government and has taken the difficult decision to delay the planned adult social care charging reforms from October 2023 to October 2025. The funding will be retained in local authority budgets to help meet current pressures as set out in this report.

The government remains committed to delivering the adult social care charging reforms and supporting people drawing on care and support, therefore the MTFP reflects an assumption that £5.8m estimated pressures in 2025/26 and further £10.2m in 2026/27 will be fully funded from additional money.

The delay will give local authorities additional time to prepare for the rollout of these reforms and provide additional funding to help with immediate pressures.

The delay covers the implementation of the extended means test, the lifetime cap on personal care costs and the extension of Section 18(3) to enable self-funders in residential care to access local authority contracting arrangements.

50. **Children's Services – Service Pressures £14.6m (20% increase over 2022/23 budget)**

The MTFP makes provision for an additional gross £41.6m investment in children's services over the 4-year period to March 2027. This pressure is a combination of

1) Care:

- a. the service has seen a rise in the numbers of children in care since the beginning of the financial year and the increasing complexity of children needing placements. The national picture of the care market evidences significant sufficiency issues and this, in addition to the cost-of-living crisis, has prompted providers to increase their fees.
- b. In addition to the growth budget there is a required adjustment of £1.977m to offset the previously agreed CSC health contribution which is not achievable.

2) Staffing:

- a. The Children's Social Care workforce at BCP is facing serious challenges because of the national shortage of social workers, the rising number of social workers choosing to be employed by agencies and higher salaries being offered by neighbouring and surrounding authorities being rated good and outstanding whilst Children's Services at BCP is rated inadequate.
- b. Whilst a recruitment and retention strategy has been developed and is due to be implemented it will take time for the ratio of agency/permanent workers to reduce and stabilise and the service remains heavily reliant on agency workers. There has been a significant rise in the cost of agency workers with difficulty attracting to the BCP area due to the high cost and limited availability of overnight accommodation during the peak tourist months.
- c. The MTFP allows for the continuation of previously agreed non-recurring growth for agency premium and an additional team in the front door. The continued demand in the front door services has meant that the service will be unable to run without this continued resource.

3) School Transport:

- a. cost of special educational needs and disability (SEND) transport is directly linked with the increasing number of education, health, and care plans (EHCPs) and the pressure that continues in the high needs block of the dedicated schools grant (DSG).
- b. SEND transport is however not funded by the DSG and instead the responsibility falls to the general fund budget of the council.
- c. There was a savings target in 2022/23 associated with SEND transport which has been unachievable, so the 2023/24 budget restores this amount and allows for further growth in demand.

The social care grant provided since 2020/21 is assumed to continue along with all other children's social care funding.

The DfE improvement funding over 2021/22 and 2022/23 is not on-going and has been removed as part of the 2023/24 MTFP.

There is also a small reduction in the budget relating to the SEND written statement of action as per the agreed profile of spend.

51. **Operations – Service Pressures £8.2m (15% increase over 2022/23 budget)**

Assumed Service Pressures

The cost-of-living pressures have had a significant impact on operations budgets. Gas and electricity costs have resulted in a pressure across the service of £4.6m in 2023/24. Street lighting has been affected the most by this increase and the service is actively working on scenarios to decrease usage across BCP.

Fuel inflation has resulted in a pressure of £0.2m in relation to the council's fleet, and an additional £0.1m on general diesel costs. A revised prudential borrowing pressure of £1.8m for the council's fleet has also been included in 2023/24, to ensure that the rolling capital programme of fleet vehicles is maintained.

The crematorium income has suffered since the Covid pandemic, and this has led to a £0.6m pressure in 2023/24.

Homelessness emergency accommodation has a cost pressure of £0.4m. In previous years, the homelessness prevention grant of £1.8m per annum has been supplemented by utilising reserves designated for the service. These reserves will be fully utilised in 2023/24. The annual grant of £1.8m is insufficient to cover the costs of the service, the shortfall being £0.4m in 2023/24.

The current tendered bus service routes are funded in full by the base revenue budget. The new tenders at the current service level would lead to an overspend over the remaining months of 2022/23 and into 2023/24. The Bus Subsidy grant and Local Transport Fund received from the Department for Transport (DfT) will be used to offset this pressure until January 2024. By this time, the service will have either received notification of continued funding so that the current offering can be maintained, or enough notice will have been given to reduce the service within current budget levels.

There are numerous other smaller service pressures totalling £4.4m across Operations Services. The growth in pressures is inclusive of the covid recovery re-profiling of income which has reduced the service pressures requirement by £2.2m.

52. **Pay Award**

Local government agreed pay awards for 2018/19, 2019/20, 2020/21 and 2021/22 were 2%, 2%, 2.75% and 1.75% respectively.

The budget for 2022/23 made a provision for a 3.1% pay increase. Due to pressures associated with the cost of living the National Employers for local government services proposed a flat rate increase of £1,925 on every spinal column point for the current financial year which is estimated to average 5.4% for the profile of staffing within the council. A majority of unions confirmed their acceptance of the proposal on 1 November 2022 which included a 4% increase in allowances and a one-day increase to all employee's annual leave entitlement from 2023/24. BCP Council's November financial forecast for 2022/23 assumes that the higher than assumed pay award has added an extra £4.1m over and above the budgeted amount to the pay bill of the authority.

The proposed budget for 2023/24 makes provision for the £1,925 on every spinal column point in 2022/23 followed by a 4.25% pay award for 2023/24. This is based on a benchmarking exercise undertaken by the Chief Financial Officer with Unitary Treasurers to ascertain the assumptions being made by the sector.

Services are expected to absorb the impact of the additional days annual leave entitlement for 2023/24 within their budgets acknowledging that it will also need consideration alongside the proposals to harmonise terms and conditions.

In addition, as part of the savings and efficiencies proposals underpinning the 2023/24 budget, provision is now only being made for 95% of each service's employee establishment to allow for the impact of turnover and other matters on the actual cost of the service. Previously the assumption varied between services, of between 95% and 98%. This change in assumption partly reflects previous years activity. In addition, services are also expected to manage the impact of any incremental drift in their pay base.

53. **Harmonised Pay and Grading Structure**

A key requirement following the creation of BCP Council was to create a single pay and grading structure. The proposed 2023/24 budget reflects its proposed implementation

during 2023/24, from 1 January 2024, with a proposed uplift in the pay bill from that point in time onwards.

54. **Pension Fund**

BCP Council is a member of the Dorset Local Government Pension Scheme administered by Dorset Council. The funds actuary Barnett Waddingham is required to revalue the fund every three years (tri-annual revaluation) to determine both the value of its assets and liabilities and the contributions rates for each employer in the fund.

The fund was last revalued as of April 2022 and the impact was discussed with the pension fund actuary Barnett Waddingham on the 18 November 2022. The March 2022 position for BCP Council was a funding deficit of £53.2m with a resulting funding level of 95.9% as outlined below, compared to a funding deficit of £86.6m at 31 March 2019 relating to a funding level of 91.9%.

Figure 5: BCP Pension Fund – funding levels

Local Authority	31 March 2022 Funding level	31 March 2019 Funding level	31 March 2016 Funding level
Bournemouth Council			79%
Christchurch Council			88%
Dorset Council			80%
Poole			86%
BCP Council	96%	92%	82%

BCP Council contribution rates are as set out in figure 6 below. In respect of the 2022 revaluation, the increase on the ongoing rate was offset by the reduction in the back-funding element. Key variables that impacted on the valuation were the impact on liabilities of inflation, salary increases and the assumed discount rate, and the level of investment returns on the assets of the fund.

Figure 6: BCP Pension Fund contributions agreed with the Actuary

	2019/20	2020/21	2021/22	2022/23	2023/24
Ongoing (primary) rate	15.6%	16.2%	16.8%	17.4%	19.0%
Back-funding (secondary) rate	£9.43m	£5.89m	£6.10m	£6.32m	£3.97m

In comparing pay rates with those of other employers it is important to recognise that the council has a total contribution rate in excess of 22%. Many private sector companies will be making only a 4% minimum pension fund contribution.

55. **Inflationary Costs**

Inflation is only provided for in service directorate budgets where it can be demonstrated that it will be needed due to either market or contract conditions. Inflation as of September 2022, which is applied or factored into several contractual uplifts, was 10.1% as measured by the (CPI) Consumer Price Index.

The 2022 Autumn Statement predicts inflation to be 5.5% CPI and 8.3% RPI during 2023. Government inflation target remains at 2% on an annual basis.

One area of specific cost pressure which has been allowed for as part of the projected outturn for 2022/23 and future years is the inflationary pressures within utility costs specifically those relating to electricity and gas. This cost is particularly significant within the Operations directorate and within that the electricity cost associated with street lighting. The councils 2022/23 budget allowed for circa £4.1m in electricity and gas costs across all areas of service and the forecast outturn for the year assumes this will almost double to £7.9m with a further increase to £8.9m for 2023/24 onwards.

56. **Futures Fund**

As part of the financial strategy supporting the 2023/24 budget the council revised the principles around the £50m Futures Fund and £20m Green Futures Fund. Decisions will now be made as proposals are brought forward in line with existing council policies and decisions.

Commitments made to previous schemes under the future funds remain within the Council's budget and MTFP. For clarity, this includes.

£5.87m	Smart Places Gigabit project
£4.0m	Wessex Fields – road infrastructure
£2.6m	Pokesdown Railway station
£0.8m	Homelessness Health Hub
£1.2m	Match funding to the resources provided by Salix

Additional resources, savings, and efficiencies

57. **Council Tax**

In proposing as a council tax for 2023/24 the council has reflected on the government policy to fund cost pressures in local government principally through the ability to raise council tax, including the social care precept. Recognition has also been made of the significant inflationary pressures faced by both the council and its community at this time

The proposal is to increase council tax by 4.99% in 2023/24 which is less than 50% of current rate of inflation (10.7% November 22). This increase can be broken down into a 2.99% increase in relation to general inflationary pressures and an additional 2% relating to the social care precept.

The financial planning assumption for future years continues to be that council tax will be increased, for 2024/25 by 4.99% as per the framework for 2023/24 and as set out in the 2022 Autumn Statement. Thereafter the assumption is the increase will revert to the standard annual threshold increase of 2.99% made up of a 1.99% basic increase, plus a 1% social care precept.

58. The strategic approach taken by government since its 2015 spending review is that local councils can increase council tax as a mechanism for funding cost and demand pressures in local services. For the last 7 years in a row (since 2016/17), this has included the use of the Adult Social Care council tax precept as a means of asserting national direction on how such resources should be applied. Any lobbying for higher BCP Council funding allocations from government resources are always responded to by references to the amount the government have made provision for the council's "spending power" to be increased annually. The most significant element of this annual

spending power increase is the amount the government have made legislative provision for the council to increase its council tax.

59. As a reminder the table sets out the levels that government legislated for BCP Council to increase its council tax by in comparison to the actual levels of council tax set over the last 3-year period.

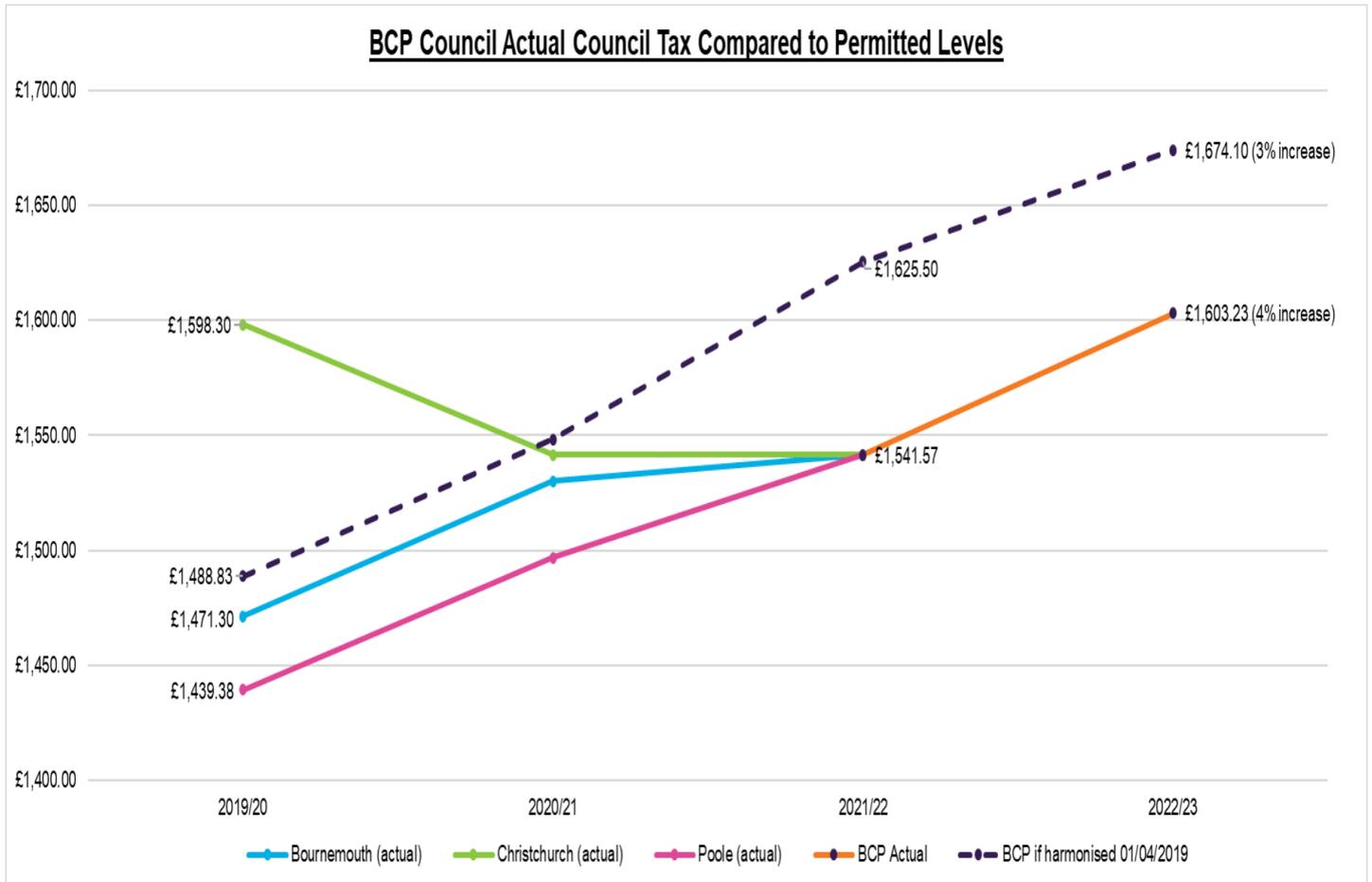
Figure 7: BCP Actual Council Tax Increases to Government Thresholds

	Government Assumed Increases (thresholds)			BCP Council Actual Increases		
	Basic %	Social Care	Total	Basic %	Social Care	Total
2021/22 Financial Year	1.99%	3.00%	4.99%	1.55%	0.00%	1.55%
2022/23 Financial Year	1.99%	1.00%	2.99%	0.00%	4.00%	4.00%
2023/24 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%

- Please note social care precept for 2021/22 could be carried forward into 2022/23

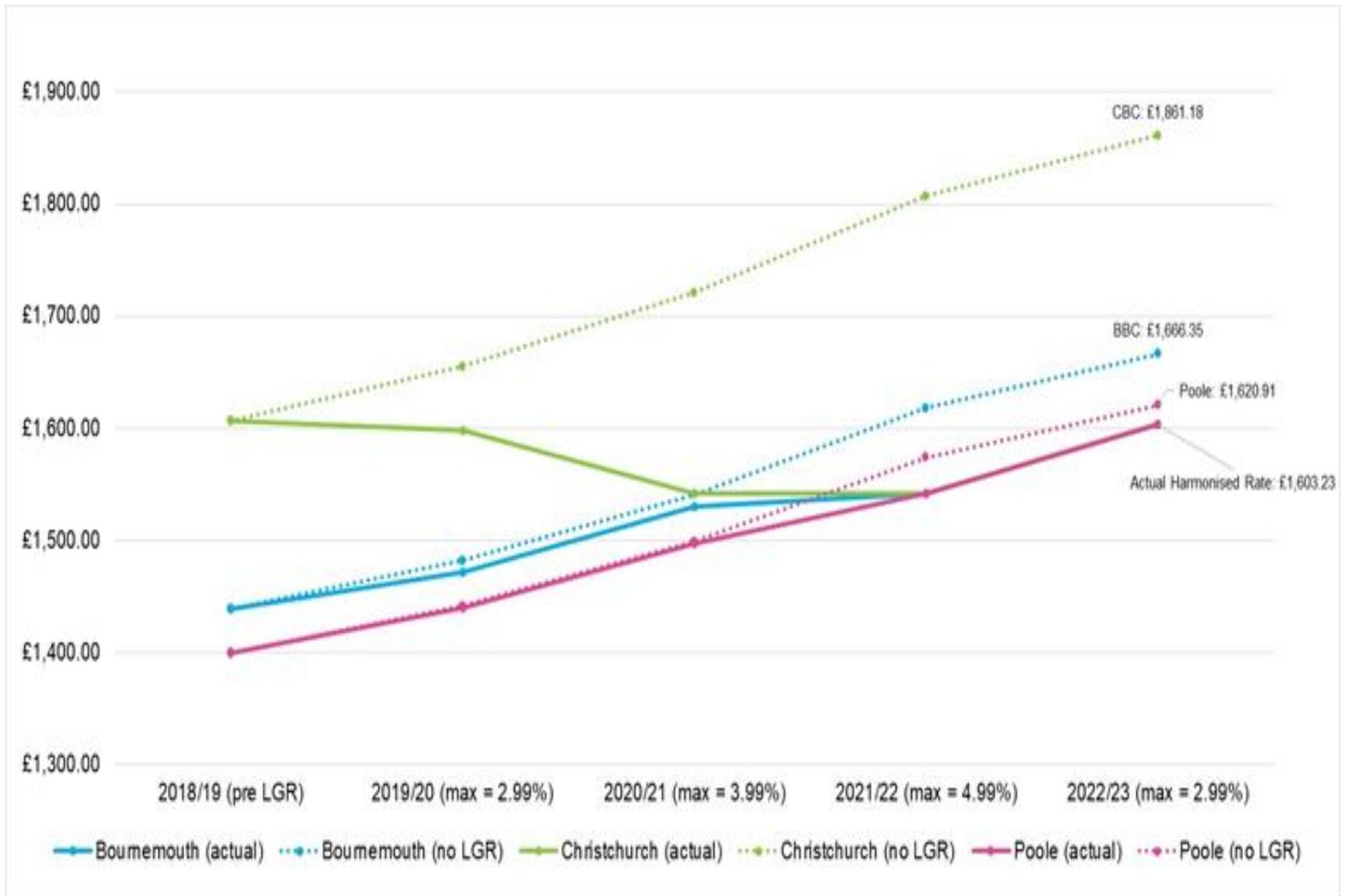
60. It may also be worth a reminder that the BCP Band D council tax for 2022/23 is £1,603.23. The equivalent council tax for our nearest neighbour Dorset Council was over 14% higher at £1,832.67. This equates to approximately £33m per annum in additional resources BCP Council could be generating based on the BCP 2022/23 tax base.
61. Figure 8 below demonstrates that if the council had harmonised in April 2019, as the new Dorset Council did, and followed government guidelines and applied the maximum increases since then then cumulatively our council tax would have been £1,674.10 in 2022/23 which is 4.4% higher than the cumulative £1,603.23 actual rate set. We are therefore clear that this council has locally decided not to generate the £10.1m per annum extra that we could have been generating. A similar calculation in 2021/22 shows the council forfeited potential council tax revenues of £11.7m. Across the two years we could have generated a total of £21.8m and instead enabled this money to be retained by council taxpayers. This is a permanent saving to our Council Taxpayers and as an illustration the decisions made by this authority will compound over the next term of BCP Council to a sum of £62m .

Figure 8: BCP actual council tax levels compared to permitted levels.



62. Expanding on this position the graph below (figure 9) sets out the likely position of the preceding authorities if local government review had not happened and if they had applied the maximum threshold increases. As an example, this shows that the council tax in Christchurch could have been £257.95 or 16% higher, which could have generated an additional council tax yield of £5.3m.

Figure 9: Council position of preceding authorities with maximum increases



63. Council Tax – Taxbase

Cabinet at its meeting on the 11 January 2023 agreed to the determination of 144,839 as its council taxbase for 2023/24 which is the number of Band D equivalent properties over which the council's council tax for the year will be charged. It is based on the principle that every domestic property is valued by the Valuation Office Agency and placed in one of the eight valuation bands, based on its value as at 1 April 1991 (houses built after this date have their value as at April 1991 estimated at the time of their first sale). The amount of council tax paid varies according to the valuation band as follows:

Figure 10: Council Tax Valuation Bands on 1 April 1991 and calculation

Band	Value at 1 April 1991	Ratio	Ratio as a percentage
A	Up to £40,000	6/9	67%
B	£40,001 to £52,000	7/9	78%
C	£52,001 to £68,000	8/9	89%
D	£68,001 to £88,000	9/9	100%
E	£88,001 to £120,000	11/9	122%
F	£120,001 to £160,000	13/9	144%
G	£160,001 to £320,000	15/9	167%
H	More than £320,000	18/9	200%

A comparison of the BCP Council Taxbase between years is set out in figure 11 below.

Figure 11: BCP Taxbase comparison between years

Area	Taxbase 2022/23	Taxbase 2023/24	% Variance
Christchurch	20,449.30	20,975.10	2.6%
Bournemouth	64,238.20	64,842.40	0.9%
Poole	58,126.50	59,021.50	1.5%
Total	142,814	144,839	1.4%

The council tax, taxbase growth reflects four main factors.

- 1) Improved collection rate.
- 2) Higher growth expected in the number of additional properties in 2023/24.
- 3) Projected £0.2m reduction cost of the Local Council Tax Support Scheme.
- 4) An approved investment to save proposal which ensures the council is robustly checking that residents are correctly claiming single person discounts.

Overall, the increase in taxbase is anticipated to generate £3.2m additional revenue in 2023/24.

Members are also reminded of the decision of Council in July 2022 to implement the second homes 100% premium and revisions to the empty homes premium subject to their confirmation via the Levelling Up and Regeneration Bill. The MTFP previously assumed that these changes will generate extra resources of £5.3m second homes and £0.9m empty homes from 2024/25 onwards.

This was on the basis that to implement the premium an authority will need first to make a determination at least one-year before the beginning of the financial year to which it relates. Therefore, the financial year 2024/25 is the first year it could be applied provided the determination is made by 31 March 2023 and to enact the determination the authority must publish a notice in at least one local newspaper 21 days before the determination date. The Council cannot issue a determination until such time as Levelling Up and Regeneration Bill has finally been passed. At the time of writing this report the current position is that the Bill has

satisfactorily progressed through the House of Commons and has been introduced into the House of Lords. However as civil servants are describing the likelihood of the Bill receiving Royal Assent by the end of February as “challenging” the MTFP now assumes this extra council tax revenue will not be collected in 2024/25.

64. **2023/24 Local Council Tax Support Scheme (LCTSS)**

No changes are proposed to the Local Council Tax Support Scheme for 2023/24 which will mean a consistent policy has been applied by the Council from 1 April 2019 onwards.

Ongoing consideration will be given to changing the existing LCTSS to a ‘banded scheme’ reflecting evolving best practice to reduce the burden of administration for both claimants and the council. Any changes proposed would not be designed to reduce expenditure on LCTSS but to deliver operational and administration efficiencies and better meet the needs of residents.

In respect of council tax support to vulnerable households the provisional 2023/24 local Government Finance Settlement included £100m nationally to allow councils to deliver additional support to LCTSS claimants and to determine local approaches to support other vulnerable households in their area. Government’s view is this will help in striking a fair balance to ensure taxpayers are not over-burdened at a time of significant pressure on the public finances.

On the 23 December 2022 confirmation was received that BCP had been allocated £637,000. The Government require us to use the majority of the funding to reduce bills for current working age and pension age Local Council Tax Support (LCTS) claimants by up to £25. It will up to the council to decide how any remaining allocation is best used to support vulnerable households with council tax bills.

As of 1 January 2023, BCP Council was providing LCTS to 23,811 claimants.

For both Housing Benefit and Council Tax Support, BCP Council, as it predecessor authorities did, has administered a discretionary local scheme for war pensioners, in which the Council can disregard all prescribed War Disablement Pension or prescribed War Widow’s/War Widower’s Pensions income over and above the statutory limits. BCP Council is resolved to continue this disregard. This is allowed under Section 134 (8) of the Social Security Administration Act 1992 for Housing Benefit and for Council Tax Support as detailed in the Bournemouth, Christchurch and Poole Council, Council Tax Reduction (Support) Scheme.

65. **Government Grants - Assumed £14.5m additional funding for social care funding in 2023/24 (£27.9m over 4-year period of the MTFP)**

Trends analysis shows that the government have made additional grant funding for social care available in every year since 2015/16. Over the years grants have increased inconsistently but average at 31% increase per year. Grant income has increased by 39% for BCP in line with the national increase. National allocations announced in the Autumn budget statement indicate an increase of around 16% for 2024/25. Whilst grants have been announced only up until 2024/25, the trends shows that new money has continued over the years, therefore the MTFP assumes that the current social care grants are ongoing.

The Social Care Grant was introduced in 2020/21, as a grant ringfenced to support social care for adults and children. The Independent Living Fund has now been rolled up into the Social Care Grant for 2023/24 at the previous level of £0.9m. The Social Care Grant has increased by £9.3m for 2023/24. In BCP £6.5m is allocated to Adult Social Care and £2.8m

to Children Social Care. The Social Care Grant is estimated to increase by £4.2m in 24/25 based on the autumn budget statement, then £2.3m in subsequent years. The increase includes funding due to the delay in the rollout of adult social care charging reform.

The Improved Better Care Fund is frozen for 2023/24 and has been assumed to remain at the same level for the MTFP period.

The increase for the Better Care Fund has not been announced but the MTFP assumes an increase of £0.4m for each MTFP year.

The Adult Social Care Market Sustainability and Improvement Fund of £4.1m includes new grant funding of £2.9m to address issues such as discharge delays, social care waiting times, low fee rates and workforce pressures. The grant also includes £1.2m in Fair Cost of Care grant introduced in 2022/23, as a ringfenced grant to support local authorities to move towards paying a more sustainable rate for care. This grant is maintained at current levels for the next two years to maintain the fee levels agreed 2022/23. There will be reporting requirements placed on this funding regarding performance and use of funding, details of which the government will announce in due course. This grant is estimated to increase by £2m in 2024/25 based on the Autumn Statement, then remain at the same level for the following two MTFP years.

The Government has also confirmed in the provisional settlement that the Adult Social Care Discharge Grant will be re-instated in 2023/24 at an increased value of £1.9m estimated to increase by further £1.3m in 2024/25, then to remain at the same level for the remainder of the MTFP. As in 2022/23, this grant will be required to be pooled as part of the Better Care Fund. The 2022/23 allocation requires fortnightly performance returns up to 31 March 2023, the Government will also set out further details on the conditions of this funding for 2023/24 in due course.

66. **Transformation Investment Programme including the Flexible Use of Capital Receipts Strategy.**

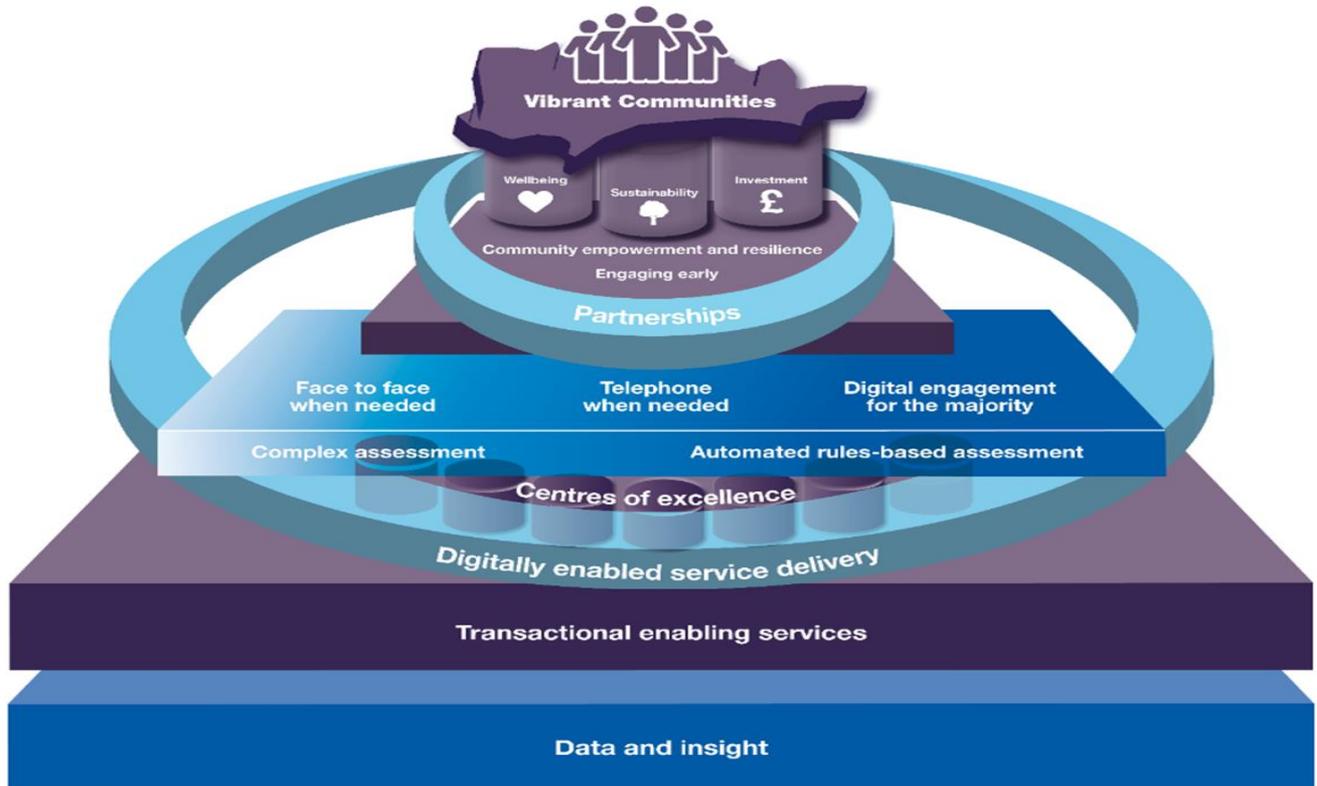
This section of the report includes information produced as part of the councils Flexible Use of Capital Receipts (FUCR) strategy as recommended by the relevant statutory guidance.

67. 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

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.

68. **Figure 12: Our new Operating Model**



69. 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 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.
70. 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 this 2023/24 budget report). Reduce 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.

71. The current consolidated position in respect of the transformation programme is set out in figure 13 below.

Figure 13: 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 Estimate £m	2023/24 Budget £m	2024/25 Provisional £m	£m
Capital Spend	Expenditure						
	Capital expenditure	1.19	0.05	0.82	1.34	0.84	4.24
		1.19	0.05	0.82	1.34	0.84	4.24
	Funding						
	Prudential Borrowing (funded from General Fund MRP)	0.00	0.00	(0.62)	(1.34)	(0.84)	(2.80)
Prudential Borrowing (funded from HRA land tfr)	(1.19)	(0.05)	(0.20)	0.00	0.00	(1.44)	
		(1.19)	(0.05)	(0.82)	(1.34)	(0.84)	(4.24)
Revenue Spend	Expenditure						
	One-off costs - including data and insight and capability	0.31	5.32	13.95	7.31	2.67	29.56
	Redundancy costs	0.00	0.56	2.57	9.03	0.74	12.90
	Contingency	0.00	0.00	0.18	0.21	0.68	1.07
	Staff costs apportioned to Transformation	0.00	0.00	3.20	3.20	3.19	9.59
		0.310	5.880	19.90	19.75	7.28	53.12
	Funding						
	Assumed fundable by Capital Receipts/Capital Direction	(0.31)	(3.88)	(19.90)	(19.75)	(7.28)	(51.12)
Contributions from outside of the General Fund	0.00	(2.00)	0.00	0.00	0.00	(2.00)	
	(0.31)	(5.88)	(19.90)	(19.75)	(7.28)	(53.12)	
Total	Total expenditure	1.50	5.93	20.72	21.09	8.12	57.36
	Total funding	(1.50)	(5.93)	(20.72)	(21.09)	(8.12)	(57.36)

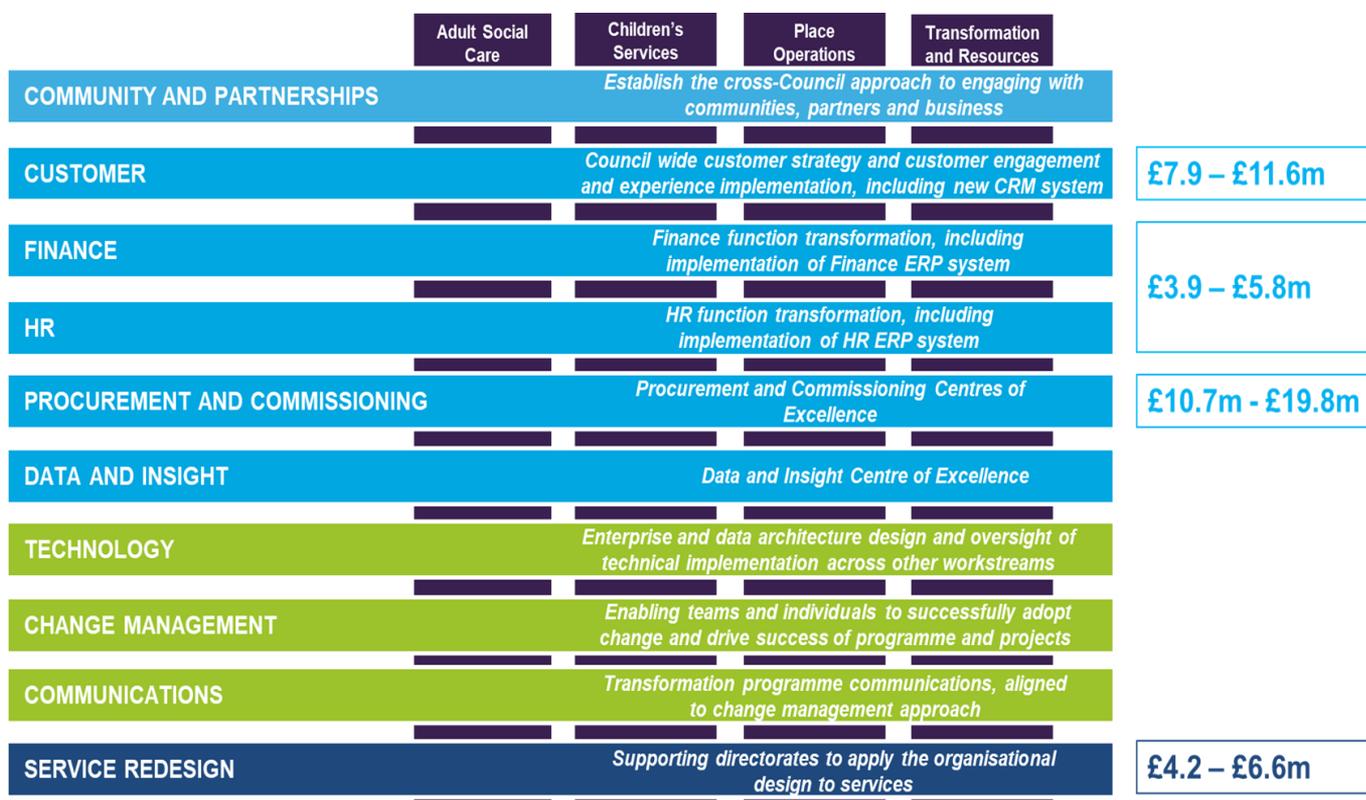
Transformation Investment Programme Ongoing base revenue budget of the council		2020/21 Actual £m	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Budget £m	2024/25 Provisional £m	£m
Revenue Budget	Expenditure						
	Licenses and other revenue costs of the programme	0.00	2.08	2.40	4.50	4.50	13.48
		0.00	2.08	2.40	4.50	4.50	13.48
	Savings and efficiencies						
	Transformation Programme Savings	0.00	(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)	(21.30)
	2022/23 In year - Savings identified and deferred				(0.81)	(0.81)	(1.62)
	2022/23 In year - Savings deferred and unidentified				(0.79)	(0.79)	(1.58)
	Originally programmed 2023/24 savings = £18.7m (extra £10m)						
	3rd Party savings - Remaining to be identified				(5.70)	(5.70)	(11.40)
	3rd Party savings - Itemised				(3.34)	(3.34)	(6.68)
	3rd Party savings - within services savings proposals				(0.96)	(0.96)	(1.91)
	Originally programmed 2024/25 savings = £43.9m (extra £25.2m)						
Staff savings - Remaining to be itemised					(15.86)	(15.86)	
Staff savings - within services savings proposals				(9.34)	(9.34)	(18.68)	
	0.00	(3.95)	(7.10)	(28.04)	(43.90)	(82.98)	

Funding Implications on the revenue budget		2020/21 Actual £m	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Budget £m	2024/25 Provisional £m	£m
Revenue Budget	One-off Capital Investment						
	Minimum Revenue Provision and interest implications	0.00	0.28	0.28	0.48	0.82	1.86
		0.00	0.28	0.28	0.48	0.82	1.86
	One-off Revenue Investment						
Revenue foregone on asset disposed off	0.00	0.00	0.00	0.91	0.91	1.82	
	0.00	0.00	0.00	0.91	0.91	1.82	

Transformation Savings

72. 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. Due to the increasing level of investment in the programme, the higher end of the range continues to be adopted as the basis of the council's financial planning as it has since 2019. These workstreams, and the savings they are assumed to deliver, can be articulated as follows.

Figure 14: Transformation savings workstreams.



5

73. This 2023/24 proposed budget further updates the delivery profile associated with these savings. The revised cumulative profile is as follows.

2022/23 £7.1m in annual savings (82% against a £8.7m target for the year)
 2023/24 £28.0m
 2024.25 £43.9m

Included within this breakdown are core increases of £10m in 2023/24 for third party spend savings and £25.2m in 2024/25 for employee costs savings. However, the amounts shown in Figure 13 have been broken down into those that have been included as part of individual service-based savings and efficiency proposals and those that remain un-itemised and therefore part of the core transformation programme. Attention is particularly drawn to the fact that £9.34m of employee cost savings are part of individual service-specific employee cost savings that will now be delivered a year earlier than planned, in 2023/24.

As is consistent with previous projections the budget has been prepared on the basis that the organisation will deliver against core increase of the extra £10m in 2023/24 and extra £25.2m in 2024/25 approved as part of previous years commitments. Members are reminded that the delivery of these assumed savings are a priority area over the next two years.

To aid delivery of savings this report recommends strengthening commissioning, procurement, and contract management arrangements. Evidence from the 2022/23 in-year expenditure control demonstrates that central controls can ensure more effective buying and commissioning decisions. Such arrangements in themselves though cannot guarantee the assumed identified third party spend transformation savings can be delivered but the control will support an effective outcome. The uncertainty around the current and future impact of inflation is particularly salient in attempts to capture savings from improvements in this area.

74. The cumulative savings from the transformation programme are specifically associated with.
- Reduction in employee headcount through the consolidation of common roles/work.
 - Reduction in employee headcount through the consolidation of organisational layers/structures.
 - Reduction in third-party spend through more robust procurement and contract management. This will include smarter ways of working such as the digital mail and the reduction of spend throughout the council by the centralisation of spending on items such as stationery, photocopying and printing.
 - Review of the corporate structure to enable the council to continue to reflect and realign its management structure to ensure we are continuously improving towards being the organisation that we aspire to be and to ensure we deliver our priorities for our residents. This includes the integration of the library services with customer facing services and community hubs.
 - The Council's estate and accommodation project.

Flexible Use of Capital Receipts (FUCR)

75. 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.
76. 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

77. 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.
78. Cabinet have previously made it clear that their preference is to assume that the costs of the transformation programme will be funded via the FUCR by current or additional asset sales. That said, Cabinet have also been clear that the council will continue the work necessary to agree the capitalisation direction with government which would allow up to £20m of revenue costs to be funded by borrowing. Such a position would allow the council the ultimate flexibility although in practice the council will endeavour to avoid drawing down the capitalisation direction, either in full or part, by delivering additional asset sales.
79. Based primarily on the reduction in the overall size of the transformation programme the latest profile of expenditure the council will need either capitalisation directions or additional capital receipts to fund is set out as follows.

Figure 15: Latest Capitalisation Direction – Flexible Use of Capital Receipts

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	Total £m
Transformation Investment Programme	19.90	20.29	6.74	46.93
Children's Services Transformation Programme	1.92	5.00	3.00	9.92
Adult Services - Care Technology October	0.00	0.35	0.15	0.50
Adult Services Transformation Programme	0.00	2.75	2.75	5.50
Capital Receipts - already delivered in previous years	(1.90)			(1.90)
Capital Receipts - previously scheduled and assumed deliverable	(7.40)	(3.70)	(1.10)	(12.20)
Capitalisation Direction	12.52	24.69	11.54	48.75

80. Over and above the investment in the core transformation programme, Figure 15 includes £9.92m investment in a Children's Services service specific transformation programme and a £6m investment in a similar programme for Adult Social Care. These continue to be linked to the delivery of £26.1m in assumed and currently unidentified savings in these services areas across the financial years 2024/25 to 2026/27. Savings of this nature were first included in the 2022/23 budget by applying a 2.99% future year's spending restriction to the 2021/22 budget and from 2024/25 converting that into an absolute value. The assumption is this will be the target savings that the service specific transformation investment will deliver. Any drawdown on these funds will be subject to the successful delivery of a business case to Cabinet/Council as necessary which demonstrates the expenditure accords with the statutory definition of transformation as per the regulations and identifies a clear link to the savings that will be delivered.

81. In respect of the additional asset sales for 2022/23, Council at its meeting on the 10 January 2023 agreed to dispose of the following:
- Wessex Trade Industrial Centre
 - Airfield Industrial Estate Christchurch
 - 35 Willis Way Fleet Industrial Estate, Poole
 - Land at Crescent Road
82. Ideally in a completely robust budget position, via the recommendations of this report, approval would be sought for the asset disposals now required to deliver the additional capital receipts in 2023/24. However, Council on 10 January 2023 agreed to establish a cross-party working group to review the capital disposal strategy for 2023/24 with an intention that this group makes recommendations to Council as to the assets that should be sold. It is therefore suggested that this group makes its proposals by the end of June 2023. An associated issue is that the precise value of any additional sales required in 2023/24 will depend on matters such as the extent to which a capitalisation is drawdown in 2022/23 and the extent to which the previously assumed and recently agreed additional asset sales in 2022/23 are delivered. Current monitoring indicates that it will be challenging to deliver at least £4.3m of the £7.4m originally assumed 2022/23 asset sales. Council can though be assured it has significantly more assets that could be sold to generate such values, but it will be important that the process of disposal is started early in the new financial year to guarantee receipts are delivered by 31 March 2024.
83. The current FUCR guidance requires the efficiency statement to be approved by Council and that the Department of Levelling Up, Housing, and Communities are duly notified so they can keep track of the planned use of this flexibility for national purposes.

Business Rates

84. Our current financial planning assumption is that the council will retain £59.2m in business rates for 2023/24, excluding the impact of prior year surplus and deficits. This is an improved position compared to the 2022/23 budgeted amount as the impact of the revaluation for 2023 meant an overall increase in business rates valuation for the BCP Council area of 9.5%, compared to the last revaluation in 2017.
85. The revaluation is intended to be fiscally neutral at both the national and local level. The business rates multiplier is adjusted to offset the increase in rateable values. To some degree this is a judgement: although the VOA know the increase in rateable values, they must estimate the losses in future business rates income arising from successful appeals. At BCP Council, the revaluation technical adjustment offsets the change in an authority's retained business rate income (non-domestic rating income plus s31 grants for reliefs) but the projected appeals are forecasted to be less than the multiplier allows.
86. Based on the NDR1 return, the net collectable business rates for the BCP Council area is £105m.

Post Covid19 – Recovery of Sales, Fees, and Charges Income

87. In setting the 2021/22 budget income targets for many services provided for time-limited adjustments to reflect the anticipated timeframe over which income was expected to recover from the pandemic. This adjustment reflected the pandemic had led to a 10% fall in economic activity over 2020 and an assumption that economic activity nationally was not expected to return to pre-Covid levels until 2023.
88. The 2022/23 Budget assumed the further recovery profile in the councils' sales, fees and charges income as set out in figure 16 below.

Figure 16: Recovery of sales, fees, & charges income included in the 2022/23 budget.

Budget Report 2022/23 Recovery Profile	22/23 £m	23/34 £m	24/25 £m	Total £m
Sales, Fees & Charges Income	(7.8)	(1.9)	(1.4)	(11.1)

89. The proposed budget as set out in this report assumes that besides car parking the final recovery will now occur completely in 2023/24 rather than being spread over the two financial years 2023/24 and 2024/25. The analysis of the income streams this assumption relates to is therefore set out in figure 17 below.

Figure 17: Recovery of sales, fees & charges income included in 2023/24 budget

	23/24 £000s	24/25 £000s
Operations – Transport – Car Parking Income	(2,067)	(1,033)
Operations – D&C – BH Live Service Fee	(95)	-
Operations – Communities – Market Income	(50)	-
Customer – Car Parking Income Civic Buildings	(10)	-
Total	(2,222)	(1,033)

90. It is important to acknowledge that the above income assumption is before any savings, efficiency or additional income assumptions set out in appendix 4a.

Assumed savings and efficiencies

91. Figure 18 below identifies that £34.8m in additional savings and efficiencies have been identified by services in establishing the budget for 2023/24 and these include assumed savings from the council wide transformation programme. These figures do not reflect several proposals to mitigate cost pressures or the assumed further recovery of sales, fees, and charges income from the impact of Covid-19.
92. Across the first five years of BCP Council the savings have flowed from reduced staffing, reduced operational costs, or from creating common and consistent charging policies. A detailed schedule of these assumed savings for 2023/24 is presented as appendix 6a.
93. It should be highlighted that from 1 April 2024 onwards the MTFP assumes as a matter of policy that locally set fees and charges will increase with inflation.

94. Figure 18 below sets out an analysis of the £82.7m budgeted savings and efficiencies for 2019/20 (£11.2m), 2020/21 (£9.4m), 2021/22 (£20.7m), 2022/23 (£6.6m), and 2023/24 (£34.8m).

Figure 18: Analysis of service-based savings (shown on an incremental basis)

	Budgeted 2019/20 £m	Budgeted 2020/21 £m	Budgeted 2021/22 £m	Budgeted 2022/23 £m	Estimate 2023/24 £m	Total £m
Staffing and organisation	(5.3)	(2.9)	(1.8)			(10.0)
Transformation Programme			(7.5)	(1.2)		(8.7)
Transformation General		(1.0)	(0.3)			(1.3)
Democratic Representation	(0.5)					(0.5)
External Audit	(0.2)					(0.2)
<i>Service Efficiencies</i>						
Adult Social Care	(2.0)	(2.0)	(5.8)	(2.1)		(11.9)
Children's Services	(0.2)	(0.1)	(0.7)	(2.2)		(3.2)
Operations	(0.7)	(0.7)	(1.7)	(0.8)		(3.9)
Resources	(0.7)	(0.3)	(0.8)			(1.8)
Commercial Opportunities	(0.7)	(0.3)				(1.0)
Fees and Charges	(0.9)	(2.1)	(2.1)	(0.3)		(5.4)
2023/24 Budgeted Savings						
- List One					(32.9)	(32.9)
- List Two					(1.6)	(1.6)
Total	(11.2)	(9.4)	(20.7)	(6.6)	(34.5)	(82.4)

95. These total savings can be compared to the £14.2 million (£9.2 million net) that Local Partnerships stated could be realised in BCP Council in their August 2016 financial model associated with local government review (LGR) in Dorset. Across the two new unitary councils the savings total was forecast to be £27.8 million gross or £18.1 million net, which was after allowance had been made for savings from joint working prior to the 1 April 2019.

Schools Forum

96. Schools Forum is a statutory body of the council and must be consulted on all school funding budget allocations. It also has a range of decision-making powers regarding the level of budgets held centrally and whether any funding provided for mainstream schools can be transferred to other budget areas.
97. The BCP Schools Forum has a complement of twenty-four members with representation from all categories of schools. Two meetings were held over the autumn and one in early January 2023, with recommendations and decisions made for the BCP Council budget regarding school funding through the ring-fenced DSG.

Dedicated Schools Grant (DSG)

98. The gross DSG of £334m provides funding for mainstream schools for pre 16 pupils, private, voluntary, and independent nursery providers, a small range of central school services (for example, school admissions) and specialist provision for children and young people with high needs. High needs budgets include funding for mainstream schools and

specialist providers to support pupils with education, health, and care plans (EHCPs) aged 0-25, and those educated out of school, for example due to permanent exclusion or medical needs. Academies are funded from the gross DSG allocation but with amounts subsequently recouped by the DfE to enable the budget share for pre 16 pupils to be paid directly by the Education & Skills Funding Agency (ESFA).

99. The DSG is allocated to the council through four funding blocks, each with its own national formula methodology: early years, mainstream schools, high needs, and central school services. Distribution to councils linked to historic allocations has now largely ended, with some funding protection mechanisms in place to reflect that expenditure patterns once well-established cannot be changed quickly.
100. The council brought forward a DSG accumulated deficit of £20.3m in April 2022 due to the now recognised national underfunding of the high needs budget. The deficit was budgeted to grow by £16.7m during the current 2022/23 financial year. The deficit arises from the restrictions in how funding can be moved between blocks with it not possible to reduce expenditure to balance the account as well as meet the statutory education entitlements of pupils identified with high needs. In the December report a £1m improvement in the budget gap was projected. Latest estimates reduce this to £0.4m as new placements have been made at higher costs than expected. The projected 31 March 2023 position is as follows.

Figure 19: Summary position for Dedicated School's Grant 2022/23

Dedicated Schools Grant	£m
Accumulated deficit 1 April 2022	20.3
Budgeted high needs shortfall 2022/23	16.7
Projected in-year saving	(0.4)
Projected accumulated deficit 31 March 2023	36.6

101. The accumulated deficit on the DSG is currently forecast to grow as follows.

Figure 20: Accumulating deficit on the Dedicated Schools Grant

	Balance Actual 31/3/22 £m	Balance Estimate 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 (1)	(20.3)	(36.6)	(63.7)	(106.6)	(159.8)	(224.0)
Dedicated Schools Grant (2)	(20.3)	(36.6)	(63.7)	(105.9)	(157.8)	(218.7)

Line (1) represents how the DSG deficit would grow based on the current pattern of provision and growth, with no new actions beyond those already planned.

Line (2) assumes savings can be delivered with a high confidence level from the activities identified through the DBV programme (see section below). The timescale to deliver most savings is beyond the MTFP period. By March 2028 (a year beyond the above plan) cumulative savings over the 5 years with the assumptions in the above table are projected at £14.5m. The best-case scenario identified (not assumed for line 2) are cumulative savings over 5 years of £32 million. Savings are from 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.

Detailed internal work has taken place to project the March 2023 deficit and growth up to March 2024 with funding known for this period. The figures beyond March 2024 are based on the work of the DBV consultants.

High needs block - £59m

102. The issue of local authorities incurring expenditure greater than the resources made available by government for the High Needs Block of their Dedicated Schools Grant has been an issue ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014. 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. It is widely acknowledged that Local Authorities have all the responsibility for maintaining high needs expenditure within budget, and yet have almost no hard levers within which to affect this.
103. The Department for Education (DfE) strategy for tackling the national problem of accumulating deficits on the DSG due to the expenditure on the high needs block is;
1. **Safety Value:** In April 2022 nine authorities, on top of a previous five, were told to make structural reforms to their special educational needs and disabilities (SEND) services in exchange for a government contribution towards their accumulated and projected deficits on their DSG. Dorset Council (DC) was one of them. BCP Council was not invited to be part of the Safety Value mechanism because at the time our deficit compared to our dedicated schools grant was not one of the highest.
 2. **DBV:** A number of authorities who have growing and accumulating deficits but whose deficits at the time were not one of the highest were invited to take part in the governments voluntary transformation programme "Delivering Better Value (DBV) in SEND" programme. BCP has agreed to be part of this programme and it is linked to Ofsted as we have a Written Statements of Action. As part of this programme the Council will get access to resources to support the delivery of reforms.
 3. **Statutory Instrument:** Any private sector organisation which has negative reserves on its balance sheet, is likely to fail the "going concern" accounting concept. In local government a material uncertainty related to "going concern" is unlikely to exist as the financial reporting framework assumes the council's services, at least its statutory services, will continue to be delivered in all scenarios. Therefore, in local government the most likely scenario is the councils Section 151 Officer would have to contact DLUHC to advise them of their financial concerns and possibly issue what is referred to as a s114 report. A section 114 notice would result in an immediate and severe curtailing of activity to the provision of non-statutory services. Even statutory services may be subject to a reduction in frequency or quality.

Due to the accumulating deficit on our Dedicated Schools Grant, BCP Council is projected to have negative reserves by the 31 March 2024.

However, to mitigate this position, which is a problem nationally, the government issued a DSG statutory override by way of a statutory instrument (SI) for all authorities which became law at the end of November 2020. This SI means the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist.

The statutory instrument reads as follows.

Where a local authority has a deficit in respect of its school's budget for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, the authority—

(a) must not charge to a revenue account an amount in respect of that deficit; and

(b) must charge the amount of the deficit to an account established, charged and used solely for the purpose of recognising deficits in respect of its school's budget.

On the 12 December 2022 as part of a local government finance policy statement government announced the extension of the DSG statutory override for a one-off period of three years up to 31 March 2026.

At the end of the three-year extension BCP Council is currently forecast to have an accumulated deficit in the region of £160m, which either the government, the council, schools, or a combination thereof will need to finance. Therefore, as a sector, local government continues to look to government to find a long-term solution.

It should be highlighted that the council is required to cash flow the DSG deficit which means it either has less cash on which to earn interest, it must borrow more and cover the cost of this borrowing, or a combination of the two. Based on an average deficit of £50m 2023/24 and forgone investment income say at 2.5% it is estimated that having to cashflow the DSG deficit will cost the council approximately £1.25m in 2023/24.

4. **Additional funding:** As part of the Autumn Statement the government announced that the core schools' budget will increase by £2bn in 2023/24 and £2bn in 2024/25 over and above the amounts included in the 2021 Spending Review. £400m of this additional £2bn is being allocated to high needs budgets. 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 includes providing a minimum funding uplift of 3% to top up band funding levels compared with 2021/22 and as a separately identifiable funding stream a further 2.4% based on estimated average top up funding for 2022/23. The DfE would have to approve any override of these conditions for individual schools.
5. **Reforms:** Early in the new financial year alongside their SEND Improvement Plan the DfE will support all local authorities to look at what positive action can be taken now to bring high needs costs under control, to bring down DSG deficits and prepare for wider SEND system reform.

Early years block - £22 million

104. The Department for Education (DfE) introduced a national formula in 2017/18 to fund Local Authorities for the free education childcare entitlements for those aged 2, 3 and 4. This provided a significant increase in funding for the legacy councils in the first year of a static 3-year funding rate. An increase of less than 2% was applicable for all local authorities in 2020/21 and 2021/22. The increase for 2022/23 was improved at 4% but a greater proportion of funding needed to be set aside locally for the SEND inclusion fund paid to providers to support the rising number of children identified as needing additional support within settings. The increase affordable for the formula base rates paid to providers from early years funding was again only 2%, although the schools Forum agreed to top this up from surplus school block funding. This was for one year only so it would act to suppress the % increase in provider funding affordable from the early years funding in 2023/24.

105. The funding increase from government for 2023/24 across the early years age range averages 5.2%. A consultation took place with all providers based on indicative funding in December / early January regarding how the provider funding formula is to be updated for the new funding level. The outcome of this was considered by the School's Forum in January 2023 and a recommendation made to Council which is considered in a separate report on the meeting agenda. School's Forum also agreed at the meeting that surplus schools block funding could again be allocated to support SEND in early years.
106. The level of funding retained for central budgets relating to the free entitlements has been agreed by the school's forum. The amount centrally retained is the same as last year and less than the 5% maximum allowed.

School's block - £251.1 million

107. The national funding formula (NFF) for mainstream schools funding provided a £3.7m (1.5%) increase for 2023/24 due to uplifted formula values and revised local school data. A further £2.3m (1%) has been provided in final allocations through growing pupil numbers from the October 2022 school census.
108. Consultation was undertaken with all schools in November / December regarding the mainstream school formula and level of funding transfer to high needs in 2023/24. The School's Forum received the outcome of this consultation in January. A separate paper on this meeting agenda includes proposals for Council decisions regarding the mainstream school's formula.
109. As last year, a mainstream school additional grant (MSAG) outside the DSG in 2023/24 of £8.5m is being allocated to schools by the DfE to reflect unforeseen additional cost pressures that have emerged since the DSG funding announcements in July 2022. This funding will be allocated using some of the same factors as within the schools NFF and will be subsumed into the DSG in 2024/25. The DSG increase and additional grant together provide an increase to mainstream schools of 5.9%.
110. Also included in the school's block is funding for pupil growth in mainstream schools from September 2023. These allocations are made to schools where growth meets specific national criteria. The DSG allocation has decreased slightly compared with last year.

Central school services block - £2 million

111. The funding is provided largely through a national formula for on-going functions with the per pupil rate reducing annually from the transitional protection arrangements. Pupil number growth provides some mitigation with only a small overall reduction between years. Historic commitments in BCP are being funded at the announced 20% planned reduction with an application to the DfE to have funding restored to previous levels in progress. Funding in this block supports specific central services for all schools and the DSG budgeting system. The School's Forum has agreed the budgets are set at the level of funding.

Maintained schools

112. On 1 April 2022, one maintained primary school joined a local multi-academy trust. BCP therefore, currently has 15 schools plus the Christchurch learning centre to maintain as of April 2023. Funding to continue statutory services for maintained schools is to be provided from central retention of maintained school budget shares through agreement of maintained schools representatives at school's forum. This retention totalling £0.2m has been agreed by the relevant members of the School's Forum. A

separate de-delegation of funding to continue school improvement functions for maintained schools previously funded by DfE grant has also been agreed. Funding approval through the School's Forum for these statutory services needs to be sought each year.

Academies

113. Academies are independent organisations; their funding and expenditure is not contained within the council's budget.

Education & Skills Funding Agency (ESFA)

114. Funding for mainstream post 16 pupils is provided by the ESFA and is passported directly to schools. This budget remains estimated as the ESFA will not provide the detail of allocations until later in the year.

Schools' pupil premium

115. The school pupil premium is funded by the DfE and is passported to schools. It is allocated according to the number of pupils eligible for free school meals (FSM) from low-income criteria, Children in Care (CiC) or adopted, and of forces personnel with funding rates uplifted by 5% for 2023/24.

Capital strategy

116. As part of providing vital services to our local community, the council is required to invest in, and maintain, a portfolio of land, property and other assets including.
- Highway infrastructure such as roads, footways, and bridges.
 - Schools and adult education centres.
 - Parks and open spaces including the seafront and coastline.
 - Vehicles, plant, and equipment.
 - Administrative offices.
 - Approximately 9,575 council homes (through the Housing Revenue Account).
117. The council's capital investment programme sets out the resources that it has agreed to spend on such assets and in doing so driving local economic growth and supporting the delivery of council services.

Capital Strategy: Overview and core principles

118. The capital strategy is based on the following core principles:
- Capital projects are supported by appropriate business cases, that clearly identify funding sources, and are approved in accordance with the council's financial regulations. No project that relies on government grant, external funding (including third party contributions) or capital receipts can commence until the council has complete assurance the funding will be / has been received or has otherwise explicitly agreed to accept the risk.
 - The use of prudential borrowing for capital projects where no alternative source of funding is identified must comply with published HM Treasury PWLB borrowing restrictions. Business cases must demonstrate the debt is affordable, prudent, and sustainable and that the council is able to meet annual borrowing repayments. The council's overall borrowing capacity is set out in its treasury management strategy.

- Interest rates from the council's invest-to-save framework (which provides a framework through which to recognise an appropriate level of risk for each project) are applied to all business cases that rely on future income streams from which to meet annual borrowing repayment costs. Such business cases are required to show the impact on affordability by reference to the current prevailing and the invest to save interest rates.
- BCP Council's capital resources (community infrastructure levy (CIL), developer s106 contributions, capital reserves, capital receipts) are prioritised towards:
 - commitments under the council's flexible use of capital receipts strategy
 - schemes which require a local contribution to leverage in capital grants or external capital contributions
 - schemes which enable delivery of the savings assumed within the MTFP
 - schemes which enable the council to exploit its assets
 - schemes which protect key infrastructure
 - schemes considered a corporate priority.
- No resources are earmarked within the capital strategy for the consequential impacts of capital investment on the council's revenue budget (for example programme maintenance). These must be identified and managed within revenue budgets set as part of the MTFP.
- Funding earmarked for delivery of the capital strategy (including external government grant and new borrowing facilities) is only recognised within the capital programme as these funds are used / allocated to approved capital projects.

Capital Investment Programme (CIP) - overview

119. BCP Council's 5-year Capital Investment Programme (CIP) consists of £180m capital budget in 2023/24 and a further £153m capital budget in the following four years, a total 5-year programme of £333m spend on assets and infrastructure across the conurbation. The programme includes capital projects commissioned through BCP FuturePlaces on behalf of the council, but excludes projects undertaken by the Bournemouth Development Company (BDC). The latter are approved, monitored, and reported outside of the council's general fund capital investment programme.
120. Cabinet on 28 September 2022 agreed to remove from the capital programme the council's debt commitments to the BDC Winter Gardens and Cotlands developments.
121. A number of regeneration business cases are being progressed by BCP FuturePlaces Ltd. These schemes will be added to the CIP once approvals have been obtained separately via reports and decision records that will be considered by Officers, Members, Cabinet and Council as appropriate.

Capitalisation of Highway Neighbourhood Expenditure

122. Following on from decisions to capitalise around £1m highways maintenance neighbourhood expenditure as part of both the 2021/22 financial outturn and 2022/23 in-year position, the budget proposes to capitalise £0.9m per annum from 2023/24 onwards. The spend includes investment in the replacement of kerbs, bollards and fencing, inspection works that result in capital replacement works, inspection works that result in new pipework's, and chambers and replacement of failing assets. Accounting treatment (as set out in the CIPFA Code of Practice) permits the capitalisation of such spend. It is proposed that prudential borrowing is used to fund the expenditure, to be repaid over 25 years. The cost of the additional borrowing has been factored into the

budget for 2023/24 and reflects the implications of both the 2021/22, 2022/23 and 2023/24 borrowing.

Capital Investment in Seafront Infrastructure

123. Further to the Provision of Beach Huts paper presented to Cabinet on 14 December 2022, the service has ongoing revenue funding to support major capital investment of £5m every 25 years funded by prudential borrowing.

Council Newbuild Housing and Acquisition Strategy (CNHAS)

124. At the 7 September 2022 Cabinet meeting it was unanimously agreed to recommend that Council approves:
- a. The increase to the budget for street acquisitions (programme 4a) previously approved by Council in February 2022 from £47.9 million to £68.8 million. This was subject to confirmation from the council's Chief Finance Officer in advance of committing sums contractually, that appropriate capital funding has been identified and approved. Also, that the investment demonstrates robust value for money and there is certainty that the investment is an improvement on the current plan's financial performance. The additional £20.9m has been added to the CIP.
 - b. The expansion/amendment of the types of building and housing units within them that can be purchased to include - where part of regeneration and/or permitted development activity:
 - i. newbuild residential units, both as individual acquisitions and
 - ii. block purchases of multiple units whose total costs exceed £1m but are delivered within the budgetary constraints of the programme with the average individual new unit total scheme cost below £0.5m each
 - c. Delegation to the Chief Operations Officer, in consultation with Director of Finance, Director of Housing, Monitoring Officer and Portfolio Holders for People & Homes & Development, Growth and Regeneration the approval through an officer decision record process of any purchase of a block of housing units in paragraph b) ii above.
 - d. Delegation to the Chief Executive to agree a process for securing an independent assessment of value for money relating to any acquisitions where council officers or elected members have an interest.
 - e. BCP Council execute the appropriate Homes England grant agreement.
 - f. An appropriate option for the Princess Road development is to be taken forward with details contained in the September report confidential appendix.
125. Subsequently, an officer decision record dated 7 October 2022 used the chief executive's urgency powers to approve items b), c), d), and e) in the paragraph immediately above.
126. This report requests Council's approval regarding recommendation a) above and the increase of £20.9m to the acquisition programme.

Futures Fund

127. In addition, as part of the financial strategy supporting the 2023/24 budget the council revised the principles around the £50m Futures Fund and £20m Green Futures Fund. Decisions will now be made as proposals are brought forward in line with existing council policies and decisions.

128. Commitments made to previous schemes under the Futures Funds and Green Futures Fund remain within the Council's budget and MTFP. For clarity, this includes;
- | | |
|--------|--|
| £5.87m | Smart Places Gigabit project |
| £4.0m | Wessex Fields – road infrastructure |
| £2.6m | Pokesdown Railway station |
| £1.2m | Match funding to the resources provided by Salix |
129. The council's HRA capital budgets are also reported separately to the general fund capital investment programme.
130. Outside of the budgeted capital programme, the council will continue to encourage, support, and enable strategically important private or public investments that benefit the conurbation including investments by the local universities, local organisations affiliated with the National Health Service, Bournemouth and Poole College, Port of Poole, Bournemouth Airport, academies, and other local employers.

Capital – planned expenditure

131. Over the next five years, £333m capital investment is approved and planned across all service directorates. The investment is broad and ranges from investment in adult social care to major transformation programmes. A full listing of capital projects is provided in Appendix 7a. Further detail on the planned investment by directorate is also provided in Appendix 7b.
132. Figure 21 presents a high-level summary of planned capital spend over the next four years. Of this £180m is planned in 2023/24. Around 35% of planned 2023/24 spend is on investment in highways and coastal protection across the conurbation (including the Transforming Cities Fund (TCF) Programme). Significant investment (37% of 2023/24 spend) is also planned on housing, regeneration, and major projects. This includes the Council Housing Newbuild & Acquisition Strategy (CHNAS) and major place-shaping developments delivered in partnership with BCP FuturePlaces. Ongoing investment in estates, fleet operations, seafront development, and organisational design is also planned for 2023/24 (around 26% of planned expenditure).

Figure 21: Capital Investment Programme to March 2028

Capital Investment Programme 2023/24 to 2027/28						Total 2023 to 2028 £'000
General Fund	Planned Programme 2023/24	Planned Programme 2024/25	Planned Programme 2025/26	Planned Programme 2026/27	Planned Programme 2027/28	
	£'000	£'000	£'000	£'000	£'000	
Adult Social Care (Integrated Community Equipment)	2,206	2,172	2,180	2,196	2,214	10,966
Children's Services	845	775	375	325	-	2,320
Transport & Engineering - Highways (inc indicative Pothole Grant and Local Transport Plan Grant)	12,813	8,788	8,788	8,788	8,788	47,965
Transport & Engineering - Transforming Cities Fund	34,821	-	-	-	-	34,821
Transport & Engineering - coastal protection	16,255	7,329	7,347	1,862	-	32,792
Economic Regeneration	1,869	-	-	-	-	1,869
Major Development Projects	27,341	9,636	35	-	-	37,013
Destination & Culture (inc seafront development)	29,781	12,160	-	-	-	41,941
Housing & Communities (inc major housing development)	38,010	35,149	19,673	1,424	1,424	95,679
Hard Facilities Management (corporate estates)	674	518	518	518	518	2,746
Environment (waste, fleet, parks & open spaces)	11,918	6,873	410	410	410	20,021
Resources (ICT investment including Organisational Design)	3,660	905	-	-	-	4,565
Capital Investment Planned	180,193	84,304	39,325	15,522	13,353	332,697

133. The CIP consists of capital schemes that have either already been approved or that seek approval in accordance with the council's financial regulations and governance framework. It excludes potential new projects that have not yet progressed to a stage where they have been fully costed.
134. The CIP is underpinned by separate capital strategies / reports including:
- CIP individual project listing (Appendix 7a)
 - CIP narrative by directorate (Appendix 7b)
 - IT & IS capital infrastructure investment plan (Appendix 7c to this report)
 - Local Transport Plan (separate report to be subsequently considered by Council)
135. The 2023/24 budget for the CIP will change over the course of the year. Unspent approved capital budget from 2022/23 will be added to the current budget 2023/24 CIP, new capital projects will be approved and others potentially revised. In-year government grant allocations will be finalised, and the CIP adjusted where indicative grant allocations have been used.

Capital – planned funding profile

136. The CIP continues to be funded from a combination of government grant and other external funding sources (s106 contributions, CIL, and third-party contributions) and prudential borrowing. As a result of extensive capital programme refinancing over the last few years, the use of capital reserves and capital receipts to fund capital spend is now comparatively small and is restricted to legacy authority allocations of ringfenced reserves and receipts.

Figure 22: Capital Investment Programme funding profile

General Fund	Planned Programme	Total 2023 to 2028				
	2023/24	2024/25	2025/26	2026/27	2027/28	
	£'000	£'000	£'000	£'000	£'000	
Government Grant	82,384	28,729	16,881	11,835	11,406	151,236
RTB receipts	525	162	-	-	-	687
Third Party Receipts	1,371	-	-	-	-	1,371
s106	622	-	-	-	-	622
CIL	2,446	-	-	-	-	2,446
External Funding Contributions	87,348	28,891	16,881	11,835	11,406	
Corporate Revenue Funding for Capital (in year	518	518	518	518	518	2,590
Capital - Earmarked Reserves	1,492	840	-	-	-	2,332
Revenue - Earmarked Reserves	25	-	-	-	-	25
PRU Borrowing - funded from Futures Fund	5,733	4,733	-	-	-	10,466
PRU Borrowing - funded from MTFP revenue bu	85,077	49,322	21,926	3,169	1,429	160,923
BCP Funding Requirement	92,845	55,413	22,444	3,687	1,947	
Capital Investment Funding	180,193	84,304	39,325	15,522	13,353	332,697

137. Annual prudential borrowing repayments associated with the CIP have been factored into the Medium-Term Financial Plan (MTFP).

Capital – financial risks

138. The main financial risks are associated with rapidly increasing inflation driven by the post pandemic economic environment, the war in Ukraine, and government fiscal policies. Senior responsible officers (SROs) for all projects have been asked to review their projects and assess their viability. For those that have already commenced they will need to reflect on the contract position and the adequacy of any project contingencies. For those that have not started this will involve making sure that cost estimates factor in current costs of material and labour and make appropriate provision for their uncertainty moving forward. SROs for those projects funded by borrowing will be required to also consider the surety of an income stream and any necessary adjustments such as uplifts to rental income.
139. The volatility of interest rates and its impact on the cost of borrowing may also affect the ability to proceed with a capital scheme. There could be significant variances between the rate assumed in the business case and the rate when the debt is secured.
140. There is also risk associated with grant funding assumed within the CIP. This includes indicative in-year allocations (including Local Transport Plan and Disabled Facilities Grant) that are estimated based on previous in-year government grant allocations but will not be confirmed until later in the financial year. Where required budgeted capital spend in the CIP will be adjusted as indicative grant funding is confirmed.
141. The Transforming Cities Fund (TCF) was awarded on the assumption that £11.5m of third-party contributions from bus companies would form part of the local contribution requirement. This consisted of complementary bus operator investment in new vehicles, engine upgrades and investments in new routes that is not captured within the CIP but would need to be evidenced by third parties. Discussions are ongoing with bus operators to confirm the ongoing availability of this funding. The council is considering what alternative local contributions could be attributed to the TCF Programme to mitigate the potential impact. This risk has been raised with the DfT and, at this stage, they have not indicated that it would impact the overall grant award.

142. The CIP assumes the use of strategic CIL to fund specific capital projects. CIL is allocated to the programme on a 'cash receipt' basis. There is financial risk that residual unallocated CIL balances are insufficient to meet new community infrastructure needs – for example those arising from new CNHAS housing developments.

Asset Management Plan (AMP)

143. An asset management plan (AMP) is the foundation to ensuring the council's portfolio of assets is being managed in the most efficient and cost-effective way. It is a time-bound commitment to action that ensures that the council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability.
144. Attached as Appendix 8 is an initial AMP for the council. It is recognised that this document will need to evolve into a more comprehensive and traditional full plan as advocated by best practice. This will take place alongside the implementation of a new organisational structure to centralise all aspects of land and property management, referred to as a corporate landlord model (CLM).
145. Appendix 8 also includes a high-level action plan for the next 12 months. Included is the adoption of a community asset transfer (CAT) policy which will enable community organisations to take over publicly owned land or buildings and gain responsibility for the ownership, management and running costs of assets. A consultation on the CAT policy was open between 14 September and the 25 November 2022. Feedback will help shape the policy which is then due to be brought to Cabinet in March 2023.

Summary of risks included in the 2023/24 Budget

146. The proposed revenue budget for 2023/24 includes risks which are set out clearly in this report and which mean that the council will need to focus on mitigating those risks and completing the agreed actions. The long-term financial sustainability of the council is dependent on balancing the revenue resources available each year with the costs of providing services and taking account of the impact of inflation and increasing demand for our services, both for next year and the longer-term future.
147. The risks included within the proposed budget include:
- The delivery of over **£35.5m** of List One and List Two savings on top of material reductions in the availability of one-off resources to support the summer response
 - The delivery of **£6.5m** of transformation savings (included in the £35.5m figure above) through procurement and commissioning activity that have not yet been explicitly identified.
 - Preparation for **£25m** of transformation savings through staff reductions by 1 April 2024.
 - Inflation, including the April 2023 pay settlement which has been included in the 2023/24 budget at **4.25%**.
 - The continued growth of the deficit on the DSG which is covered by the statutory override for the next three years.
148. Councillors should also be aware of the very significant changes being made to the council's operations, which add to the risks in delivering the budget including:

- Delivery of a new Finance and HR system (the Enterprise Resource Platform or ERP) across the Council in April 2023.
- Delivery of new service systems including for Adults and Children's Social Care (Mosaic), Legal Services and Planning during 2023.
- Implementation of a new pay and reward structure for every employee across the council over the next 9 months.
- The local election for the whole council on 4 May 2023.

149. The degree of risk contained within the budget requires that appropriate mitigation measures be put in place and that the executive focuses on delivering the key changes that are required to balance this budget. Corporate Management Board are clear about the actions that they need to take, and they will work with Cabinet, to put the appropriate actions in place to deliver a balanced budget once agreed by Council.

Both government and the external auditor are closely monitoring the financial sustainability of the council and while neither of those organisations can instruct the council to take specific action regarding council tax levels, they will both confirm that councillors should take account of the advice provided by its professional officers.

Reserves

150. It may be worth emphasising that reserves should not be seen in a short-term context. They should also be placed in the context of cost-of-living inflationary pressures and the high level of uncertainty at this time. Potential cost pressures, demand pressures, service delivery improvements and the need to deliver significant levels of savings and efficiencies in balancing the 2023/24 budget will require the council's finances to be underpinned by a robust level of reserves.
151. As part of his formal annual section 25 report the council's s151 officer is required to report on the adequacy of reserves. This assessment is summarised later in this report. In general councils hold two main forms of reserves.
152. **Unearmarked Reserves** are set aside to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying risk associated with the operation of the council and the management of service expenditure, income, and the council's funding.
153. Analysis included in the June 2022 MFP update report to Cabinet showed that on a net revenue expenditure (NRE) basis despite a £0.7m additional investment as part of the 2022/23 budget the percentage dropped to 4.7% which puts us on the lower side of the median, and below the level 5% previously recommended minimum used by CIPFA.
154. To counter this the MTFP makes provision for a £1.934m investment into unearmarked reserves in 2023/24. This includes the £700k per annum included in the MTFP from 2022/23 as part of the financial strategy to gradually increase the unearmarked reserves to reflect the increasing level of annual expenditure. The decision of Cabinet in December 2022, to include within the £1.934m an additional one-off £1.234m was on the basis that this was the amount needed to bring the reserves to the 5% CIPFA minimum recommended level.
155. **Earmarked Reserves:** are set aside for specific purposes including those held in support of various partnerships where the council is the accountable body, reserves committed to supporting the 2022/23 and 2023/24 budget of the Council, reserves which represent government grants received in advance of the associated expenditure,

reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements.

156. The council had earmarked reserves of £114m as at 31 March 2022. Of this, £40m relates to government grants received in advance of the actual expenditure including £18m specifically to mitigate the impact that various Covid business rates reliefs will have on the council's business rates collection fund.
157. The financial strategy supporting the development of the 2023/24 budget set out the intention to constantly challenge each of the earmarked reserves to ensure that funds are not being tied up unnecessarily. The outcome of the review was, where appropriate, to release resources to support the proposed budgets of the council. This approach will though need to acknowledge the underlying risk associated with the growing deficit on the Dedicated Schools Grant as set out earlier in this report.
158. **Figure 23: Latest Reserve Forecast**

	Balance Estimate 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
Un-earmarked Reserves	16.0	17.9	18.6	19.3	20.0
Earmarked Reserves	17.0	12.8	12.5	12.6	12.8
Reserves established to support the 2023/24 Budget as per cost-of-living mitigation strategy					
Cost of Living Mitigation from 21/22	14.2	0.0	0.0	0.0	0.0
Redirected Earmarked Reserves	5.3	0.0	0.0	0.0	0.0
Assumed 2022/23 surplus	10.1	0.0	0.0	0.0	0.0
Total General Fund Reserves	62.6	30.6	31.1	31.9	32.8
Dedicated Schools Grant (1)	(36.6)	(63.7)	(106.6)	(159.8)	(224.0)
Dedicated Schools Grant (2)	(36.6)	(63.7)	(105.9)	(157.8)	(218.7)
Net Position DSG1 – (Deficit)	26.0	(33.1)	(75.5)	(127.9)	(191.2)
Net Position DSG2 – (Deficit)	26.0	(33.1)	(74.8)	(125.9)	(185.9)

Sensitivity analysis

159. A key determinate as to the adequacy of reserves is the sensitivity within the budget and how quickly the demands that the council is required to manage, and their associated cost, can change. It continues to be the case that relatively minor changes or shifts in key planning assumptions can have a significant impact on the council's financial position as highlighted in figure 24 below.

Figure 24: Council sensitivity to potential changes in assumptions

	Impact on level of net expenditure or council tax requirement £000's
Looked after child (average high cost - residential) – per child	578
Looked after child (average cost of top 10 independent fostering) – per child	100
Intensive homecare package for a disabled person	285
Vulnerable adults (learning disability – residential < 65)	184
Older person's supported residential care	50 <i>average</i> 177 <i>higher end</i>
Increase in adults' cost of care for every 1p increase in the hourly national Living Wage rate	100
Increase in the £7.7m cost of the concessionary fare scheme to the council	£77k per 1% increase in journey numbers

160. In being mindful of these key sensitivities it should be established that the cost of a looked after child or vulnerable adult can exceed £1m per year for a single case which the council is responsible for paying in the first instance. It is only subsequently able to reduce the amount to those shown in figure 24 above once it has negotiated a contribution from National Health Service Dorset. The risk of achieving this outcome is held by the council. It is also worth bearing in mind that every £100,000 is equivalent to the council tax generated on 62 homes (2022/23 band D equivalents).
161. Also, of relevance to the sensitivity of the budget is the robustness of the estimates made to underpin that budget. As per the position on reserves the councils s151 Officer if formally required to report on their robustness as part of his formal annual section 25 report.
162. Officers will have factored into their assumptions numerous matters such as government announcements, economic forecasts, trend analysis and professional judgement. Of particular relevance, is the uncertainty at this time due to the inflationary environment and any new programmes, initiatives or approaches being adopted for the first time which inevitably carry a greater level of risk than business as usual activity.
163. The budget as proposed is also premised on the assumption that any changes between the provisional 2023/24 Local Government Finance settlement, issued in December 2022, and the final settlement due in early February 2023, will be addressed as a movement either to or from the base revenue contingency.

Treasury Management Strategy (TMS)

164. The council's Treasury Management Strategy is subject to regular review and was last reported to the Audit & Governance Committee for monitoring and update purposes in January 2023. The council is required to set its prudential indicators in the context of

the overall strategy on an annual basis. The treasury strategy, practices, and prudential indicators for 2023/24 are set out in Appendix 9 for approval by Council.

165. A significant element of the TMS is the council's approach to balancing the risks associated with its need to borrow, namely.
- a) *Credit Risk*: Which is the risk associated with an institution failing and the council's investment being reduced due to bank bail-in arrangements. An approach to managing this risk is to use internal balances before undertaking external borrowing which will also provide a better return for the council as the cost of borrowing exceeds any value the council could earn on these internal balances.
 - b) *Interest Rate Risk*: This is the exposure to interest rate movements on its borrowing and investments. The council is susceptible to upward movements in long term rates given the amount of borrowing still required over the next 5 to 10 years.
 - c) *Re-financing Risk*: Focuses on managing the exposure to replacing current financial instruments (borrowings) as and when they mature.
 - d) *Liquidity Risk*: This aims to ensure the council has enough cash available as and when needed.
166. The strategy is significantly influenced by the requirements of the devolved system of council housing (HRA) finance. This includes the operation of a two-pool approach to debt management with the debt of the HRA (*council house tenant account*) and that of the General Fund (*council taxpayers account*) separated. All external debt is taken out by reference to the relevant pool although it should be noted that there is still flexibility to transfer debt between the two if required.
167. The strategy is also required to set out the council's approach to the repayment of debt referred to as the minimum revenue provision (MRP). In this regard the council's approach is.
- a 2% straight line method for all supported borrowing capital expenditure incurred prior to 2016/17.
 - the asset life method for all unsupported borrowing capital expenditure incurred prior to 2016/17. An average 25-year life will be used.
 - a realignment of MRP charged to the accounts to recognise excess sums made between 2004 and 2016. Total MRP after applying the realignment will not be less than zero in any financial year.
 - An asset life basis applied to capital expenditure schemes 2016/17 onwards.

Council decision in November 2022 to increase debt threshold to £1.334bn

168. A key financial matter introduced to Council via its approach to Treasury Management, and fundamentally part of its prudential indicators, was the decision in November 2022 to increase BCP's self-imposed debt threshold from £855m to £1.334bn. Previously, as part of the financial strategy supporting the development of the 2022/23 budget, council approved the extension of our borrowing threshold to £855m which at 257% of our net revenue expenditure (NRE) moved it to the mid-point range compared to upper tier authorities including metropolitan boroughs. The increase to £1.334bn which formed part of the original budget strategy for 2023/24 is based on moving our debt to 387% of our NRE and positions BCP at the top of the 3rd quarter when compared to upper tier authorities including metropolitan boroughs.

Appendix 9 reproduces the relevant benchmarking information. There are 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 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

169. As at the 31 March 2022 the council's total debt position was £477m with commitments made via the capital programme to take the debt to the £855m. Subsequently, revisions to the financial strategy meant a number of sizeable schemes were removed from that commitment, particularly those associated with Bournemouth Development Company proposals. The currently revised forecast, including commitments made up to the end of December 2022, is projecting a debt position of £704m as at 1 April 2027.
170. In agreeing in November to extend the debt threshold, Council agreed with the council's Chief Financial Officer advice, and in supporting fiscal discipline, that no further borrowing is undertaken which is not supported by a self-financing business case. Therefore, no further commitments to debt will be undertaken which would require the general fund budget of the council to finance the revenue implications of taking on that additional debt.

Changing regulations associated with debt

171. DLUHC has made it clear that local authorities taking on excessive risk and any non-compliance with the framework will see increased interventions from government potentially leading to caps on borrowing. DLUHC also made it clear that they plan to better constrain the risks associated with complex capital transactions. This includes credit arrangements, such as PFI deals or income strips, and financial derivatives. These types of arrangement can carry more risk than traditional forms of financing and require the right expertise to support effective decisions and risk management.
172. As part of this tightening DLUHC on the 12 May 2022 announced as part of its Levelling Up and Regeneration Bill, the proposal to address excessive risk arising from local authority investment and borrowing, while supporting local freedoms for investment. They propose a set metrics for local authorities including the following:
- proportionality of debt compared to the financial resources at the disposal of the authority.
 - proportion of capital assets which are investments taken out to generate net financial return or profit.
 - Whether the authority is meeting its statutory duty to make sufficient provision for debt repayment.
 - proportion of debt held where the counterparty is not local or central government including credit arrangements and loans.
 - Any other metric specified by regulations made by the secretary of state.
173. The proposals set out above also coincide with a further update to Public Works Loan Board (PWLB) guidance to address lending to authorities where there is a more than negligible risk of non-repayment. HM Treasury will be reviewing authorities that raise

concerns and that could mean limiting the loan term length generally offered or restricting lending altogether.

174. The Levelling Up and Regeneration Bill published on the 11 May 2022 proposes to amend the LG Act 2002 to give the Secretary of State powers to issue a “risk mitigation direction”. This could be issued if a council receives a section 114 notice, receives a capitalisation direction, or breaches one of the five capital risk thresholds set out above. Such directions could direct asset sales and limit council borrowing.
175. As a reminder, borrowing to fund solely for yield generating investments, from whatever funding sources, is not permissible under the Treasury Management and Prudential Code of Practice as they represent an unnecessary risk to public expenditure. Borrowing to support service-based proposals, regeneration and housing are permitted under the code. In these instances, authorities are advised to consider carefully whether they can demonstrate value for money and whether they can ensure the security of such funds.
176. Another key determinate of the Treasury Management Strategy is government fiscal policy with particular references to interest rates. The Bank of England base interest rate was 0.5% when the 2022/23 budget was set in February 2022. Since then, they have increased on seven occasions with the last move to 3.5% on the 15 December 2022. The aim of these increases is to bring inflation down to the 2% inflationary target the bank has been set by the government. Further increases are not being ruled out and the expectation is that it could take 2 to 3 years for inflation to come back in line with the target.

s151 Officer Advice on Robustness of the Budget and Adequacy of Reserves

177. In setting the budget the Director of Finance, as the Councils section 151 (s151) officer, is required under section 25 of the Local Government Act 2003 to report on the robustness of the budget and the adequacy of reserves supporting the budget. The requirement on the s151 officer is to ensure that the annual budget recommended to council is balanced (i.e., Forecast expenditure matches forecast income), is robust and therefore deliverable and has an adequate level of reserves. The s151 officer is required to ensure that the council’s approved budget addresses these three issues.
178. Ultimately, Council will determine the level of reserves and balances formally in setting the annual budget. The advice of the Chief Finance Officer must, though, be formally recorded.
179. The formal s25 Report of the s151 Officer is included as Appendix 10 to this report. In line with recommended good practice this separate report has been prepared in consultation with the Chief Executive Officer (CEO). The conclusion of the formal s25 report is that Council’s s151 Officer considers that the budget has been drafted based on an approach which is more traditional or conventional and that the council has responded positively to the cost-of-living crisis by way of its mitigation strategy. There is also sufficient evidence to support the estimates being used to prepare the budget for 2023/24 as robust provided the planned contributions to unearmarked reserves are made and the base revenue budget contingency is maintained at £2.2m. Particularly salient to this comment is the fact that the budget assumes the delivery of £35.1m in annualised savings and efficiencies which is almost equivalent to the total savings budgeted over the entire previous 3 year period and this £35.1m includes £6.5m in transformation savings which are unitemised and is not associated with an individual service area for delivery. Also included is a £2m saving from the council’s employee

base by increasing the % not budgeted to 5% where appropriate to reflect the level of typical unfilled vacancies during the year.

180. It is clear that the future financial sustainability of the council continues to be vested in the success of its transformation investment programme which is at the core of the process to bring expenditure in line with ongoing expenditure.
181. Councillors should also be aware of the risks with the MTFP assumptions from 2024/25 onwards.
 - a) transformation savings assumed at the higher end of the range, which peers would always point out are prone to optimism.
 - b) an assumption of £26.1m in service specific transformation savings within Children's and Adult services. Evidence from 2022/23 shows that the investment in Children's services was part of its improvement journey rather than clearly identifiable with transformational savings and within Adult Social Care, other than a relatively small programme around investment in technology, no other meaningful transformation programmes have yet been established.
182. Councillors should also carefully consider the risks set out in the summary of risk and risk assessment sections of this report.

Housing Revenue Account (HRA)

183. A report on the HRA and rent setting is included as a separate item on the agenda for this meeting and should be considered alongside this report to councillors in setting the budget for 2023/24.

Chief Officers' Pay Policy Statement

184. Further to the provisions of the Localism Act 2011, the council is required to publish its local Chief Officers' Pay Policy on an annual basis for consideration by council before 31 March each year.
185. The council's pay policy has been duly prepared by the human resources and organisational development service and is attached as Appendix 12 to this report to ensure the council is able to consider it this year in accordance with the statutory timetable as prescribed by government.
186. For 2023/24 the policy has been updated to reflect changes associated with special severance payments, pay supplement policy, and the scheme of delegation.

Scheme of councillor allowances

187. The council is required to adopt an annual scheme of councillor allowances as specified under the Local Authorities (Members' Allowances) (England) Regulations 2003.
188. Council on 24 November 2020 agreed a scheme of members' allowances for 2020/21 which included the principle that there would be no increase in the basic allowance for 2021/22 (frozen at £12,844) and future increases (from 2022/23 onwards) would be linked to the local government national pay award. The budget as proposed assumes this increase will be 4.25%.
189. As part of the proposed budget, provision has been made for a total cost of £1.549m in 2023/24.

Consultation

190. Under Section 65 of the Local Government Finance Act 1992, councils have a statutory duty to consult with representatives of business rate payers on its proposed expenditure for the following year. Business leaders across Bournemouth, Christchurch and Poole were invited to attend a presentation held on 3 February 2023 on the budget for 2023/24 and Medium-Term Financial Plan from the BCP Council Leader, Chief Executive, and the Chief Financial Officer.
191. The necessary additional resources, savings and efficiencies required to balance the budget over the next four years will each need to be reviewed to determine the extent to which they may require consultation. Consideration will also need to be given to the relevant period, stakeholder groups and method of consultation.

Option Appraisal

192. Numerous alternative permutations are possible around budget and council tax strategies for 2023/24. Any alternatives considered will need to be supported by an appropriate level of due diligence and the advice of the statutory officers.

Summary of financial implications

193. As set out in detail throughout the report.
194. Councillors should consider how effective the 2023/24 proposed budget will be in supporting the financial sustainability of BCP Council.

Summary of legal implications

195. The council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds it holds on their behalf and an equal duty to consider the interests of their community which benefit from the services it provides.
196. 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.
197. As a billing authority, failure to set a legal budget by 11 March 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 to allow sufficient time for the council tax direct debit process to be adhered to.

Summary of human resources implications

198. There are no direct human resource implications of this report. However, the MTFP and budget will have a direct impact on the level of services delivered by the council, the mechanisms by which those services are delivered and the associated staffing establishment.
199. This report acknowledges that the transformation programme and the actions necessary to manage future years funding gaps are likely to have an impact on future staffing levels.

Levelling Up Implications

200. The government's ambition to level up the United Kingdom is about levelling up opportunity and prosperity and overcoming deep-seated geographical inequalities. It is also about levelling up people's pride in the places they love and seeing that reflected in empowered local leaders and communities. On 14th December 2022, Cabinet noted the excellent work to positively take forward the Levelling Up agenda and agreed that work on it should continue, focusing on agreed priorities.
201. On the 13 April 2022 BCP Council received notification of a three-year allocation (2022/23 to 2024/25) of £4.196m from the UK Shared Prosperity Fund (UKSPF) and for £1.723m for the adult numeracy programme (Multiply). An overall total of £5.919m.
202. The funding is designed to support three local priorities: communities and place, support for local businesses, and people and skills.
203. Council with partners from business, education, and the community, and in consultation with approval from the relevant Portfolio Holders, developed and submitted to government an evidenced based investment plan. This set out how the funding will be targeted on local priorities and against measurable goals, deliverable over the period 2022 to 2025. The plan focused on 17 interventions from the 41 provided by government, which best help to deliver existing council strategies. The council's investment plan was approved by government in December 2022, and first year funds have been paid to the council. Members were briefed on the plan in January 2023 and were asked for their support in promoting the fund in their wards. Work is now underway to set up the appropriate governance and to create the projects that will deliver the outputs and outcomes in the plan. More details can be found in the separate report on this Cabinet agenda.
204. On the 19 January 2023, the council was informed that its round two application to the Levelling Up Fund for "BCP Coastal Communities Infrastructure" had been successful and £18.160m awarded. The council was unfortunately unsuccessful in securing funding for "Hamworthy Waterfront" and "The Lighthouse Quarter, Poole". Due to the delay from Government in announcing awards, the original expenditure timeline over the next two financial years until 31 March 2025 may be extended. Funds will be focused on repairs to Bournemouth pier, stabilisation of the East Cliff and the creation of a new lifeguard training and education centre.

Summary of sustainability impact

205. Consideration has been given as part of this budget for 2023/24 of ways in which BCP Council could contribute to environmental improvements / targets and by example encourage this approach in those with whom it deals. The intention therefore is to continue to protect the £480,000 annual budget supporting climate change and ecological emergency activity.
206. The accommodation and business transformation programmes underlying the MTFP will make the council more environmentally friendly through a reduced estate and different ways of working, including the continued ability for staff to work effectively from home. This will reduce energy consumption and pollution levels as well as produce savings to protect services.
207. In addition to the environmental and social impacts of climate change, there is a risk to BCP Council of significant financial consequences if it fails to meet its declared climate targets. Council has pledged to become carbon neutral by 2030 as an organisation and lead the area to become net zero carbon ahead of the 2050 national

target. Based on forecasts from the London School of Economics the council would have to incur costs of over £3m per annum to purchase the necessary offsetting carbon credits to meet the carbon neutral pledge in 2030. Clearly this cost will act as an incentive to the council to prioritise the activity and investment necessary to meet this priority.

Summary of public health implications

208. The budget as proposed aims to assist the council and its community address the legacy consequences of the global Covid-19 public health emergency.
209. Council continues to seek to maintain appropriate services for vulnerable residents as well as improve the sustainability of services important for the wellbeing of all residents.

Summary of equality implications

210. BCP Council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds it holds on their behalf and an equal duty to consider the interests of their community which benefit from the services it provides. In this budget the council has sought to maintain appropriate services for the most vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.
211. The impacts of the council budget for 2023/24 have been assessed considering the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and the locally observed characteristics (low socio-economic status, armed forces veterans, carers, children in care and care experienced young people, local businesses and organisations). The Equality and Human Rights Commission's six domains of equality measurement framework have also been considered, identified as the areas of life that are important to people and that enable them to flourish. These are: Education, Work, Living standards, Health, Justice and personal security, and Participation.
212. Positive and cumulative impacts on the protected characteristics of age and disability groups have been identified throughout this Equality Impact Assessment (EIA) as investments are being made in key areas to improve services for our most vulnerable residents including older people, those who are disabled and children.
213. As part of the budget, council tax is being raised to support increased service provision, which will have a positive impact on many residents. Mitigating actions have been identified to support those who would be most negatively affected.
214. Individual equality impact assessments should support some of the decisions noted in this EIA, for example with service-based savings and efficiencies and this has been noted under mitigating actions where relevant.
215. The full EINA is included as Appendix 11 to this report.

Summary of risk assessment

216. A key element of the reorganisation of local government in Dorset was the opportunity to best protect public services as central government reduced the core funding it provides to local authorities and both the demand for, and cost of, local services continued to rise.

217. This report and the outlined actions will form part of the mitigation strategy associated with the risks to the delivery of the council's objectives due to the level of available resources.
218. Throughout this report reference has been made to several key risks the council is currently exposed. Members are reminded of the following key risks.
- **Uncertainty.** High levels of financial planning uncertainty at this time caused principally by the cost-of-living crisis. Associated with this is the level of general sensitivity around changes to the level of demand for services.
 - **2022/23 Forecast Outturn.** Ensuring delivery of a £10.1m surplus in 2022/23 to confirm it is available for drawn down in support of the 2023/24 budget.
 - **Accumulating Deficit on the Dedicated Schools Grant (DSG).** Technically as at the 31 March 2024 the council is projected to be insolvent as the accumulated deficit on the DSG is predicted to be greater than the council's general fund reserves. The council is only able to avoid a s114 notice due to a statutory override that will allow the deficit to be ignored up to the 31 March 2026. It should be noted that the council does though have to cover as part of its general fund budget the financial implications of financing the cashflow associated with this deficit, less interest, greater borrowing, or a combination of the two. As it stands and without government support the council is predicted to be insolvent on the 1 April 2026.
 - **Delivery of £32.9m of List One and £2.6m of List Two savings.** There is a significant inherent risk associated with delivering £35.5m in savings. Corporate directors and service directors have expressed confidence in being able to deliver each of the savings' proposals, but there is a collective risk in managing and delivering this volume of savings in a short space of time.
 - **External Intervention - External Auditor (EA).** The EA has qualified their latest Value for Money judgement on the council due to significant weaknesses in its arrangements for financial sustainability. They will be reviewing progress carefully and will not hesitate to act if they deem it necessary to do so. This risk will increase if the budget includes and assumptions which are not robust or evidenced based or which deviate from traditional local government practices.
 - **External Intervention – Department for Education (DfE).** The council's Children's Services received an Inadequate Ofsted judgement in February 2022. Subsequently DfE appointed an Improvement Adviser as a form of intervention and are clear that if progress is not effective in the short term the question of a structural intervention, such as a children's trust, may be brought forward. This would be deemed an expensive and unsatisfactory outcome for the council.
 - **Use of One-Off resources to balance the 2023/24 Budget.** The application of reserves and one-off resources to balance the budget of the council reduces its future financial flexibility and resilience. The 2023/24 budget proposes to .
 - Utilise the £10.1m forecast financial outturn for the current 2022/23 financial year which will be carried forward via an earmarked reserve.
 - Utilise £5.3m in reprovisioned earmarked reserves to support the 2023/24 budget.
 - Utilise the £14.2m cost of living mitigation resources set aside based on the 2021/22 financial outturn to support the 2023/24 budget. These will be carried forward via an earmarked reserve.

- **Increase in debt threshold to £1.334 billion.** Council in November 2022 agreed to increase the Council's debt threshold from £855m to £1.334bn mainly in support of its "big plan" objectives including the delivery of regeneration and housing schemes. It should be recognised that the repayment of debt takes precedence over even the delivery of statutory services. All debt, even if supported by the most robust of business cases, involves a level of risk around the variables and assumptions, and therefore places a level of potential exposure on local resources.
 - **Capitalisation Direction.** If government does not agree to a final £20m capitalisation direction for 2022/23 and if the additional asset sales are not delivered in 2022/23 then the council would have no other option than to fund the current 2022/23 estimated cost of its transformation programme from its own scarce resources. All things being equal this would impede the ability to set a legal, balanced budget for 2023/24 budget without further significant additional service reductions.
 - **BCP FuturePlaces Ltd.** Council have committed a £8m working capital loan to BCP FuturePlaces Ltd a wholly owned teckal company established to drive the Councils regeneration ambitions. They recover expenditure incurred principally by being paid for successful business cases approved by the Council. The council has potential exposure based on two fronts.
 1. *any amounts drawn down from the loan which ultimately prove to be unrecoverable.*
 2. *any payments to BCP FuturePlaces for Outline Business Cases which the council charges against capital and which then must be written off as it decides not to progress with the Full Business Case.*
 - **Social Care Reforms.** There is a significant risk that the government grant funding to cover the cost of these reforms will be insufficient to cover their cost. The Autumn's Statement announcement of their delay from October 2023 to October 2025 will provide more time to consider more thoroughly any funding gap and implementation issues.
219. Additionally, the council has operational risks not previously referenced including.
- Companies.** BCP operates several companies and third-party arrangements with these organisations exposed to their own set of financial and operational risks. As such the council would only provide for its share of such risks in circumstances where the risk is likely to materialise.

Background papers

February 2022 Budget report to Council.

Appendix 3 s25 Reserves Report CFO.

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=4812&Ver=4>

June 2022 MTFP Update report to Cabinet.

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5011&Ver=4>

Finance Update (including Quarter One 2022/13 Budget Monitoring) report to 7 September 2022 Cabinet.

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5013&Ver=4>

Addendum to the 7 September 2022 Finance Update (including quarter one budget monitoring) report to Cabinet.

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5013&Ver=4>

Finance Strategy Update report to 28 September 2022 Cabinet.

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5014&Ver=4>

Finance Strategy Update report to 26 October 2022 Cabinet.

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5015&Ver=4>

Finance Strategy Update report to 23 November 2022 Cabinet

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5016&Ver=4>

2022/23 Budget Monitoring and Financial Strategy Update report to Cabinet 14 December

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=5017&Ver=4>

All these reports were subject to the scrutiny arrangements. Generally, this was in the form of specific Corporate and Community Overview and Scrutiny Committees. In addition, all councillors were invited to the Budget Café's which were run on the 7 December 2022 and the 18 January 2023.

Appendices

- Appendix 1 Letter from DLUHC Lee Rowley to Council Leader – 25 January 2023
- Appendix 2 Outstanding Policy Documents
- Appendix 3 Analysis of Budget Engagement exercise
- Appendix 4 Schedule of Council Tax by area (to follow after all precepts have been set)
- Appendix 5 2022/23 December 2022 Quarter 3 Budget Monitoring information
- Appendix 5a 2022/23 Variance Analysis
- Appendix 5b 2022/23 General Fund Summary
- Appendix 5c 2022/23 HRA Revenue - budget monitoring
- Appendix 5d 2022/23 HRA Capital - budget monitoring
- Appendix 6 Budget Summary and Absolute MTFP
- Appendix 6a Schedule of savings and efficiencies – List One and List Two
- Appendix 7 Capital Investment Programme detail
- Appendix 7a CIP individual project listing
- Appendix 7b CIP narrative by directorate
- Appendix 7c CIP IT and IS capital infrastructure investment plan
- Appendix 8 Asset Management Plan
- Appendix 9 Treasury Management Strategy (including prudential indicators)
- Appendix 9a Treasury Management Policy and Practices
- Appendix 9b Summary of Proposed CFR Debt
- Appendix 10 s25 Report Chief Finance Officer
- Appendix 10a Reserves schedule
- Appendix 11 Equalities Impact Needs Assessment (EINA)
- Appendix 12 Chief Officers' Pay Policy Statement



**Department for Levelling Up,
Housing & Communities**

Councillor Drew Mellor,
Leader, Bournemouth, Christchurch and Poole
Council,
BCP Council Civic Centre,
Bourne Avenue,
Bournemouth
BH2 6DY

Lee Rowley MP

*Parliamentary Under-Secretary of State for Local
Government and Building Safety*

**Department for Levelling Up, Housing and
Communities**

Fry Building
2 Marsham Street
London
SW1P 4DF

25 January 2023

Dear Drew

At our meeting on 19th January, you briefly talked through your proposed budget plans for Bournemouth, Christchurch and Poole Council (BCP) for 2023/24. Further to our conversation, I thought it would be helpful to set out the department's position.

As we discussed, it is the council's responsibility to agree a balanced budget and to set its council tax within the flexibility that Government has provided. As is the case for any council, any agreed budget should take account of the council's long-term sustainability and ensure the council is planning for a secure future.

You highlighted that, as part of its budget plans, the Council is considering further commercial opportunities. Clearly when approaching any commercial scheme that carries risk, such risks must be balanced against the best interests of the Council and local residents. It is for you to ensure that any budget proposal is fully compliant with statutory guidance and that you proceed with a suitable degree of caution.

In this respect I would expect the assessment of your statutory officers of any budget proposals to be carefully considered, as well as advice from relevant bodies such as the Chartered Institute of Public Finance Accountants who can help you form a view on the extent to which any proposal is in line with relevant rules and guidance.

As you know, following BCP's application for Exceptional Financial Support (EFS) last year, there are specific conditions attached to the in-principle support provided to BCP. One condition is that the Council's budget must be fully within the spirit and intent of all local government guidance. It is my expectation that BCP will take appropriate decisions fully in line with this condition.

Finally, an external assurance review of the BCP's governance arrangements was also set as a condition of BCP's in-principle support. This will be starting shortly, and we will look carefully at the findings of the review before deciding any final support for BCP.

Yours sincerely,

LEE ROWLEY MP

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BCP Council Policy and Strategy Documents

The Council's Constitution sets out that the Key Policy Framework includes the Corporate Plan and any policy or strategy required by law or by the council.

The council has identified the policy and strategy documents required to ensure the vision and priorities of the council are clear and that they are achieved through robust practice which aligns with the council's culture and behaviours.

The ongoing process of policy harmonisation and creation has ensured 149 policy documents are in place across the Council and a further 18 will be in place within the next 12 months which are set out in below:

Approval date	Policy document
February 2023	<ul style="list-style-type: none"> Housing Revenue Account Budget setting and Delivery Plans Rent Setting Policy Service Charge Policy Street Naming and Numbering Policy Corporate Property & Asset Management Strategy & Plan - outputs of phase 1
March 2023	<ul style="list-style-type: none"> Community Asset Transfer Policy
April 2023	<ul style="list-style-type: none"> Regeneration Strategy
May 2023	<ul style="list-style-type: none"> Local Transport Plan
July 2023	<ul style="list-style-type: none"> Education Strategy and Plan Building Control Dangerous Structures, Demolitions, Scaffold Licenses and Enforcement Policy Child Exploitation Policy
January 2024	<ul style="list-style-type: none"> Pay and Allowances Policy Travel and Subsistence Leave and Time Off Local Strategy for Flood Risk Management
March 2024	<ul style="list-style-type: none"> Housing Revenue Account Asset Management Strategy and LT Business Plan
2025	<ul style="list-style-type: none"> BCP Local Plan
Pending Government Legislation	<ul style="list-style-type: none"> Waste Strategy

A [policy register](#) hosted on the Council's website lists those in place.

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Have **your say**
on council priorities

Budget 2023/24

Together we can

BCP Council

BCP Council Budget Engagement 2023/24

Results

1



Methodology

The survey ran for five weeks
(Friday 18 November - Friday 23 December 2022)

The survey was available online at
haveyoursay.bcpCouncil.gov.uk/budget

Hard copies were available in libraries

2

2

Communication



The engagement was promoted widely through a variety of channels including:

- Local media coverage
- The council's social media channels
- Community and resident group facebook pages
- The council's e-newsletters
- Posters and survey material in all BCP libraries
- Drop in events in Bournemouth, Christchurch and Poole – including handing out postcards in the town centres
- All council colleagues were encouraged to share with their networks.

3

3

Response



1,473 people completed an online or paper survey.

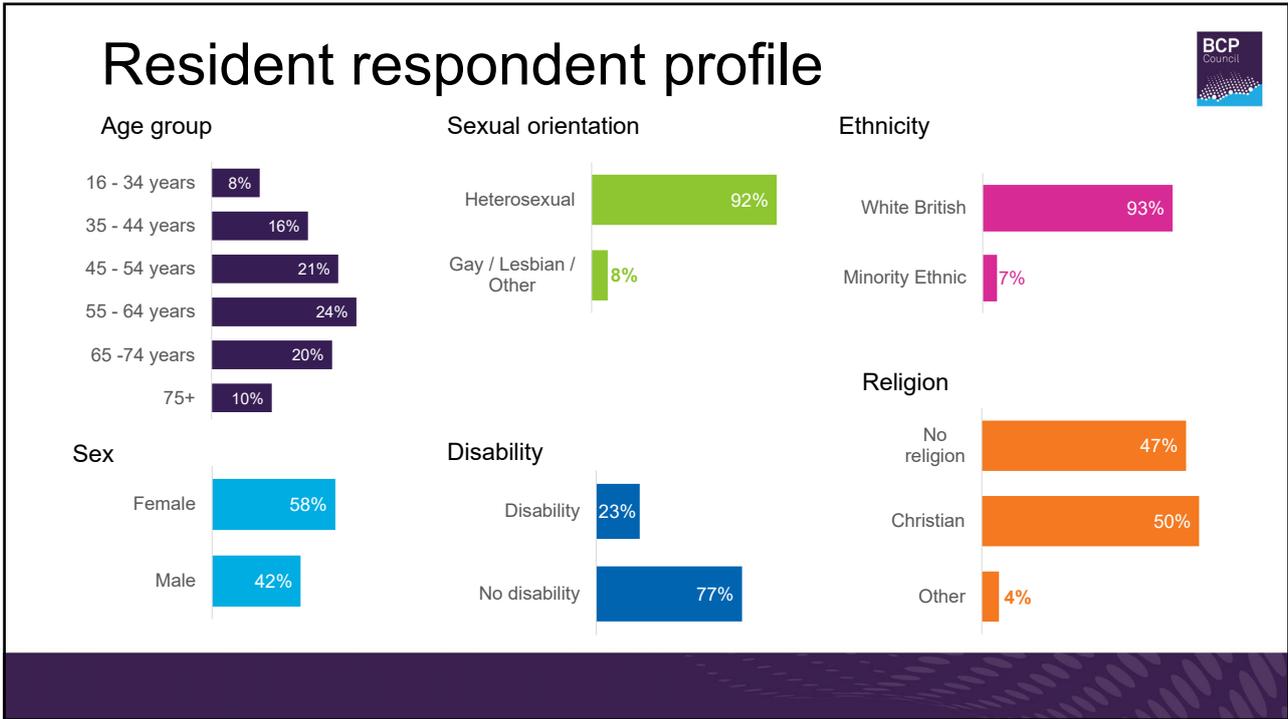
There is some overlap between groups e.g. someone may be a BCP resident and also work in the BCP area or for BCP Council

Are you responding as:	Number
an individual living in the Bournemouth, Christchurch and Poole area	1214
someone who works in the Bournemouth, Christchurch and Poole area	350
an organisation, group or business working within the Bournemouth, Christchurch and Poole area	46
someone who works for BCP Council	201
Other	135

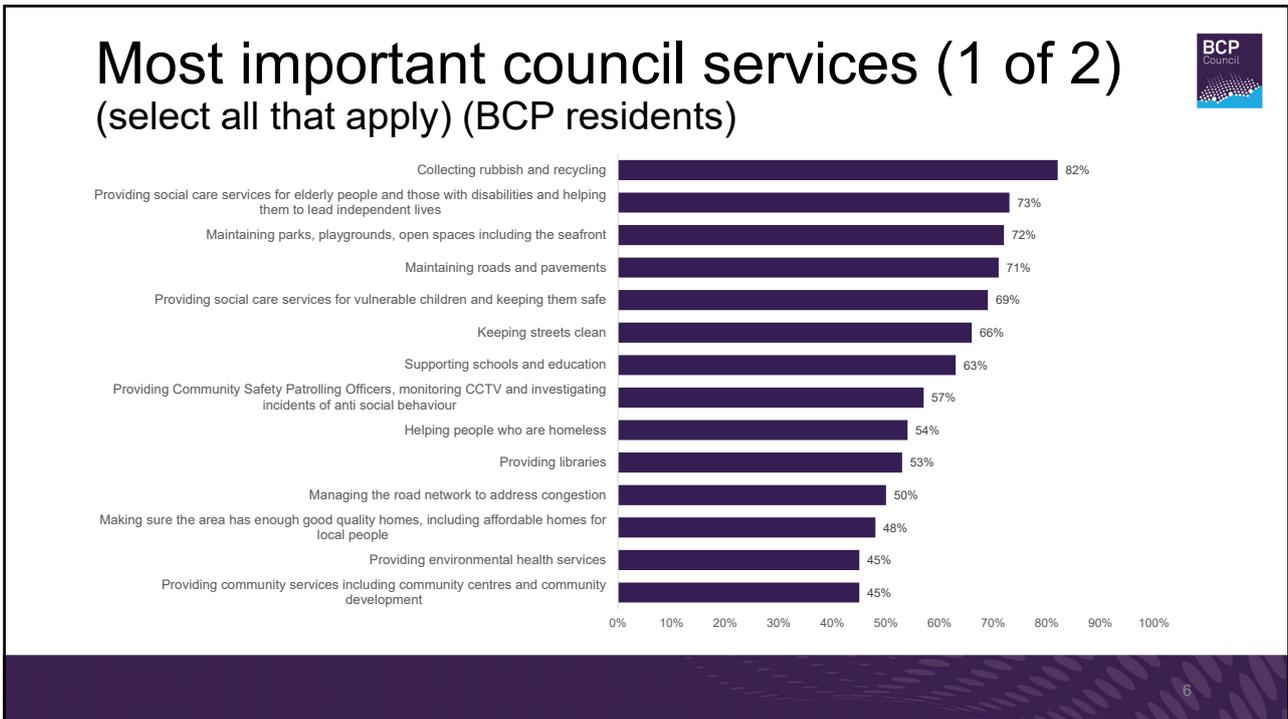
249 people submitted an idea on the ideas wall

4

4

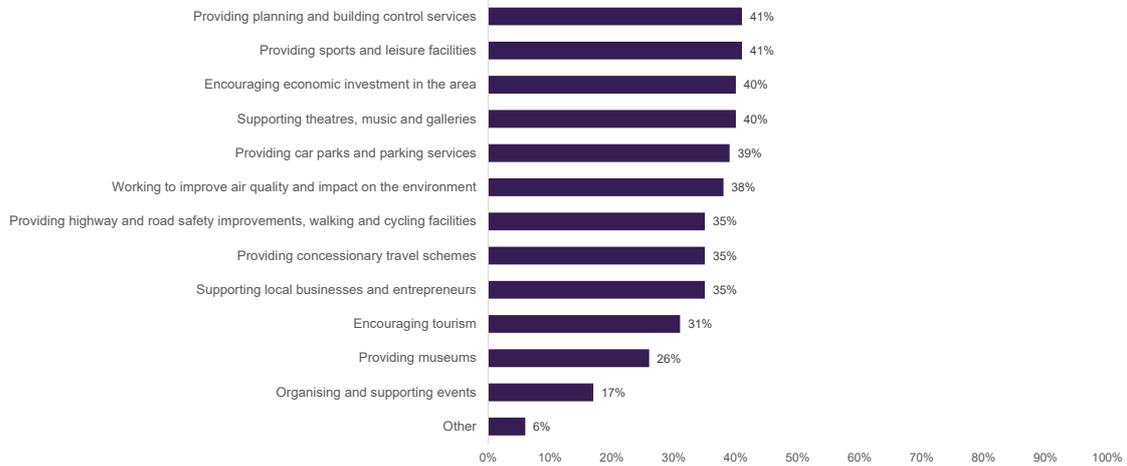


5



6

Most important council services (2 of 2) (select all that apply) (BCP residents)



7

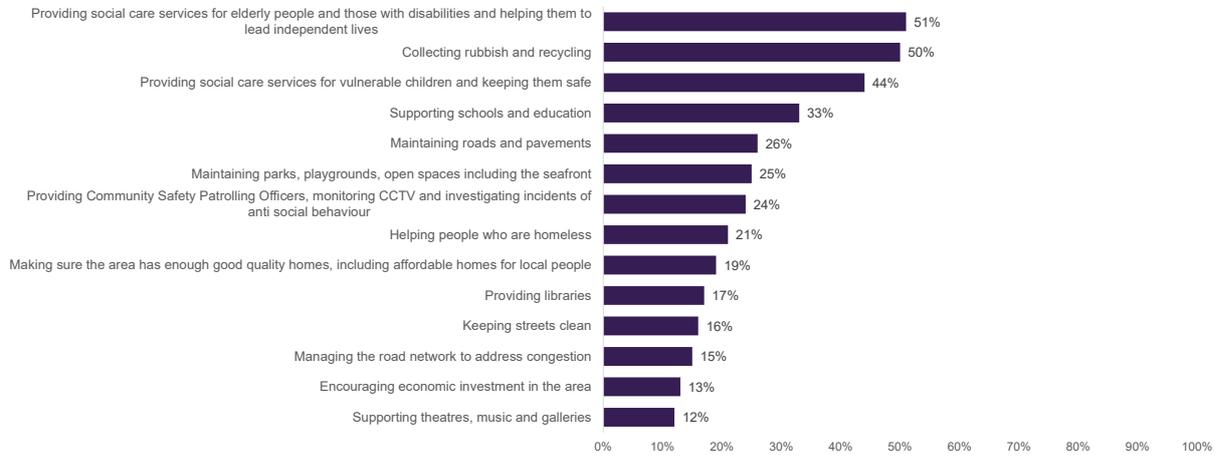
Most important council services (All)



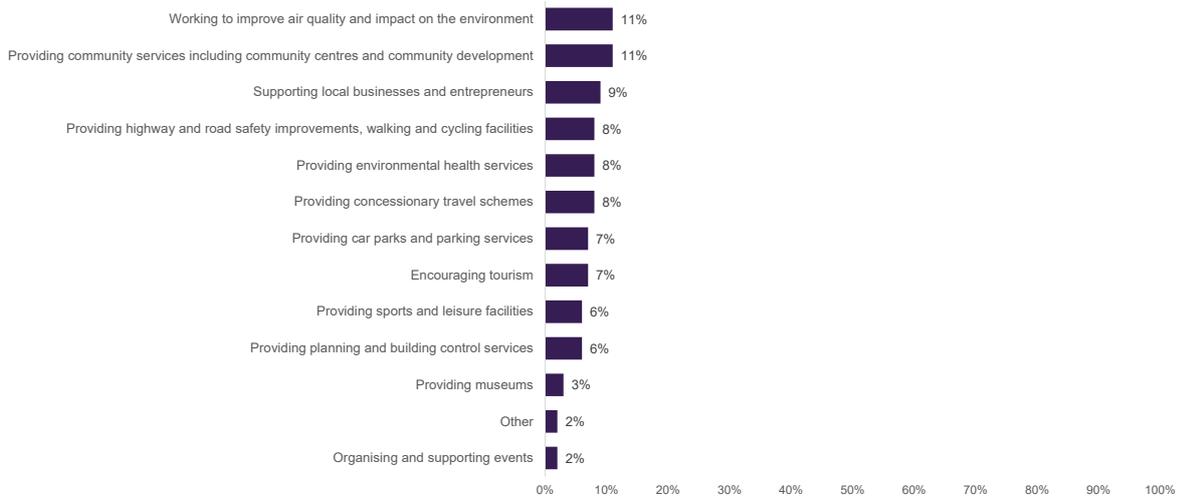
Works in area	Works for BCP Council	Business or organisation	Other respondent type
<ul style="list-style-type: none"> • Rubbish and recycling • Adult Social Care • Children's Social Care • Parks, playgrounds, open spaces and seafront • Roads and pavements 	<ul style="list-style-type: none"> • Children's Social Care • Rubbish and recycling • Adult Social Care • Schools and education • Parks, playgrounds, open spaces and seafront 	<ul style="list-style-type: none"> • Children's Social Care • Rubbish and recycling • Adult Social Care • Schools and education • Supporting local businesses 	<ul style="list-style-type: none"> • Encouraging tourism • Car parks and parking • Parks, playgrounds, open spaces and seafront • Supporting local businesses • Adult Social Care

8

BCP residents top 5 most important services (1 of 2)



BCP residents top 5 most important services (2 of 2)



Most important council services (Top 5)



Works in area	Works for BCP Council	Business or organisation	Other respondent type
<ul style="list-style-type: none"> Children's Social Care Adult Social Care Rubbish and recycling Schools and education Parks, playgrounds, open spaces and seafront 	<ul style="list-style-type: none"> Children's Social Care Adult Social Care Rubbish and recycling Schools and education Good quality homes and affordable housing 	<ul style="list-style-type: none"> Adult Social Care Children's Social Care Schools and education Rubbish and recycling Supporting local businesses 	<ul style="list-style-type: none"> Encouraging tourism Car parks and parking Adult Social Care Children's Social Care Rubbish and recycling

11

11

Importance by age group (Top 5)



<p>Aged 16-34</p> <ul style="list-style-type: none"> Children's Social Care Adult Social Care Schools and education Rubbish and recycling Helping the homeless 	<p>Aged 35-44</p> <ul style="list-style-type: none"> Schools and education Children's Social Care Rubbish and recycling Adult Social Care Parks, playgrounds, open spaces and seafront 	<p>Aged 45-54</p> <ul style="list-style-type: none"> Adult Social Care Rubbish and recycling Children's Social Care Schools and education Parks, playgrounds, open spaces and seafront
<p>Aged 55-64</p> <ul style="list-style-type: none"> Adult Social Care Rubbish and recycling Children's Social Care Schools and education Parks, playgrounds, open spaces and seafront 	<p>Aged 65-74</p> <ul style="list-style-type: none"> Adult Social Care Rubbish and recycling Children's Social Care Roads and pavements Schools and education 	<p>Aged 75+</p> <ul style="list-style-type: none"> Adult Social Care Rubbish and recycling Children's Social Care Roads and pavements Libraries Schools and education

12

Importance by sex (Top 5)



Male

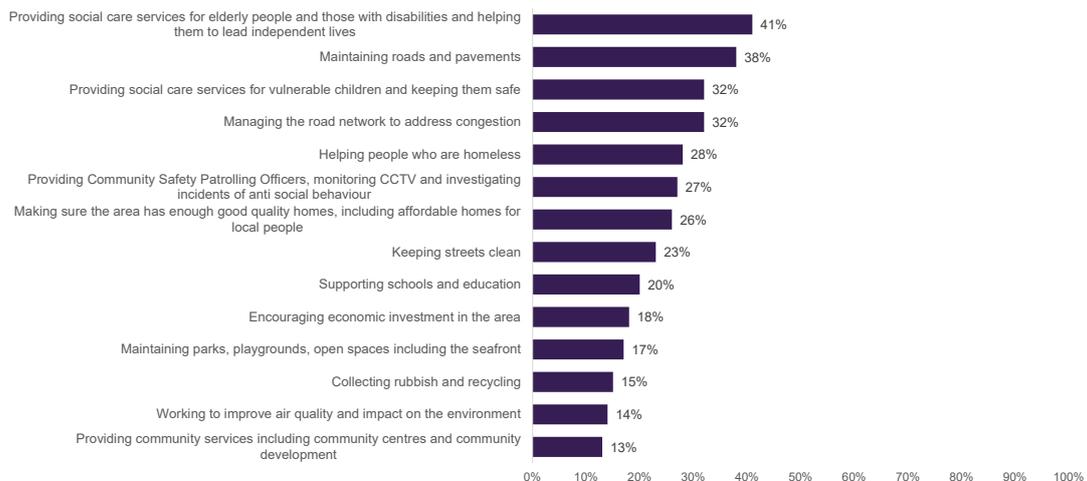
- Rubbish and recycling
- Adult Social Care
- Children's Social Care
- Schools and education
- Roads and pavements

Female

- Adult Social Care
- Children's Social Care
- Rubbish and recycling
- Schools and education
- Parks, playgrounds and open spaces including seafront

13

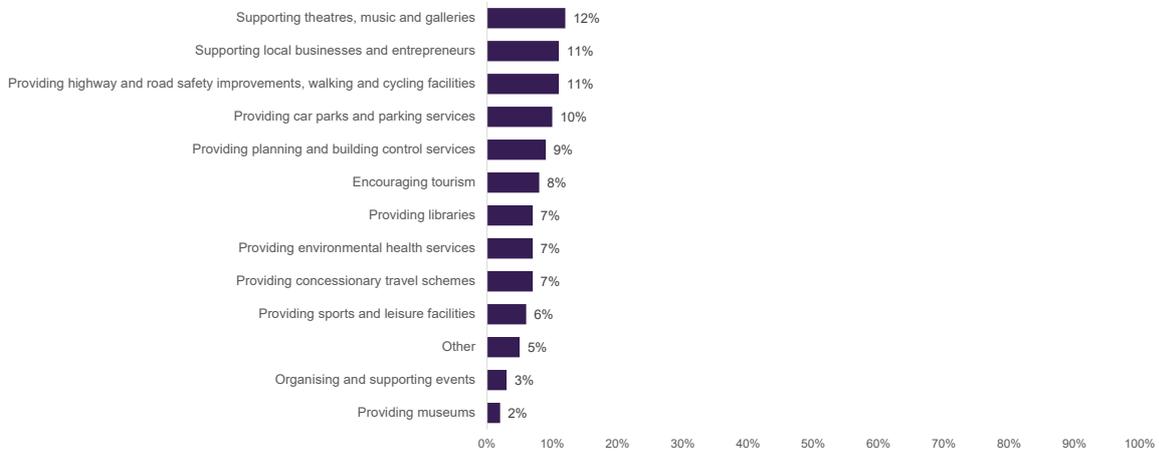
BCP residents top 5 service for improvement (1 of 2)



14

14

BCP residents top 5 service for improvement (1 of 2)



15

15

Services most need improving (Top 5)



Works in area	Works for BCP Council	Business or organisation	Other respondent
<ul style="list-style-type: none"> • Adult Social Care • Children's Social Care • Roads and pavements • Good quality homes and affordable housing • Congestion • Helping the homeless 	<ul style="list-style-type: none"> • Children's Social Care • Adult Social Care • Congestion • Roads and pavements • Good quality homes and affordable housing 	<ul style="list-style-type: none"> • Adult Social Care • Children's Social Care • Supporting local businesses • Schools and education • Community safety 	<ul style="list-style-type: none"> • Encouraging tourism • Car parks and parking • Adult Social Care • Parks, playgrounds and open spaces including seafront • Good quality homes and affordable housing

16

16



Improving by age group

<p>Aged 16-34</p> <ul style="list-style-type: none"> • Helping the homeless • Good quality homes and affordable housing • Congestion • Roads and pavements • Children's Social Care 	<p>Aged 35-44</p> <ul style="list-style-type: none"> • Helping the homeless • Congestion • Children's Social Care • Schools and education • Community safety 	<p>Aged 45-54</p> <ul style="list-style-type: none"> • Adult Social Care • Children's Social Care • Roads and pavements • Congestion • Helping the homeless
<p>Aged 55-64</p> <ul style="list-style-type: none"> • Adult Social Care • Roads and pavements • Children's Social Care • Community safety • Helping the homeless • Congestion 	<p>Aged 65-74</p> <ul style="list-style-type: none"> • Adult Social Care • Roads and pavements • Congestion • Children's Social Care • Community safety 	<p>Aged 75+</p> <ul style="list-style-type: none"> • Adult Social Care • Roads and pavements • Congestion • Community safety • Good quality homes and affordable housing

17



Improving by sex

<p>Male</p> <ul style="list-style-type: none"> • Roads and pavements • Adult Social Care • Congestion • Helping the homeless • Children's Social Care 	<p>Female</p> <ul style="list-style-type: none"> • Adult Social Care • Children's Social Care • Roads and pavements • Congestion • Community safety • Helping the homeless • Good quality homes and affordable housing
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18

Important / improving (BCP residents)



Most important and most in need of improving

- Adult Social Care
- Children's Social Care
- Maintaining roads and pavements
- Helping people who are homeless
- Community safety
- Good quality homes and affordable housing
- Supporting schools and education
- Maintaining parks, playgrounds and open spaces including seafront

Most important / below average score for needing improvement

- Rubbish and recycling
- Providing libraries

19

19

Important / improving (BCP residents)



Most needs improving not as important

- Encouraging economic investment in the area
- Keeping streets clean
- Managing the road network to address congestion

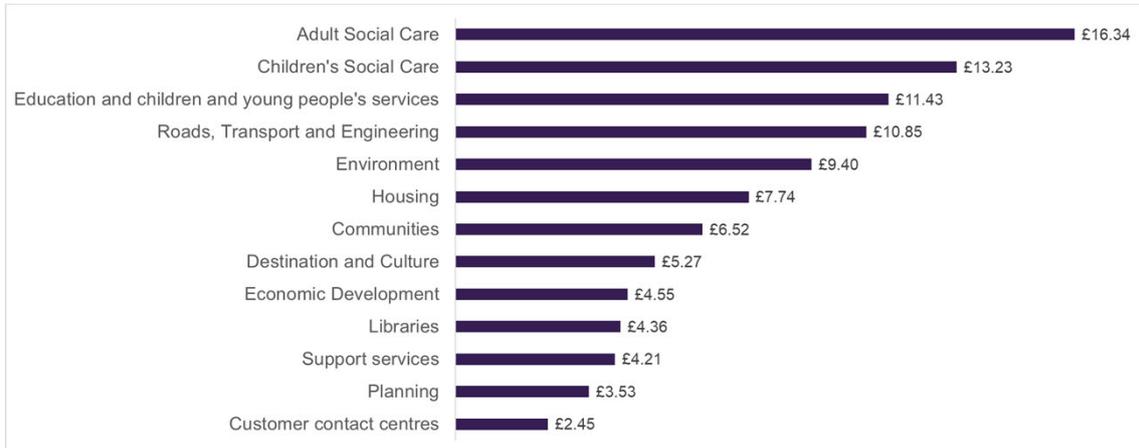
Below average important and improving

- Improve air quality / impact on the environment
- Community services
- Supporting theatres, music and galleries
- Highway and road safety improvements
- Supporting local businesses and entrepreneurs
- Car parks and parking services
- Planning and building control services
- Encouraging tourism
- Concessionary travel schemes
- Environmental health services
- Sports and leisure facilities
- Organising and supporting events
- Providing museums

20

20

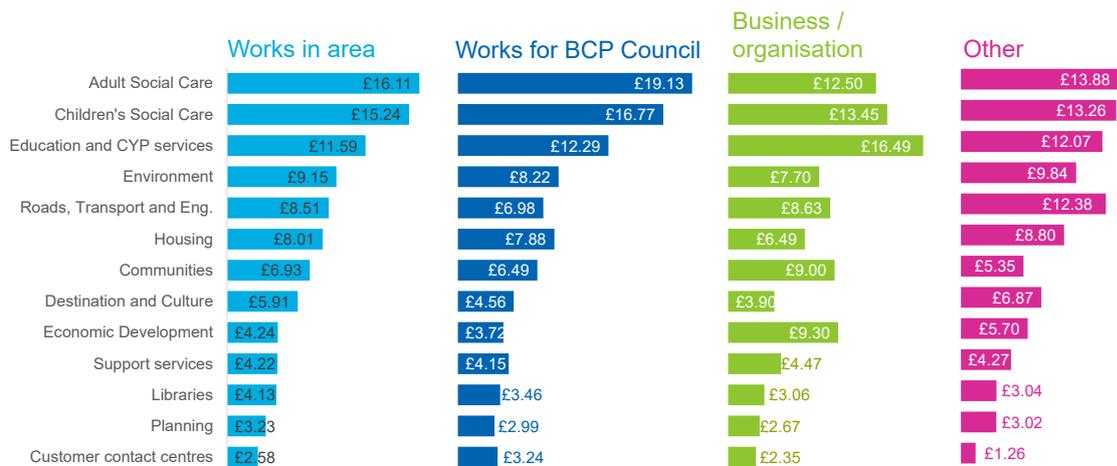
How would you spend £100 on council services?



21

21

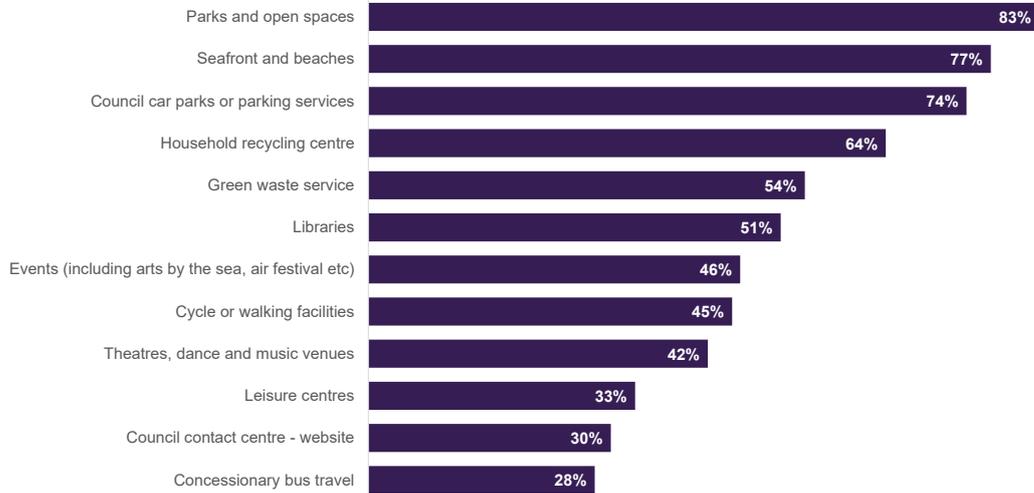
How would you spend £100 on council services? (by respondent type)



22

22

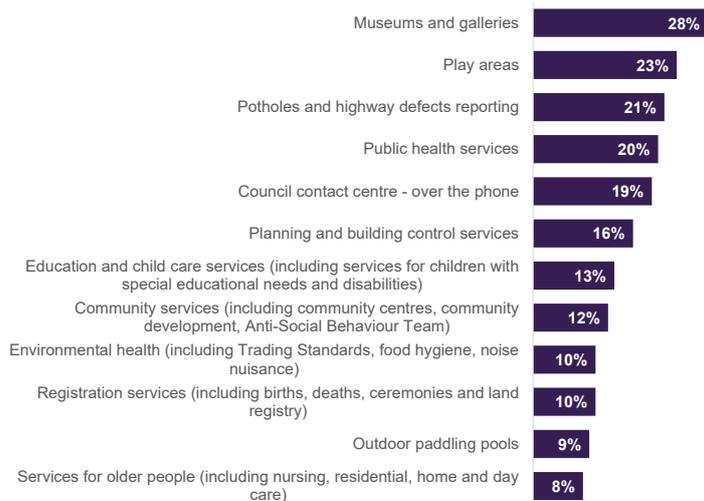
Services used in last 12 months (1/3)



23

23

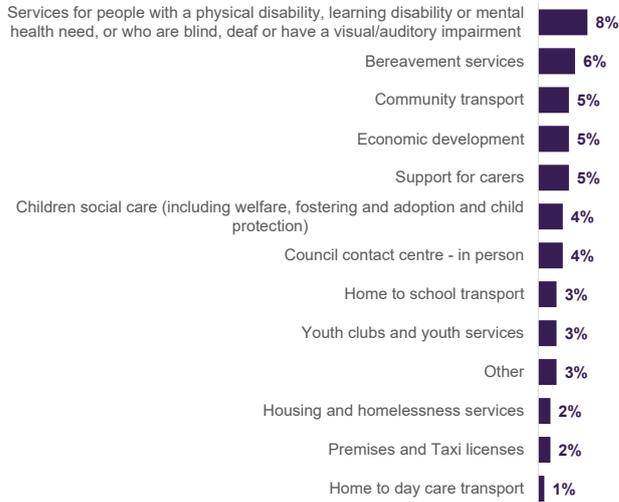
Services used in last 12 months (2/3)



24

24

Services used in last 12 months (3/3)



25

25

Comments and ideas



26

26



Comments, ideas and suggestions

This section collates and summarises the main themes from comments in the survey and Ideas Wall in response to the following questions:

Survey

Do you have any ideas as to how BCP Council could change or reduce services or generate income to help meet the budget pressures?

Ideas Board

How can BCP Council work with residents, community and business organisations to deliver services for our area?

– the majority of ideas relate to making savings, generating income as well as other general comments

27

27

Survey

- 992 responses to this survey question.
- The main themes with over 45 attributed responses to reduce services, save money or raise income are:

Parking	246
Council staff	239
Roads and Transport	186
Economic development	104
Perception of wasting money	96
Councillors	67
More fines	61
Tourism	59
Council tax	58
Selling off offices / renting space	55
Waste and environment	53
Getting involved and volunteering	49
Utility costs	47



28

28

Ideas Wall



The main ideas cover:

Roads and Transport	53
Parking	30
Waste and environment	23
Getting involved and volunteering	17
Council staff	15
Council Tax	10
Perception of wasting money	5

249

IDEAS

and 112
COMMENTS

Other ideas are 'selling or renting out assets/premises', 'Parish Councils and Mayors' and 'preventative work'

Contributors could 'like' and 'comment' on each idea.

Note: those ideas posted earlier in the engagement will achieve higher 'likes'.

29

29

Parking



246 survey responses and 30 ideas relate to **parking**. This theme includes comments and suggestions about:

- **Parking charges** - increase parking charges (especially near beaches), reduce parking charges (especially for locals), free parking in town centres, parking permit for locals, more permit-only areas (69 survey comments, 12 Ideas)
- **Parking enforcement** – increase parking fines, more parking enforcement, reduced parking enforcement team, more towing/clamping, introduce ANPR, more CCTV, new bylaws for parking offences, app for residents to submit/report nearby parking offences (50 Survey comments, 5 Ideas)
- **Overnight parking** - charge for overnight parking especially for campervans/motorhomes (137 Survey comments, 1 Idea)

30

30

Parking

"Allow overnight Aire type parking for motorhomes. This generates direct income for the council, indirect spending in local businesses and prevents unwanted littering or vandalism by having a presence in hotspots."

Encourage year round tourism spend by providing motorcaravan parking bays and short term overnight parking. These are common all over Europe



Year round revenue stream worth £1billion



Reduce car parking charges throughout BCP especially off-peak

Most car parking in the borough is under-utilised especially out of season. Reason: it's far too expensive. I think that if prices were cut by 50-75%, a lot more people would use the car parks and the council would increase revenue. At the moment many parking areas are hardly used, and town centres businesses are struggling. Out of town retail parks offering free parking are currently much more attractive to shoppers, and no-one is going to carry their weekly shop home on a bike or scooter!

1 Comment 32

Encourage year round tourism spend by providing motorcaravan parking bays and short term overnight parking. These are common all over Europe

4 Comments 34

Social care is struggling with funding stop spending money on give aways like free parking.

0 Comment 2

More enforcement for illegal parking

Mostly people seem to get away with illegal parking. The parking during the air show was a joke! Simply enforce the existing rule. Easy money raiser, albeit unpopular

0 Comment 7

0 Comment 2

31

31

Parking continued...



"More parking warden patrols during high season to both create revenue from tickets and discourage illegal parking in busy areas such as the beach. Introduce charges for overnight parking for campervans as occurs in other council areas. "

"There is a chronic problem with parking in the summer and it would generate income if the cost of parking was to be made more expensive near the beaches and the supervision of parking control ... and giving out tickets was much more frequent."

"Increase parking charges at peak times, especially those near beaches in summer Monetise the busy stretches of beach in summer Introduce resident parking schemes in congested areas such as Winton, with scaled pricing (initially free for 1st car, pay for second car, pay more for 3rd car - prices to go up every few years as walking, cycling and buses infrastructure improves)."

"Charge for all clifftop parking over summer. No free parking at all"

"Allow residents to report poor parking, or parking facilities abuse in all and any car parks, cycle lanes, and streets etc, in the conurbations so that revenue can be raised from these selfish drivers by the submission of photographic evidence and subsequent issuing of a fine."

32

32

104



Roads and transport

186 survey responses and 69 ideas relate to roads and transport. This theme includes comments and suggestions about:

- **cycle lanes** - this included removing cycle lanes, stop building them, with a minority of people saying we need more for active travel (113 survey comments, 11 Ideas)
- **park and ride** – build/encourage use of park and ride, use the site for motorhome owners (16 survey comments, 4 Ideas)
- **introducing a congestion/toll charge** (13 survey comments)
- **changing concessionary travel** – means tested, pay a small contribution, more concessionary fares (11 survey comments)

Other topics include **roadworks** (spend less, better co-ordination, charge companies digging up the road for repairs), **buses** (better public transport, increase services, cut services, reduce fares) and **BERYL bikes/e-scooters** (stop wasting money on them)

33

33



Roads and transport

Repaint faded road markings

A cheap and quick fix for all users to proceed more carefully, particularly for cyclists and cycle lanes, especially in and around Christchurch

0 Comment

20

"Stop bus passes for older people unless means tested"

"The Council should consider introduction of toll roads across the conurbation"

"Bus pass holders to pay £1 per bus journey"

"Disincentivise cars / create a low emission zone."

"Introduce congestion charges for private cars in the town centre (to simultaneously, generate income, encourage public transport and reduce emissions in the town centre)."

"Introduce congestion zones in the town centres for Bourne mouth, Poole and Christchurch and a levy against businesses who don't offer employees cycle schemes / facilities"

Monorail to connect the 3 BCP areas

Cycling is not for everyone. For those commuting in the area a monorail running largely along the coastline or just behind would be hugely beneficial in reducing car journeys

1 Comment

32

Sensor street lights

Put in sensor street light like they have in other countries. Or at least have them on for less hours.

0 Comment

1

34

34



Roads and transport continued..

"2) at peak times of year charge an entry road toll for visitors to access the town. This would also help address illegal parking and congestion problems. 3) charge for access to the overcliff during the airshow."

"1. Co-ordinate road works to reduce traffic congestion. 2. Prioritise road repairs instead of building cycle lanes (has any survey been carried out to establish cycle lane usage - it is low) I know cycle lanes funded from central government but still tax payers money"

"Concentrate on keeping traffic moving rather than wasting limited taxpayer provided funds on little used cycle tracks. While I appreciate that environmental targets exist, any endeavours to meet them must be proportionate to the disruption caused."

"Park and ride schemes to beaches currently less used such as Southbourne, Hengistbury, Hamworthy."

"Set up a park and ride scheme on the edge of town and sell the open air town centre carparks for development."

Stop doing cycle routes

Why are we spending money on cycle routes which are not being used, when this money could be put to better use

5 Comments

57 ❤️

The road system is not fit for purpose yet money is spent on cycle lanes for the benefit of maybe 1% of the population.

Roads

3 Comments

51 ❤️

35

35



Waste and environmental services

53 responses to the survey and 23 'ideas' relate to waste/environmental services.

The main themes include:

- **community clean ups / litter picking**
- **wildlife verges** to reduce costs
- **charge for HWRC**
- **open HRWC for longer** to encourage less fly tipping
- **increase prices for garden waste**
- **reduce prices for garden waste** to encourage more recycling and less fly tipping
- **less frequent recycling collection**
- **public waste bins that store in the ground** to reduce collection frequency

36

36



Waste and environmental services

"Wildlife verges to reduce maintenance costs and improve local biodiversity and air quality"

Create volunteer opportunities and encourage culture of local people working together to benefit their area eg litter picking, planting etc

1 Comment

12 ❤️

"Encourage community clean-ups where groups are provided with bins, equipment, paint and whatever else is needed to spruce-up their areas together rather than just relying on the council to do it. People will feel more invested in an area that they've helped to shape and look after and it will help to create communities who look out for each other"

"Reduce the cost of green waste bins to encourage more recycling and less fly tipping"

"Charge for residents using the household recycling centres, as we have to pay extra for our green bins"

opening the tips for longer hours has got to be easier and cheaper than clearing up fly tipping, surely ?

0 Comment

4 ❤️

"Increase garden waste price. Ask communities to donate to new playground/ environmental equipment . Collect garden waste every 3 weeks. Opening and closing times reduced."

37

37



Comments on staff

239 survey responses and 24 ideas relate to **staff**, including:

- **procurement, outsourcing and agency staff** – stop using agency workers, stop employing external consultants, outsource services, improve/overhaul procurement procedures (97 survey responses)
- **management** – less management, reduce senior management salaries, streamline management structure (81 survey responses)
- **structures, processes and efficiency** - reduce staff numbers, less bureaucracy, more joined up working across units, improve customer service, increase efficiency, increase productivity (64 survey responses)

Other topics included **working from home** (more remote/home working, stop home working), **staff retention** (better pay, make staff feel valued, reward staff) and **staff training** (more training, internal apprenticeship opportunities).

38

38

Comments on staff

"Don't use costly external consultants as the default option. Council staff know the area and issues better"

Stop outsourcing and using consultants

A whole load of council services are now outsourced to companies who make a profit running them. The council should be running our services and any profit should be reinvested.

The same with consultants - why not employ talented people to do a job with pride for the local community rather than hire in a consultant at twice the price who will rip us off?

0 Comment 40

"Procure as many goods and services as possible locally as from small businesses as policy to stimulate local economy and generate further council revenue"

Make services align

There are too many services within the council who are yet to align. You became BCP in 2019!! There's been ample time for services to get their act together. Money is being spent unnecessarily on excess staff in these areas and not enough push from the chief executive to force it to happen. He doesn't know it's not happened because service directors don't tell him the full picture

0 Comment 29

"Less management at higher levels; more value placed on good staff to keep them in post; more third sector commissions - cheaper for things like support and advice services; better use of existing facilities e.g. multi-use for staff, drop-ins, groups etc.; less on big corporate things e.g. functions with meals, gifts etc. and more for individual teams as thank you's for the hard work in difficult circumstances."

Reduce the pay of senior managers to fund pay increases for those doing the work

1 Comment 71

Remove unnecessary managers when only one or none are needed when other employees can do the work. Will be able to pay for a few more teachers

0 Comment 56

Pay reduction for chief executive & SMG. Cease councillors allowances. Cease using 'external consultants'. Cease vanity projects.

0 Comment 39

39

Comments on staff continued...

"Have a centralised 'admin' centre so that more highly paid professionals do not spend too much time on simple admin tasks and are therefore more efficient. Get value for money out of the higher paid professionals"

"Reduce use of external consultants, streamline management structure, reduce PR budget"

"Improve customer service by training staff to answer more queries at first point of contact. The council has too many different telephone numbers and staff do not see to know what services offer"

"Less homeworking, make staff more accessible to provide better services, which people will use. Review opening hrs for each service to ensure they are appropriate and there are people around to use the services - this in turn will reduce staff costs."

Remove unnecessary expensive resources

Stop recruiting highly paid employees who live out of area, who remain out of area when recruited and spend majority of time 'working from home'. Bring development company back into council ownership and control.

0 Comment 37

Stop Working From Home

Make all BCP staff work back in the offices & have a restructure of jobs to make more efficient & contactable.

"Look at where you are buying your resources from, shop around and stop using traditional suppliers - watch the pennies! Look at staff productivity and deal with staff sickness issues. Rent out assets. Cull the management tier and time wasting paperwork procedures - speak to the staff on the ground, they will tell you where the money is being wasted. Value your staff, it doesn't cost money to be kind and caring. Most staff will walk to the moon and back if they feel valued, it's not always about pay. Better staff retention saves money."

40



Economic development

104 survey responses and 9 ideas relate to **businesses and economic development**, including lower business rates (particularly for small or local businesses), higher tax for big companies, pop-up shops, utilising empty shops and more investment in town centres.

"Reduce fixed tax for small businesses and take a percentage of profit. Town regeneration is needed badly."

"Reduce rates on business properties to reduce the number of unused shops and make it more attractive to people coming into the area to shop."

"Increase tax on large, multi-national companies (such as Lush) who reside in the BCP area - reinvest this back into the local area and enhance the place for their workers. Increase taxes on large companies who produce large pollution levels or waste levels to encourage recycling and moving to green initiatives"

"Rent out all empty shops fronts throughout the area, especially areas such as boscombe on a pop up (rent reduced plan) similar to the one trialled and excelled in Frome to local independant businesses."

"Lower business rates in local towns to encourage entrepreneurs"

"Increase business rates to high turnover companies"

41



Perception of wasting money

96 survey responses and 7 ideas relate to **perceptions of wasting money** including:

- **'Vanity projects'** such as Barclays House, beach barbecues, Surf Reef, rope statue in Poole
- **FuturePlaces**
- **Beach hut sale**
- **Consultants and attributed fees**
- **Events** such as the Air show, firework displays
- **Cycle lanes**

42



Perception of wasting money

"Stop investing in vanity projects and for profit companies and concentrate of providing services for residents."

"STOP wasting money on BIG IDEAS and provide essential services as a priority."

"Get rid of future places and make use of the skills of existing staff"

"Stop investing in ridiculous schemes as buying retail 'investments' using borrowed money etc ie Mallard Rd Barclays etc. Reduce spending on cycle lanes. Cancel council backed development organisations."

"Stop all vanity projects such as electric beach barbecues and very fancy cycle lanes - cycle lanes are great, but why such expensive infrastructure."

"Stop wasting money on grandiose vanity schemes like buying Barclays House, City status, Investment Zones etc"

43



Perception of wasting money

No more vanity projects
 Beach huts, Freeports, Investment Zones, Barclays House, and on and on and on. The amount of money wasted on vanity projects is incredible. Just stop it. Focus on delivering good services and quit the endless fiscal adventurism.
 4 Comments 78 ❤️

Stop outsourcing to run-for profit companies
 For profit companies take tax-payers money, pay their staff less (particularly if you are looking at carers, and similar social care areas) and take a slice off the top. The council isn't the most efficient, but at least you know that all of the funding is going into the services, not being creamed off the top (except where councillors try to pay themselves excess wages in dodgy schemes!).
 2 Comments 78 ❤️

Serve your residents better
 BCP constantly ask residents what we want, then blindly ignore the responses. Future places is one example out of many of a waste of money. Also resident groups are keen to do their bit but stopped by red tape. Stick to the basics and drop all the vanity projects. Lastly, get council staff back to work and not sitting at home watching Netflix
 2 Comments 57 ❤️

Get rid of FuturePlaces
 FuturePlaces will cost BCP taxpayers at least £12m SO FAR. Throw it open to proper scrutiny, get rid of the bits that don't work, convert the rest to a proper accountable council service. Stop wasting money.
 3 Comments 60 ❤️

Stop Unnecessary Spending
 Stop spending on Christmas lights, fireworks etc. switch off lights inside council owned properties at night. Stop spending on unused cycle routes. Spend the money on something useful.
 3 Comments 28 ❤️

44



Councillors

67 survey responses and 2 ideas relate to **councillors**, including less councillors, reducing councillor allowances and concerns around trust.

"Ensure that ALL councillors visit ALL parts of the BCP conurbation. Particularly councillors with executive responsibilities, who often do not make themselves familiar with BCP wide issues. Visibility of leaders who demonstrate their knowledge of their subject leads to trust and cooperation from the community."

"Restricting the amount of pay given to elected councillors"

"Get rid of some councillors there are too many doing too little and getting paid a fortune."

"stop using taxpayers money to set up companies for councillors benefit."

"Reduce the number of Councillors and increase delegation to officers who know what the challenges are - seek neutral political delivery Improve selection of would be Councillors rather than mates for the job Increase education for Elected Members and introduce proper annual assessment of how well they have done with removal of those who fail to deliver "



Parish Councils and Mayors

10 survey responses and 2 ideas referred to **Parish Councils** or **Mayors**:

This included the **mayoral cars**, **reducing the number of mayors**, **having an elected Mayor** and **working with Parish councils** or **transferring assets** to them.

"Stop paying for a chauffeur for the mayor!"

Work with your Parish Councils, instead of against them! One of many examples is shown below,

Our Parish Council has waited 4 years to take responsibility for the childrens' play areas. The net cost to BCP Council is £4k every year. JFDI

Get rid of the Mayors & their £90k per year costs! Why do we need mayors - use the money for social care to protect our vulnerable people

"2) Have an elected Mayor 3) Have the same model as Greater Manchester, West Midlands etc."

"Have only 1 Mayor to cover the whole of BCP."

"Transfer assets such as recreation grounds and play areas to local parish, neighbourhood and town councils to run and maintain. In addition arrange to carry out maintenance services for these areas via SLA thus generating income as opposed to just expenditure"

1 Comment 8



Fines

61 survey responses relate to **fining individuals more frequently and more heavily** for offences including littering, dog fouling and for parking offences.

"Give more fines to people breaching pspo, breaching parking regulations, riding on pavement, dropping litter fines."

"Enforce all parking infringements, e.g parking on pavements, grass verges etc in the peak holiday season, and increase parking fines to a) act as a deterrent to bad parking and b) to increase revenue"

"Introduction a byelaw for pavement parking and fine pavement parkers. Will also reduce damage to pavements. Implement bus lane cameras and yellow box junction camera. Would raise plenty of revenue from the inconsiderate drivers."

"Fine for littering, dog fouling, etc"

"Increase parking charges and fines for illegal parking, dumping, littering, camping on beaches etc. "

"Control tourists more effectively, fine heavily for littering and for illegal parking. There are always excuses about difficulties involved in setting up effective schemes but lots of other authorities manage to set up successful schemes"

47



Tourism

59 survey responses and 9 ideas are around **tourism**, particularly introducing a **tourist tax**, providing a **better tourism offering** and **reducing council spend** on tourism:

"Introduce a resort tax/fee...which can then be used to fund summer safety and beach clean ups. "

"Tourism tax for high end hotels - add a small local tax rate for hotels, B&Bs or similar above a certain price threshold"

"Stop spending as much money on tourism as although this brings in some revenue it does not benefit the population as a whole."

Tourists should pay more

Introduce a tourist tax, higher parking charges for non-residents, congestion charging for non-residents, hotel surcharge, additional cost in shops - two tier pricing.

0 Comment

11

"Develop local identity so as to attract tourists and locals for special events e.g. book fairs, motor shows, outdoor concerts, antique fairs. Make Highcliffe, say, synonymous with veteran car rallies and draw in the customers."

"Introduce a city tax for accomodation rental as is in use across Europe. There are many people staying in the area who use services who do not contribute towards the costs that they incur."

48



Council tax

58 survey responses and 10 ideas relate to **council tax**, particularly **charging more** to certain groups like second homeowners, empty homes and properties in the highest bands.

"Increase council tax charges on empty homes, second homes and those used as holiday lets/air b and b"

"Allocate a higher Council Tax rate to properties in the higher bands (above D - standard band)."

"Raise taxes from the top earners/biggest houses Tax second home owners"

Freeze council tax at current rates to help struggling families from April when everything rises

Families are struggling- bills will go up again, freeze council tax at its current rate and help everyone out!

1 Comment 60 ❤️

"Increased council taxes for second home / holiday home owners as they are destroying communities and leaving buildings empty."

"Look carefully at second home ownership which are not used for rental or holiday let's and increase council tax on such properties"

Raise council tax on big houses in wealthy areas

1 Comment 24 ❤️

200% council tax for second homes

Extra council tax rate for second homes. Could kick in when owned for longer than 6 months (to avoid taxing owners who inherit)

1 Comment 71 ❤️

49



Selling or renting out assets/premises

55 survey responses and 2 ideas are around **selling off** or **renting out council-owned assets** including offices and empty premises.

rent out space in youth clubs to schools yos and other partner agencies let bcp staff use them as office space as civic is too far for some

0 Comment 4 ❤️

"Audit all empty BCP assets with a view to sell or repurpose them. E.g the empty home to the cemetery entrance in Oakdale Poole"

"With the recent merger of the three old councils is there still opportunity to sell some of the buildings that were previously used by departments which presumably have now been merged? Even contemplate the sale and redevelopment of either the Poole or Bournemouth main council buildings?"

"Develop a 'WeWorks' style offering for under utilised council offices. The infrastructure already exists (internet connectivity, etc). Simply identify the overall capacity required for council staff (most seem to work from home anyway) and establish the surplus which can be rented to businesses or used for functions. Engage with events companies to understand how spaces could be used for exhibitions."

50



Getting involved and volunteering

49 responses to the survey and 16 ideas relate to getting involved and volunteering:

"Increasing the number of productive well managed volunteering projects thereby helping both BCP and people's mental health and well-being. By keeping people busy, in heated council buildings such as libraries which need to be open anyway, would be beneficial to all."

"Encourage community participation in local green spaces, potentially saving on maintenance costs in the long run - e.g. "friends of" type clubs could also encourage socialization among locals and improve community access. These should be coupled with training schemes and access to tools."

"Allow the public to get involved with their local community. For example enable people to crowdfund/ access funding to improve their local parks and facilities. Also allow schemes like play streets where communities can enable themselves to improve health, well being and social cohesion. All of which will lead to less pressure on council services."

51



Getting involved and volunteering continued...

"Get communities involved with initiatives, invite volunteers to help rather than paying contractors. Involvement helps build a stronger community and they feel a sense of belonging and responsibility to the area. They will also feel like they are being heard from the council..rather than their ideas being ignored in favour of another crazy golf site being put up that adds no value to the local community."

"More community development to take responsibility of local areas, whilst making it fun. Community days to undertake small improvements, pick litter, etc combined with some fun activity eg picnic coffee, cake, free music."

"Using our libraries, museums and community centres as community hubs. Encouraging community groups to use these buildings and setting up 'friends of communities' (think trustees who can gain charitable status, as is usual for independent community centres) who can bid for funding to income generate in the hire of such spaces and self-manage costs apart from staff. These buildings are assets that can offer warm spaces, companionship, food banks, community fridges, somewhere to congregate, eat, learn, exercise, pursue leisure interests, hold events, provide space for playgroups, homework clubs, meetings, reading, using computers."

52



Getting involved and volunteering

16 'ideas' were about **getting involved or community groups**:

Encourage friends of individual parks.

1 Comment 20 ❤️

Fund and support the voluntary and community sector to deliver services - they will provide better value for money.

0 Comment 15 ❤️

Encourage more voluntary involvement with local rewards.

Perhaps have a digital stamp card. For every session of good deeds eg litter picking etc receive a stamp. Once 10 are achieved then get a discount eg 10% to use in local shops, eateries, on public transport or on attractions or receive an hour free on car parking etc.

0 Comment 1 ❤️

Give residents and community groups more autonomy to manage budgets, fundraise and look after community buildings and open spaces.

0 Comment 17 ❤️

Premises gratuito

Perhaps the council can cut costs by delegating responsibilities, to charities, voluntary workers, clubs and societies doing good for the community by providing a dedicated shared premises with free utilities available for hotdesking, conferences, meetups, with timeslots all week round.

0 Comment 0 ❤️

Focus on how to release resources to community groups remove control & bureaucracy. Enable more creative activities through same mechanisms.

0 Comment 9 ❤️

Give residents and community groups more autonomy to manage budgets, fundraise and look after community buildings and open spaces.

0 Comment 17 ❤️

Work alongside third-sector/volunteers but this not to replace proper full or part-time jobs.

0 Comment 6 ❤️

Invest in community - they know what they need and have the mechanisms in place to do it - there is no need for development workers

0 Comment 12 ❤️

53



Utility costs

47 survey responses and 1 idea relate to **utility costs** across the area, such as **streetlights** and **lighting/heating** in council offices.

Turn the heating off in the town hall.

0 Comment 17 ❤️

"Assess energy efficiency of lighting around BCP - are bulbs as efficient as possible? Can timings be reduced as days get longer?"

"Hold all council meetings during the day to reduce costs of evening meetings (utilities, staff, security etc)."

"Turn the lights off in council buildings at night Turn the heating down and put it on for shorter hours in council buildings"

"Reduce heating in offices and libraries by 2 degrees"

"Looking at saving energy e.g electric signs at bus stops saying when the next buses are due - nice or necessary?"

"Experiment with less street lights at night, where safe to do so. Lowering voltages would also help to save energy. Experiment with some traffic controlled signal junctions by turning them off."

54



Preventative work

9 responses to the survey and 2 ideas referenced **funding preventative/early intervention work** to save resources in the future:

"More preventative work (public health, housing, community support, culture etc) to reduce the demand for NHS and adult social care services."

"Focus on early prevention interventions rather than spending more when people have got into a crisis."

"BCP needs to look at investing in preventative services, such as Early Help, so the help is actually early. We are currently picking up the costs later down the line - families referred to social care, children not in school, permanent exclusions and suspensions, youth offending, associated safeguarding risks"

Fund youth services

It will save a fortune in anti social behaviour

0 Comment

29

More focus on prevention and public health. Small grants for community schemes to assist social care ensuring joined up partnerships

0 Comment

10



Other ideas to save money

Other ideas to save money from survey responses include **removing beach barbecues, stopping events** such as fireworks and the Air Show, **providing digital resources instead of paper** and **producing and using renewable energy**:

"Remove the barbeques from the seafronts."

"Cut gold-plated service standards to silver service. ie ditch letter drops for planning notices"

"Transfer smaller libraries / libraries with lower footfall to communities or parish councils where applicable to run. If no offer forthcoming then close."

"put a small solar panel on top of every street light to feed back into the grid in the day earn BCP lots of money start installing solar panels and wind turbines onto buildings and into open spaces to earn BCP money from the grid"

Commit to digitalising - everywhere

0 Comment

2

"Cut out herbicide spraying on pavements in the summer."

"Forget the air show and firework shows - there are more important things."



Suggestions to generate income

Other ideas to generate income include **charging for planning, local lottery, allotments**, increasing **beach hut rents**, charging/increasing numbers of **deck chairs, beach camping, charging for library computers, digitalising records**:

"Increase charges for planning application costs for new builds."

"Generate income by having a local lottery."

"Allocate the section of seafront between Bournemouth and Boscombe Pier in front of the vehicle compound where there are no beach huts to seafront camping during the summer. You could move anyone camping on the beach here but also generate income by encouraging people to camp on the beach."

"Generate income by digitising local records. For example, archives about the history and heritage of the area. By using a subscription (24 hr, 1 wk, 1 Mth, 1 Yr) for people, both in the area and across the world, to explore the archives for research like family history, house history and local studies. Genealogy is a big market and there are existing/competing services (GRO (General Records Office)) but a number of councils have already digitised and offer such a service"

57

57



Suggestions to generate income continued..

"Generating income - provide more allotments & charge more for them. Sell compost and woodchip mulch to the public."

"Maybe if there is a long waiting list for beach huts you could increase their rent."

"Make a nominal charge for people using library computers"

"Charge more for sunbeds and deckchairs and increase the numbers."

58

58

Community and Volunteering Opportunities



Respondents were asked for their ideas on how the council could further their work with the community voluntary sector, charities, volunteers and businesses. We received

Suggestions	401
Negative comments/criticisms	103

- **Suggestions** focused primarily on local community involvement, engaging with local charities/voluntary groups, community spaces, initiatives/schemes and improving communication.
- **Negative comments/criticisms** focused primarily on the council's internal management of departments, staff, and budget. Some respondents felt it was unfair to expect residents and the third sector to run council services, particularly during the 'cost of living' crisis.

59

59

Community and Volunteering Opportunities



Suggestions - 401 respondents shared suggestions for how community and volunteering opportunities could be enhanced. The key sub-themes for these comments are:

Community/Charities/Voluntary groups	215
BCP Council - staff/services/facilities	132
Communications/Promotion	80

60

60

Community/Charities/Voluntary groups



215 responses to the survey were suggestions relating to charities and voluntary groups:

"Street sweeping could be done by residents. Every resident responsible for area outside their home. Neighbours could do for elderly or disabled. School communities encouraging young people to volunteer and support local areas e.g., litter collection. Competitions for tidiest neighbourhood."

"Share best practice - stop re-inventing the wheel! Local organisations may already have solutions to issues. However, please remember the pool of volunteers is finite - where are extra volunteers going to come from with people having to work longer hours/multiple jobs AND the retirement age is going up? If you want to enable more residents to take part, you need to tackle one of the biggest barriers - transport."

"In this conurbation, there are a number of retired people, with plenty of use still in them and ideas and experience to boot. Encourage volunteering in retirement... This would free up staff to be trained in something that was income generating and to enable the achievement of local authority priority sustainability and environmental reduction in waste targets."

61

61

Community/Charities/Voluntary groups



"Yes - COVID showed the willingness of the community to assist and, as we're likely to see more redundancies, then some of those transferable skills that we would go to waste could be used in working for free in the community!"

"Get unemployed helping to clean streets and repair parks. Get more people volunteering in day centres and involved in community."

"Many local agencies and service may be well placed to do some of the work that the council does currently, perhaps even better placed as often overheads are lower and with some community groups trust may be higher. Need to ensure failsafe processes re: quality, however especially if not commissioned directly."

"Empower local communities to make decisions and provide volunteering i.e., talk to local people ward by ward."

"Could reach out to those charities and ask them how best to run a centre. The most important thing is to listen to what's being said."

"Increase attempts to work with all BCP residents to the benefit of all."

62

62

BCP Council - staff/services/facilities



132 responses to the survey were suggestions relating to the council and how it operates:

"Provide access to council facilities and governance services to support charities and ensure integrity."

"Services need to be run by professionals, although extra voluntary help is fine."

"I think communities often know their areas best, so working with groups is good. If that eases the load on the Council, then that is a benefit. I'm sure if BCP asked for more help from the community it would get it. BCP needs to be clear about what it needs and why they want to help the local people. This would help re-instate your reputation.."

"The pandemic proved the worth of volunteers. but you need their buy in, a proper delivered programme so they are getting trained and benefitting from their volunteering."

"Take advantage of crowd funding or other opportunities which are open to charities but not councils. Be more business like and charge for services which would be charged for by a third party organisation."

63

63

BCP Council - staff/services/facilities



"All services even those provided by volunteers &/or local charities should get some support from the council. It should be made easier for events, fundraising etc to be organised. One major assistance would be the council always covering insurance for these events."

"I think the council often works in silos so there are good community initiatives but not all the right staff know about them. Maybe a regular forum or webinar could promote what is happening out in the community. Maybe providing a space for community stakeholder forums to encourage communication and engagement."

"Encourage elected members to be more involved with the organisations in their wards, rather than concentrating on status roles in the council. Restore neighbourhood meetings, as existed in Poole before 2003."

"Council needs to be seen as a facilitator - a Go To centre that is supportive of self-starters and individuals/groups that have a passion that will deliver positive outcomes for the community..."

"Further improvement on the BCP offer to volunteers - more investment in training, tools and uniforms. The BCP team that have volunteers can get together to centralise the ways of working and attracting volunteers."

"More networking opportunities with training opportunity for business owners and start-ups. Make community champions to engage together"

64

64

Communications/Promotion



80 responses to the survey suggestions relating to communication and promotion of volunteering opportunities:

"Collaborate with other stakeholders to a more obvious extent, e.g., within the Integrated Care System, share communication channels, e.g., the periodic household newsletter could include more on public health & NHS messages."

"Digital volunteering - an app that links the right people to those in need - almost like a dating app. Improves speed in which people get the help they need."

"A lot of services are duplicated through the different charities, some services you don't even know what they do or what's available. It may be useful to have them collated under one umbrella, or links to them on one website. A website where all charities can post what help they require for volunteers to apply. It would only work if it was kept up to date."

65

65

Communications/Promotion continued



"Most important factor when working with agencies is to ensure that information is clear so that things do not slip through the gaps. Speaking to those that are in these areas is the vital part, personally I do not have enough experience to offer much help."

"Remember as money becomes tight you need to lean on the human emotions even more. Don't crush - inspire, support, embrace and watch the support flow from your community"

"You could put out job adverts for volunteering roles, with training and incentives. Incentives- training, part of a team, to feel included, to have heads up on new jobs available, food vouchers for special thanks to volunteers. Make it fun, do family days for volunteers, make people feel valued for the time they give.."

"Enable communities to access services through charities maybe to free up money . signposting would educate them and may work out better."

"Warm hubs and centres for spreading community news and allowing activities."

66

66

Community and Volunteering Opportunities



Negative comments/criticisms - 103 respondent's provided concerns or criticisms about furthering the council's work with the community voluntary sector, charities, volunteers and businesses

The key sub-themes for these comments are:

BCP Council - staff/services/facilities	71
Community/Charities/Voluntary groups	35
Financial/Incentives/Insurance	22

67

67

BCP Council - staff/services/facilities



71 responses to the survey were negative comments/criticism about the council and how it operates:

"Many council staff have worked at the council for years and are stuck in their ways with no initiative or inclination to improve services that have 'always been done this way'. A lot are just biding their time until their generous pension is awarded. The community and the private sector could show council workers how it is to work in the real world."

"Don't even think of shirking your council responsibilities. You got us into this mess. Don't start offloading services onto the public, without admitting how we got here."

"The Council should not be relying on the goodwill of community groups, volunteers and businesses to fill gaps in their services. The work they do is incredible, and collaboration with them is incredibly valuable, but it is not a magic bullet replacement for any service provided by the Council."

"...Your staff should be your strength - utilise their ideas and support them better. Get rid of non-producing officers."

"...Encourage elected members to be more involved with the organisations in their wards, rather than concentrating on status roles in the council."

68

68

BCP Council - staff/services/facilities



"...I wouldn't encourage residents/community to provide services, this seems very unfair. People are already busy and struggling with money without putting this on them."

"Good God, don't shift responsibility on to community groups so that top staff can continue with vanity projects and wasting money such as the Barclays House debacle."

"It is great to empower local communities to run projects and services but there also needs to be proper professional support and back up provided by the Communities dept in the council. At present you just let these groups fend for themselves and it looks like this detachment from the council will get worse as budget cuts hit. You underestimate the considerable disillusionment and disdain that many volunteers and charity workers who run these services currently have for BCP Council."

"I have been involved with local Charities and community groups for over 30 years in the BCP area, and this is the first I have heard that BCP works with the community. BCP needs to engage with community groups, not consult and take no interest in the views they provide. Sadly, this is a one-way process, BCP need to urgently make it a two-way process and work in cooperation with the community."

"...Stop spending vast sums of money on external consultants and look at your very senior structures."

69

69

Community/Charities/Voluntary groups



35 responses to the survey were negative comments/criticism of volunteers/the voluntary process:

"Volunteers are wonderful but please consider the professionalism & experience & knowledge of paid staff too. Please value staff who have committed their careers to a role not to be replaced by volunteers whose natural tendency is to 'come & go'."

"Volunteers have their use, and are great, but in my experience cannot be relied on to replace paid staff. They can go off on 6-week cruise or just not turn up and you can't run a service replaced with volunteers. No one wants to commit to set hours or ways of working or else it feels like a job to them. Definitely would lead to diminished services and reputation of council."

"Whilst volunteering is good, there is no commitment by a volunteer to ensure a service runs smoothly."

"NO, enough dependency on volunteers already and depending on volunteers is not without problems - insurance, unreliable etc."

70

70



Financial/Incentives/Insurance

22 responses to the survey were negative comments/criticism of volunteers/the voluntary process:

"Sadly. I find currently the amount of people that can physically afford to volunteer time is reducing due to wages not being equivalent to the cost of living crisis."

"I think the nationalisation of charity has gone far enough. The Council should stop funding charity fatcats and start sharing information about local and national charities funded by the Council and their operating costs to encourage residents to hold it to account in supporting more efficient organisations."

"No. I think it is very dangerous for volunteer groups or people running what should be council projects. This is just getting it done on the cheap and without the proper procedures, insurances etc. in place."

"Enable residents and the community to provide a service instead? Come on. The cost of background checks and other vetting would surely put paid to any such idea."

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Focus group summary findings

28 BCP residents participated in the three groups. 19 of the participants were female and 9 were male. 7 participants were aged 18-34, 13 were aged 35-54 and 8 were aged 55 or older.

Participants lived across the BCP conurbation and were of various family life-stages, including those who had no children, those with children living with them as well as those whose children have grown up and have left home. Participants included those with caring responsibilities as well as those with a physical or mental health condition, illness, disability or difficulty.

Participants were at a variety of working life-stages, including those who own their own business, work either full- or part-time, are fully or semi-retired, as well as those who currently volunteer.

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Participants priorities



Participants gave the largest portion of their budget to:

- education and children and young people's services
- adult social care
- roads, transport and engineering
- children's social care
- environmental services

Participants gave the lowest portion of their budget to:

- customer contact centres
- support services
- libraries
- planning
- economic development

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Summary of comments



Participants prioritised their budget to services that they have a personal requirement for, while also viewing it important to invest in services that were used by and that impacted children.

Participants also felt it was important to get a balance between investing in short-term needs as well as long-term objectives.

There is a general lack of awareness of what services are the council's responsibility locally and those that are managed and looked after by other organisations and/or public sector partners.

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Participants response to council budget



Participants were particularly surprised at how much of the council's budget was spent on support services, while they were also surprised at how much adult social care service provision actually costs and that the net spend on it is much higher than on children's social care.

Participants were surprised that the net spend on services such as those for children and on community services was not higher, and they felt that if spend on these services was higher then it would alleviate pressure on other services.

There was also surprise that the spend on roads, transport and engineering was not higher, while it was also felt that the council should invest more in economic development than they do.

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Focus group community and volunteering opportunities



Participants felt that volunteers, local residents and other local groups could be used to support the delivery of community based, non-essential services in general, including grounds maintenance and working with communities on a localised level to help provide support with daily tasks.

The council could work more closely with local businesses who provide their staff with volunteering allowances and want to undertake Corporate Social Responsibility activities.

The council could help individuals who want to and are able to house people being discharged from hospital to help ease pressure on adult social care services.

The council could also host 'fresher fair' type events where local organisations and community groups have stalls promoting how local residents can support them and volunteer.

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Focus group community and volunteering opportunities

Participants felt that the council could save money by utilising volunteers, local residents and the community and voluntary sector to help deliver community-based services. Volunteers would not only be helping their local community but they would also benefit from improvements in their own mental health and wellbeing.

However, participants also expressed a concern for a potential overreliance on volunteers, many of whom are elderly and have had to return to work due to the cost of living. Safeguarding concerns in relation to DBS checks, manual training and data protection were also expressed as a concern, particularly surrounding individuals who could house those being discharged from hospital.

Participants also expressed a lack of awareness of volunteering opportunities, and so the council should develop platforms and roles through their support services to work with local communities and businesses.

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BCP Schedule of Council Tax Charges 2023/24

	Actual Council Tax 2022/23 £	Change 23/24 %	Proposed Council Tax 2023/24 £
Christchurch			
Christchurch Town Council			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Christchurch Town Council	£43.38	5.30%	£45.68
Total Christchurch Town	£1,646.61		£1,728.91
Burton & Winkton Parish			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Burton & Winkton Parish Precept	£14.55	8.16%	£15.74
Total Burton Parish	£1,617.78		£1,698.97
Hurn Parish			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Hurn Parish Precept	£29.73	9.03%	£32.42
Total Hurn Parish	£1,632.96		£1,715.65
Highcliffe and Walkford			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Highcliffe and Walkford Neighbourhood Council	£24.78	-7.89%	£22.82
Total Highcliffe and Walkford	£1,628.01		£1,706.05

Bournemouth

Bournemouth (exc Throop and Holdenhurst)			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Bournemouth Chartered Trustee	£2.31	-1.80%	£2.27
Bournemouth Total	£1,605.54		£1,685.50
Bournemouth (Throop and Holdenhurst)			
BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Throop and Holdenhurst	£33.73	18.88%	£40.10
Bournemouth Total	£1,636.96		£1,723.33

Poole

BCP Unitary Charge	£1,603.23	4.99%	£1,683.23
Poole Chartered Trustee	£2.14	0.00%	£2.14
Poole Total	£1,605.37		£1,685.37

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Report subject	2022/23 Budget Monitoring at Quarter Three
Meeting date	Cabinet 8 February 2023
Status	Public Report
Executive summary	<p>This report provides 2022/23 budget monitoring information for quarter 3 for the general fund, capital programme and housing revenue account (HRA).</p> <p>The general fund outturn is projected with a £10.1m surplus for the current financial year.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Recognise the continued improvement to the 2022/23 in-year position with a £10.1m surplus now projected. 2. Recommend to Council acceptance of the £18m levelling up grant as set out in paragraph 69

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).
2. The December 2022/23 Budget Monitoring and Financial Strategy Update report to Cabinet included a projected general fund revenue surplus for the year of £9m.

Revenue budget monitoring at quarter three 2022/23

3. The latest projection for the 2022/23 revenue budget outturn is a surplus of £10.1m overall. There is a small overspend within services of £0.3m offset by a central budget surplus of £10.4m.
4. This further improvement demonstrates the effectiveness of the expenditure controls implemented by Cabinet in September when the cost-of-living impact of rising energy prices and general inflation became clear.
5. The table below is a summary of the revenue outturn position as projected at the end of December 2022.

Figure 1: General Fund – Summary projected outturn for 31 March 2023

Directorate	Revenue	Working Budget	Forecast Outturn	Forecast Variance
Adult Social Care	Expenditure	155,939	157,124	1,185
	Income	(49,820)	(53,484)	(3,664)
Adult Social Care Total		106,119	103,640	(2,479)
Children's Services (excl. DSG)	Expenditure	87,769	93,514	5,745
	Income	(14,086)	(14,160)	(74)
Children's Services Total		73,683	79,355	5,672
Commissioning Centre of Excellence	Expenditure	35,190	36,146	956
	Income	(23,401)	(24,313)	(912)
Commissioning Total		11,789	11,833	44
Operations	Expenditure	166,664	164,424	(2,240)
	Income	(110,211)	(114,533)	(4,322)
Operations Total		56,453	49,891	(6,561)
Resources & Chief Executive Office	Expenditure	178,492	178,045	(447)
	Income	(115,283)	(115,284)	(0)
Resources & Chief Exe Office Total		63,209	62,761	(447)
Net Cost of Services		311,252	307,480	(3,772)
Transformation (including target savings)	Expenditure	16,744	19,244	2,500
	Income Total	(23,590)	(21,995)	1,595
Transformation Total		(6,846)	(2,751)	4,095
Net Position		304,406	304,729	323
Beach Huts Securitisation of Income Stream		3,700	0	(3,700)
Interest on cash investments		(45)	(1,975)	(1,930)
BDC Winter Gardens Provisions Reduction		0	(1,000)	(1,000)
Other Corporate Items		(308,062)	(311,879)	(3,817)
Total Budget		(0)	(10,124)	(10,124)

6. The detail of projected variances is included in Appendix 5a. A general fund summary forecast outturn is included in Appendix 5b.

Summary of 2022/23 projected outturn by directorate

7. The following paragraphs summarise the projected 2022/23 budget position for each directorate.

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

8. The net underspend is due to 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. There has also been a catch up on the backlog for client charges.
9. Care cost pressures have grown by further £0.5m associated with the rising cost of care home fees and domiciliary care packages to support patients leaving hospital, bringing the projected annual overspend to £10m for people with long term conditions. This is after the use of the Adult Social Care Discharge grant as a contribution towards the home care overspend during the winter months. More people are being placed in residential care because of supply shortage in the home care market.
10. 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 are also challenges in sourcing suitable housing and delays in mental health hospital discharges there is an estimated underspend in year of £3.7m.
11. Whilst this underspend will mitigate in part the projected overspend in the long-term conditions budget this financial year, it is happening due to current supply shortage and cannot be assumed as a future budget saving.
12. 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 £3m.
13. The Council is making use of £2.8m NHS funding transferred under Section 256 agreements to support the additional costs arising from the hospital flow approach which is to discharge those who no longer need to occupy beds as timely and safely as possible.
14. Other mitigating factors include additional client contributions of £1.6m including some backlog charges and realignment after the pandemic.
15. A one off transfer to earmarked reserve of £0.1 is planned for additional resources to tackle recovery of historic debt during 2023/24.
16. There is reasonable confidence that the savings projected at this stage will be achieved. There are, however, also risks associated with the continuing increase cost of residential care homes, inflationary pressures and demand for care which increase the scale and volatility of adult social care budgets.

Commissioning

17. The commissioning budget is broadly balanced. Anticipated energy and inflationary costs incurred by the Local Authority Trading Company (Tricuro) of £0.2m are expected to be managed by the company.
18. The shortfall in the receipt of client contributions from the block booked care home placements is reducing and mitigated with savings due to staff vacancies, other miscellaneous savings, and due to the factors described in the paragraphs above.
19. The Council has pooled the Adult Social Care Discharge Fund with Health and using the £4.7m allocation for the BCP area to enable more people to be

discharged to an appropriate setting with adequate and timely social care support, prioritise those approaches that are most effective in freeing up hospital beds and boost general adult social care workforce capacity through recruitment and retention.

Children's Services - net overspend £5.7 million (8%)

20. The projected net overspend for children's services is £5.7m an increase of £0.9m compared with the position reported in November.
21. The projected position includes the recharge to the transformation programme of £1.5m of unbudgeted expenditure incurred to improve the service without there being an expectation of making future budget savings. The forecast currently assumes this element will be covered by a successful capitalisation direction. Should the council move completely towards an approach of funding the 2022/23 transformation investment programme via the flexible use of capital receipts (FUCR) then it is likely that this £1.5m recharge will need to be reversed as the legislation does not allow improvement expenditure to be funded by this mechanism.
22. Pressures previously reported continue for special educational needs and disabilities (SEND) transport of £1.3m due to fee increases, with an anticipated saving of £0.3m in mainstream transport.
23. Staffing pressures have reduced slightly due to vacancy drag but there has been an increase of £0.2m from the continued use in the final quarter of the purchased team of social workers due to an extension of the contract until February.
24. Cost of care placements has continued to increase during quarter three with an increased pressure of £0.8m, the majority due to a net increase of residential 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
25. The service is still expecting pressures from the unaccompanied asylum-seeking children (UASC) cohort as the grant income received does not cover the cost of care provided. There is concern this may increase further as more individuals are being placed in the BCP conurbation.

Operations – net underspend £6.6 million (12%)

26. Overall, operations budgets are projecting an underspend, £1.0m higher than last reported. The main pressures relate to the rising cost of living, such as the significant growth in utilities costs of £3.5m plus higher fuel costs. Mitigation plans have been developed to address these. Income generating activities, such as carparking benefitted from good weather over the first and second quarter and seasonal income continued this trend despite poorer weather in December. However, there is some risk in the projections for increased parking charges at the beach and whether the associated additional income of £0.4m will be achieved. Other positive income movements are in the green waste service and further charging of staff time to the capital programme.

Communities

27. Within the Communities directorate there are no individual new material pressures. Fees and charges not governed by statutory provisions have been reviewed and increases will be applied to reflect rising costs in line with corporate guidance.

Environment

28. Environment is seeing a strong budget performance with a positive position over the year on recycling costs per tonne generating a forecast £2.5m saving. However, more recent data indicates rising costs per tonne, with the position being monitored carefully.
29. Identified earlier this year is the additional income from the green waste service of £0.3m due to a combination of recognising the level achieved as part of the 2021/22 outturn alongside the current year price adjustment. In the last quarter this has increased to £0.4m forecast saving.
30. In the bereavement service, cremations income pressures have increased by £0.3m to £0.7m due to the drop in cremation numbers of 800 compared to last financial year. This is due to competition within the BCP area. The impact of high-cost inquests on the coroner's service is unchanged at £0.1m.
31. Fuel prices remain volatile, and the service are working to mitigate this, including consideration of notice to stop all non-essential travel.

Transport and Engineering

32. The latest forecast includes net additional income for car parks of £1.4m an increase of £0.1m since the last report. The pressures on the cost of providing the service, identified in June, are reducing due to the ongoing mitigation work and service harmonisation. These pressures currently stand at £0.6m.
33. Concessionary fares savings of £0.8m are projected due to payments to bus operators now being 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. This budget saving is considered on-going and has been reflected in the MTFP for 2023/24.
34. Street lighting electricity pressures continue and cost mitigations of £0.4m have been undertaken with this work ongoing.

Destination and Culture

35. Whilst seafront services forecast performance to September exceeded expectations due to favourable conditions, the third quarter to December has experienced poor weather resulting in lower trading income. Risk remains in delivering the income target for the remainder of the year but a forecast surplus of £0.1m is anticipated for the year overall.
36. The management fee income shortfall for BH Live has reduced by £0.1m with also a one-off activity adjustment for last year increasing projected revenue. BH Live were reported as trading well last time and this has continued with the budget income now close to being achieved although the full impact of the rising cost of living may not yet be reflected in leisure centre activity.

Planning

37. The planning service is now forecasting a deficit of £0.4m from its balanced budget position last quarter. There are significant pressures within the service, due to additional costs of agency staff. This is continuing to be addressed through a plan to transition away from reliance on agency staff throughout the remainder of this financial year through the forthcoming directorate restructure, and by drawdown of reserves earmarked for the service.

Housing

38. It is still anticipated that the in-year homelessness prevention grant allocation of £2.0m will be fully utilised. This grant is ring-fenced with £5.1m in earmarked reserves from previous year allocations, which is planned to be fully spent by the end of 2024/25 by continuing activities to reduce homelessness. The income shortfall from the acquisition strategy has reduced to £0.1m.
39. The forecast telecare income of £1.4m is still on target to be achieved. This income is from equipment rental charges to associations and new equipment installations. Staff vacancies within the operations centre continue to be filled. A forecast net pressure of £0.25m is presented to reflect a budget realignment identified at outturn.
40. The construction works team (CWT) is on track to meet budgeted surplus of £0.3m. Major projects CWT is delivering this year 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.
41. Net rental income from Seascope Homes & Properties Limited is on track to achieve budgeted income of £1.3m.
42. Garages and photovoltaic net surplus budget of £2.2m is also on course to be achieved. Cost pressures in relation to the cost of scaffolding for measurers to defer pigeons from settling are expected to be managed from within existing budget allocations.
43. The costs of administering Ukraine, Syrian and Afghan resettlement schemes are expected to be fully funded from in-year government grant allocations.
44. At £0.2m, utilities pressure from increasing gas and electricity prices is consistent with that forecast earlier in the year.
45. Housing services has identified £0.7m of mitigations for cost pressures as previously reported and these remain on course to be delivered. The service is forecasting a broadly balanced budget position for the year overall.

Resources & Chief Executive Office - net underspend £0.4m (<1%)

46. The main pressures continue to be for utility costs and contract payments for IT systems and the library PFI.
47. Customer Services employee costs are forecast to underspend by £0.6m against the additional £1.5m one-off agreed allocation for service improvement. Business Support costs are also forecast to underspend by £0.4m due to unfilled vacancies.
48. Facilities Management: The cost-of-living exercise estimated £0.4m utilities pressure from rising prices. Staff parking income from 1 August 2022 will be used to offset some unbudgeted operational costs of Poole Civic Centre. Repairs and maintenance spend across the civic estate are forecast to overspend by £0.2m, all funded from earmarked reserve. To date the council has incurred £0.1m of works that are expected to be reimbursed from third party insurance claims, and £0.2m of building surveyors and client project managers salaries are expected to be capitalised during the year.

49. Finance: Savings on employee costs from Health & Safety have been realised of £0.2m. The £0.1m pressure on bank charges is due to the continuing management of three bank accounts and the additional cost of BCP's share of Stour Valley and Poole Partnership is expected to be £0.1m.
50. ICT: No change is proposed to the cost-of-living pressure of £0.2m for software contract inflation, the majority of which is within ICT services. The service also retains historic base budget revenue allocation of £0.2m for ICT replacement. This budget has not yet been fully utilised.
51. 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 £0.1m and an income pressure of just under £0.1m. Legal Services has seen staff vacancies throughout the year which has resulted in the employment of additional temporary staff. The budget for local elections is expected to be underspent by £0.2m. This is no longer required to top up the earmarked reserve as there is a separate corporately held budget for this purpose.
52. Human Resources employee costs are forecast to underspend by £0.1m due to vacancies and staff engaged in the transformation work.
53. 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 currently an unfunded salary related pressure of £0.1m for 2022/23 with the potential for this to increase to £0.4 million in 2023/24 and then reducing to £0.3 million in 2024/25 with the current allocation of budget from the transformation programme.
54. Local Land Charges income has seen a significant reduction post October 2022. It is likely this is mainly due to the significant increase in mortgage rates. The fall was slightly delayed from the September mini budget due to the mortgage offers already issued but we are hopeful it will start to rise now there is more activity in the housing market and the mortgage rates are starting to fall again.

Transformation

55. Transformation savings of £8.7m have been built into the budget for 2022/23. Consistent with quarter two £1.5m of savings have not yet been identified for delivery. Quarter three now includes an identified underspend of £1m on the additional licenses and other revenue costs associated with the programme revenue budget which includes the Microsoft licence fees associated with the new ERP system.
56. The savings identified include £0.8m saving from business support staff. Further work continues in respect of third party spend savings.
57. The estimate of base budget staff costs able to be transferred to the transformation programme has been reduced by £3.5m from the £6.7m budgeted. Further work is ongoing to confirm the final figure for 2022/23. This follows a review of the available evidence to support the recharge for specific workstreams. It also reflects, staff vacancies reducing support service costs and that some backfill arrangements which have been necessary to support business as usual activity.

Central Items - net surplus £10.4m

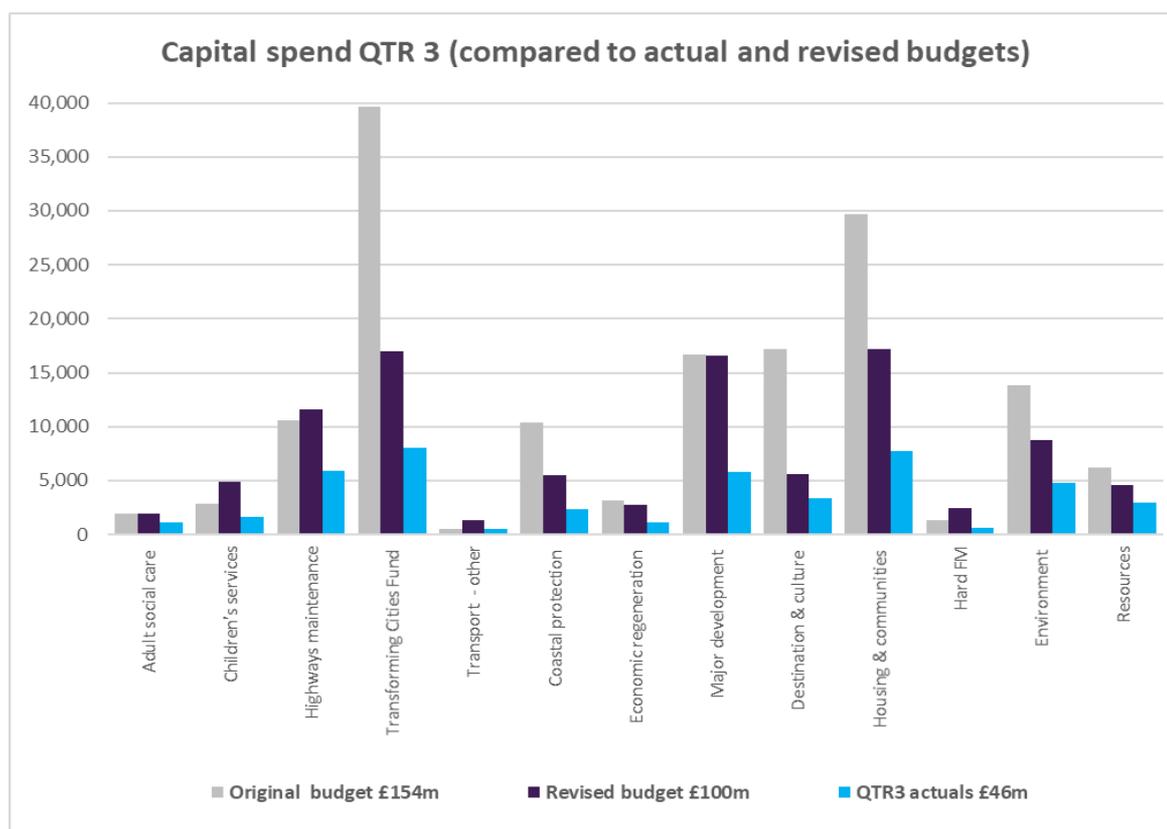
58. In setting the 2022/23 budget 3.1% was set aside for assumed pay award inflation. This was insufficient to cover the final position agreed with the trade unions by the National Employers for local government services which was a flat rate increase of £1,925 on every spinal column point plus an additional day's annual leave, which calculates as an average 5.4% for our staffing mix. The forecast takes account of the fact that the pay award is likely to add an extra £4.1m to the cost base of the council over and above the £5.5m allowed for as part of the original 2022/23 budget. Work on the impact of the extra days leave is ongoing and will need to be factored into future budget monitoring updates.
59. The council in 2021/22 recognised £5m of potential losses attributable to Bournemouth Development Company LLP ("BDC"), a BCP joint venture company. The council is making a provision for their shareholding as a result of on-going viability demands relating to the Winter Gardens project. Since making this provision the West Cliff Mansions (Durley Road) development has been successfully delivered. Profit from this scheme will be retained by BDC and offset the need for the full provision set aside in 2021/22. The benefit to the Council is circa £1m.
60. Release of the £2.2m base budget revenue contingency for 2022/23. This approach will mean there are no resources set aside for any variations that might occur in the remaining three months of the financial year.
61. Release of the £3.7m assumed revenue budget impact of the proposal to securitise the beach hut income stream included as part of the 2022/23 original budget. This net reduction includes foregone income, loan repayments and guarantee fees.
62. Treasury management and property investment income is forecasted to deliver £1.9m over budget. This is reflective of increasing interest rates as well as cash balances than previously forecasted.

Capital budget monitoring at December 2022

63. This report covers the council's budgeted capital investment programme (CIP) in respect of general fund capital expenditure only. Housing revenue account (HRA) related capital spend is reported separately within this report.
64. 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.
65. In February 2022 Council approved a general fund capital investment programme budget of £154.1m 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 £100m. The chart below reflects quarter three spend against this revised programme.
66. As at 31 December 2022, around £46m of the revised full year capital budget of £100m has been spent. This is around 46% of the full year capital budget, which is broadly in line with previous years.

67. Figure 6 below summarises capital spend by directorate.

Figure 6: Capital Budget Monitoring at 31 December 2022



Capital budget virements and acceptance of capital grants

68. 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.

69. The following capital virements to accept new grants require the approval of **Council**:

Directorate: Operations

Acceptance of Levelling up Grant - £18.16m

The council has been successful in a bid to the government's Levelling Up Fund (Round 2), securing £18.16 million in grant funding to support the "BCP Coastal Communities Infrastructure".

Housing revenue account (HRA) monitoring

70. 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.
71. Within the HRA the council operates 9,575 tenanted properties. The management agreement with PHP was terminated on 30 June 2022 and all properties are now managed in-house by the council.
72. Appendix 5c and Appendix 5d provides the detail of both revenue and capital budget monitoring for BCP respectively.

Revenue account

73. Rental income: Total dwelling and non-dwelling rental income of £45.3m was budgeted for the year. This is on course to be achieved, with £34.3m billed up to the end of December. The full year forecast for rental income is in line with budget.
74. Repairs & Maintenance costs: The full year forecast for repair costs is £0.8m greater than the £10.0m budget. This is primarily due to the inflationary cost pressures being experienced in this area. 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. The full-year forecast is considered reasonably cautious. It represents a considerable increase to prior year actual spend, but at the same time represent current market conditions and pressures.
75. Supervision & Management costs: The full year forecast is £0.5m less than budget of £13.5m. Supervision and management costs include utilities spend, which is forecast to be £0.3m greater than budgeted due to the well documented increases in gas and electricity prices. However, the utilities cost pressure is more than offset by the saving arising from no longer incurring PHP senior management costs (£0.3m) and other forecast underspends across both neighbourhoods.
76. Overall, a net surplus of £5.9m (budget £6.0m) is forecast to be transferred into ringfenced HRA reserves to support the HRA's ongoing capital housing stock investment and maintenance needs.
77. Work has commenced to establish consistent accounting policies across the two neighbourhoods. The council recently appointed a single firm of chartered surveyors to conduct the year-end housing stock valuation of both neighbourhoods, ensuring there will be a consistent valuation approach at the 2022/23 year-end. Depreciation policy will be harmonised when the existing

spreadsheet based fixed asset registers are moved into the new finance system (Dynamics 365) which is planned to go live on 1 April 2023.

Capital programme

78. In February 2022 Council approved an HRA capital programme budget of £63.1m for 2022/23. This includes £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 current year capital budget allocation.
79. Of this, £12.6m has been spent in the first nine months of the year on HRA major projects, including Cynthia House, Herbert Avenue, Project Admiral, Moorside Road, Northbourne Day Centre and Princess Road. A further £8.8m has been spent on planned maintenance (principally windows, bathroom and kitchen refurbishments and disabled adaptations). In total 64% of the HRA capital budget has been utilised in the first nine months of the year.
80. The same key financial risks apply to the HRA capital programme as the general fund capital programme. These centre broadly around the ongoing increase in capital budgets from price / cost escalation and reduced availability of new capital funding. In previous years new capital projects could potentially have been part funded from HRA capital reserves or unapplied right-to-buy receipts. The availability of these receipts is reducing as historic unallocated funds are allocated to capital schemes within the HRA capital programme.
81. Moorside Road: Handover of the properties took place in December and new tenants moved in before Christmas.
82. Craven Court: Contractors now in possession of the site. Demolition works due to commence in February 23.
83. Northbourne Day Centre: The project is close to completion, with handover of the properties due on 19th February.
84. Princess Rd: The project is currently on hold while BCP considers options as tender prices quoted are over budget.
85. Hillbourne development: The original 2022/23 budget of £6.7m for this site assumed that construction work would commence in the current year. The start of construction work is now not expected until 23/24, and therefore the budget has been re-phased.
86. Cynthia House (Alice Gardens): This project is close to completion, with handover of the completed properties due in February and March this year.

Appendices

Appendix 5a Projected variances greater than £100,000 for 2022/23

Appendix 5b General fund summary forecast 2022/23

Appendix 5c Summary of HRA revenue budget monitoring for 2022/23

Appendix 5d Summary of HRA capital budget monitoring for 2022/23

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BCP COUNCIL
Budget Variances 2022/23



Directorate / Service	Type	Description	December Variance £000	February update £000	February Total Variance £000
Adult Social Care					
Adult Social Care - Services	Cost of living and other service pressures	Third Party Payments	4,900		4,900
		Third Party Payments	4,602	553	5,155
	Savings, Efficiencies and Mitigations	Third Party Payments	(3,029)	(678)	(3,707)
		Income	(2,554)	(500)	(3,054)
		Income	(2,775)		(2,775)
		Income	(789)	(867)	(1,656)
		Third Party Payments	(257)		(257)
		Various	(113)	137	24
		Employee costs	(672)	219	(453)
		Reserves	(415)		(415)
		Review of earmarked reserves	(113)		(113)
		Review of earmarked reserves	(235)		(235)
		Reserves	0	107	107
Adult Social Care - Services Total			(1,450)	(1,029)	(2,479)
Commissioning (Adults) & P	Cost of living and other service pressures	Third Party Payments	171		171
		Income	356	(130)	226
	Savings, Efficiencies and Mitigations	Third Party Payments	(171)		(171)
		Employee costs	(105)	(31)	(136)
		Various	(38)	(8)	(46)
Commissioning Centre of Excellence (Adults) & Public Health Total			213	(169)	44
Adult Social Care Total			(1,237)	(1,198)	(2,435)
Children's Services					
Children's Services	Cost of living and other service pressures	Third Party Contributions	1,483		1,483
		School Transport	750		750
		School Transport	1,250	100	1,350
		School Transport	(200)	(100)	(300)
		Electricity/Gas costs	182		182
		Staffing	860	(100)	760
		Staffing	0	230	230
		Care	211		211
		Care	708		708
		Care	960	850	1,810
	Savings, Efficiencies and Mitigations	Review of earmarked reserves	(935)		(935)
		Service saving	(578)		(578)
Children's Services Total			4,691	980	5,671
Children's Services Total			4,691	980	5,671

Directorate / Service		Type	Description	December Variance £000	February update £000	February Total Variance £000
Operations						
Housing	Cost of living and other service pressures	Electricity/Gas costs	Assumed price variations	155		155
		Income pressure	Telecare reduction to budgeted income assumed 22/23	250		250
		Expenditure pressure	Council New Build Housing Acquisition Strategy (CNHAS) saving assumed in the 2022/23 base budget	98		98
		Expenditure pressure	Housing related support contracts inflationary clause	150	77	227
		Service pressures	Housing Options & Partnerships	154		154
	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 accounts	(100)		(100)
		Service saving	Homelessness Prevention Grant utilised to cover budget costs	(100)		(100)
		Service saving	Others miscellaneous savings (each less than £100k)	(393)		(393)
					(140)	77
Housing Total						
Environment	Cost of living and other service pressures	Income pressure	Crematorium income pressure	433	300	733
		Expenditure pressure	Hydrotreated Vegetable Oil (HVO) costs	389	(193)	196
		Expenditure pressure	Volume of waste bins that need replacement	(280)		(280)
		Expenditure pressure	Waste Disposal Contract	(500)	115	(385)
		Service saving	Sales of recycle material – value and volume	(2,600)	134	(2,466)
	Savings, Efficiencies and Mitigations	Service saving	Capitalisation of neighbourhood highways costs less associated borrowing costs	(930)		(930)
		Service saving	Sales of waste material from the Household Waste Recycling Centres	(100)	53	(47)
		Service saving	Green Waste Income	(278)	(100)	(378)
		Service saving	Pause recruitment Strategic Lead Climate Change until April 2023		(306)	(306)
		Service saving	Vehicle Parts		(100)	(100)
Environment Total				(3,866)	(97)	(3,963)
Destination & Culture	Cost of living and other service pressures	Expenditure pressure	BH Live	308	(240)	68
		Savings, Efficiencies and Mitigations	Service saving	Cultural Compact	(129)	85
	Savings, Efficiencies and Mitigations	Service saving	Festival Coast Live	(125)	30	(95)
		Service saving	Cultural development and networking	(100)		(100)
		Reserves	SLM reserve use	(340)		(340)
Destination & Culture Total				(386)	(125)	(511)
Coroners	Cost of living and other service pressures	Expenditure pressure	Increased / complex caseload	100		100
Coroners Total				100	0	100
Transport & Engineering	Cost of living and other service pressures	Expenditure pressure	Car Parks, rates increases, card charges and other expenditure items	608	42	650
		Savings, Efficiencies and Mitigations	Service saving	Car park income increase to reflect previous year's performance	(1,130)	49
	Savings, Efficiencies and Mitigations	Service saving	Beach car park tariffs increased	(359)		(359)
		Service saving	Remove seasonal concession for car parking	(150)		(150)
		Service saving	Concessionary Fares		(804)	(804)
		Service saving	Street lighting (excluding utility pressure)	(345)	(8)	(353)
		Service saving	Recharging to capital schemes	(340)		(340)
		Reserves	FCERM reserve used for Hamworthy sea wall defences	(260)		(260)
		Service saving	Capitalisation of asset engineering	(125)		(125)
		Service saving	Additional income from capital recharges	(400)		(400)
Transport & Engineering Total				(2,501)	(721)	(3,222)
Communities Total		Service saving	Stopping allocation to development of VRN	(150)		(150)
		Service saving	Recharge of community safety salaries to DA Grant	(25)		(25)
Communities Total				(280)	(45)	(325)
Planning	Cost of living and other service pressures	Expenditure pressure	Cost of agency staff		390	390
Planning Total				0	390	390
General	Cost of living and other service pressures	Electricity/Gas costs	Assumed price variations	3,111	402	3,513
		Expenditure pressure	Other miscellaneous pressures (each less than £100k)	561	(372)	189
	Savings, Efficiencies and Mitigations	Service saving	Other miscellaneous savings (each less than £100k)	(1,896)	(526)	(2,422)
		Service saving	Cleaner, Greener, Safer	(248)		(248)
Operations Directorate General Total				1,528	(496)	1,032
Operations Total				(5,545)	(1,017)	(6,562)

Directorate / Service		Type	Description	December Variance £000	February update £000	February Total Variance £000
Resources & Transformation						
Customer & Service Delivery	Cost of living/service pressures/savings	Electricity/Gas costs	Facilities Management - Assumed price variations	485	(50)	435
		Office costs	Poole and Christchurch Civic Centres	0	527	527
		Employee costs	Business Support	(400)		(400)
		Service pressures	Customer Services - underspending against £1.5m allocation	(550)		(550)
		Service pressures	Library PFI Contract inflationary clause	150		150
		Service pressures	Other less than £100k	(366)	246	(120)
Customer & Service Delivery Total				(681)	723	42
Resources & Transformation	Cost of living and other service pressures	Employee costs	Major projects team salaries pressure	135	(65)	70
		Employee costs	Audit & Management Assurance	(170)	(62)	(232)
		Employee costs	Vacancies in Human Resources	(127)		(127)
		Employee costs	Regeneration - Unfilled vacancies / unrequired contingency	(126)	(174)	(300)
		Employee costs	Unfilled vacancies in IT, Data & Analytics	(121)	(55)	(176)
		Third Party Payments	Software contracts inflationary clause - resources	157		157
		Third Party Payments	Software contracts inflationary clause - SVPP, dev, customer	14		14
		Service pressures	Development of Mosaic Care System after data migration	250		250
		Service pressures	Bank Charges	125	2	127
		Service pressures	Stour Valley and Poole Partnership - share of overspend	119		119
		Service pressures	Other miscellaneous variances (each less than £100k)	(307)	(212)	(519)
		Service saving	Elections - separate corporate budget for annual contribution to reserve	(155)		(155)
		Service pressures	Reduced Land Charges income	-	177	177
		Service pressures	Registrars employee costs	-	106	106
		Transformation	Recharge to transformation funded from FUCR	3,500		3,500
		Transformation	Delay in incurring costs of new licenses due to judicious system implementation planning.	0	(1,000)	(1,000)
		Transformation	Shortfall against transformation target	1,595		1,595
Resources & Transformation General Total				4,889	(1,283)	3,606
Resources & Transformation Total				4,208	(560)	3,648
Central Items						
Central Items	Cost of living and other service pressures	Various	Other miscellaneous pressures (each less than £100k)	(34)		(34)
		Employee costs	Pay award above budget at £1,925 per FTE	4,139		4,139
		Employee costs	Assumed 20% of transformation redundancy costs unable to be funded from the FUCR (new regulations from 1 April 2022)	250	639	889
	Savings, Efficiencies and Mitigations	Income	Additional Treasury Management Income due to higher interest rates and the additional funding in advance of spend.	(1,930)		(1,930)
		Earmarked Reserve	Release Transformation Mitigation Earmarked Reserve not utilised as planned in 2021/22	(1,949)		(1,949)
		Grant Income	Contain Outbreak Management Fund resources brought forward into 2022/23 to fund previously planned expenditure	(1,849)	(2)	(1,851)
		Grant Income	Anticipation that the final reconciliation of the Covid 19 Sales, Fees and Charges grant claim will be approved	(1,402)		(1,402)
		Financial Services	Stour Valley and Poole Partnership Revenue and Benefits (SVPP) – release of the 2021/22 operational reserve	(435)		(435)
		Contingency	Contingency released to support in-year position	(2,186)		(2,186)
		Beach Huts	Beach hut income budgeted as transferred to a special purpose vehicle	(3,700)		(3,700)
		Corporate Provisions	Bournemouth Development Company (BDC) released portion of provision	(1,000)		(1,000)
		Minimum Revenue Provision	Winter Gardens finance loan	(304)		(304)
		Employee costs	Removal of 1.25% National Insurance Levy from November 2022	(583)		(583)
		Electricity/Gas costs	Utility Cost Forecast variation based on Government support package	(100)		(100)
Central Items Total				(11,083)	637	(10,446)
Central Items Total				(11,083)	637	(10,446)
Grand Total				(8,966)	(1,158)	(10,124)

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BCP Council - General Fund Summary

Directorate	Revenue	Working Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Adult Social Care	Expenditure Total	155,939	157,124	1,185
	Income Total	(49,820)	(53,484)	(3,664)
Adult Social Care Total		106,119	103,640	(2,479)
Children's Services (excl DSG)	Expenditure Total	87,769	93,514	5,745
	Income Total	(14,086)	(14,160)	(74)
Children's Services Total		73,683	79,355	5,672
Commissioning Centre of Excellence	Expenditure Total	35,190	36,146	956
	Income Total	(23,401)	(24,313)	(912)
Commissioning Centre of Excellence Total		11,789	11,833	44
Operations	Expenditure Total	166,664	164,424	(2,240)
	Income Total	(110,211)	(114,533)	(4,322)
Operations Total		56,453	49,891	(6,561)
Resources & Chief Executive Office	Expenditure Total	178,492	178,045	(447)
	Income Total	(115,283)	(115,284)	(0)
Resources Total		63,209	62,761	(447)
Transformation (inc target savings)	Expenditure Total	16,744	19,244	2,500
	Income Total	(23,590)	(21,995)	1,595
Transformation Total		(6,846)	(2,751)	4,095
Total Net Cost of Service		304,406	304,729	323
Corporate Items				
Provision for repayment (MRP)		13,247	13,247	0
Pensions		5,880	5,880	0
Interest on borrowings		3,339	3,339	0
Winter Gardens finance loan		0	(304)	(304)
Contingency		2,185	0	(2,185)
Pay Award 22/23 original allocation		5,856	5,856	0
Pay Award 22/23 inflation		0	4,139	4,139
Removal of 1.25% National Insurance Levy from November 2022		0	(583)	(583)
Utility Cost Forecast variation based on Government support package		0	(100)	(100)
Transformation Redundancy Costs		0	885	885
Other misc cost of living		0	(34)	(34)
Levies (Environment Agency / Fisheries)		615	615	0
Apprentice Levy		622	622	0
Revenue expenditure on surplus assets		267	267	0
Beach Huts Securitisation of Income Stream		3,700	0	(3,700)
Corporate Items	Expenditure Total	35,712	33,829	(1,882)
Corporate Items				
Investment property income		(6,302)	(6,302)	0
Income from HRA		(949)	(949)	0
Other Grant Income		(504)	(504)	0
Interest on cash investments		(45)	(1,975)	(1,930)
Dividend Income		(100)	(100)	0
BDC Winter Gardens Provisions Reduction		0	(1,000)	(1,000)
Movement from reserves		(35,779)	(35,779)	0
Movement from reserves - S31 NNDR Grant		(23,446)	(23,446)	0
Movement from reserves - Council Tax / NNDR Losses Grant		(1,021)	(1,021)	0
Release Transformation Mitigation Earmarked Reserve		0	(1,949)	(1,949)
Contain Outbreak Management Fund resources		0	(1,849)	(1,849)
Covid 19 Sales, Fees and Charges grant claim		0	(1,402)	(1,402)
Stour Valley and Poole Partnership Revenue and Benefits		0	(435)	(435)
Corporate Items	Income Total	(68,146)	(76,711)	(8,565)
Net Budget Requirement		271,972	261,848	(10,124)
Funding				
Council Tax Income		(228,965)	(228,965)	0
Business Rates Income		(56,842)	(56,842)	0
Revenue support grant		(3,122)	(3,122)	0
New Homes Bonus Grant		(1,038)	(1,038)	0
Collection Fund Deficit Distribution (Council Tax)		(357)	(357)	0
Collection Fund Deficit Distribution (NNDR)		22,534	22,534	0
Lower Tier Service Grant 2022/23		(469)	(469)	0
Services Grant 2022/23		(3,714)	(3,714)	0
Total Funding		(271,973)	(271,973)	0
Net Position		(0)	(10,124)	(10,124)

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HRA - Revenue Account 2022/23

	Full year budget £000	Full year forecast £000	Quarter 3 actuals £000	Forecast variance £000
Income				
Dwelling rents	(45,043)	(45,043)	(34,082)	0
Non-dwelling rents	(270)	(260)	(198)	10
Charges for services and facilities	(2,103)	(2,243)	(1,444)	(140)
Contributions to expenditure	(381)	(527)	(338)	(146)
Other income	0	0	0	0
Total income	(47,797)	(48,073)	(36,062)	(276)
Expenditure				
Repairs and Maintenance	10,036	10,860	7,904	824
Supervision and Management	13,549	13,051	6,481	(498)
Rent, rates, taxes and other charges	427	439	200	12
Bad or doubtful debts	400	400	0	0
Capital financing costs (debt management costs)	186	186	0	0
Depreciation	11,791	11,791	0	0
Net interest payable	5,446	5,446	2,639	0
Total expenditure	41,835	42,173	17,224	338
Net operating (surplus) / deficit	(5,962)	(5,900)	(18,838)	62
Appropriations to reserves				
Transfer to/from HRA reserve	5,962	5,900	0	(62)
Total appropriations	5,962	5,900	0	(62)
(Surplus) / deficit	0	0	(18,838)	0

BCP HRA - Capital programme 2022/23

	Original budget £000	Budget adjustment £000	December forecast £000	December YTD spend £000	Budget remaining £000
Major projects - construction					
Moorside Road	1,939	(426)	1,513	1,216	297
Templeman House	3,000	(2,708)	292	285	7
Craven Court	2,750	(2,000)	750	89	661
Duck Lane Phase 2	1,400	(1,398)	2	1	1
Wilkinson Drive	1,816	(527)	1,289	789	500
Cabbage Patch Car Park	1,790	277	2,067	1,568	499
Godshill Close	0	55	55	0	55
Northbourne Day Centre	1,141	382	1,523	1,074	449
Luckham Road/Charminster Road	0	1	1	0	1
Princess Road	10,000	(9,568)	432	432	0
Mountbatten Gardens	149	(108)	41	42	(1)
Summers Avenue	0	56	56	0	56
43 Bingham Road	0	14	14	14	0
Roeshot Hill	0	4	4	4	0
Cladding	397	213	610	390	220
New Build - Montacute	0	0	0	2	(2)
Old Town Tower Block Works (Project Admiral)	4,022	(631)	3,391	2,391	1,000
Herbert Avenue Modular	2,656	(1,114)	1,542	1,041	501
Cynthia House	2,785	(511)	2,274	1,585	689
Hillborne School Development	6,655	(5,880)	775	415	360
Egmont Road	310	(306)	4	4	0
Sopers/Cavan Crescent Development	440	(439)	1	1	0
Oakdale	1,920	(1,920)	0	0	0
Major projects - feasibility					
CNHAS Programme 3	0	20	20	4	16
Beaufort Park/Cranleigh road	600	(600)	0	0	0
Surrey Road	350	(350)	0	0	0
Urgent Feasibility works	200	0	200	78	122
Poole Infill Projects	145	0	145	62	83
Other					
Purchase and Repair - generic code	1,500	(1,499)	1	1	0
Capitalised salary costs	433	0	433	154	279
Small Projects/Acquisitions	1,500	(665)	835	835	0
New computer system	180	0	180	78	102
sub-total major projects	48,078	(29,628)	18,450	12,554	5,896
Planned maintenance					
External standard doors	272	0	272	140	132
Fire safety programmes	1,248	0	1,248	636	612
Kitchen replacement programme	1,900	0	1,900	1,210	690
Heating & hot water systems	1,069	0	1,069	946	123
Bathrooms	1,005	0	1,005	678	327
Building envelope	324	0	324	134	190
Electrical and lighting works	648	0	648	177	471
Door entry system	77	0	77	15	62
Structural repairs and works	58	0	58	21	37
Lift improvements & replacements	168	0	168	97	71
Outbuildings (inc garages)	95	0	95	45	50
Asbestos	100	0	100	82	18
Insulation / Energy conservation / Environmental	1,250	0	1,250	120	1,130
Windows	1,800	0	1,800	1,802	-2
Building external works	790	0	790	535	255
Boundaries, communal areas, hardscapes, drainage	150	0	150	152	-2
Roofing	915	0	915	210	705
Bedroom extensions	50	0	50	38	12
Plastering	81	0	81	58	23
Housing & Health Safety Cat 1 & 2	138	0	138	16	122
Disabled adaptations	950	0	950	951	-1
Various programmes (under £100k)	400	0	400	306	94
Sheltered sites	50	0	50	99	-49
Contingency	500	0	500	173	327
Capitalised salaries	952	0	952	156	796
sub-total planned maintenance	14,990	0	14,990	8,797	6,193
total capital programme	63,068	(29,628)	33,440	21,351	12,089
Percentage budget capital programme spend (as % of forecast)				64%	

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

	Adjusted Net	MTFP	Net	MTFP	Net	MTFP	Net	MTFP	Net
	Budget		Budget		Budget		Budget		Budget
	2022/23	2023/24	2023/24	2024/25	2024/25	2025/26	2025/26	2026/27	2026/27
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Adult Social Care - inc Public Health	109.7	4.1	113.8	4.1	117.9	2.3	120.2	2.5	122.8
Children's Services	78.1	10.6	88.7	0.7	89.4	1.8	91.2	1.9	93.1
Commissioning Centre of Excellence	11.3	0.0	11.3	0.0	11.3	0.0	11.3	0.0	11.3
Operations	58.6	(10.7)	47.9	0.8	48.6	0.0	48.7	(0.7)	48.0
Resources	52.0	(3.9)	48.1	1.0	49.1	0.4	49.6	0.4	50.0
Transformation	3.9	1.1	5.0	0.0	5.0	0.0	5.0	0.0	5.0
Net cost of services	313.6	1.3	314.9	6.6	321.5	4.6	326.1	4.1	330.2
Carters Quay Housing and Regeneration Scheme	0.1	0.1	0.3	(0.1)	0.2	(0.3)	(0.1)	(0.1)	(0.2)
Contingency	2.2	0.0	2.2	0.0	2.2	0.0	2.2	0.0	2.2
Treasury and Property Income	(6.0)	(1.5)	(7.5)	1.3	(6.2)	(0.1)	(6.3)	0.0	(6.3)
Minimum Revenue Provision (debt repayment) and Interest	16.3	0.2	16.6	0.5	17.0	0.0	17.1	(0.0)	17.1
Pay and Grading Project	0.0	1.0	1.0	1.2	2.2	(1.0)	1.2	1.9	3.0
Pay related costs	15.9	10.7	26.6	7.8	34.4	3.8	38.1	3.6	41.7
Reserve Movements	(60.2)	32.2	(28.0)	29.4	1.4	0.0	1.4	0.0	1.4
Securitisation of a net income stream to the Council	3.7	(3.7)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Transformation savings	(6.6)	(9.0)	(15.6)	(15.9)	(31.5)	0.0	(31.5)	0.0	(31.5)
Transformation - base revenue budget costs	(6.7)	3.5	(3.2)	0.0	(3.2)	3.2	0.0	0.0	0.0
Transformation - redundancy costs	0.0	2.1	2.1	(1.9)	0.1	(0.1)	0.0	0.0	0.0
Levies	0.6	0.0	0.6	0.0	0.6	0.0	0.7	0.0	0.7
Accommodation Strategy	0.0	0.0	0.0	0.0	0.0	(0.1)	(0.1)	(0.0)	(0.2)
Contribution from HRA	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)	0.0	(0.9)
Dividend Income	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)	0.0	(0.1)
Apprenticeship Levy	0.6	0.0	0.6	0.0	0.6	0.0	0.6	0.0	0.6
Admin Charged to Grant Income	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)	0.0	(0.5)
Net Budget	272.0	36.8	308.8	29.0	337.8	9.9	347.7	9.5	357.2
Council Tax Income	(223.1)	(11.7)	(234.8)	(10.8)	(245.6)	(7.7)	(253.3)	(8.0)	(261.3)
Council Tax Base	(5.8)	(3.2)	(9.0)	(2.6)	(11.6)	(1.3)	(12.9)	(1.3)	(14.2)
Second and empty homes premium	0.0	0.0	0.0	0.0	0.0	(6.2)	(6.2)	0.0	(6.2)
New Homes Bonus	(1.0)	0.7	(0.3)	0.0	(0.3)	0.2	(0.1)	0.0	(0.1)
Lower Tier Service Grant 2021/22	(0.5)	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services Grant Allocation	(3.8)	1.7	(2.1)	0.0	(2.1)	2.3	0.2	0.0	0.2
Revenue Support Grant	(3.1)	(0.8)	(3.9)	0.0	(3.9)	0.0	(3.9)	0.0	(3.9)
NNDR Net Income	(35.5)	(2.4)	(37.9)	0.0	(37.9)	0.0	(37.9)	0.0	(37.9)
NNDR 31 Grants + Renewable Energy	(21.3)	0.0	(21.3)	0.0	(21.3)	0.0	(21.3)	0.0	(21.3)
Estimated (Surplus) / Deficit on the Collection Fund - NNDR	22.5	(21.9)	0.6	(1.0)	(0.4)	0.1	(0.3)	(0.1)	(0.4)
Estimated (Surplus) / Deficit on the Collection Fund - CTAX	(0.4)	0.3	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0
Total Funding	(272.0)	(36.8)	(308.8)	(14.4)	(323.2)	(12.6)	(335.9)	(9.4)	(345.2)
Annual – Net Funding Gap	0.0	0.0	0.0	14.6	14.6	(2.7)	11.9	0.1	11.9
Cumulative MTFP – Net Funding Gap			0.0		14.6		26.4		38.4



GENERAL FUND BUDGET SUMMARY 2023/24

Provisional budgets. Final detail will be provided as part of the BCP Council Budget Book

	Net Budget 2022/23 £000	Net Budget 2023/24 £000
Adult Social Care - inc Public Health	109,653	113,790
Children's Services	78,087	88,717
Commissioning Centre of Excellence	11,337	11,337
Operations	58,605	47,877
Resources	51,970	48,107
Transformation Revenue Implications	3,936	5,036
Net cost of services	313,589	314,864
Pension Backfunding	5,880	3,406
Pension Primary Rate increase - <i>to be distributed to services</i>	0	2,838
Contingency	2,225	2,225
Pay award 22/23 and 23/24 - <i>to be distributed to services</i>	8,594	20,294
Increase in Employers National Insurance to fund cap on social care	1,418	18
Levies		
Environment Agency	509	519
Fisheries	106	108
Corporate income and expenditure		
Interest on borrowings	3,551	3,572
Interest on cash investments and dividends	(145)	(2,687)
Securitisation of an income stream to the Council	3,700	0
Investment property income	(6,194)	(5,192)
Revenue expenditure on surplus assets	266	266
Income from HRA	(949)	(949)
Admin Charged to Grant Income	(504)	(504)
Apprentice Levy	622	622
Net Operating Expenditure	332,668	339,400
Other financial items impacting on the general fund		
Provision for repayment (MRP)	12,789	12,987
Movements to and (from) reserves	(35,779)	(27,028)
Movement from reserves - S31 NNDR Grant	(23,446)	0
Movement from reserves - Council Tax / NNDR Losses Grant	(1,021)	(1,021)
Transformation Programme - revenue costs transferred to programme	(6,700)	(3,200)
Transformation Saving Target	(6,589)	(15,633)
Redundancy costs that can no longer be charged to Transformation	0	2,070
Pay and Grading Project	0	991
Carters Quay Housing and Regeneration Scheme	122	266
	(60,624)	(30,568)
Net Budget Requirement	272,043	308,831
Other funding before Council Tax Requirement		
New Homes Bonus Grant	(1,038)	(344)
Lower Tier Service Grant	(469)	0
Services Grant	(3,785)	(2,133)
Collection Fund Surplus Distribution (Council Tax)	(357)	(36)
Collection Fund Deficit Distribution (NNDR)	22,534	610
Net Income from Business Rates - inc S31 Grant	(56,842)	(59,193)
Revenue support grant	(3,122)	(3,937)
	(43,079)	(65,033)
Total Council Tax Requirement	228,963	243,797

Appendix 6A - BCP Council - Budget 2023/24 and MTFP - Savings

List One:

Ref:	Directorate	Category of the Proposal	Description of the Proposal	2023/24 £000s	RAG Rated
1	Adult Social Care	Fees and Charges	Additional income - client contributions (inflation)	(1,229)	Green
2	Adult Social Care	Service Efficiency	Day opportunity strategy implementation	(600)	Amber
3	Adult Social Care	Service Efficiency	Review of care arrangements for people with Learning Disabilities and Mental health	(391)	Amber
4	Adult Social Care	Service Efficiency	Extra Care Housing	(250)	Amber
5	Adult Social Care	Service Efficiency	Reassessment of all cases and implementing Strength based culture	(500)	Amber
6	Adult Social Care	Recharges	Adjustment to the Residential and Homecare Budget from Covid grants	(257)	Blue
7	Adult Social Care	Service Efficiency	Enhance support to Self Funders to make decisions about their care	(50)	Green
8	Adult Social Care	Service Efficiency	Expand Shared Lives	(60)	Green
9	Adult Social Care	Service Efficiency	Ensuring BCP block booked care home beds are at maximum capacity	(1,300)	Green
10	Adult Social Care	Service Efficiency	Demand management (LTC & LD)	(1,300)	Green
11	Adult Social Care	Service Efficiency	Additional Income from Health	(741)	Green
12	Adult Social Care	Service Transformation	Investment in care technology	(270)	Green
13	Adult Social Care	Recharges	Increase use of DFG for Ots and ICES and decrease use for Housing	(550)	Blue
14	Adult Social Care	Service Efficiency	Managing personal budgets to ensure a strength-based approach	(500)	Amber
15	Adult Social Care	Fees and Charges	Service User contributions	(400)	Green
16	Adult Social Care	Service Efficiency	Work in partnership with Tricuro to reduce contract value	(400)	Green
17	Adult Social Care	Service Efficiency	Tricuro absorb inflationary pressures 22/23	(171)	Green
18	Adult Social Care	Service Transformation	Alternative meals provision (bring future savings forward)	(157)	Amber
19	Adult Social Care	Service Efficiency	Employment support service	(130)	Green
20	Adult Social Care	Service Transformation	Reprovision of some carers services	(119)	Green
21	Adult Social Care	Service Efficiency	Prompt assessment and enacting client contributions	(100)	Green
22	Adult Social Care	Service Efficiency	Release of voluntary sector budget	(80)	Blue
23	Adult Social Care	Service Efficiency	Reduce social workers mileage budget to current use	(59)	Blue
24	Adult Social Care	Service Efficiency	Alternative funding for BCP handyvan service	(37)	Blue
25	Adult Social Care	Service Efficiency	Reprovisioned in-house reablement service	(33)	Blue
Saving Total - Adult Social Care Directorate				(9,684)	
26	Children's Services	Service Transformation	Staffing - Quality Performance Information & Governance	(250)	Amber
27	Children's Services	Service Efficiency	Children's Services Pay Review - October Cabinet 2022	28	Blue
28	Children's Services	Service Efficiency	Education - Revised Delivery Models	(200)	Amber
29	Children's Services	Service Transformation	Staffing - Corporate Parenting	(143)	Amber
30	Children's Services	Service Transformation	Targeted Family Support - Clinical psychology	(131)	Green
31	Children's Services	Service Transformation	Staffing - Safeguarding & Early Help	(106)	Amber
32	Children's Services	Service Transformation	Other Areas - Contracts & SLAs	(170)	Green
33	Children's Services	Service Transformation	Other Areas - P-Cards	(70)	Amber
34	Children's Services	Service Transformation	Other Areas - workforce development, use of grants	(55)	Green
35	Children's Services	Service Transformation	Education - Family Hub & Youth Premises Costs	(47)	Amber
36	Children's Services	Service Transformation	Other Areas - Subscription - Research in Practice	(12)	Amber
37	Children's Services	Service Efficiency	Adult Learning - Skills & Learning - Internally Funding Pay award / Pension / Increments	(27)	Amber
Saving Total - Children's Service Directorate				(1,183)	
38	Operations - Communities	Service Reduction	Individual saving proposals less than £100k	(138)	Blue
39	Operations - Communities	Service Reduction	Food safety programme review inline with Food Standards Agency (FSA) rules	(45)	Blue
40	Operations - Communities	Fees and Charges	Additional regulatory services income in line with set fees and charges	(35)	Green
41	Operations - Communities	Service Reduction	Bringing service in-house	(35)	Amber
42	Operations - Communities	Service Reduction	Explore shared Trading Standards Service	(28)	Amber
43	Operations - Communities	Service Reduction	Reshape Out of Hours Noise & Nuisance Service	(49)	Amber
44	Operations - Communities	Service Efficiency	Additional Market Income due to additional Wednesday market Bmth, plus fee structure	(10)	Amber
45	Operations - Communities	Recharges	Full cost recovery in regards to Domestic Abuse Grant usage	(25)	Blue
Saving Total - Operations - Communities				(365)	
46	Operations - Destination & Culture	Fees and Charges	Harmonisation of beach huts fees and charges	(611)	Amber
47	Operations - Destination & Culture	Fees and Charges	Destination & Culture - Beach hut prices	(200)	Amber
48	Operations - Destination & Culture	Fees and Charges	R&E - Beach Huts licence fees - previous one-off saving due to temporary amendment to the rate of VAT	261	Green
49	Operations - Destination & Culture	Service Efficiency	Highcliffe Castle - Move to full cost recovery over a 3 year period	(82)	Amber
50	Operations - Destination & Culture	Service Efficiency	Upton Country Park - Move to full cost recovery including CIL	(85)	Amber
51	Operations - Destination & Culture	Service Efficiency	Highcliffe Castle tea rooms new operating model	(30)	Green
52	Operations - Destination & Culture	Fees and Charges	Destination and Culture - Leisure Centres	(100)	Green
53	Operations - Destination & Culture	Service Reduction	Reshape Cultural Compact Activity with Partners	(100)	Amber
54	Operations - Destination & Culture	Fees and Charges	Seafront prices excluding beach hut harmonisation	(400)	Green
55	Operations - Destination & Culture	Fees and Charges	Seafront Arcade income generation	(100)	Green

56	Operations - Destination & Culture	Fees and Charges	Concessions income	(50)	Green
57	Operations - Destination & Culture	Fees and Charges	Seafront Car Parking income	(30)	Green
58	Operations - Destination & Culture	Fees and Charges	Tourism & Events full cost recovery and income generation	(20)	Green
59	Operations - Destination & Culture	Fees and Charges	Seafront Sandbanks Golf income generation	(15)	Green
60	Operations - Destination & Culture	Fees and Charges	Tennis income generation	(5)	Green
61	Operations - Destination & Culture	Service Reduction	Bournemouth Indoor Bowls Club alternative management model (excluding Skills and Learning)	(80)	Blue
62	Operations - Destination & Culture	Service Reduction	Cease provision and maintenance of Christmas Decorations & Trees in Neighbourhood Areas	(42)	Amber
63	Operations - Destination & Culture	Service Reduction	Seafront - Reduction of operational budget	(50)	Blue
64	Operations - Destination & Culture	Service Reduction	Innovative cost reduction and income generation for Christmas Tree Wonderland and Poole Christmas Maritime Light Festival	(15)	Green
65	Operations - Destination & Culture	Fees and Charges	Pricing increases across the Poole Leisure Centre Estate	(60)	Green
66	Operations - Destination & Culture	Service Efficiency	Poole Museum impact of capital scheme	(120)	Green
67	Operations - Destination & Culture	Service Efficiency	Reshape Leisure Team	(20)	Green
68	Operations - Destination & Culture	Service Reduction	Remove Blue Flags and Seaside awards	(10)	Green
69	Operations - Destination & Culture	Service Efficiency	Service efficiencies within the Bournemouth Tourist Information Centre	(10)	Amber
70	Operations - Destination & Culture	Service Reduction	Sports Grants - Reduce Sports grants by 10% a year for 5 years	(2)	Green
Saving Total - Operations - Destination and Culture				(1,976)	
71	Operations - Environment	Service Efficiency	Green bin waste income - increased charge	(741)	Blue
72	Operations - Environment	Fees and Charges	Review of MTFP provision for waste disposal costs - recycle / black bin waste	(458)	Blue
73	Operations - Environment	Service Reductions	Highway Maintenance - 10% reduction in Highway Maintenance	(300)	Blue
74	Operations - Environment	Service Efficiency	Borrow to finance domestic waste bin replacements	(201)	Blue
75	Operations - Environment	Service Reductions	Reshape Parks Operations	(170)	Blue
76	Operations - Environment	Service Reductions	Strategic Greenspace - delete vacant posts	(121)	Green
77	Operations - Environment	Service Reductions	Sales of waste material from the Household Waste Recycling Centres	(100)	Blue
78	Operations - Environment	Service Efficiency	Planting of perennial plants and flowers	(60)	Blue
79	Operations - Environment	Recharges	Parks Operations - Parish and Town Councils Full Cost Recovery Recharge	(50)	Green
80	Operations - Environment	Service Reduction	Parks Operations - Remove subsidy of Kings Park Nursery, Commercialisation, or community management	(41)	Green
81	Operations - Environment	Fees and Charges	Currently non-viable cafes put out to tender	(40)	Amber
82	Operations - Environment	Service Efficiency	Change contracted disposal arrangements for dog waste in Bournemouth	(11)	Blue
83	Operations - Environment	Service Reduction	In-bloom and Green Flag is stopped	(10)	Blue
84	Operations - Environment	Service Efficiency	Harmonisation of Grounds Maintenance services	(6)	Blue
85	Operations - Environment	Service Reduction	Remove grit bins in all but essential locations	(3)	Blue
86	Operations - Environment	Recharges	Capitalisation of highway - neighbourhood services	(900)	Blue
87	Operations - Environment	Recharges	Capitalisation of highway - neighbourhood services - revenue implications	244	Blue
Saving Total - Operations - Environment				(2,968)	
88	Operations - Housing	Investment	Council New Build Housing & Acquisition Strategy (CNHAS)	(399)	Amber
89	Operations - Housing	Fees and Charges	Telecare income generation	(68)	Green
90	Operations - Housing	Fees and Charges	Garages income	(49)	Green
91	Operations - Housing	Service Efficiency	Delete vacant posts	(48)	Blue
92	Operations - Housing	Service Efficiency	Temporary accommodation grant funding	(30)	Amber
93	Operations - Housing	Recharges	Refugee grant to fund officer time	(75)	Blue
94	Operations - Housing	Recharges	Capitalise Disabled Facilities Grant officer time	(48)	Blue
95	Operations - Housing	Investment	21/22 Investment - CNHAS Feasibility Fund	(50)	Blue
96	Operations - Housing	Recharges	Herbert Ave. set-up costs grant	(100)	Blue
Saving Total - Operations - Housing				(867)	
97	Operations - Transport/Engineering	Fees and Charges	Car Parking Income - Impact of additional income in 2022/23 into future years	(1,266)	Blue
98	Operations - Transport/Engineering	Fees and Charges	Car Parking income - Charges from June 2023 in line with inflation	(1,399)	Amber
99	Operations - Transport/Engineering	Fees and Charges	Car Parking Options - Minor harmonisation charges	(200)	Amber
100	Operations - Transport/Engineering	Fees and Charges	Car Parking Options - Parking concessions across the year	100	Amber
101	Operations - Transport/Engineering	Fees and Charges	Car Parking Seasonal Adjustment - Christmas	(150)	Blue
102	Operations - Transport/Engineering	Service Reduction	Dimming of street lighting in residential areas in Poole to match Bournemouth	(70)	Blue
103	Operations - Transport/Engineering	Service Efficiency	Capital investment in alternative to School Crossing Patrols at specific locations	(15)	Amber
104	Operations - Transport/Engineering	Service Efficiency	Car Park and subway lighting investment plus review of existing energy budget provision	(75)	Blue
105	Operations - Transport/Engineering	Service Reduction	Street Lighting - Lanterns to have revised dimming profile 75% output 8pm to midnight, 50% midnight to 6am	(56)	Amber
106	Operations - Transport/Engineering	Service Efficiency	Highway Network Management - street works	(50)	Blue

107	Operations - Transport/Engineering	Recharges	FCERM Centre of Excellence – adjustment in income target	(50)	Blue
		Saving Total - Operations - Transportation and Engineering		(3,231)	
108	Operations - Planning	Service Reduction	Reshaping the non-statutory elements of the Planning Service	(100)	Amber
109	Operations - Planning	Fees and Charges	Development Management - Increase income through offering enhanced services	(104)	Amber
110	Operations - Planning	Service Reduction	Stop sending neighbour notification letters on planning applications and harmonising press notices procedure	(20)	Amber
		Saving Total - Operations - Planning		(224)	
111	Operations - General	Third Party Spend	Staff Mileage, premises costs (not energy related)	(156)	Blue
		Saving Total - Operations - General		(156)	
112	Resources - Customer/Svs Delivery	Service Reduction	Library deliverable proposals for 2023/24	(80)	Green
113	Resources - Customer/Svs Delivery	Service Reduction	Customer Contact Centre - delete vacant posts	(200)	Amber
		Saving Total - Resources - Customer and Service Delivery		(280)	
114	Resources - Marketing	Service Reduction	Delete vacancies and reduce marketing, PR and web support	(87)	Amber
		Saving Total - Resources - Marketing		(87)	
115	Resources - Finance	Transformation Savings	Finance Target Operating Model Savings - part 1	(108)	Blue
116	Resources - Finance	Transformation Savings	Finance Staff Savings in Audit & Management Assurance	(97)	Blue
117	Resources - Finance	Transformation Savings	Revenue & Benefits Service - insource from SVPP	(65)	Amber
		Saving Total - Resources - Finance & Development		(270)	
118	Corporate Areas	Transformation Savings	Unitemised savings	(9,044)	Amber
119	Corporate Areas	Service Efficiency	Increase Vacancy Drag	(2,022)	Amber
120	Resources Service Wide	Recharges	Recharges to Housing Revenue Account of charges in line with impact of inflation, particularly those associated with the pay award costs. Bournemouth and Poole Neighbourhood Account	(138)	Blue
121	Resources Service Wide	Recharges	Recharges to Dorset Adult Learning	(28)	Blue
122	Resources Service Wide	Recharges	Recharges to Bournemouth Companies	(19)	Blue
123	Resources - Legal Services	Fees and Charges	Registrars Service impact of price adjustments	(19)	Blue
124	Resources - Customer Services	Fees and Charges	Blue Badges recognising level of annual activity	(25)	Blue
125	Corporate Areas	Service Reduction	Base Reduction in Regeneration Resources	(56)	Amber
126	Corporate Areas	Service Reduction	Corporate Areas - Restructure of the Corporate Management Board / SDs	(244)	Amber
		Saving Total - Corporate Areas		(11,595)	
	List One: Overall Total - Service Based Savings and Efficiencies			(32,886)	

List Two:

Ref:	Directorate	Name of the Proposal	Description	2023/24 £000s	RAG Rated
127	Operations - Communities	Service Reduction	Becoming an Enabling Council, rethinking Community Development	(400)	White
128	Operations - Communities	Service Reduction	Reduction of CSAS/ASB and Community Safety	(218)	White
129	Operations - Communities	Service Reduction	Reduction in grant support for central advice services and council for community and voluntary sector	(220)	White
130	Operations - Communities	Service Reduction	Review CCTV provision/explore opportunities for improved efficiency of operational delivery and seek increased support from partners.	(79)	White
Saving Total - Operations - Communities				(917)	
131	Operations - Destination & Culture	Service Reduction	Phased reduction in cultural grants over a five year period	(93)	White
132	Operations - Destination & Culture	Service Reduction	Remove Festival Coast Live - Events & festivals	(194)	White
133	Operations - Destination & Culture	Service Reduction	Removing the Council's Arts Development functions	(120)	White
134	Operations - Destination & Culture	Service Reduction	Seek community management of Littledown Leisure Centre Paddling Pool (Outdoors) if not secured close	(7)	White
135	Operations - Destination & Culture	Service Reduction	Reduce Poole Quay and Bournemouth Summer Fireworks	(3)	White
Saving Total - Operations - Destination and Culture				(417)	
136	Operations - Environment	Service Reductions	Seek community management / transfer of paddling pools and if not secured close	(100)	White
Saving Total - Operations - Environment				(100)	
137	Operations - Transport/Engineering	Service Reduction	National Concessionary Fare Scheme - remove discretionary elements	(80)	White
138	Operations - Transport/Engineering	Service Reduction	FCERM - Not undertaking technical incident response during flood events	(10)	Blue
139	Operations - Transport/Engineering	Service Reduction	Review Community Transport	(37)	White
Saving Total - Operations - Transportation and Engineering				(127)	
140	Operations - Planning	Service Reduction	Additional reshaping of the non-statutory elements of the Planning Service	(100)	White
Saving Total - Operations - Planning				(100)	
141	Resources - Development	Service Reduction	Reduction of Economic Development - Reduce Budget non staffing	(196)	Amber
142	Resources - Development	Service Reduction	Smart Places - Reduce Budget	(135)	Amber
Saving Total - Resources - Finance & Development				(331)	
143	Corporate Areas	Service Reduction	Base Reduction in Regeneration Resources	(200)	Amber
Saving Total - Corporate Areas				(200)	
List Two: Overall Total - Service Based Savings and Efficiencies				(2,192)	

RAG Rating Key

Completed - Saving delivered	Blue
Progressing Well - Member / officer decision(s) needed to enable the delivery of the saving have been made. However due to the risk around assumed activity levels the saving, efficiency or additional resources may not be delivered in full.	Green
In Progress - Actions to deliver the required saving have actively started but have not been concluded.	Amber
Saving unlikely as serious risk to delivery	Red
Saving identified - But work to deliver the saving yet to start.	White

Capital Project	Planned Programme 2023/24 £'000	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	MTFP Total 2023 to 2028 £'000
Integrated Community Equipment Store (BCP)	2,095	2,095	2,095	2,095	2,095	10,473
Care technology service - equipment	111	77	85	101	119	493
Total Adult Social Care	2,206	2,172	2,180	2,196	2,214	10,966
Hillbourne - New School	70	0	0	0	0	70
Planned Repairs and Maintenance	300	300	150	100	0	850
Urgent Work	150	150	150	150	0	600
Climate Change/Low Carbon Reduction	200	200	0	0	0	400
Advanced Design Fees Maintained Schools	50	50	0	0	0	100
Advanced Design Fees SEND	75	75	75	75	0	300
Total Children's Services	845	775	375	325	0	2,320
South East Dorset Multi-modal Transport Model	108	0	0	0	0	108
STB, DfT, LCWIP, OBC Development & Bidding	345	0	0	0	0	345
Programme Management Fees	80	0	0	0	0	80
Advanced Design for Future LTP Schemes (new code)	150	0	0	0	0	150
Ferndown, Wallisdown, Poole (FWP) Corridors Phase 3	650	0	0	0	0	650
Boscombe Towns Fund	71	0	0	0	0	71
Total Strategic Network Improvements	1,404	0	0	0	0	1,404
Transforming Cities Fund £79m TCF grant funded element	30,110	0	0	0	0	30,110
C- Bus Infrastructure	350	0	0	0	0	350
D- Trip End Facilities	250	0	0	0	0	250
Cycle Corridor Section C2-4A-B Wallisdown Rd & Boundary Rd	1,400	0	0	0	0	1,400
Cycle corridor C5 (Sections 1 to 3 and 5)	2,277	0	0	0	0	2,277
Design and Supervision	434	0	0	0	0	434
Transforming Cities Fund	34,821	0	0	0	0	34,821
Durley Car Park - School Zone (Developer funded)	290	0	0	0	0	290
Road Safety: Safety Improvements - Pedestrian Crossings	500	0	0	0	0	500
Road Safety: Casualty Reduction Measures, Cluster Sites	390	0	0	0	0	390
Road Safety: Safe Routes to School (SRTS)	175	0	0	0	0	175
Total Travel Safety Measures	1,355	0	0	0	0	1,355
Rights of Way	50	0	0	0	0	50
Electric Vehicle Infrastructure	13	0	0	0	0	13
Dropped crossings/Accessibility improvements	75	0	0	0	0	75
School Streets	100	0	0	0	0	100
Walking and Cycling improvements	300	0	0	0	0	300
Total Active Travel and Greener Travel Choice	538	0	0	0	0	538
Minor Transportation Works	70	0	0	0	0	70
Intelligent Transport Systems (ITS) & Data Collection	400	0	0	0	0	400
Network efficiency measures (Tower Park roundabout)	150	0	0	0	0	150
Total Manage and Maintain Existing Network	620	0	0	0	0	620
National Passenger Travel Information	25	0	0	0	0	25
DfT Indicative Integrated Transport Block funding	0	3,102	3,102	3,102	3,102	12,408
Total Indicative ITB Funding	25	3,102	3,102	3,102	3,102	12,433
A3060 CASTLE LANE WEST (MUSCLIFFE WAY TO BROADWAY)	1,520	0	0	0	0	1,520
A35 CHRISTCHURCH RD (CENTENARY WAY TO SEABOURNE)	280	0	0	0	0	280
A341 WIMBORNE RD (FERNCROFT RD TO N'BOURNE RD)	735	0	0	0	0	735
Surface treatment - e.g. Road markings, planned patching, micro a	1,050	0	0	0	0	1,050
Planned pre-patching (Streetscene)	1,100	1,100	1,100	1,100	1,100	5,500
Neighbourhood Services (Streetscene) -Pothole investment	500	500	500	500	500	2,500
Resurfacing Programme	2,100	0	0	0	0	2,100
DfT Indicative Pothole Allocation	0	1,627	1,627	1,627	1,627	6,508
DfT Indicative maintenance block funding	0	2,459	2,459	2,459	2,459	9,836
Total Maintenance - Principal & Non-Principal Roads	7,285	5,686	5,686	5,686	5,686	30,029
Principal Inspection Programme (BCP)	100	0	0	0	0	100
Bridge Maintenance (including Waterloo)	450	0	0	0	0	450
Total Maintenance - Bridges & Structures	550	0	0	0	0	550
UTMC - Pelican upgrades	176	0	0	0	0	176
Footpath resurfacing (including Footway slurry)	150	0	0	0	0	150
Special Drainage (BCP)	150	0	0	0	0	150
Surveys & software	100	0	0	0	0	100
Programme Management Fees Maintenance (BCP)	110	0	0	0	0	110
Street Lighting Maintenance	350	0	0	0	0	350
Total Maintenance - Other	1,036	0	0	0	0	1,036
Christchurch Bay and Harbour FCERM Strategy	175	0	0	0	0	175
Poole Bay Beach Management 2020-2031	9,850	1,785	6,607	1,862	0	20,104
Contingency for PBBM (Phase 1 underspend)	0	0	740	0	0	740
BCP Cliff Management Strategy	108	73	0	0	0	181
Poole Bridge to Hunger Hill (PB2HH)	5,950	5,461	0	0	0	11,411
Durlston to Hurst Sediment Resource Management programme (D	100	0	0	0	0	100
Inland Asset Management System	62	10	0	0	0	72
Dorset Coastal Asset Database	10	0	0	0	0	10
Total coast protection - BCP schemes	16,255	7,329	7,347	1,862	0	32,792
Poole High Street - Heritage Action Zone	336	0	0	0	0	336
Total Economic Regeneration	336	0	0	0	0	336
BIC Medium Term Refurbishment Plan	1,533	0	0	0	0	1,533

Capital Project	Planned Programme 2023/24 £'000	Planned Programme 2024/25 £'000	Planned Programme 2025/26 £'000	Planned Programme 2026/27 £'000	Planned Programme 2027/28 £'000	MTFP Total 2023 to 2028 £'000
Total Commercial Assets	1,533	0	0	0	0	1,533
Heart of Poole - Revised MasterPlan	162	0	0	0	0	162
Carter's Quay	19,000	4,868	0	0	0	23,868
Towns Fund - Parks in Mind	35	35	35	0	0	106
Towns Fund - Boscombe Digital Connectivity - Phase 2	738	0	0	0	0	738
Towns Fund - Boscombe Digital Connectivity - Phase 2 REVENUE	73	0	0	0	0	73
Smart Places Gigabit Fibre Scheme	2,833	2,833	0	0	0	5,666
Wessex Fields land disposal (highways infrastructure works)	4,000	0	0	0	0	4,000
Pokesdown Railway Station	500	1,900	0	0	0	2,400
Total Major Development	27,341	9,636	35	0	0	37,013
Highcliffe Castle, (inc Phoenix Flies Project)	100	0	0	0	0	100
Upton Country Park - Discovery project	500	0	0	0	0	500
Russell Cotes MEND Project	287	0	0	0	0	287
Poole Museum - Our Museum project	3,879	0	0	0	0	3,879
Poole Museum - Our Museum project - Activity Plan	136	0	0	0	0	136
Poole Museum - Temporary Exhibition Gallery	529	0	0	0	0	529
Scaplen's Court Museum	1,095	0	0	0	0	1,095
Total Culture, arts, libraries and museums	6,526	0	0	0	0	6,526
3G Artificial Pitch Rossmore Leisure Centre - Feasibility	1,040	0	0	0	0	1,040
Total Sports & Recreational Facilities	1,040	0	0	0	0	1,040
Seafront Transformation Programme (Levelling Up Fund Round 2)	9,000	9,160	0	0	0	18,160
Seafront Infrastructure Assets	2,000	3,000	0	0	0	5,000
New Beach Huts - Canford Cliffs	3,118	0	0	0	0	3,118
Canford Cliffs Pavilion	1,142	0	0	0	0	1,142
Bistro Redevelopment (Southbourne)	5,998	0	0	0	0	5,998
Mudford Beach House Café	957	0	0	0	0	957
Total Seafront Development	22,215	12,160	0	0	0	34,375
Disabled Facilities Grant	3,424	1,424	1,424	1,424	1,424	9,119
Community Land Trust Project (Affordable housing)	420	0	0	0	0	420
SLA support for CLT projects	24	24	0	0	0	48
Total Housing & Communities Services	3,868	1,448	1,424	1,424	1,424	9,587
CNHAS Residential Property & Acquisitions	22,235	21,550	10,555	0	0	54,340
CNHAS Alma Road (former GP surgery)	2,090	1,710	0	0	0	3,800
CNHAS Oakdale	350	1,400	2,620	0	0	4,370
CNHAS Roeshot Hill	6,095	0	0	0	0	6,095
CNHAS Crescent Road	1,622	0	0	0	0	1,622
CNHAS Surrey road	1,750	541	0	0	0	2,291
Princess road - Hostel and Private Rented Sector	0	8,500	5,074	0	0	13,574
Total Major Housing Schemes	34,142	33,701	18,249	0	0	86,092
BH Live (£518k MF email)	518	518	518	518	518	2,590
Fisherman's Walk Cliff Lift	156	0	0	0	0	156
Total Estate Management	674	518	518	518	518	2,746
Waste Bin Replacement	410	410	410	410	410	2,050
Total Waste & Cleansing	410	410	410	410	410	2,050
Fleet Management	9,400	6,463	0	0	0	15,863
Cleaner Greener Safer Equipment	443	0	0	0	0	443
Total Fleet Management	9,843	6,463	0	0	0	16,306
Sluice Channel infrastructure improvements Poole Park to Poole H	1,095	0	0	0	0	1,095
Throop Nature Park (Hicks SANG)	570	0	0	0	0	570
Total Parks & Open Space Management	1,665	0	0	0	0	1,665
Library Replacement ICT Programme	45	65	0	0	0	110
Customer & Business Delivery	45	65	0	0	0	110
Enterprise Hosting	4	0	0	0	0	4
Enterprise Comms (WAN Migration)	125	0	0	0	0	125
Enterprise Comms (Telephony)	35	0	0	0	0	35
Enterprise Apps (Applications)	21	0	0	0	0	21
ICT Investment programme	317	0	0	0	0	317
LGR infrastructure spend (pre transformation agenda funding)	20	0	0	0	0	20
ICT Investment Plan	522	0	0	0	0	522
Laptops and Auto Pilot	450	700	0	0	0	1,150
MS Teams Collaboration	210	0	0	0	0	210
Backup and Security Tools	100	140	0	0	0	240
IT Hardware (Capital one-off costs)	570	0	0	0	0	570
Transformation Programme (Capital)	1,330	840	0	0	0	2,170
Extension Zero + Kinson Hub (from B customer Services above)	200	0	0	0	0	200
Coroners Service - Vertical Slice (Buildings and Fittings)	1,063	0	0	0	0	1,063
Remodelling BCP Civic space- West Wing	500	0	0	0	0	500
Office Accommodation	1,763	0	0	0	0	1,763
Total BCP Capital Programme	180,193	84,304	39,325	15,522	13,353	332,697

Appendix 7b

Capital Investment Programme (CIP) narrative by directorate

Overview

Capital Investment Programme 2023/24 to 2027/28						Total 2023 to 2028
General Fund	Planned Programme 2023/24	Planned Programme 2024/25	Planned Programme 2025/26	Planned Programme 2026/27	Planned Programme 2027/28	
	£'000	£'000	£'000	£'000	£'000	£'000
Adult Social Care (Integrated Community Equipment)	2,206	2,172	2,180	2,196	2,214	10,966
Children's Services	845	775	375	325	-	2,320
Transport & Engineering - Highways (inc indicative Pothole Grant and Local Transport Plan Grant)	12,813	8,788	8,788	8,788	8,788	47,965
Transport & Engineering - Transforming Cities Fund	34,821	-	-	-	-	34,821
Transport & Engineering - coastal protection	16,255	7,329	7,347	1,862	-	32,792
Economic Regeneration	1,869	-	-	-	-	1,869
Major Development Projects	27,341	9,636	35	-	-	37,013
Destination & Culture (inc seafront development)	29,781	12,160	-	-	-	41,941
Housing & Communities (inc major housing development)	38,010	35,149	19,673	1,424	1,424	95,679
Hard Facilities Management (corporate estates)	674	518	518	518	518	2,746
Environment (waste, fleet, parks & open spaces)	11,918	6,873	410	410	410	20,021
Resources (ICT investment including Organisational Design)	3,660	905	-	-	-	4,565
Capital Investment Planned	180,193	84,304	39,325	15,522	13,353	332,697

Adults Social Care – £2.2 million 2023/24 (£11.0 million 5-year plan)

Planned investment represents £2.1 million per annum in integrated community care equipment and occupational therapist support costs to further promote and support independent living at home. This annual commitment is funded from government grant.

The council is progressing its plans for both extra care housing and more specialist homes for those less independent. A planning application on the old Adult Education Centre land at Oakdale will lead this programme through 2023 and 10 other BCP council sites are being explored for their suitability for these types of housing needs. The financial implications of this are being brought under separate papers to Cabinet at the appropriate time. The further development of extra-care housing in BCP is a necessary measure to deliver on the Council's commitments to both promote greater independence and to reduce the numbers of people entering residential care. There are a variety of shapes that specialist housing provision can take- from the Extra Care enabling model to a more intensive support environment and BCP Council needs to ensure that it has a good range and span of schemes and options.

Children's Services £0.8 million 2023/24 (£2.3 million 5-year plan)

Development of the Capital Programme: The Service continues to work in partnership with BCP corporate property and estates teams and a construction partner to embed new systems, processes, and governance arrangements necessary for the robust management of schemes. Following LGR, the existing arrangements for the delivery of projects has changed and arrangements for managing the school estate are under review. The construction partner brings additional expertise and capacity in the development of the Children's Services Capital Programme and is essential for delivering a planned programme of repairs and maintenance and additional places as part of the SEND Programme of Expansion.

SEND Programme of Expansion: The SEND Programme of Expansion forms part of the Council's strategy to address growth and associated financial pressure in the High Needs Block. Schemes continue to be developed and delivered across 4 Tranches with Tranche 1 schemes implemented in September 2022/23. Tranche 2 and 3 schemes are in the development stages and Tranche 2 schemes are expected to deliver places during the academic year 2023/24.

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Capital Investment Programme (CIP) narrative by directorate

New Free School Bids: The outcome of the Council's bid submission for two new special schools is anticipated 'early 2023'. A favourable outcome will significantly increase the number of places across BCP's state-maintained specialist school provision.

Schools Rebuilding Programme Approvals: The Council is pleased to report that the Council's nominations for capital investment under the Schools Rebuilding Programme were successful. This means investment in 2 Local Authority Maintained Schools including Somerford Primary School and Winchelsea Special School. Separate nominations were submitted by Academy Trusts as the responsible body for academy schools and a further 4 nominations were successful.

High Needs Provision Capital: The outcome of the LA maintained submissions means that the use and allocation of the Council's High Needs Provision Capital grant of £11.8m 2022-2024 will be re-appraised. Subject to DfE approval, it is proposed to allocate capital funding to support the Council's delivery of activities across 4 workstreams outlined in the Council's bid for revenue [transformation] funding to the DfE under the Delivering Better Value (DVB) programme. The Council is one of 55 local authorities participating in the programme which provides dedicated support and funding to help local authorities with substantial deficit issues to reform their high needs systems. The bid will be submitted towards the end of February 2023 and the outcome is anticipated in March 2023.

Schemes with Prior Approval 21/22: The progress of schemes with prior approval in the capital programme are as follows:

Hillbourne School: The school is open and operational. The final account is expected to be agreed by July 2024. scheduled to complete July 2024.

Avonbourne School: In partnership with United Learning Trust, the Council has delivered a project to provide a total of 150 places over three years achieved through extensive remodelling of existing school accommodation. Following a spatial assessment by an external consultant, the scheme will provide sufficient general and specialist teaching spaces and student and staff WCs. Three bulge classes were planned for by September 2022 and a further two are planned for September 2023. The project was completed on 20 January 2023.

Highways - £12.8 million 2023/24 (£48 million 5-year plan)

This is routine and structural capital maintenance that is funded predominantly from Department for Transport (DfT) capital grant allocations for Local Transport Plan (LTP) and Pothole Fund. CIP spend is indicative at this stage and is based on an estimate of unspent capital grant from prior years and historic in-year grant allocations. Final grant allocations are expected to be announced in early 2023. A detailed report on planned utilisation of LTP and pothole grant funding for 2023/24 will be considered separately by council in March 2023 including allocations to Neighbourhood Services for routine highways maintenance across the conurbation.

The Government announced plans to allocate an additional £400 million new capital grant funding between 2022/2023 and 2024/25, for the development and construction of high-quality walking and cycling schemes identified in Local Cycling & Walking Infrastructure plans (LCWIPs). Further guidance is anticipated from Government on how this funding will be allocated across the country. Whilst Government aims to provide long-term certainty for local authorities over the spending review period to 2024/25 and to minimise competitions wherever possible, a combined long-term pipeline bidding process is envisaged, with long-term allocations to be agreed on a later date.

In November last year the council heard that it had successfully secured funding from the DfT to deliver its Bus Service Improvement Plan. A total of £8.9m (split between capital

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Capital Investment Programme (CIP) narrative by directorate

and revenue) was awarded. A formal grant letter is to follow on completion of certain milestones at which point the capital element of £6.1m will be incorporated into the CIP.

Transforming Cities Fund (TCF) - £34.8 million 2023/24 (£34.8 million 5-year plan)

The TCF Programme benefits from £79.3 million of Department for Transport (DfT) grant funding in addition to BCP and third-party local contribution. The council liaises closely with the DfT on the delivery and planned spend profile. Because of BCP's progress to date in delivering this major programme of works, the DfT is expected to extend the original programme end date of March 2023. This is currently being discussed between the DfT and BCP. Accordingly planned spend of £34.8 million has been reprofiled into 2023/24 but there may be some flexibility available from the DfT to reprofile into 2024/25 to ensure the delivery of the infrastructure does not have a significant impact on the local road network.

Key risks remain within the programme in relation to the ongoing impact of current market conditions on programme deliverability and affordability. These are, however, mitigated by the procurement strategy and level of risk allowance included in the programme through which increased costs are expected to be managed. This position is closely monitored by the Programme Management Board.

There are also potential risks associated with securing the third party "complementary investment" contribution of £11.5 million from the bus companies. This is assumed to consist of bus operator investment in new vehicles, engine upgrades, investments in new routes, and marketing and communications support to promote the TCF programme. Discussions are ongoing with bus operators to confirm the availability and timing of this funding commitment. The council is also considering what alternative local contributions could also be attributed to the TCF Programme, in order to mitigate the potential impact. This issue has been raised with the DfT. At this stage they have not indicated that it would impact the overall grant award.

Coast Protection - £16.3 million 2023/24 (£32.8 million 5-year plan)

This programme is delivered in partnership with the Environment Agency and is primarily funded by government grant. The programme consists predominantly of two main schemes.

Poole Bay Beach Management Plan - an ongoing scheme designed to provide long term coastal erosion protection to thousands of properties and infrastructure via cyclical beach replenishment and ongoing groyne renewal works. This scheme currently assumes BCP local contribution in the final two years of the programme, funded from prudential borrowing which has been factored into the MTFP.

Poole Bridge to Hunger Hill scheme (PB2HH) approved in 20/21 is a flood defence scheme which will provide long term tidal flooding protection for parts of Poole town and the Twin Sails regeneration area.

Regeneration/Major Development - £29.2 million 2023/24 (£38.9 million 5-year plan)

This includes investment in the Carter's Quay site supporting the council's wider ambitions to regenerate Poole and the remaining planned spend across 2023-2025 is £23.9 million (£45.6 million total investment). This will be a Build to Rent (BTR) residential scheme delivering 161 new homes and ancillary ground floor residential amenity and commercial space. The scheme is fully funded by prudential borrowing.

The Smart Places Gigabit Fibre Scheme (total approved £5.9 million) is profiled to spend £5.7 million across 2023-2025. This is being funded through the council's Futures Fund.

There is £1.5m to fund refurbishment of the Bournemouth International Centre (BIC) funded by prudential borrowing.

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Capital Investment Programme (CIP) narrative by directorate

The Wessex Fields Highways infrastructure project, following Council approval in November to increase the budget, is now profiled to spend a total of £4 million in future years. The £2.4 million increase is being funded through the Futures Fund.

Council has approved a £2.6 million allocation from the Futures Fund for investment in Pokesdown Railway Station – a joint project with Network Rail/South Western Railway who are currently working on design. The main construction works are profiled for 2024/25.

Other major projects currently being developed include Towns Fund schemes supporting the regeneration of Boscombe, plus regeneration of both the Poole Civic Centre and Christchurch Civic Offices. The latter two are being progressed by BCP FuturePlaces the wholly owned council company set up to drive placemaking regeneration and property market transformation in support of the aspirations set out in the Council's Big Plan.

Destination & culture - £29.8 million 2023/24 (£41.9 million 5-year plan)

Southbourne redevelopment (previously known as Bistro on the Beach): The forecast Final Cost Plan (Oct 2022) for Southbourne seafront redevelopment was £10.8m which is £4m higher than original budget £6.8m (June 2020). Actual construction cost increase accounts for £1.13m of the uplift reflecting changes required to secure planning consent and additional costs associated with infrastructure upgrades and MEP services requirements within the redesigned building. Rising costs of materials and labour due to inflation within the construction sector, together with forward inflation to target start on site date have contributed the balance of cost increase. Design and business case being kept under review with recommendation to pause delivery until construction inflation pressures ease. Reviewing procurement options to extend meanwhile 'pop up' catering offer on the site.

Durley Chine Environmental Hub (fully funded through Coastal Communities Fund grant): Construction completed with fit out of public facilities (toilets, kiosk) underway in advance of soft opening February half term. Next phase will see development of on-site interpretation promoting education around local coastal processes and waste management. Longer term, opening up of the main building to deliver the Council's Turning the Tide project, establishing a learning space to connect people's actions to the oceans and builds environmental guardianship; a venue that models environmentally positive behaviour and systems; a showcase for BCP's development as a low impact destination, where refill and reuse replaces single use; and an education resource for schools and families.

Canford Cliffs: Project comprises conversion of cliff stability work, utility infrastructure upgrades, conversion of Canford Pavilion into café, community shelter for sea swim and water sport changing and construction of additional beach huts over two levels across 11 existing beach hut blocks. Most recently approved budget £6.7m, comprising £3.9m capital allocation and £2.8m PRU (June 2020). This historic budget allocation requires updating in the light of increasing market prices, change in original project scope resulting from cliff slip and the wider prioritisations in the adopted BCP Seafront Strategy (April 2022). Capital has been re-allocated by the Council, requiring revised business case to be fully funded from PRU borrowing. Project delivery on pause whilst abnormal inflationary and borrowing cost pressures stabilise. A revised budget to be brought forward as conditions ease.

The council has been successful in a bid to the government's Levelling Up Fund (Round 2). It has been awarded £18.16 million in grant for investment in a transformation programme that will revitalise the Bournemouth and Poole seafront focusing on repairs to Bournemouth pier, stabilisation of the East Cliff and the creation of a new lifeguard training and education centre.

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Capital Investment Programme (CIP) narrative by directorate

The CIP also includes £6.5million investment in culture & arts. This includes £4.5 million investment in the Poole Museum “Our Museum” project for which the council was awarded £2.3 million grant from the Heritage Fund. This ambitious project will transform and update Poole Museum including the conservation and restoration of the Wool Hall, development of three new galleries to showcase maritime and pottery collections, new visitor facilities and improved access. Also, within the Museum Estate is £1.1 million programmed spend at Scaplen’s Court. This project benefits from Historic England Grant and will bring significantly improved facilities and increased revenue generation.

Other planned spend within culture & arts includes completion of the Upton Country Park Discovery project, and the Russell Cotes Museum Estates and Development (MEND) project.

The recreational programme includes £1 million planned spend for a new artificial pitch at Rossmore Leisure Centre. This is being part funded by a grant from the Football Foundation.

Seafront Infrastructure: Further to the Provision of Beach Huts paper presented to Cabinet 14 December 2022, the service has ongoing revenue funding to support major capital investment in seafront infrastructure including beach huts of £5m every 25 years funded by prudential borrowing

Housing - £38 million 2023/24 (£95.7 million 5-year plan)

CNHAS HRA housing schemes include the start of affordable rented and shared ownership apartments at Princess Road moving to Q4 and the completion of 4 schemes - affordable rented and shared ownership homes at Cynthia House (now Alice Gardens), move-on accommodation at Hebert Ave and new apartments and houses at Wilkinson Drive - and affordable flats at Cabbage Patch. The retendering of 27 homes at Templeman House and commencement of 24 homes at Craven Court represent early 2023 activity with the 110 homes at Hillbourne school site, planned to also start this year.

Planning applications for various small Poole projects will be followed by specific Cabinet approvals for them through the usual CNHAS programmed approach process. The council is also progressing its plans for both extra care housing and more specialist homes for those less independent. 10 BCP council sites/assets are being explored for their feasibility, suitability & viability for this type of housing needs - 7 of which are in the HRA. Again, Cabinet papers for those schemes deemed appropriate, will be presented in 2023/24.

Indicative government grant allocations of around £3.5 million per annum have been assumed within the CIP for the Disabled Facilities Grant (DFG) programme of capital works. From this the sum of £2.1 million per annum is allocated to Adult Social Care for integrated community care equipment and occupational therapist support costs to further promote and support independent living at home. This leaves £1.4 million per annum within Housing to support the provision of disabled facilities grants to the community.

Estates - £0.7 million 2023/24 (£2.7 million 5-year plan)

This represents profiled spend on hard facilities management across the authority and includes ongoing £0.5 million annual investment in the maintenance of BH Live assets funded from revenue contributions to capital. The 2023/24 programme also includes £0.2 million spend to complete the Fisherman’s Walk Cliff Lift project.

Environment - £11.9 million 2023/24 (£20 million 5-year plan)

This includes planned spend of £9.4 million (2023/24) and £6.5million (2024/25) on the council’s Fleet Replacement Strategy, approved by Council in September 2021. This programme is fully funded by prudential borrowing. There is funding risk associated with this capital budget, should vehicle acquisition prices in the current market exceed original capital budget assumptions. There are also difficulties with extended lead in times for delivery of

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Capital Investment Programme (CIP) narrative by directorate

vehicles ordered as well as potential costs of fleet branding. The position continues to be monitored. £0.4 million is approved planned spend on Cleaner, Greener, Safer Equipment also funded by borrowing.

Investment in the council's waste bin replacement strategy is represented by £0.41 million p.a. across the MTFP funded by borrowing.

The council continues to deliver a programme of enhancements and improvements to its parks and open spaces including play areas. 2023/24 includes £1.1 million profiled spend for the Sluice Channel Infrastructure Improvements (Poole park to Poole harbour) and £0.6 million for the Throop Nature Park (Hicks SANG).

Resources - £3.6 million 2023/24 (£4.5 million 5-year plan)

£1.8 million investment is planned to complete the council's Accommodation Strategy. This includes the following: Extension Zero and Kinson Hub, the Coroners Service (Vertical Slice), and the Remodelling of BCP Civic space – West Wing.

£2.2 million budget remains for the capital costs of the council's Transformation Programme (ICT investment) profiled over 23/24 and 24/25.

£0.3 million has been identified as the 2023/24 new investment requirement for the 'business as usual' ICT replacement programme, proposed as funded by additional prudential borrowing. It represents capital investment required to maintain, improve, or replace existing ICT infrastructure to ensure business as usual service delivery across the council. It relates to short or medium-term requirements on existing ICT components and sits outside of the capital investment approved as part of the council's technological transformation plan. A detailed breakdown can be found at Appendix 7c.

IT & IS Capital Infrastructure Investment Plan 23/24

1.0 Purpose and Scope:

- 1.1 Every autumn IT&IS conducts an extensive review of the IT estate and identify areas where capital investment is required to maintain or enhance the IT estate on which BCP Council operates.
- 1.2 The activity primarily focuses on ensuring IT equipment or supporting infrastructure that is due to go “end of life” in the coming financial year is identified and costed for replacement.
- 1.3 The activity includes an assessment of whether the infrastructure is due to be replaced or enhanced (and therefore funded) via other projects, such as the Transformation Project. Items that are funded from elsewhere are not included in this capital request.
- 1.4 Finally, the activity also seeks to identify where additional capacity or enhancements are required to ensure the IT estate remains fit for purpose as an enabler of BCP Council service delivery.
- 1.5 The purpose of this document is to detail the capital requests made as part of the detailed [IT&IS capital infrastructure investment plan for the financial year 2023/2024](#).
- 1.6 All current year activity and spend is tracked daily within the Infrastructure Investment Plan PowerBI Report and tracked weekly as part of IT Infrastructure Board

2.0 Summary of activity:

- 2.1 **IT&IS requires additional capital investment of £522,000 in 23/24 to complete ALL the identified activity within [the plan](#).**
- 2.2 Currently, IT&IS forecasts to avoid spending already allocated 22/23 capital investment to the sum of £205,000 from this financial year.
Currently IT & IS require £317,000 NEW capital funding in 23/24 to provide the full amount requested in the IT & IS Infrastructure Investment Plan.
- 2.3 The activity includes several “big ticket items” which are worthy of note:
 - 2.3.1 *Replace End of Life Uninterruptable Power Supply (UPS) - £62,000 (Line 13)*

The UPS provides emergency power to BCPs datacentre (DC) in the event of power failure.

It is designed to keep the DC powered until such time that a) mains power is restored or b) the BCP Civic Centre diesel generator kicks in and provides more medium/long term power until such time that mains power is restored.

A loss of power to the DC would mean an almost complete cessation of IT enabled service delivery for BCP Council and is considered a MUST piece of activity for 23/24 (even if not funded from this source, e.g. Estates and Accommodation Project).

The work is expected to compliment a similar piece of work, led by Facilities Management (FM), to replace the also end of life diesel generator (costs for this are NOT included in this plan).

2.3.2 *Implement Distributed Denial Of Service (DDOS) protection solution to mitigate the threats of a Cyber-attack – £35,000 (Line 26)*

The threat of a cyber-attack is increasing. This tool provides the Council with protection against an attack that could, and has previously, flood the network with traffic that prevents BCP Council service delivery that is dependant on internet or cloud services.

Although NOT a must, this activity seeks to further bolster the security footing of the Council by providing upstream protection from a repeat attack.

Further details of the risks and costs associated with such an attack are detailed [in this separate document](#) drawn up by our Networks and Security Managers.

2.3.3 *Implement Remote Browser Isolation (RBI) to mitigate the threats of spear phishing attacks - £15,000 (Line 35)*

This solution aims to strengthen defence against targeted phishing attacks to officers and members. We experience daily attacks of this nature and are currently delivering an extensive training regime to all staff to ensure visibility of this threat.

The solution provides the Council with a technical way to further mitigate the threat of phishing attacks by “sandboxing” suspicious websites in a way that mitigates the loss of personal or commercially sensitive information.

Although NOT considered a must do piece of activity, the activity is strongly recommended by BCP Councils IT Security Office to reduce the risk of staff falling foul of this very regular and dangerous threat.

2.3.4 *Replace End of Life local Storage Infrastructure (VNX) - £80,000 (Lines 108-112)*

The on-premises VNX storage array is where servers that deliver legacy Bournemouth Council applications are hosted from and is due to go end of life in October 2023 and must be replaced.

Considered a MUST piece of work, the replacement of the VNX storage is critical to ensure continuity of 'business as usual' for BCP Council departments and ensure availability of the servers and applications to staff delivering those services.

2.3.5 *Replace IT&IS Service Management (ITSM) Software - £125,000 (Line 185)*

IT&IS current ITSM is contracted until December 2024. However, with the influx of multiple "grey IT" colleagues into IT&IS as part of Smarter Structures an opportunity presents itself next year to bring forward a deployment of a new suitably licenced ITSM that meets IT&IS target operating model requirements and seeks to leverage additional efficiencies, such as automated monitoring and alerting.

However, it is also acknowledged that this work COULD be postponed until 24/25 if funding is not available in 23/24. The impacts of delaying to 24/25 are:

- £30,000 new capital funding would still be required in 23/24 to ensure staff bought in under Smarter Structures could use the tool and align with current IT service delivery methods.
- The current IT&IS base budget revenue commitment would increase from £14,000 per annum to £20,000 per annum in 23/24 until the end of the contract in 24/25.
- It leaves much less time to perform a successful migration into the new tool. There is therefore a risk that the current tool may not be able to be "switched off" by the end of current waiver (December 2024) and present an issue for Corporate Procurement due to the legality of extending the contract further.

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Asset Management Plan

Overview of the Council's assets

BCP Council has a wide-ranging portfolio of property assets inherited from the four legacy authorities in 2019. As at 31 March 2022 the portfolio was valued at a total of circa £2.07bn. This total includes housing (£682.8m attributed to the Housing Revenue Account (HRA)), schools, libraries and community centres, specialist centres providing adult day care and residential care and a range of support for children and young people, administrative and civic buildings, cemeteries & crematoriums, the regional mortuary, public conveniences, and maintenance depots.

The Council also has heritage assets such as the Russell Cotes Museum, Highcliffe Castle and Upton Country Park; entertainment venues such as the BIC, Pavilion and Poole Lighthouse; sports centres, sports pitches and pavilions; car parks, investment properties, and a range of seafront assets including beach huts and cafes.

Property assets can become liabilities as they need on-going maintenance and investment to ensure they remain fit for purpose. It is therefore essential that the assets held by the Council are the right ones, efficiently supporting the provision of quality services, helping deliver our strategic aims, and making a positive difference within the community they serve.

What is an Asset Management Plan and why do we need one?

An Asset Management Plan (AMP) is the foundation to ensuring a portfolio of assets is being managed in the most efficient and effective way. An AMP is a timebound commitment to action that ensures that the Council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability.

The Council's Financial Regulations set out the responsibilities of the Corporate Property Officer which include *"establishing an asset management plan that details short-, medium-, and long-term use of assets, and establishes arrangements for monitoring and reporting asset performance"*. The inclusion of this section on Asset Management within this Financial Paper helps set the tone for how the Council will take this forward.

The Council has set out its key priorities within the Corporate Plan. The accompanying Big Plan details projects that will deliver significant changes across the whole area of BCP. Part of the AMP's role is to establish a golden thread, linking the Council's priorities and ambitions through the management of and investment in its assets.

The AMP should also be developed and read in conjunction with other strategies and plans including Regeneration, Housing, Highways, Seafront, and the Transformation Agenda. For noting, the management of the HRA is set out in the annual HRA Budget Papers. The AMP focuses on corporate 'general fund' land and property assets.

The AMP has an important role to play with regard to the Council's Budget and Medium-Term Financial Plan (MTFP). For example, surplus assets can contribute to funding the capital programme and in turn capital expenditure can support the provision of new asset requirements identified by services or council priorities. The AMP should also horizon scan, identifying asset requirements that might require capital investment to deliver and maintain them in the future.

It should be noted that asset management can be a key strand in an integrated approach towards both regeneration – in line with The Big Plan, and the delivery of a sustainable urban footprint following from the council's climate change objectives.

Progress so far

In 2021 the Council commissioned a portfolio review and the development of an estate framework by Avison Young. This work produced several outputs including a better understanding and categorisation of all the assets and types of assets inherited from the legacy authorities. There were 2,621 asset entries on the asset register Avison Young produced.

Avison Young's report set out a list of BCP Council Estate Principles to support future decision-making, representing a checklist to assess new estate-related business cases against. So, in the future the BCP Council estate should be:

- Relevant- in a strategic sense
- Resilient – protecting BCP Operations and our communities
- Fit for purpose / Safe / Compliant – in a technical sense
- Connected – digitally enabled
- Connected – accessible to customers
- Flexible – to accommodate future change
- Sustainable – carbon neutral / environmentally (including adaption)
- Sustainable – financially in the medium to longer term

Another output included the recommendation for implementing a more centrally controlled organisational structure for all aspects of land and property management. This is now being actioned with the implementation of a Corporate Landlord Model which is detailed more in the section below.

In conclusion, the Framework created by Avison Young set out a series of actions to move the Council towards a strategic (and corporate best practice) approach to estate management, and also a more targeted, needs led approach to identifying estate re-alignment and rationalisation opportunities. These have been areas of focus for the Council during 2022.

The final section of this initial Asset Management Plan will explain what the Council's next steps are to respond to these issues, how it will develop a comprehensive asset management plan, and set out a high-level Action Plan for the next 12 months. However, before this, it is worth summarising some of the key themes, challenges

and opportunities that will impact on the management of the Council's assets over the next few years. These all provide context to the shaping of the AMP.

Challenges, Opportunities, and what we need from our assets in the future

1) Financial climate

The Council's assets have a key role to play with regard to responding to the unprecedented financial challenges the Council faces over the next few years. Assets can directly affect both the revenue and capital positions of the Council.

The Council must ensure that its land and property assets deliver value for money in terms of service benefit, operating costs, financial returns, and regeneration. The Council must therefore continually challenge whether its assets are required, fit for purpose, and contribute to the delivery Council services and priorities.

2) Regeneration / Place Shaping

The Council has committed to revitalising the towns and neighbourhoods across Bournemouth, Christchurch, and Poole, and has a number of key delivery partners.

Future-Places is an urban regeneration company set up with a remit to maximise the social, economic, environmental, and financial return on investment of land and property worth almost £3bn in gross development value on a municipal stewardship model. This model acknowledges the role of active asset management as well as development to unlock best value for communities and the transformation of the overall place.

The Bournemouth Development Company has been a key player in regenerating Bournemouth Town Centre for the last 12 years. Most recent developments include 'Treetops' in St Stephens Road and 'West Cliff Mansions', both utilising council land formerly used as surface car parks. More efficient multi-storey car provision has been provided to offset the loss of these car parks.

The Boscombe Towns Fund is using £22m as part of the Government's Town Deal programme to turbo charge ambitious regeneration plans for Boscombe.

The identification and redeployment of under-used and surplus assets is an important driver for regeneration, and critical to the success of these endeavours. Equally, there is a need to consider how active land and property management can of itself deliver regenerative benefits ahead of and as a precursor to the development of land and property. Asset Management is also about understanding what future services might look like and the assets required to support services. This valuable information can feed into the place shaping work led by these partners.

3) Transformation

The Council is undertaking an extensive transformation programme which has three elements: how and where we work, how we are organised; and how we support our colleagues through these changes.

Whilst the Council will continue to support customers face to face, a new operating model of investment in technology, digitalisation, and automation of services with 24/7 access will have a significant impact upon the Council's operational estate.

The Council has already acted delivering Phase 1 of its Estates & Accommodation (E&A) Programme with the reconfiguration of the former Bournemouth Town Hall Complex into the new BCP Civic Centre. Significant work has also been undertaken at Poole Customer Hub & Library and Christchurch Customer Hub & Library to provide more modern and agile environments for both customers and staff. This has facilitated the closure of the other two civic centre sites which can now be repurposed via the Council's Future-Places partner.

Phase 2 of this E&A programme has now commenced focussing primarily on the administrative buildings out in the conurbation so that the whole office estate is brought in line with our new standards and principles. However, this work is also identifying service opportunities as often buildings are shared spaces.

4) Climate Action

BCP Council declared a climate and ecological emergency in July 2019. This set a commitment as an organisation to become carbon neutral by 2030, and then the conurbation of Bournemouth, Christchurch, and Poole by 2050.

The Council's assets have a significant role to play in us achieving these targets. An AMP that sets out clear direction in terms of which assets are required in the future by each service, can in turn help direct the maintenance of and investment in those assets to improve their energy efficiency and reduce their carbon emissions. The climate impact of each asset needs to be built in as one of the key performance indicators for our portfolio alongside running costs, backlog maintenance and utilisation. Adaption is another area that needs consideration for the portfolio, so future proofing our assets from floods, extreme heat, fire, and wind.

There is an urgent need both to consider the performance of assets from a resource consumption, fabric first and circular economy, perspective; as well as considering how the physical disposition of council and public assets interacts with trip generation both for staff and for customers.

When the Council pursues new build or acquisition programmes in the future it will be guided by the framework within the Local Plan. However, the Council may choose to complement this with its own sustainable construction principles in the future. This could ensure a consistently high standard across everything it does itself and in collaboration with its partners.

5) Service need

Council services are dealing with many challenges from financial, demographic, legislative, to service improvement and this is on top of bringing together 4 legacy authorities and learning to live with Covid. Whilst the provision of quality services is front and centre in their thinking, the Council's Estates team, working within the context of a Corporate Landlord Model, will support services to ensure the built estate is considered in that thought and design process, and where possible the

most appropriate assets are retained and invested in. The development of mini estate strategies for each service area or by theme will be essential to this process.

6) Maintaining the Council's assets, & ensuring they are safe & compliant

An asset can quickly become a liability if not repaired, maintained, and managed properly. Like all local authorities, BCP Council has a substantial maintenance backlog to address within its estate. Maintenance budgets are focussed on ensuring inspections are carried out and statutory responsibilities maintained so buildings are safe for staff and visitors.

Buildings are no longer receiving proactive or planned maintenance as they had in the past and for example plant is now being run to the point of failure. However, funding opportunities are being explored to see how buildings can become more efficient and how old plant can be replaced with much more low carbon and sustainable solutions. Ongoing consideration is also being given to which buildings are no longer needed for service deliver and can then be sold or redeveloped. In doing so the resources available to the council can then be spread more effectively over less buildings.

7) Accurate and up to date Property Records

The Council's Property Records Team and ICT are currently working on two projects to bring the legacy land ownership and asset register data into a single IT system and associated mapping system. These are significant pieces of work and essential to having an efficient and up to date data set of the council's ownership records. These records include the core property ownership data and estate management data which includes leases, rent review dates and break & expiry dates.

The Facilities Management team is working on a similar project to bring all their data sets into a single IT system. This data includes building condition, inspections, asbestos, and water management.

This data is critical not only to the safe and efficient day to day running of the estate, but also for supporting regeneration and other transformational activities.

8) Corporate Landlord Model and current governance arrangements

The Council is in the process of introducing a Corporate Landlord Model (CLM) to the way it manages its land and property assets. This means bringing together the different functions and activities into one single centre of excellence or service directorate. From Strategic Asset Management, Estate Management, Facilities Management, Compliance, Repairs & Maintenance and Design & Construction. This consolidation of technical and professional resources and budgets will help the Council operate more efficiently. CLM should infuse corporate best practice.

9) Partnership Working

Across the County of Dorset there is a range of public sector services from Dorset Healthcare University NHS Foundation Trust, Dorset Clinical Commissioning Group (CCG), South West Ambulance Trust, Dorset Police, Dorset & Wiltshire Fire and Rescue Service, The Ministry of Defence (MoD), Dorset Council, and Town and

Parish Councils. All these organisations have their own portfolio of assets as well as share those of others.

So, it is incumbent on all partners including BCP Council, to make the best use of these assets and work together delivering services. A Dorset Public Estate Board has recently been set up to ensure a more cohesive approach to the use of assets by these organisations and BCP will play an active role in this group.

It is also important to recognise the role of third parties and community groups. This Council is keen to enable communities more with regards the retention and provision of services.

Approach to developing the Asset Management Plan – next steps

Accepting the recommendations from Avison Young and the themes highlighted above, it is essential that the Council resources and sets out a more detailed asset management plan for the medium to long term. This includes developing:

- A Handbook which sets out the nuts and bolts for how we do asset management, including policies, processes, and procedures
- A Performance Review – this should include a suite of performance indicators to allow the Council to measure how its assets are performing, and detail the key areas for change that will affect future asset requirements across services; and
- A detailed Asset Strategy and Action Plan which sets out all the asset related activity over the next 3 – 5 years in support of the Council's priorities and services.

The short-term focus is very much on direct support to the Council's Financial Strategy. In particular:

- bringing forward the disposal of non-strategic assets to help fund current and future years of the Council's capital programme; and
- continuing the fundamental review of buildings occupied by BCP Council 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.
- The extent to which the community would be better placed to manage council assets (An Enabling Council – Strength Based Approach)
- Consideration of the performance and location of assets through the lens of regeneration and climate adaptation.

Currently the Council has two Corporate Property Groups (CPG) which meet monthly. The CPG Operations Group focusses on operational matters and trying to find solutions to new asset requirements. It also provides the forum for highlighting an asset that might be under-used or surplus to that service's requirements. The group can then discuss whether there might be alternative operational needs that could be met from that asset, or it could be recommended as surplus. CPG Strategic

maintains an overview for how the Council's assets are being managed and approves any changes to how assets are deployed. Essentially, these CPGs act as the conduit for all asset related activity, although it is important to note that asset activity must still comply with the Financial Regulations and Constitution.

The Council will continue to manage the estate on a day-to-day basis with a common-sense approach and to the benefit of the council and services provided.

The following high level Action Plan has been agreed setting out the key activities and steps to be taken over the next 12 months:

No.	Activity	Responsible Service	Target Date
01	Implement Phase 1 of the Corporate Landlord model bringing together Estates, Facilities Management and Property Management under a single directorate	TBC	1 April 2023
02	Disposal of non-strategic assets To consider the ability to deliver £20m of additional asset sales by 31 March 2023. Report back to Cabinet in February 2023 on viability	Estates, Development	31 March 2023
03	Accommodation Strategy – continue with Phase 2 of the E&A Programme rationalising the Council's administrative accommodation Further assets to be identified and vacated during 2023/24	Transformation Team	31 March 2023 31 March 2024
04	To complete the drafting, consultation, and adoption of a Community Asset Transfer Policy for BCP Council	Estates	31 March 2023
05	Develop the AMP Handbook including policies and processes on: <ul style="list-style-type: none"> • The re-use of assets & disposal • Maintenance Strategy • Ground leases 	Estates	31 March 2024
06	Develop the AMP Performance Review <ul style="list-style-type: none"> • Suite of measurable property performance indicators 	Estates	31 March 2024

	<ul style="list-style-type: none"> Key Areas for Change (capturing centrally future asset requirements for services) Review of this Action Plan for 2023/24 		
07	Develop the 3 Year AMP Strategy and Action Plan for 2024/25 – 2026/27	Estates	31 March 2024
08	<p>Data migration</p> <ul style="list-style-type: none"> Complete the migration of legacy Poole property, estates and FM data into TF Cloud and deactivate TF Facility Resource and progress Christchurch Data Project 	Estates, FM & IT	<p>30 June 2023</p> <p>Timescales TBC subject to resource availability</p>
09	<p>To complete the programme of work to ensure all Council buildings are fully Compliant.</p> <p>Explore opportunities and funding routes to replace failing plant with more sustainable and low carbon solutions</p>	Facilities Management Team	31 March 2024
10	<p>Progress Service / Asset Transformation work:</p> <ul style="list-style-type: none"> Family Hubs Community Centres & Youth Centres Day Care Strategy Depot Review Future Parks Programme 	Service Leads	Dates to be agreed by review leads but will progress in 2023/24
11	<p>Better use of Council assets to support the Climate Action agenda, including:</p> <ul style="list-style-type: none"> Develop a Sustainable Construction Policy and Framework to enable the incorporation of our climate and ecological emergency declarations and other sustainability goals into the decision making of asset management plans for our buildings and land Ensure that capital works on our estate actively seeks to reduce energy use and Greenhouse gas emissions) (GHGe), or at the very least does not increase operational GHGe emissions 	Climate Action Team/ Estates/FM	31 March 2024

	<p>post 2030, and identifies options to minimise embodied carbon in materials and processes</p> <ul style="list-style-type: none"> • Ensure the framework considers the purchase and disposal of assets on the basis of future cost of mitigating the assets to reach net zero, the costs of offsetting residual emissions, and costs of adapting to the impacts of climate change • Develop an energy model and portfolio level business case of capital works for our corporate estate to identify the optimal approach to reach our 2030 Net Zero target by reducing energy use and generating renewable energy (3 to 6 months) • Develop and implement an Adaptation plan to manage the impacts of a changing climate on our corporate property and estate by 2024 		
12	Continue at pace with the programmes of work supporting the Regeneration agenda.	Regeneration Delivery team and including partners such as BDC, Boscombe Towns Development Fund, and Future-Places	31 March 2024
13	Work with BCP Future-Places to produce an interim Regeneration Strategy considering the role that property asset management has to play in regeneration and the delivery of sustainable growth.	Future-Places / Estates Team	31 March 2024

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Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2023/24

Introduction

Background

- 1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.
- 3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4 CIPFA defines treasury management as:
"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Reporting Requirements

Capital Strategy

- 6 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -
 - a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed

- the implications for future financial sustainability
- 7 The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.
- 8 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

Treasury Management Reporting

- 9 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
- a) **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
 - b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
 - c) **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 10 The above reports are required to be adequately scrutinised before being recommended to Full Council. This role is undertaken by the Audit and Governance Committee.
- 11 **Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

Treasury Management Strategy for 2023/24

- 12 The strategy for 2023/24 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

13 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

14 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

15 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.

16 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.

17 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and council members.
- Require treasury management officers and council members to undertake self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).
- Have regular communication with officers and council members, encouraging

them to highlight training needs on an ongoing basis.

- 18 In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.
- 19 The following training has been undertaken by members on the 16th June 2022 and further training will be arranged as required.
- 20 The training needs of treasury management officers are periodically reviewed.
- 21 A formal record of the training received by officers central to the Treasury function will be maintained by the Finance Manager - Technical. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Finance Manager - Technical.

Treasury management consultants

- 22 The Councils Treasury Management advisors are Link Asset Services.
- 23 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.
- 24 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Capital Prudential Indicators 2023/24 – 2025/26

- 25 The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure and Financing

- 26 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund	78,539	137,699	172,474	56,491	31,236
HRA	38,508	37,072	68,997	43,574	18,520
Total	117,047	174,771	241,471	100,065	49,756

- 27 The following tables summarise the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

General Fund Capital Expenditure

Capital expenditure	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
General Fund Total	78,539	137,699	172,474	56,491	31,236
Financed by:					
Capital receipts	-	-	-	-	-
Capital grants & Contributions	46,072	84,967	49,488	19,569	16,881
Revenue Finance	903	2,406	2,025	1,318	518
Prudential Borrowing (inc HRA Transfers)	31,564	50,326	120,961	35,604	13,837
Total financing for the year	78,539	137,699	172,474	56,491	31,236

HRA Capital Expenditure

Capital expenditure	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
HRA Total	38,508	37,072	68,997	43,574	18,520
Financed by:					
Capital receipts	3,484	-	2,445	4,000	478
Capital grants & Contributions	3,886	6,203	20,524	3,867	905
Revenue Finance	12,746	-	-	-	-
Major Repairs Allowance	18,392	18,808	14,386	14,955	14,550
External Borrowing	-	12,061	31,642	20,752	2,587
Total financing for the year	38,508	37,072	68,997	43,574	18,520

The Council's borrowing need (the Capital Financing Requirement)

- 28 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 29 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 30 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.
- 31 The Council is asked to approve the CFR projections overleaf:

	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Capital Financing Requirement					
CFR – General Fund	319,452	353,368	455,391	471,643	466,128
CFR – HRA	137,208	149,269	180,910	201,662	204,249
Total CFR	456,660	502,637	636,301	673,305	670,377
Movement in CFR	19,969	45,977	133,664	37,004	(2,928)
Movement in CFR represented by					
Net movement in borrowing for the year (above)	31,564	62,387	152,603	56,356	16,424
Less MRP/VRP and other financing movements	(11,595)	(16,410)	(18,938)	(19,352)	(19,352)
Movement in CFR	19,969	45,977	133,664	37,004	(2,928)

32 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any borrowing in relation to the authority's overall financial position. The capital expenditure figures and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

Liability Benchmark

33 A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

34 There are four components to the LB: -

- a) **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
- b) **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- c) **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- d) **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

35 Appendix 4 to this strategy illustrates the graphical estimate of the liability benchmark for the general fund and HRA separately. It confirms both funds have net loan requirement supported by the internal borrowing capacity of the authority. This benchmark will continually be updated and referred to as new borrowing is considered in the medium term.

Core Funds and Expected Investment Balances

36 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
Fund balances / reserves	148,263	145,263	145,763	143,263	151,263
Capital receipts	14,640	14,640	14,640	14,640	14,640
Provisions	30,020	30,020	30,020	30,020	30,020
Other	1,592	1,592	1,592	1,592	1,592
Total core funds	194,515	191,515	192,015	189,515	197,515
Working Capital*	(170,778)	(165,778)	(171,778)	(175,778)	(170,978)
Under/over borrowing	211,698	210,698	206,698	211,698	211,698
Expected Internal Investments	40,920	44,920	34,920	35,920	40,720

*Working capital balances shown are estimated year-end; these may be higher mid-year

Minimum Revenue Provision (MRP) policy statement

37 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

38 The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

39 The MRP policy statement requires full council approval in advance of each financial year. The Authority is recommended to approve the following MRP Statement:

40 For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

- 4% reducing balance (CFR method) – MRP will be calculated as 4% of the opening GF CFR balance

From 1 April 2008 for all unsupported borrowing the MRP policy will be either:

- **Asset life method (straight line)** – MRP will be based on the estimated life of the assets;
- **Asset life method (annuity)** – MRP will be based on the estimated life of the assets;

41 It was agreed by members of previous Councils that the following MRP policy was applied from 2016/17 onwards:

- In respect of all supported borrowing, capital expenditure incurred prior to 2016/17 (excluding assets acquired under PFI or finance lease arrangements) MRP will be provided at a rate of 2% on a straight-line

basis to ensure the balance is fully cleared over the period in line with the useful life of the assets.

- In respect of all unsupported borrowing, capital expenditure incurred prior to 2016/17 (excluding assets acquired under PFI or finance lease arrangements) the Council will apply the Asset life method as used in previous years and will apply an average life of 25 years for the unsupported borrowing requirement to be repaid over based on historical schemes that have required and applied unsupported borrowing.
- MRP charges from 1 April 2004 to 31 March 2016 exceeded what prudence required during the period under this revised policy. There will be a realignment of MRP charged to the revenue account in 2016/17 and subsequent years to recognise this excess sum. Total MRP after applying realignment will not be less than zero in any financial year.
- In respect of capital expenditure incurred in 2016/17 and subsequent financial years MRP will be provided at a rate of 4% on the written down balance.

- 42 In 2017/18 a proposed change was made that the 4% write down method will be used for all assets except for significant individual schemes exceeding £10m (such as asset investments) for which the specific asset life will be used for MRP purposes.
- 43 Assets under construction which have yet to fully deliver their expected benefits will not be subject to MRP charges to the Revenue Account until such time as they become operational for a full accounting year. Accordingly, on becoming operational, the charge for MRP will not commence until the following financial year. The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.
- 44 There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made. Repayments included in annual PFI or finance leases are applied as MRP.
- 45 MRP Overpayments - Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP). VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. Cumulative VRP overpayments made to date are £0m.

Borrowing

- 46 The capital expenditure plans set out earlier provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current portfolio position

- 47 The overall Treasury Management portfolio as at 31 March 2022 and for the

position as at 31 December 2022 are shown below for both borrowing and investments.

	Actual 31/03/2022 £'000	Actual 31/03/2022 %	Current 31/12/2022 £'000	Current 31/12/2022 %
Treasury investments				
Money Market Funds	0	0%	0	0%
Bank Deposits	87,150	58%	54,250	74%
Local Authorities	10,000	7%	10,000	14%
DMO	0	0%	0	0%
Call Account	52,800	35%	8,575	12%
Total Treasury Investments	149,950	100%	72,825	100%
Treasury External Borrowing				
PWLB	191,521	75%	189,313	75%
Local Authorities	0	0%	0	0%
Private Sector	65,036	25%	63,941	25%
Salix	255	0%	64	0%
Total External Borrowing	256,812	100%	253,318	100%
Net treasury investment / (borrowing)	(106,862)		(180,493)	

48 The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2021/22 Actual £'000	2022/23 Estimate £'000	2023/24 Estimate £'000	2024/25 Estimate £'000	2025/26 Estimate £'000
External Debt					
Treasury Debt at 1 April	256,812	256,812	256,812	266,812	316,812
PFI and Finance Lease Liability	6,711	6,211	5,711	5,211	4,711
Expected change in Debt	0	0	10,000	50,000	50,000
Actual gross debt at 31 March	263,523	263,023	272,523	322,023	371,523
The Capital Financing Requirement	456,660	502,637	636,301	673,305	670,377
Under / (over) borrowing	193,137	239,614	363,778	351,282	298,854

49 Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

50 The S151 officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

Treasury Indicators: limits to borrowing activity

51 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

52 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit

beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

- a This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.
- b The Audit and Governance Committee is asked to approve the following authorised limit:

	2021/22 Actual £m	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m
Operational boundary	797	855	1,334	1,334	1,334
Authorised limit	847	905	1,384	1,384	1,384

Prospects for interest rates

- 53 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08.11.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	08.11.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.30	4.30	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.50	4.50	4.40	4.30	4.20	4.00	3.90	3.70	3.60	3.50	3.40	3.30	3.20
25 yr PWLB	4.70	4.70	4.60	4.50	4.40	4.30	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.40	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

- 54 Our central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.
- 55 Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.
- 56 The CPI measure of inflation will peak at close to 11% in Q4 2022. Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.
- 57 Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started but will focus on the short to medium end of the curve for the present. This approach will prevent any further disruption to the longer end of the curve following on from the short-lived effects of the

Truss/Kwarteng unfunded dash for growth policy.

- 58 In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)
- 59 On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

PWLB RATES

- 60 Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 3.75% to 4.50%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).
- 61 We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.
- 62 Borrowing advice: Our long-term (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.
- 63 Our suggested budgeted earnings rates for investments up to about three months' duration in each financial year are as follows: -

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

- 64 As there are so many variables at this time, caution must be exercised in respect of all interest rate forecasts.

- 65 Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

Borrowing strategy

- 66 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow have been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.
- 67 The Chief Financial Officer has the delegated responsibility to arrange such loans as are legally permitted to meet the Council's borrowing requirement and to arrange terms of all loans to the Council including amounts, periods and rates of interest.
- 68 Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
 - if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- 69 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

- 70 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.
- 71 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

- 72 Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates, even though the general margin of PWLB rates over gilt yields was reduced by 100 bps in November 2020.

73 If rescheduling was done, it will be reported to the Audit and Governance Committee, at the earliest meeting following its action.

Approved Sources of Long- and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
UK Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

Annual Investment Strategy

Investment Policy

74 The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

75 The Council’s investment policy has regard to the following: -

- DLUHC’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

76 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst

investment rates remain elevated, as well as wider range fund options.

77 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- b) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
- c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- d) This Authority has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
- e) All investments will be denominated in sterling.
- f) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 until 31.3.25

78 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

79 The primary principle governing the Council’s investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- a It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- b It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 80 The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to which types of investment instruments that can be used as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 81 Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 82 The criteria for providing a pool of high-quality investment counterparties (both specified and non-specified investments) is:

Sovereign Ratings

- AAA (non-UK)

(Rating Description: AAA = Prime Rating, AA+, AA, AA- = High Grade Rating)

Appendix 2 sets out the current list of countries that the Council can invest funds with.

The UK sovereign rating is currently AA. To ensure that the Treasury Function has capacity to operate effectively no specific minimum UK sovereign rating has been set out.

Selection Criteria

- 83 Banks 1 - the Council will use UK and non-UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard & Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

- 84 Investments will include term deposits, call accounts, notice accounts and Certificate of Deposits.
- a Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.

- b Banks 3 – The Council’s own bankers (HSBC, Lloyds and Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- c Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- d Building societies. The Council will use societies which meet the ratings for Banks 1 outlined above.
- e Money Market Funds (MMFs) Constant net asset value (CNAV)
- f Money Market Funds (MMFs) Low-Volatility net asset value (LVNAV)
- g Money Market Funds (MMFs) Variable net asset value (VNAV)
- h Ultra-Short Dated Bond Funds with a credit rating of at least 1.25
- i Ultra-Short Dated Bond Funds with a credit rating of at least 1.50
- j Cash Plus Funds
- k UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility (DMADF))
- l Royal Bournemouth and Christchurch Hospital NHS Foundation trusts
- m Local authorities, Police and Fire Authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
- n Pooled Funds

Maximum Time and Monetary Limits applying to Investments

85 The maximum amount that can be invested in any one institution at the time of the investment (including call accounts) as a percentage of the total investment portfolio has been reviewed and rationalised. All AA- and above rated institutions have a maximum limit of 25%, all A+, A or A- rated institutions have a maximum limit of 20%. For practical reasons where the average investment balance falls below £10m it may become necessary to increase the percentage limit to 33% at the time of investment (this only applies to call accounts and money market funds).

86 The maximum time and monetary limits for institutions on the Council’s Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months
Banks 2 category – part-nationalised			

RBS / Nat West	N/A	20%	2 years
Banks 3 category – Council's banker HSBC	AA-	25%	3 months
UK Government (including gilts, Treasury Bills and the DMADF)	AAA	25%	6 months
Local Authorities	N/A	20%	5 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access
Ultra-Short Dated Bond Funds	N/A	25%	Unlimited
Cash Plus Funds	AAA	25%	Unlimited
UK Gilts	UK Sovereign Rate	25%	5 years

Use of additional information other than credit ratings

87 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information will be applied to compare the relative security of differing investment counterparties.

Investment strategy

In-house funds

88 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations

89 Bank Rate is forecast to increase from the current 3.5% in Q2 2023.

90 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows (the long term forecast is for periods over 10 years in the future):

Average earnings in each year	
2022/23 (remainder)	3.95%
2023/24	4.40%
2024/25	3.30%
2025/26	2.60%
2026/27	2.50%
Years 6 to 10	2.80%
Years 10+	2.80%

Investment treasury limit

91 The maximum period for investments will be 5 years.

Ethical Investing

92 This is an area of investing that is becoming increasingly considered by financial institutions and customers. Products from financial institutions are growing but still remain limited. To consider investing in sustainable deposits they will still need to meet our counterparty criteria and parameters set out earlier in the strategy. Investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. The Treasury team will continue to explore this area and report to members of any further developments.

Treasury Management Policy, Practices and Schedules

93 The Treasury Management Policy, Practices and Schedules will be presented alongside this 2023/24 update of the TM Strategy.

Appendices

Appendix 1 - Economic Background and interest rate forecasts

Appendix 2 - Approved Countries for investments

Appendix 3 – The Treasury Management role of the S151 Officer

Appendix 1: Economic Background (provided by Link Asset Services)

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	Eurozone	US
Bank Rate	3.0%	1.5%	3.75%-4.00%
GDP	-0.2%q/q Q3 (2.4%/y/y)	+0.2%q/q Q3 (2.1%/y/y)	2.6% Q3 Annualised
Inflation	11.1%/y/y (Oct)	10.0%/y/y (Nov)	7.7%/y/y (Oct)
Unemployment Rate	3.6% (Sep)	6.6% (Sep)	3.7% (Aug)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c£500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at 5.5% - 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3% in November and the market expects Bank Rate to hit 4.5% by May 2023.

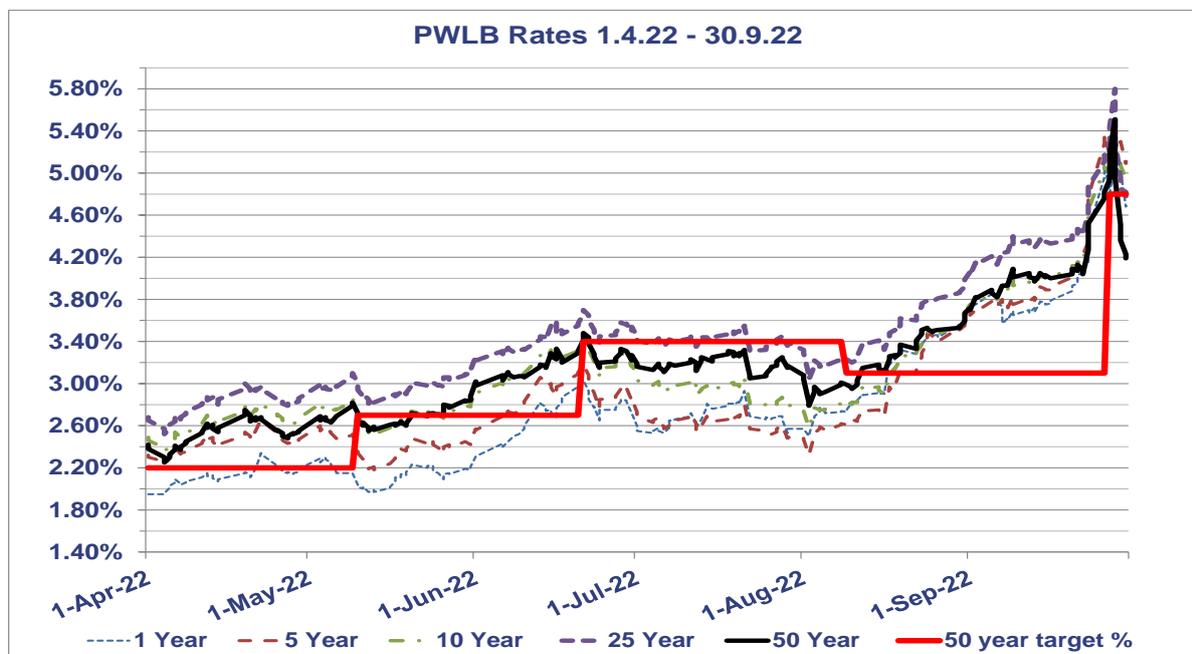
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and December. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17th November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one if not more quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate

set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government's "fiscal event", to \$1.20. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28th September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting ever lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

CENTRAL BANK CONCERNS – NOVEMBER 2022

At the start of November, the Fed decided to push up US rates by 0.75% to a range of 3.75% - 4%, whilst the MPC followed a day later by raising Bank Rate from 2.25% to 3%, in line with market expectations. EZ rates have also increased to 1.5% with further tightening in the pipeline.

Having said that, the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that

the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

Appendix 2: Approved countries for investments

AA-

- United Kingdom
- Belgium

AA

- France

AA+

- Canada
- Finland
- U.S.A.

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

Appendix 3: The Treasury Management role of the section 151 officer

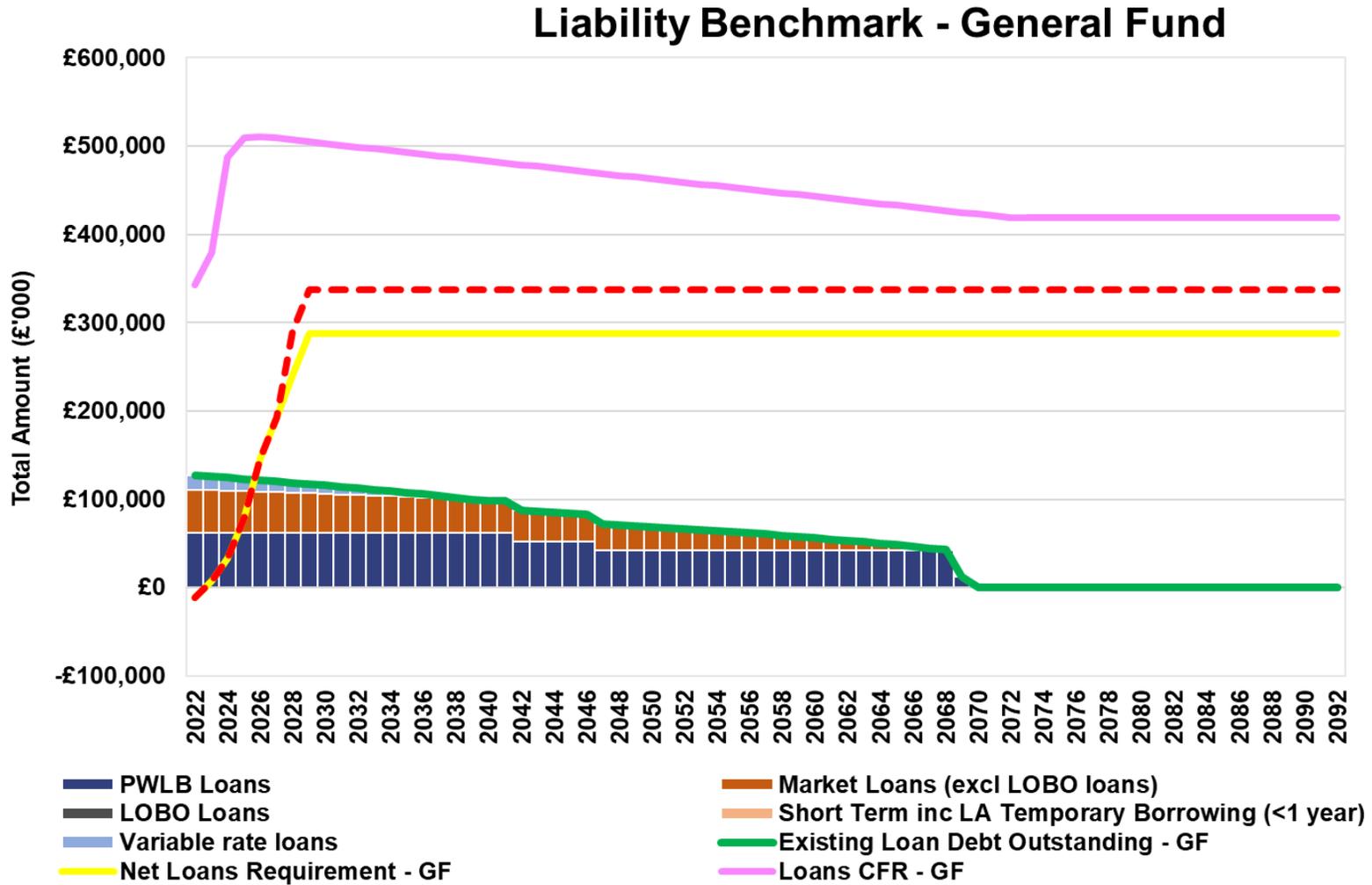
The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe (say 20+ years – to be determined in accordance with local priorities.)
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

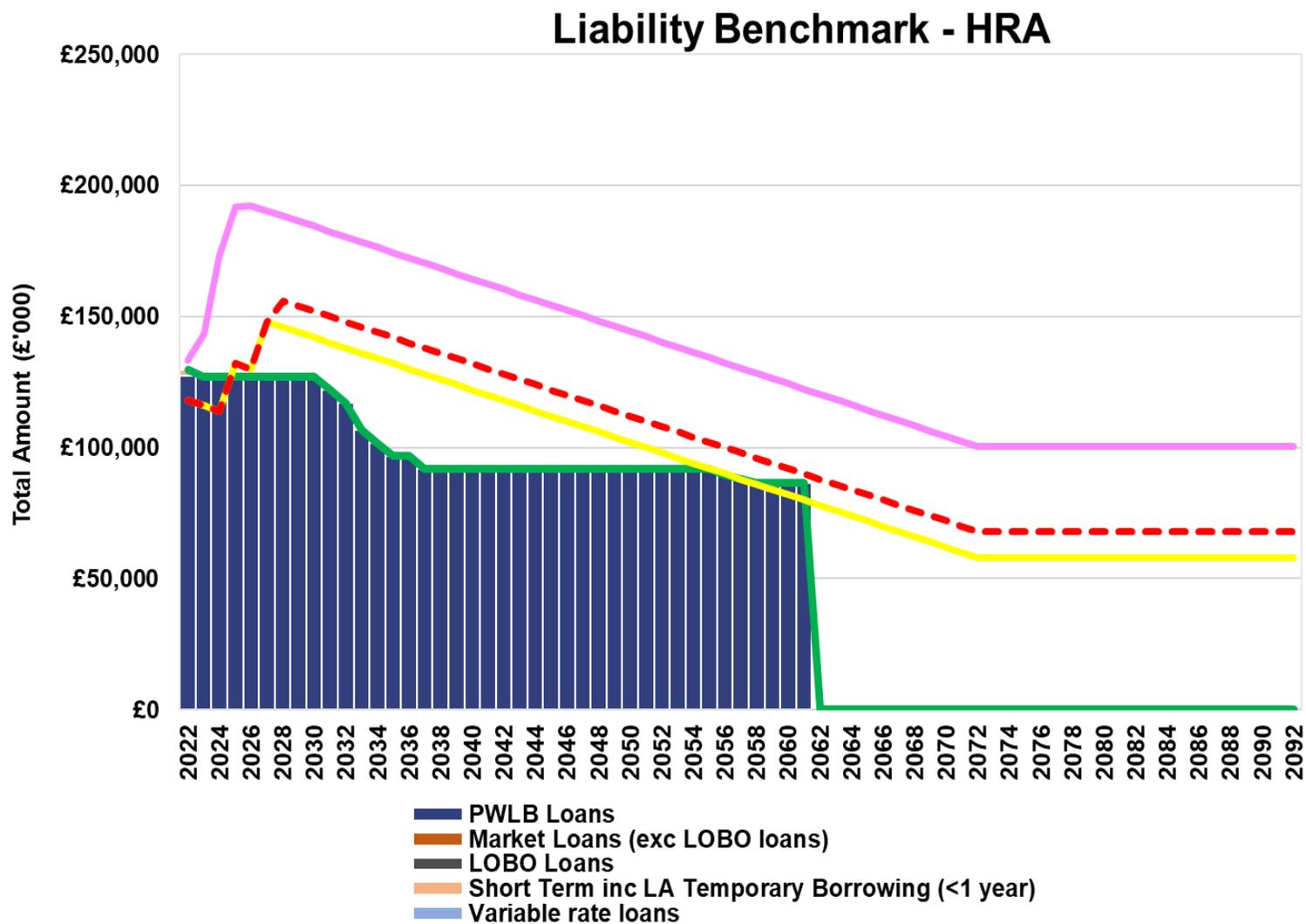
Appendix 4 – Liability Benchmark – General Fund

203



Appendix 4 – Liability Benchmark – HRA

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Bournemouth, Christchurch and Poole Council

Treasury Management Policy, Practices and Schedules

Treasury Management Practices and Schedules

The Treasury Management Practices (TMPs) and Schedules set out the manner in which the Council will seek to achieve its Treasury Management Policies and objectives and how it will manage and control those activities.

- TMP 1 – Treasury Risk Management
- TMP 2 – Best Value and Performance Measurement
- TMP 3 – Decision-Making and Analysis
- TMP 4 - Approved Instruments, Methods and Techniques
- TMP 5 - Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements
- TMP 6 - Reporting Requirements and Management Information Arrangements
- TMP 7 - Budgeting, Accounting and Audit Arrangements
- TMP 8 - Cash and Cash Flow Management
- TMP 9 - Money Laundering
- TMP 10 - Staff Training and Qualifications
- TMP 11 - Use of External Service Providers
- TMP 12 - Corporate Governance

TMP1 Treasury Risk Management

- 1 The S151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

Credit and Counterparty Risk Management

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

- 2 The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, we will ensure that the counterparty list and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit the investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments, Methods and Techniques and listed in the schedule to this document. The Council also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.
- 3 The S151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to which types of investment instruments that can be used as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 4 The minimum rating criteria uses method of selecting counterparties and applying limits. The Council will use UK and non-UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard and Poor's credit ratings. Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 5 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

Sovereign Ratings

- AA (UK)
- AAA (non UK)

(Rating Description – AAA = Prime Rating, AA+, AA, AA- = High Grade Rating)

Selection Criteria

- Banks 1 - the Council will use UK and non UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

Investments will include term deposits, call accounts, notice accounts and CD's.

- a Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- b Banks 3 – The Council's own bankers (HSBC, Lloyds and Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- c Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- d Building societies. The Council will use societies which meet the ratings for Banks 1 outlined above.
- e Money Market Funds (MMFs) Constant net asset value (CNAV)
- f Money Market Funds (MMFs) Low-Volatility net asset value (LVNAV)
- g Money Market Funds (MMFs) Variable net asset value (VNAV)
- h Ultra-Short Dated Bond Funds with a credit rating of at least 1.25
- i Ultra-Short Dated Bond Funds with a credit rating of at least 1.50
- j Cash Plus Funds
- k UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility (DMADF))
- l Royal Bournemouth and Christchurch Hospital NHS Foundation trusts
- m Local authorities, Police and Fire Authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
- n Pooled Funds

Maximum Time and Monetary Limits applying to Investments

- 6 The maximum amount that can be invested in any one institution at the time of the investment (including call accounts) as a percentage of the total investment portfolio has been reviewed and rationalised. All AA- and above rated institutions have a maximum limit of 25%, all A+, A or A- rated institutions have a maximum limit of 20%. For practical reasons where the average investment balance falls below £10m it may become necessary to increase the percentage limit to 33% at the time of investment (this only applies to call accounts and money market funds).
- 7 The maximum time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months
Banks 2 category – part-nationalised RBS / Nat West	N/A	20%	2 years
Banks 3 category – Council's banker HSBC / Barclays / Lloyds	AA-	25%	3 months
UK Government (including gilts, Treasury Bills and the DMADF)	AAA	25%	6 months
Local Authorities	N/A	20%	5 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access

Ultra-Short Dated Bond Funds	N/A	25%	Unlimited
Cash Plus Funds	AAA	25%	Unlimited
UK Gilts	UK Sovereign Rate	25%	5 years

Approved methodology for changing limits and adding/removing counterparties

- 8 Credit ratings for individual counterparties can change at any time. The S151 Officer is responsible for applying the stated credit rating criteria outlined above for selecting approved counterparties, and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers.
- 9 The S151 Officer will also adjust lending limits and periods when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers in accordance with the criteria outlined above.

Liquidity Risk Management

- 10 This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.
- 11 The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.
- 12 The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Cash flow and cash balances

- 13 The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain a rolling 12 month cash flow forecast.

The Treasury Management function shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned.

In order to achieve the maximum return from investments, a daily cash balance of +/- £50,000 is the normal objective for the Council's bank account. Note - it may not always be possible or practical to achieve this target for various reasons, such as, late or fluctuating receipts after the treasury management activities for the day have been completed.

Short term investments

- 14 Funds are held in overnight accounts, call accounts or money market funds specifically in order to deal with day to day cash flow fluctuations.

Temporary borrowing

- 15 Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year.

At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.

Bank Overdraft and standby facilities

- 16 The Council has an authorised overdraft limit with its bankers of up to £100k at an agreed rate of 2.39% over base rate.

Interest Rate Risk Management

- 17 The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.
- 18 The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting Requirements and Management Information Arrangements.
- 19 It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.
- 20 The Council's Policy will limit its exposure to interest rate changes by allowing a maximum of 4% of borrowing to be at variable interest and a maximum of 100% to be at fixed rate. In addition, a maximum of 50% of investments can be made at variable interest and a maximum of 100% to be at fixed rate.
- 21 Interest rates will be monitored by the Assistant Chief Financial Officer and information about possible changes in interest rates gathered from market sources.

Policies concerning other instruments for interest rate management.

- 22 Forward dealing - Will only be undertaken where the date of commencement is 3 months (or less) for an investment from the date that funds will be transferred, in order to minimise risk due to uncertainties in the cash flow projections. The maximum length of time permissible for all investments will be 5 years.

Exchange Rate Risk Management

- 23 The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Approved criteria for managing changes in exchange rate levels

- i) As a result of the nature of the Council's business, it may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Council will adopt a full hedging strategy to control and add certainty to the sterling value of these transactions. This will mean that the Council will eliminate all foreign exchange exposures as soon as they are identified.
- ii) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this full cover hedging policy. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

Refinancing Risk Management

- 24 The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.
- 25 The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.
- 26 It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Projected capital investment requirements

- 27 3 year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves, any grants or contributions awarded and revenue. Funding will be from internal or external borrowing, as decided.

As required by the Prudential Code, the Council will undertake Options Appraisals to evaluate the best capital expenditure financing route.

The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.

Debt profiling, policies and practices

- 28 Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Treasury Management Strategy.

The Council will maintain through its various treasury spreadsheets reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for its refinancing.

Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.

Policy concerning limits on revenue consequences of capital financings

- 29 The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.

Legal and Regulatory Risk Management

- 30 The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.
- 31 The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in treasury activities. In framing its credit and counterparty policy under TMP1 Treasury Risk Management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.
- 32 The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.
- 33 The Council operates its Treasury Management Practices in accordance with the provisions of the Local Government and Housing Act 1989 and the CIPFA Treasury Code of Practice. The Council's powers are documented in the Treasury Management Policy statement, the Treasury Management Practices and the Schedules.
- 34 Counterparties are included on the lending list where they fully comply with the Credit Rating requirements from Fitch, S&P and Moody's or where they meet the specified exceptional criteria.
- 35 The S151 Officer will review the Legal and Regulatory framework in order to assess the impact of any changes on the Council.

Procedures for evidencing the Council's powers/ authorities to counterparties

- 36 The Council's Financial Regulations contain evidence of the power/ authority to act as required by S151 of the Local Government Act 1972, under the general direction of the Council and Cabinet.

The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.

Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.

Required information from counterparties concerning their powers/ authorities

37 Lending shall only be made to institutions on the Council's authorised lending list.

The Council will only undertake borrowing from approved sources such as the Public Works Loans Board (PWLB), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing is contained in TMP 4.

Political Risk Management

38 Political risk is managed by:

- i) Adoption of the CIPFA Treasury Management Code of Practice;
- ii) Adherence to Corporate Governance (TMP 12 – Corporate Governance);
- iii) Adherence to the Statement of Professional Practice by the S151 Officer;
- iv) The roles of the Council and Cabinet.

Details of relevant Statutes and regulations

39 The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are as follows:

- i) CIPFA's Treasury Management Code of Practice and guidance notes;
- ii) CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities;
- iii) CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments;
- iv) CIPFA Standard of Professional Practice on Treasury Management
- v) The Local Government Act 2003;
- vi) The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments;
- vii) Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 – SI 2009 No 3093;
- viii) MHCLG Guidance on Minimum Revenue Provision (MRP);
- ix) MHCLG Revised Guidance on Investments Feb 2017
- x) The MHCLG's Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ;

- xi) The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883;
- xii) LAAP Bulletins;
- xiii) Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards);
- xiv) Accounts and Audit Regulations 2003, as amended together with CLG's Guidance;
- xv) The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets;
- xvi) Council's Constitution including:
 - Standing Orders relating to Contracts;
 - Financial Regulations;
 - Scheme of Delegation.
- xvii) CLG's Self-Financing Policy Documentation and subsequent amendments.

Fraud, Error and Corruption, and Contingency Management

- 40 The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.
- 41 The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.
- 42 In order to mitigate these risks, it is a system requirement that two officers need to be involved in order to facilitate a CHAPS payment via internet banking. The first officer will set up the payment details and the second officer will verify the details and authorise payment. Payment is only to be made on appropriately authorised documentation.
- 43 For payments to investment counterparties and other regular payments (e.g. Inland Revenue, Pensions) the payee name and bank details will be set up as named beneficiaries within the system.
- 44 In all instances of fraud there should be referral to the Council Anti-Fraud and Corruption Policy.

Details of systems and procedures to be followed, including internet services

- 45 The S151 Officer will ensure that all Treasury Management Procedures are fully documented and approved and that they contain adequate levels of internal

control. All computer systems or electronic forms of recording or transmitting data will have adequate security and back up provisions.

- 46 The S151 Officer will ensure that the Treasury Management function is subject to regular internal audit, the intention being that this will generally take place once each year with sufficient programmed days to cover all aspects of its activity.

Emergency and contingency planning arrangements

- 47 In the event of treasury management software being unavailable, due to power failure or problems with the system, arrangements for the day-to-day treasury function will be undertaken direct with the Council's bank.

Insurance cover details

- 48 The Treasury Management function is covered under the Council's Fidelity Guarantee Policy.

Market risk management

- 49 The Council will seek to ensure that its stated Treasury Management Policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (GILTS, CDS, etc.)

If the Council makes use of fund managers they may deal in GILTS, Certificates of deposit etc. on behalf of the Council. The limit for these will be the value of the fund, held by the external body at the time. The fund will be able to be liquidated within 7 days.

Policy on environmental, social and governance (ESG) considerations

- 50 The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.
- 51 ESG is an area that CIPFA is still working on after the 2022 revised codes. In particular, work will be needed to coordinate the priority which needs to be given to issues of security, liquidity and yield (SLY) while also accommodating ESG principles as a fourth priority and principle to apply.
- 52 The assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve. CIPFA, therefore, recommends authorities to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their

organisation's own relevant policies, such as environmental and climate change policies.

- 53 CIPFA does not expect that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

TMP2 Best Value and Performance Measurement

- 54 The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Strategy Statement.
- 55 Accordingly, the Treasury Management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the Treasury Management function will be measured using the criteria set out in this section.

Methodology to be applied for evaluating the impact of Treasury Management decisions

- 56 All treasury management decisions will be recorded by the Treasury Accountant. A monthly report will be produced and any significant decisions notified to the S151 Officer on the monthly report. Rates quoted for investments and borrowing will be recorded and monitored against benchmarks, any benchmarking reports will consider risk as well as the rate of return. Market trends will be compared to expectations. Investments or borrowing which takes place with a maturity of over one month, evidence should be kept to demonstrate that the most favourable interest rate has been achieved.

Policy concerning methods for Testing Value for Money in Treasury Management

Frequency and processes for review

- 57 The Treasury Management function will be included within the Core Service Transformation review of Strategic Finance.

Banking services

- 58 Banking services will be retendered or renegotiated periodically in line with accepted procurement practice to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.

Money-broking services

- 59 The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. The Council will also deal direct with counterparties that appear on the lending lists where it can be shown that the rates achievable by dealing direct are higher than those that could have been achieved by dealing through money-brokers.

An approved list of brokers will be established which takes account of both prices and quality of services. Note that fees are only due when the authority chooses to borrow using money brokers.

Consultants'/advisers' services

60 The Council may appoint professional treasury management advisers as and when it is deemed necessary to do so. The performance of these advisers will be monitored on an ongoing basis and be the subject of a tendering process.

Where treasury management advisers are appointed they will be expected to:

- i) Provide creditworthiness advice and updates on credit developments;
- ii) Provide rating watch information and highlight any impact on the Council's lending list;
- iii) Review all treasury management reports and check compliance with the Treasury Management Code of Practice, the Prudential Code and Best Practice;
- iv) Provide suitable economic information including interest rate forecasts;
- v) Offer suitable training and seminars to support for Members and officers;
- vi) Provide technical advice help and support as required.

External Fund Managers

61 The Council may appoint full-time cash/external investment fund managers and will comply with the Local Authorities (Contracting Out of Investment Functions) Order 1996 [SI 1996 No 1883].

The fund Manager will undertake all activity in accordance with the provisions set out in this document.

The delegation of investment management to external managers will entail the following:

- i) Agreement of a formal contractual agreement and documentation;
- ii) Agreement on terms for early termination of the contract;
- iii) Setting of a benchmark of [SONIA] and a performance target of exceeding the benchmark;
- iv) Setting of investment counterparty constraints;
- v) Quarterly reporting of performance;
- vi) At least annual meetings with investment managers;
- vii) Setting of other constraints/parameters/conditions.

The Council's treasury management advisers will assist in monitoring the performance of the fund managers.

Methods to be employed for measuring the performance of the Council's Treasury Management activities

62 Performance will be measured against the benchmark figures agreed. Performance will also be monitored by comparing expected levels of interest to the interest budgets set in the Budget setting process.

Benchmarks and calculation methodology:

a Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

b Investment

The performance of investment earnings will be measured against the following benchmarks:

- i) In house investments - SONIA
- ii) Cash fund manager - SONIA

It is recognised that these benchmarks must be assessed in the overall context of security and liquidity being more important than yield.

TMP3 Decision-Making and Analysis

- 63 The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.
- 64 Whilst the Council will take advice from external consultants as and when required it is recognised that the final decision for all treasury management activity lies with the Council.

Funding, Borrowing, Lending, and new instruments / techniques

Records to be kept

- 65 Details of all rates achieved on new investments and borrowing will be kept by the S151 Officer, along with rates requested from other sources that were rejected. This is to show that the S151 Officer consulted different areas of the market place to support the decision made. All documentation to support investment / borrowing decisions will be available for inspection by internal audit.

Processes to be pursued

- 66 When investment decisions are to be made for one month or more, the Treasury Accountant with responsibility for treasury management will seek rates from at least two brokers or counterparties that deal direct, and a comparison will be made with indicative rates quoted by brokers on the day. These rates, together with the reason for the chosen rate (not always the highest rate quoted), will be recorded on the deal ticket or electronically and will be made available for inspection. Since the start of the credit crisis and the nominal rates achieved on investments the Treasury Management function have concentrated their efforts firmly on capital protection and risk management. In practice the Council has a very restricted lending list and there is often little or no choice where to place investments.

Borrowing decisions will be made by the S151 Officer in the light of the Council's medium term budgetary requirement. The interest rate type, period of the loan and reason for the need to borrow will be recorded by the Group Accountant with responsibility for treasury management.

Issues to be addressed

- 67 In respect of every decision made the Council will:
- a Above all be clear about the nature and extent of the risks to which the Council may become exposed;
 - b Be certain about the legality of the decision reached and the nature of the transaction, and that all approvals to proceed have been obtained;
 - c Be content that the documentation is adequate both to deliver the Council's objectives and protect its interests, and to deliver good housekeeping;
 - d Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded;
 - e Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.
- 68 In respect of borrowing and other funding decisions, the Council will:
- a Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
 - b Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
 - c Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.
- 69 In respect of investment decisions, the Council will:
- a Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
 - b Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

TMP4 Approved Instruments, Methods and Techniques

- 70 The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed below and within the limits and parameters defined in TMP1 Risk Management.
- 71 Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its Treasury Management Strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

Approved activities of the Treasury Management function

- a Borrowing
- b Lending
- c Debt repayment and rescheduling
- d Consideration, approval and use of new financial instruments and treasury management techniques
- e Managing the underlying risk associated with the Council's capital financing and surplus funds activities
- f Managing cash flow
- g Banking activities
- h Leasing
- i The use of external fund managers

Approved instruments for investment

- 72 In accordance with The Local Authorities (Capital Finance) (Approved Investments) Regulations 1990 and subsequent amendments, the instruments approved for investment and commonly used by local authorities are:
- a UK Government (including gilts, Treasury Bills and Debt Management Account Deposit Facility)
 - b Deposits with banks, building societies or local authorities (and certain other bodies) for up to five years;
 - c Certificates of deposits with banks or building societies for up to five years;
 - d Corporate bonds and bonds issued by Multilateral Development Banks;
 - e Euro-sterling issues by certain Supra-national bodies listed on the London and Dublin Stock Exchanges;
 - f Money Market Funds;
 - g Pooled funds, i.e. collective investment schemes as defined in SI 2004 No 534.

Approved techniques

- a Forward dealing up to five years
- b Callable deposits up to five years

Approved methods and sources of raising Capital Finance

- 73 Finance will only be raised in accordance with the Local Government and Housing Act, 1989, and within this limit the Council has a number of approved methods and sources of raising capital finance.
- 74 These forms of funding will be considered based on the prevailing economic climate, regulations and local considerations. The S151 Officer has delegated powers through this Policy and the Strategy to take the most appropriate form of borrowing from the approved sources.

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

- 75 The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 76 The principles on which this will be based is a clear distinction between those charged with setting Treasury Management Policies and those charged with

implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the Treasury Management function.

- 77 If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting Requirements and Management Information Arrangements, and the implications properly considered and evaluated.
- 78 The S151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The present arrangements are detailed in the schedule in this section.
- 79 The S151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in this section.
- 80 The delegations to the S151 Officer in respect of treasury management are set out in this section. The S151 Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

81 Limits to responsibilities/discretion at Committee/Executive levels

Full Council

- receiving and reviewing the annual Treasury Management Strategy Statement and a report on Treasury Management Policy, Practices and Schedules;
- budget consideration and approval;
- receiving a summary annual report on performance during the previous financial year.

Cabinet

- receiving and reviewing the annual Treasury Management Strategy Statement and a report on Treasury Management Policy, Practices and Schedules;
- budget consideration and approval;
- receiving a summary annual report on performance during the previous financial year;
- approval of investments where minimum lending criteria are not met.

BCP Committee

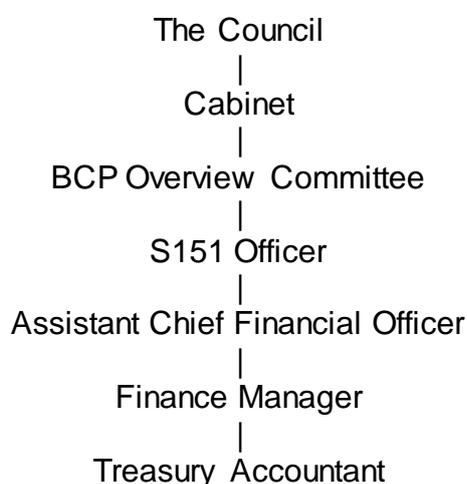
- approval of amendments to the Council's adopted clauses, Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules;
- performance monitoring;

- receiving and reviewing external audit reports and acting on recommendations;
- approving the selection of external fund managers and agreeing terms of appointment;
- receiving a detailed annual report;
- scrutinise the Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules;
- receive reports of any non-compliance with the Council Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules.

82 Principles and practices concerning segregation of duties

The S151 Officer will ensure that there is proper segregation of duties in place for Treasury Management.

83 Treasury Management organisation chart



84 Statement of Duties/Responsibilities of each Treasury Post

a S151 Officer

i) The S151 Officer will:

- execute and administer treasury management decisions in accordance with the Treasury Management Strategy and the Treasury Management Policies, Practices and Schedules;
- recommend all arrangements for the identification, management and control of all treasury management risk and report on such;
- design, recommend and implement the annual Treasury Management Strategy and Treasury Management Policies, Practices and Schedules for approval, reviewing and monitoring compliance;
- adhere and monitor performance against the approved prudential indicators;
- construct the Council's lending list and formulating suitable criteria for assessing and monitoring the credit risk of investment counterparties;

- submit regular treasury management policy reports;
 - submit budgets and budget variations;
 - ensure that all Treasury Management Policies, Practices and Schedules are fully documented and approved, and contain adequate levels of internal control;
 - receive and review management information reports;
 - review the performance of the Treasury Management function and promote value for money reviews;
 - ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the Treasury Management function;
 - ensure all Members and treasury management staff receive training to ensure all responsibilities are carried out appropriately;
 - recommend investments where the minimum lending criteria are met;
 - ensure the adequacy of internal audit, and liaising with external audit;
 - ensure that the most appropriate form of borrowing is taken from the approved sources;
 - review the legal and regulatory framework in order to assess the impact of any changes on the Council;
 - monitor the Governance arrangements of the treasury management function;
 - recommend the appointment of external service providers.
- ii) The S151 Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.
- iii) Only officers approved by the S151 Officer or the Assistant Chief Finance Officer will conduct dealing transactions.
- iv) The S151 Officer will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected Members as soon as possible.
- v) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the S151 Officer to be satisfied, by reference to the Monitoring Officer, the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's financial Regulations.
- vi) It is also the responsibility of the S151 Officer to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- b Assistant Chief Financial Officer / Finance Manager
- i) The responsibilities of these posts will be:
- planning, organising, directing and monitoring the Treasury Management function;

- ensuring compliance with the policy, practices and schedules;
 - regularly reporting to the S151 Officer regarding performance of the function;
 - ensuring the treasury management function is adequately covered during normal business hours;
 - monitoring market conditions and interest rates and advising the S151 Officer regarding its impact on the Council's strategy.
- c Finance Manager / Treasury Accountant
- i) The responsibilities of this post will be:
- execution of transactions;
 - adherence to agreed policies and practices on a day-to-day basis;
 - maintaining relationships with third parties and external service providers;
 - supervising treasury management staff;
 - monitoring performance on a day-to-day basis;
 - submitting management information reports to the Assistant Chief Finance Officer;
 - preparation of cash flow statements;
 - recording all treasury management decisions;
 - maintain the counterparty list in line with the approvals made;
 - identifying and recommending opportunities for improved practices.
- d Treasury Accountant
- carry out day to day banking activities ensuring the treasury function meets its objectives
 - recording all treasury management decisions;
 - maintain the counterparty list in line with the approvals made;
 - preparation of cash flow statements;
- e Head of the Paid Service
- i) The responsibilities of this post will be:
- ensuring that the system is specified and implemented;
 - ensuring that the S151 Officer reports regularly to the Council, Cabinet and BCP Committee on treasury management policy, activity and performance as appropriate.
- f Monitoring Officer
- i) The responsibilities of this post will be:
- ensuring compliance by the S151 Officer with the Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules and that they comply with the law;

- being satisfied that any proposal to vary treasury management policy or practice complies with law or any code of practice;
- giving advice to the S151 Officer when advice is sought.

g Internal Audit

i) The responsibilities of Internal Audit will be:

- reviewing compliance with approved policy and procedures;
- reviewing division of duties and operational practice;
- assessing value for money from treasury management activities;
- undertaking audits to provide assurance over the probity of the Treasury Management function.

Absence cover arrangements

85 The Finance Manager with responsibility for the treasury function will ensure that the Treasury Management function is adequately covered during normal business hours.

Dealing limits

86 The Finance Manager with responsibility for treasury management is permitted to place deals in accordance with the Counterparty Lists and Limits and approved Treasury Management Practices.

List of approved brokers

- Tradition Brokers
- Sterling International Brokers division of BGC Brokers LP
- Martin Brokers division of BGC Brokers LP
- Tullett Prebon (Europe) Limited
- Imperial Treasury
- Link Asset Services

87 Treasury management staff are also authorised to deal direct with any of the counterparties on the approved lending list, where it can be shown that better rates of interest can be achieved than would otherwise be available through Brokers.

Policy on Brokers' services

88 The Authority aims to achieve a spread of brokers, together with the use of direct dealing counterparties in order to secure suitable deals.

Policy on taping of conversations

89 The Authority does not currently tape telephone calls made to brokers. It is understood that the broker firms used do tape all telephone conversations and deals are always confirmed by email by the broker and the body receiving or paying over the money, these documents will be retained.

Direct dealing practices

- 90 The Authority aims to achieve a spread of counterparties in order to secure suitable deals.

Settlement Transmission Procedures

- 91 On maturity of an investment or loan the broker / counterparty involved will always be contacted by the treasury management staff to confirm what the Authority's intentions are with regard to the maturity and whether it is to be repaid.

Documentation requirements

- 92 Copies of all correspondence with brokers will be kept and made available for inspection.

Arrangements Concerning the Management of Third-Party Funds

- 93 The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP6 Reporting Requirements and Management Information Arrangements

- 94 The Council will ensure that regular reports are prepared and considered on the implementation of its Treasury Management Policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the Treasury Management function.

Annual Programme of reporting

- 95 As a minimum, the Council will receive:
- a An annual report on the strategy and plan to be pursued in the coming year;
 - b A summary annual report on the performance of the Treasury Management function.
- 96 It is recognised that BCP Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy Statement and activities and as such they will receive:
- a A copy of the annual report on the strategy and plan to be pursued in the coming year together with the treasury management prudential indicators;
 - b A full annual report on the performance of the Treasury Management function, on the effects of the decisions taken and the transactions executed in the year to date, and on any circumstances of non-compliance with the Council's Treasury Management Strategy Statement and TMPs.
 - c Quarterly Monitoring Reports

Annual Treasury Management Strategy Statement

- 97 The Treasury Management Strategy Statement sets out the specific expected treasury management activities for the forthcoming financial year. This Strategy

will be submitted to Cabinet and Full Council for approval before the commencement of each financial year.

- 98 The formulation of the Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
- 99 The Treasury Management Strategy Statement is concerned with the following elements:
- a The prospects for interest rates;
 - b The limits placed by the Council on treasury activities;
 - c The expected borrowing strategy;
 - d The expected temporary investment strategy (including the appointment of fund managers);
 - e Other issues.

Policy on Interest Rate Exposure

- 100 As required by section 45 of the Local Government and Housing Act, 1989, the Council must approve before the beginning of each financial year the following treasury management limits:
- a The overall borrowing limit;
 - b The amount of the overall borrowing limit which may be outstanding by way of short-term borrowing;
 - c The maximum proportion of interest on borrowing which is subject to variable rate interest.
- 101 The S151 Officer is responsible for incorporating these limits into the Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the S151 Officer shall submit the changes for approval to Cabinet before submission to the Full Council for approval.

Annual Report on Treasury Management activity

- 102 A summary annual report will be presented to Cabinet and Full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. A full annual report will be presented to BCP Committee. This report will include the following:
- a A comprehensive picture for the financial year of all Treasury Management Policy, Practices and Schedules, plans, activities and results;
 - b Transactions executed and their revenue (current) effects;
 - c Report on risk implications of decisions taken and transactions executed;
 - d Monitoring of compliance with approved policy, practices and statutory / regulatory requirements;
 - e Monitoring of compliance with powers delegated to officers;

- f Degree of compliance with the original strategy and explanation of deviations;
- g Explanation of future impact of decisions taken by the Council;
- h Measurements of performance;
- i Report on compliance with CIPFA Code recommendations.

Management Information Reports

103 Management information reports will be prepared every month by the Treasury Accountant and will be presented to the following officers:

- a Finance Manager;
- b Assistant Chief Financial Officer;
- c S151 Officer;

104 These reports will contain the following information:

- a Summary of the Authority's financial position for the current year;
- b Details of all current investments / loans;
- c Details of the Interest Budget and Interest Projections;
- d All notes relevant to the Treasury Management function, including where applicable the reasons behind and the impact of any decisions made.

Periodic Monitoring Committee Reports

105 Interim reports will be prepared where significant matters arise that need to be reported to a BCP Committee.

TMP7 Budgeting, Accounting and Audit Arrangements

106 The responsible officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the Treasury Management function, together with associated income. The matter to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk Management, TMP2 Best Value and Performance Measurement, and TMP4 Approved Instruments, Methods and Techniques. The S151 Officer will exercise effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

107 The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

108 The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the Treasury Management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

Statutory/Regulatory Requirements

109 The treasury management budget and interest budget will be set as part of the Council's main budget setting process as required by the Council. Treasury Management is subject to an annual audit by Internal Auditors and is also audited by External Audit as part of the main financial audit.

TMP8 Cash and Cash Flow Management

110 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the S151 Officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the S151 Officer will ensure that these are adequate for the purposes of monitoring compliance as per paragraphs 11-13 Liquidity Risk Management. The present arrangements for preparing cash flow projections, and their form, are set out below.

Arrangements for preparing/submitting Cash Flow Statements

111 The Finance Manager with responsibility for treasury management will prepare a rolling cash flow forecast which will cover at least 12 months, based on information gathered from within the Council. This cash flow forecast will be continually updated as new information is received. The cash flow forecast will contain information for every day of the year for all bank accounts.

Listing of sources of information

112 Information will be provided to the Treasury Management function by other members of Financial Services and the Council in general.

Bank Statements procedures

113 Bank statements are received daily and retained. Summary bank statements are also available in electronic format through the use of treasury management software.

TMP9 Money Laundering

Proceeds of Crime Act 2002

114 Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report suspicions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

115 These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

The Terrorism Act 2000

116 This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

The Money Laundering Regulations 2012, 2015 and 2017

117 Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

Local authorities

118 Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place

- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is the Head of Audit and Management assurance.
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is Head of Audit and Management assurance and it shall be a requirement that all services and departments implement this corporate policy and procedures.

Procedures for establishing identity / authenticity of lenders

119 The Council does not accept loans from individuals. All loans are obtained from the PWLB, Local Authorities or Other Public Bodies or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through their website on www.fsa.gov.uk).

Methodology for identifying sources of deposit

120 These will be arranged through authorised money brokers or by direct dealing.

TMP10 Staff Training and Qualifications

Details of approved training

- 121 The Council recognises the importance of ensuring that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The S151 Officer will recommend and implement the necessary arrangements.
- 122 The S151 Officer will ensure that Council Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.
- 123 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 124 The treasury management staff have attended training courses provided both by the Council's advisors and other organisations. The Finance Manager with responsibility for treasury management will ensure that a proactive approach is taken to continually keeping abreast of changes within the treasury management field.

Approved Qualifications for Treasury Staff

- S151 Officer ACCA / CPFA
- Assistant Chief Financial Officer CPFA
- Finance Manager - Technical CPFA / ACCA / CIMA
- Treasury Accountant AAT

125 The S151 Officer can determine that an approved qualification is not required if the member of staff has appropriate expertise and knowledge to carry out the responsibilities outlined in the Treasury Management Policy, Practices and Schedules.

Statement of Professional Practice (SOPP)

126 Where the S151 Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.

Other staff involved in treasury management activities that are CCAB members must also comply with the SOPP.

Member training

127 Council Members tasked with treasury management responsibilities should be trained in the areas of their responsibility.

Those charged with governance must recognise their individual responsibility and ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of External Service Providers

128 The Council recognises that responsibility for treasury management decisions remains with the authority at all times.

It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Service Director, Strategic Finance.

129 The terms of appointment of all consultants are assessed and properly agreed and documented.

Details of Contracts with Service Providers, including Bankers, Brokers, Consultants, Advisers

- a Banking services
- b Name of main supplier of service – HSBC / Lloyds / Barclays
- c Contract commenced 1 April 2019
- d Money-broking services - No contract exists

- e Cash/fund management services – No contract exists
- f Consultants'/advisers' services
- g Name of supplier of service – currently under tender
- h Software suppliers – No contract exists
- i Credit rating agencies
- j The Council will make use of any information supplied by Moody's, Standard and Poor's and Fitch
- k Procedures and frequency for tendering services
- l This will be in accordance with the Council's Standing Orders.

TMP12 Corporate Governance

- 130 The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the Treasury Management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 131 The Council has adopted and has implemented the key recommendations of the Treasury Management Code of Practice as updated. This, together with the other arrangements detailed below, are considered vital to the achievement of proper corporate governance in treasury management, and the S151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Stewardship responsibilities

- 132 The S151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the Treasury Management function.

List of documents to be made available for public inspection

- 133 The following documents are freely available for public inspection:
- Annual Statement of Accounts;
 - Budget Book;
 - Medium Term Financial Plan (including Capital);
 - Treasury Management Policy, Practices and Schedules;
 - Treasury Management Strategy;
 - Budget monitoring reports;
 - Annual Treasury Report;

Appendix 9b - Summary of proposed debt against CFR

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000	£000
Regeneration schemes						
Carter's Quay	12,201	19,000	4,868			36,069
Holes Bay	706					706
Pokesdown Station	200	500	1,900			2,600
Smart Places Gigabit Fibre	200	2,833	2,833			5,866
Wessex Fields highways works	1,600	2,400				4,000
Match funding to the resources provided by Salix		1,200				1,200
sub-total	14,907	25,933	9,601	0	0	49,241
Housingm Council Newbuild & Acquisitions Strategy (CNHAS)						
Temporary accommodation	5,994					5,994
CNHAS - residential street properties	1,804	12,235	10,650	10,555		35,244
CNHAS - Care Experience Young People (CEYP)	850					850
CNHAS - Private Rented Sector (PRS)	1,500					1,500
CNHAS Alma Road (former GP surgery)		2,090	1,710			3,800
CMHAS Oakdale	660	1,530	2,180			4,370
CNHAS Roeshot Hill PRS		6,095				6,095
CNHAS Crescent Road		1,623				1,623
CNHAS Princess Road (hostel and PRS)	235	9,574	4,000			13,809
CNHAS HRA Moorside Road	1,274	28				1,302
CNHAS HRA Cabbage Patch	1,227	28				1,255
CNHAS HRA Wilkinson Drive	977	743				1,720
CNHAS HRA Northbourne	983					983
CNHAS HRA Craven Court	628	2,965				3,593
CNHAS HRA Templeman House		1,309				1,309
CNHAS HRA Mountbatten Gardens	29					29
CNHAS HRA Princess Road		4,208	9,000			13,208
CNHAS HRA Duck Lane	1	988	800			1,789
CNHAS HRA Surrey Road	240	406	966			1,612
CNHAS HRA 43 Bingham Road		370				370
CNHAS HRA Roeshot Hill (shared and affordable)		4,304				4,304
CNHAS HRA Cynthia House		1,599				1,599
CNHAS HRA Herbert Avenue	1,134	328				1,462
CNHAS HRA Hillbourne	363	4,417	1,916	475	153	7,324
CNHAS HRA Oakdale		3,143	4,494			7,637
CNHAS HRA Egmont Road	11	956				967
CNHAS HRA Redhorn Close	49	798	553			1,400
CNHAS HRA Dale Close	18	295	144			457
CNHAS HRA Lake Avenue	18	348	303			669
CNHAS HRA Junction Road	18	332	156	12		518
CNHAS HRA Cavan Crescent / Sopers Lane	11	798	308			1,117
Luckham Road	122					122
Alma Road		8	12			20
Constitution Hill		46				46
Purchase & Repair	2,100	2,100	2,100	2,100	2,100	10,500
Project Admiral	3,700	285				3,985
sub-total	23,946	63,950	39,292	13,142	2,253	142,583
Seafront development						
Bistro on the beach	250	5,998				6,248
Canford Cliffs - new beach huts		3,118				3,118
Canford Cliffs - pavilion		1,142				1,142
Mudeford Beach House Café		655				655
Festival Coast Live	198					198
Various other seafront	70					70
sub-total	519	10,914	0	0	0	11,433
Other						
Cleaner, Greener, Safer	453					453
Highways maintenance - capitalised	1,000	1,000	1,000	1,000	1,000	5,000
BIC medium term refurbishment	247	1,533				1,780
Muscliff natural burial ground	110					110
Cleaner Greener Safer - additional CCTV	160					160
Cleaner Greener Safer - safer improvements	40					40
Automated toilet - Old Orchard Poole	127					127

	2022/23	2023/24	2024/25	2025/26	2026/27	Total
	£000	£000	£000	£000	£000	£000
ICT investment plan	549					549
Various other coast protection	112					112
St Stephen's homelessness hub	679					679
sub-total	3,476	2,533	1,000	1,000	1,000	9,009
Schemes underway						
Fleet replacement	9,901	4,900	6,463			21,264
Poole Park Railway	200					200
BCP civic centre	3,075	1,063				4,138
Transformation programme (capital)	960					960
Libraries ICT investment	435					435
Estates maintenance (Bmouth pier, Russell Cotes, minor other)	126					126
Skills & Learning (relocation to Dolphin Centre)	743					743
Parkway House	329					329
Street lighting investment	320					320
Various Children's (Hillbourne and Carter)	1,547	70				1,617
Various transportation incl £40k Carter works in TCF	40					40
Various other environment (King's Prk athletics, Lwr Gdns Avia	63					63
Honeycombe Chine	25					25
Various other adults	3					3
sub-total	17,767	6,033	6,463	0	0	30,263
Schemes leveraging in significant external funding						
Poole Bay beach management plan				2,282	1,758	4,040
Upton Country Park Discovery Project	13	214				227
Rossmore & Two Rivers Meet artificial pitch	727					727
Poole Museum - Our Museum Project	793					793
Scaplen's Court	180					180
Russell Cotes urgent repair works		213				213
Poole & Bournemouth Crematoria	546					546
Fernheath playing fields	100					100
sub-total	2,359	427	0	2,282	1,758	6,826
Total approved prudential borrowing	62,975	109,789	56,356	16,424	5,011	249,355
Capital Financing Requirement Balance Brought Forward						
	476,629	526,512	678,891	719,309	717,380	
Regeneration schemes	14,907	25,933	9,601	0	0	50,441
Council Newbuild & Acquisitions Strategy (CNHAS)	23,946	63,950	39,292	13,142	2,253	142,583
Seafront development	519	10,914	0	0	0	11,433
Other	3,476	2,533	1,000	1,000	1,000	9,009
Schemes underway	17,767	6,033	6,463	0	0	30,263
Schemes leveraging in significant external funding	2,359	427	0	2,282	1,758	6,826
Total approved prudential borrowing	62,975	109,789	56,356	16,424	5,011	250,555
Other known commitments						
IFRS9 - Leases changes estimate		59,000	3,000	1,000	1,000	64,000
sub-total	0	59,000	3,000	1,000	1,000	64,000
Total Approved and committed borrowing	62,975	168,789	59,356	17,424	6,011	314,555
MRP Contributions / capital receipts applied	(13,092)	(16,410)	(18,938)	(19,352)	(19,604)	
Capital Financing Requirement Closing Balance	526,512	678,891	719,309	717,380	703,787	

BCP Council

8 February 2023

Section 25 Report of the Chief Finance Officer (Prepared in consultation with the Chief Executive)

Background

1. A local authority must decide the level of general reserves it wishes to maintain before it can decide the level of Council Tax it sets. The purpose of general reserves is to manage the risk to the council's financial standing from the impact of excesses to the budget provision, from unknown and unforeseen events and from the materialisation of known risks.
2. In setting the budget the Director of Finance, as the Councils section 151 (s151) officer, is required under section 25 of the Local Government Act 2003 to report on **the robustness of the budget** and the **adequacy of reserves** supporting the budget. The requirement on the s151 officer is to ensure that the **annual budget recommended to council is balanced** (i.e., expenditure matches income), is robust and therefore deliverable and has an adequate level of reserves. The s151 officer is required to ensure that the council's approved budget addresses these three issues.
3. In line with recommended good practice this advice note has been prepared in consultation with the Chief Executive (CEX).
4. Ultimately, Council will determine the level of reserves and balances formally in setting the annual budget. The advice of the Chief Finance Officer must be formally recorded.

Guidelines

5. There is no set formula for deciding what level of reserves is adequate. Councils are free to determine the reserves they hold. Councillors are responsible for ensuring that the reserves are appropriate to local circumstances and are accountable to taxpayers for the decisions they make.
6. It should be stressed that there is not a theoretically "correct" level of reserves because the issues that affect an authority's need for reserves will vary over time and between authorities. Reserves should not be seen in a short-term context. They should also be placed in the context of cost-of-living inflationary pressures and the high level of uncertainty as this time. Potential cost pressures, demand pressures, service delivery improvement aspirations and the need to deliver significant levels of savings and efficiencies in balancing the 2023/24 budget will require the council's finances to be underpinned by a robust level of reserves.
7. It is however legitimate for the council to call on reserves to mitigate short term pressures, smooth out the impact of extraordinary one-off demands and/or otherwise meet the costs of unforeseen events.
8. It should be emphasised that councils can and do experience significant financial difficulties as recent high-profile cases such as those at Northamptonshire County Council, Croydon Council, Slough Borough Council, Nottingham City Council and Thurrock Council demonstrate.

2022/23 Budget

9. Before considering the three constituent elements of this advice note perhaps the place to start is a reflection on the 2022/23 budget, approved by Council in February 2022, including any financial matters that have arisen in the financial year to date.
10. In providing the statutory s25 report to accompany the 2022/23 budget the s151 Officer suggested that councillors should give serious consideration as to whether increasing Council

Tax by the full 5.99% permissible, not investing further in services at that time, and only committing to further borrowing if it is self-financing, would better preserve statutory services into the future. Additionally, I highlighted that any proposals to use complex capital transaction as a mechanism for balancing the 2022/23 budget needed to be treated with a high degree of caution. The potential alternative approach, which amounted to a plan B, would have generated £4.4m in extra council tax revenue on an ongoing basis.

2022/23 Budget – In year developments

11. Through detailed public reports to the Cabinet in June, twice in September, October, November and December 2022, the council has reflected on a material change to the risk profile of its 2022/23 budget. Salient factors associated with this position can be summarised as.
- Cost of living inflationary pressures (with the consumer price index currently at 10.1%), estimated previously to be around £25m in 22/23 and £30m for 2023/24. These pressures are similar to those consistently being reported by other local authorities nationally.
 - High levels of financial planning uncertainty due to the constant changes and variations to the costs of goods, materials and services required to deliver council operations.
 - Amendment of government guidance which has left the council with a significant funding shortfall in respect of its approved transformation programme. This programme was to be funded in the 2022/23 original budget via the Flexible Use of Capital Receipts utilising a receipt generated from creating a Special Purpose Vehicle that enabled the commercialisation of the council's beach hut assets.
 - An application to the government under its Exceptional Finance Support programme to be allowed to finance its transformation programme via borrowing (referred to as a capitalisation direction) and to spread the cost over a 20-year period.
 - A “minded to” offer from the government of the ability to spread the £20m 2022/23 transformation cost, subject to an external finance and governance review, on the condition that it balances the 2023/24 budget by the end of September 2022 and in the expectation of future asset sales to avoid the need for a further capitalisation direction in both 2023/24 and 2024/25.
 - Implementation of a revised financial strategy for 2023/24 which focuses on traditional local government management processes and revenue sources. As part of this strategy an in-year expenditure control was implemented designed to deliver savings and efficiencies in 2022/23 which can be used to support the 2023/24 budget.
 - Consideration of the extent to which a capitalisation direction can be avoided in 2022/23 by bringing forward the disposal of non-strategic assets by the 31 March 2023.

Key Risks Associated with the 2023/24 Budget

12. Having reflected on how the current financial year has developed the next stage is to consider the key risks pertinent to the current position of the council. In doing so I am reminded that Local Authorities should not put public money or services at risk.

Uncertainty

13. The only certainty at this moment in time is uncertainty. There are currently high levels of financial planning unpredictability caused by the cost-of-living crisis and constant changes and variations to the costs of goods, materials and services required to deliver council operations.

2022/23 Forecast Outturn

14. A key element of the Council's Financial Strategy is the aim to deliver a surplus in 2022/23 which can be used to create resources (via an earmarked reserve) which then can be drawn down in support of the 2023/24 budget. The surplus being forecast under this mechanism is currently £10.1m. It should however be emphasised that there is a significant risk associated with this figure as it is based on trend analysis and professional judgement centred on activity from 75% of the financial year. Predications and estimates can and will change over the remaining 25% of the financial year. Assurance can be taken previous year's performance, from 2022/23 in year monthly reporting and the fact that Cabinet previously decided not to undertake any new financial commitments until such time as a balanced budget for 2023/24 has actually been delivered. It is reasonable also to note that in every year of its existence to date this Council has delivered a surplus greater than projected at this time in the cycle.
15. The intent has always been to lift this expenditure control once council agrees the budget for 2023/24. That said services will need to be mindful of the underspend/savings commitments made by way of contributions towards the 2022/23 forecast outturn therefore spend arrangements are not expected to return to standard operating arrangements until the new 2023/24 financial year. Even then it is suggested that a Corporate Management Team and Portfolio Holder process is put in place to consider if stopped activity is indeed required rather than it being automatically restarted. Continuation of such a process for third-party contract expenditure would also help the delivery of the transformation 3rd party spend savings through more robust procurement and contract management arrangements.

Accumulating Deficit on the Dedicated Schools Grant (DSG)

16. Any private sector organisation which has negative reserves on its balance sheet, is likely to fail the "going concern" accounting concept. In local government a material uncertainty related to "going concern" is unlikely to exist as the financial reporting framework assumes the council's services, at least its statutory services, will continue to be delivered in all scenarios. Therefore, in local government, the most likely scenario is the councils Section 151 Officer would have to contact DLUHC to advise them of their financial concerns and possibly issue what is referred to as a s114 report. A section 114 notice would result in an immediate and severe curtailing of activity to the provision of non-statutory services. Even statutory services may be subject to a reduction in frequency or quality.
17. Due to the accumulating deficit on our Dedicated Schools Grant, BCP Council is projected to have negative reserves by the 31 March 2024. This means that all things being equal the s151 Officer would be required to issue a s114 report for the 2023/24 financial year.
18. The deficit predominately relates to the expenditure on the High Needs block being greater than the funding available ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014.
19. However, to mitigate this position, which is a problem nationally, the government issued a DSG statutory override by way of a statutory instrument (SI) which became law at the end of November 2020. This SI means the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist.

The statutory instrument reads as follows.

Where a local authority has a deficit in respect of its school's budget for a financial year beginning on 1st April 2020, 1st April 2021 or 1st April 2022, the authority—

(a) must not charge to a revenue account an amount in respect of that deficit; and

(b) must charge the amount of the deficit to an account established, charged, and used solely for the purpose of recognising deficits in respect of its school's budget.

20. On 12 December 2022 as part of a local government finance policy statement government announced the extension of the DSG statutory override for a one-off period of three years up to 31 March 2026.
21. This presents a clear, and dangerous position for the council and its future sustainability. At the end of 2023/24, the deficit on the DSG is predicted to be £63.7m. At the end of the extension period BCP Council is currently forecast to have an accumulated deficit of between **£158m** and **£160m**. The Council is part of the Delivering Better Value in SEND programme which should help the council gain access to resources to support any necessary reforms of its SEND service. This transformation programme does not however provide any resources to address the accumulating deficits. Ultimately either the government, the council, schools, or a combination thereof will need to finance this deficit. Therefore, as a sector, local government needs to continue to work with government to find a long-term solution. Deferring a solution until 2026/27, with none of the stakeholders actually making a provision to offset it could be catastrophic. A deficit of £160m would be approximately 60% of the entire current net budget of the council.

Delivery of £32.9m of List One and £2.2m of List Two savings

22. There is a significant inherent risk associated with delivering £35.1m in savings which is almost equivalent to the entire level of assumed savings over the entire period of the last 3 years. This includes assumptions of significant income generation and reduced service-based expenditure. Evidence is that some of those savings, such as the £5m savings assumed in Children's services in 2022/23, were not subsequently be delivered. Corporate directors and service directors have expressed confidence in being able to deliver each of the savings' proposals, but there is a collective risk in managing and delivering this volume of savings in a short space of time.

External Intervention

23. The External Auditor reported to the Audit & Governance Committee on 20 October 2022 that they had qualified their latest Value for Money judgement on the council due to significant weaknesses in its arrangements for financial sustainability. From the debate it was made clear that the External Auditor did not share the optimism around the council's ability to deliver a balanced budget for 2023/24 based on robust, evidenced based assumptions. They continue to articulate that they will continue to oversee progress carefully and will not hesitate to act if they deem it necessary to do so.
24. Additionally, following an Inadequate Ofsted judgement in February 2022 of the council's Children's Services the Department for Education (DfE) appointed an Improvement Adviser as a form of intervention. Whereas this intervention does not technically involve a commissioner role the DfE steer is clear throughout that if progress is not effective in the short term the question of a structural intervention, such as a children's trust, may be brought forward. The perceived wisdom is that an outcome of a children's trust would be an expensive one for the council.

Use of One-Off resources to balance the 2023/24 Budget

25. The inherent risk of using one off resources to support the proposed budget for 2023/24 must be acknowledged especially when significant levels of reserves have been used in support of the previous two years.
- £30m of one-off resources were used to support the 2021/22 budget
 - £36.2m of one-off resources were used to support the 2022/23 original budget.
 - £29.6m of one-off resources are being used to support the 2023/24 proposed budget.

It should also be acknowledged that a significant proportion of these reserves were created from refinancing of the transformation and capital programmes, a review of inherited resources, and the deliberate cost-of-living mitigation actions taken in-year to support the 2023/24 budget. Such reserves and resources though can only be used once therefore note

should be taken that significant levels of resources have been used to support the last three budgets of the council and their use in some instances reduces the future financial flexibility and resilience of the council. It should be noted that the highly positive outturn for 21/22 and the ability of the Council to create a reserve in year of £10.1m whilst suffering in the region of £25m of cost-of-living pressure shows how resilient the council can be in terms of managing cost and in year pressures.

Council decision to increase Debt Threshold to £1.334bn

26. Council in November 2022 agreed to increase the Council's debt threshold from £855m to £1.334bn. On a Net Revenue Expenditure (NRE) basis this will move 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 are two main drivers for extending the councils 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 objective 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.

As at the 31 March 2022 the council's total debt position was £477m with commitments made via the capital programme to take the debt to the £855m. Subsequently revisions to the financial strategy meant a number of sizeable schemes were removed from that commitment, particularly those associated with Bournemouth Development Company proposals. The currently revised forecast, including commitments made up to the end of December 2022, is projecting a debt position of £704m as at 1 April 2027.

If BCP council had had debt of £1.334bn at 31 March 2022 it would have been the fifth most indebted unitary council. Of the four authorities that would have been above us, two have now issued s114 notices. Therefore, it is critical that council is conscious as to the potential impact if things go wrong and robustly scrutinise any proposals to take on additional debt rigorously to ensure they are affordable, prudent, and sustainable. Even with the most robust of business cases, with the level of variables and assumptions under consideration council should recognise the additional financial liability it is taking on and the potential exposure being placed on local resources. Debt repayment is the first call on any resources generated by the council, even before the provision of statutory services.

Recognising this position Council agreed not to support any further debt being taken that would require the general fund budget of the council to finance the revenue implications of taking on that additional debt. However, this criterion has already be breached when council agreed to take on the debt to fund Royal Arcade development as part of the Town's Fund, although in this example there was justification, linked to the principles of the capital investment programme, which was the decision was subject to achieving a sizeable level of inward investment from the Heritage Lottery Fund and government.

Capitalisation Direction.

27. Not presenting a full plan to balance the 2023/24 budget to DLUHC would have jeopardised the Councils ability to achieve a £20m capitalisation direction in 2022/23. This would have meant either additional in-year capital receipts needing to be generated (which the Council are continuing to test the feasibility of achieving) or utilising the resources currently supporting the balancing of the 2023/24 budget. The second of these would impede the ability to set a legal, balanced budget for 2023/24. Associated with this would have been at least the possibility of direct government intervention in the council.

The "minded to" £20m capitalisation direction for 2022/23 was subject to an external finance and governance review. The latest is that DLUHC intend to commission these reviews shortly as set out in the letter from Lee Rowley dated 25 January 2023 (the work having been slightly delayed due to the reshuffle of Ministers).

Councillors should note that the proposed budget, with a maximum Council Tax increase is in line with the budget that was presented to DLUHC in October 2022 and is in line with commitments given by the Chief Executive to DLUHC subsequently, to confirm the availability of the capitalisation direction.

BCP FuturePlaces Ltd

28. The Council have committed a £8m working capital loan to BCP FuturePlaces Ltd a wholly owned teckal company established to drive the Councils regeneration ambitions. They recover expenditure incurred principally by being paid for successful business cases approved by the Council. The council is exposed based on two fronts.
1. *any amounts drawn down from the loan which ultimately prove to be unrecoverable (currently just over £2m).*
 2. *any payments to BCP FuturePlaces for Outline Business Cases which the council charges against capital and which then must be written off as it decides not to progress with the Full Business Case.*

Councillors should be aware of the BCP FuturePlaces Ltd operating model and the risks outlined above, however a number of outline business cases are now coming through the Council process.

Social Care Reforms

29. These reforms will place significant new responsibilities on local authorities as well as introducing a cap on care costs. There is a significant risk that the Government grant will be insufficient to cover the full cost associated with these reforms and the staffing needed to enable their delivery. As part of the 2022 Autumn Statement the Chancellor announced these reforms have been delayed from October 2023 to October 2025.

Robustness of the 2023/24 budget

Employee costs: 2023/24 pay award

30. The budget as presented makes provision for the £1,925 on every spinal column point in 2022/23 followed by a 4.25% pay award for 2023/24. This is based on a benchmarking exercise undertaken by the Chief Financial Officer with Unitary Treasurers to ascertain the assumption being made by the sector. The council would need to set aside approximately £1.7m for every additional 1% pay award.

Employee costs: Saving from delay in replacing staff

31. Consideration of several proposals designed to reduce the staff cost base of the authority either temporarily or permanently is a fundamental element of the revised financial strategy put in place for 2023/24. In response, the proposed 2023/24 budget increases the percentage of the employee establishment not budgeted from 2% to 5%. As a principle this reflects that staff turnover would always create an underspend in a budget based on 100% of establishment if a new member of staff does not start the day the departing staff members leaves, and if there is any differential in rates of pay. The increase to 5% is equivalent to a £2m saving and reflects that staff savings above a 2% rate were a factor in the additional underspend that emerged in the final quarter of the 2021/22 financial year.

The risk is due to this additional underspend may have been caused by factors which are outside of the normal operating arrangements and therefore budget holders will need to manage turnover to deliver this saving which in turn will impact standards of service delivery and performance.

Children's Services – Employee costs uplift funded from Agency Staff saving

32. Cabinet on the 26 October 2022 agreed to implement a Children's Services market forces pay review for children's social work posts by offering a contractual supplement until the

implementation of pay and reward. The assumption is that the significant additional cost of this proposal is generally offset by a reduction in agency posts of 41 full time equivalents, spread over 3 years, and via saving the premium paid to agency workers. However, there is a clear and significant risk that the reduction in agency costs will not be achieved whereas the increase in base pay is now certain.

Children's Services – Improvement Expenditure

33. The budget as proposed allows extra investment in Children's services of £14.6m. However much of this relates to a reversal of previous savings not achieved alongside staffing, demand, and inflationary cost pressures within the service. No specific resources have been set aside to support the council's improvement journey. The expectation is that business cases put forward under the Children's Services specific transformation programmes will link to specific savings plans and incidentally assist the services improvement journey.

Transformation Investment Programme: Expenditure

34. The £68m transformation investment programme approved as part of the 2022/23 original budget included the intention to charge £6.7m per annum of internal base revenue budget staff costs to the programme which would then be financed by the flexible use of capital receipts.

Recognising the requirement to provide a robust evidence base to the external auditor for any staff costs recharged to the programme the recharge has been reduced by £3.5m to £3.2m in each of the three years 2022/23 to 2024/25. The lower figure is based on in-year monitoring and constant ongoing review will be required to consider the appropriate level of any recharge as the programme goes through its various phases.

Transformation Investment Programme: £6.5m in unitemised savings in 2023/24

35. As at the date of this report the Council has delivered £7.1m (82%) of the £8.7m annual transformation savings target for 2022/23 with £1.6m remaining to be delivered. The proposed budget for 2023/24 assumes that the shortfall against this will be delivered in the up-and-coming financial year. However, at this stage only £0.81m has been identified which means the budget includes £0.79m in unitemised savings which are not yet identified against an individual service area for delivery.

In addition, the 2023/24 budget, assumes an additional £10m of annual transformation savings associated with a third party spend workstream. Of this total £0.96m has been itemised related to reductions in third party spend associated with the List One and List Two savings items. In addition, the procurement and commission transformation workstream has indicated £3.34m in potential savings. This leaves a further £5.7m which are not yet identified against an individual service area for delivery.

Therefore overall, there is currently £6.5m (£0.79m+£5.7m) in unitemised transformation savings being included in the 2023/24 budget which will be challenging to see deliverable based on the current activity of the council, but it has been made expressly clear to this Council including CMB and Cabinet that it is essential that these savings be achieved in year to support the robustness of the MTFP. It is probably worth emphasising that to score against this unitemised savings target and savings would need to be.

- Revenue not Capital related
- General Fund not Housing Revenue Account related
- Budgeted not unbudgeted expenditure.

The main potential mitigations against this £6.5m unitemised savings item is proposed by way of a recommendation of the report which draws on the learning from the 2022/3 expenditure control, around strengthening commissioning, procurement, and contract management arrangements. Failing that the council would have to fall back on its £2.2m base revenue contingency in partial mitigation.

Adults & Children’s Services: £26.1m in unidentified savings between 2024 & 2027

36. Since the 2022/23 budget the MTFP has included assumed and unidentified savings associated with specific service transformation in both Children’s Services and Adult Social Care. The premise is that the inclusion of a £9.92m Children’s Services service specific transformation investment programme, and a £6m similar programme in Adults Social Care will deliver additional savings to those already part of the main transformation programme. This £26.1m savings target was roughly based by applying a 2.99% restriction on future years spending linked to the 2021/22 budget and from 2024/25 converting that this into an absolute value.

Clearly due to the current pressures on the council, especially Children’s Services, the deliverability of these savings needs to be treated with a high degree of caution.

Removal of these savings from the MTFP has a material impact on the assessment of the council’s financial sustainability.

Figure 1: 2023/24 Budget report MTFP Position of the Council.

	23/24	24/25	25/26	26/27	Total
	£m	£m	£m	£m	£m
Annual – Net Funding Gap	(0.0)	14.7	(2.8)	0.2	12.0
Cumulative MTFP – Net Funding Gap	(0.0)	14.6	11.9	12.0	

Figure 2: Revised MTFP position Unidentified Adults & Children’s Services Savings removed

	23/24	24/25	25/26	26/27	Total
	£m	£m	£m	£m	£m
Annual – Net Funding Gap	(0.0)	20.7	6.8	10.7	38.0
Cumulative MTFP – Net Funding Gap	(0.0)	20.6	27.4	38.0	

Assumption that capital receipts will be generated to fund the council’s transformation investment programme.

37. In the context of the council’s overall financial position and its financial sustainability, a critical issue is the assumption that the council will generate capital receipts to finance its transformation programme over the 3-year period to 31 March 2025. The proposed budget has been drawn on the basis of bringing forward additional asset sales in 2022/23 to avoid all but £1.916m of the capitalisation direction. This is the element which relates to improvement expenditure on children’s services which would not qualify to be funded by the Flexible Use of Capital Receipts.

The key risk to the council is in respect of any expenditure which it intends to incur before the actual capital receipts required to fund it are delivered. In 2023/24 the council intends to spend £28.39m of transformation expenditure which it plans to finance from capital receipts. The extent to which this needs to be funded from additional disposals in 2023/24 will depend on the level of actual expenditure in 2022/23 and the extent to which the original and additionally approved disposals actual occur before 31 March 2023. Current monitoring indicates that it will be challenging to deliver at least £4.3m of the £7.4m originally assumed 2022/23 asset sales.

Ideally in a completely robust budget position, via the recommendations of the budget report, approval would be sought for the asset disposals now required to deliver the additional capital receipts required in 2023/24. However, Council on 10 January 2023 agreed to establish a cross -party working group to review the capital disposal strategy for 2023/24 with an intention that this group makes recommendations to Council as to the

assets that should be sold. The suggestion is that this group makes its proposals by the end of June 2023. Council can though be assured it has significantly more assets that could be sold to generate such values. However, decision-making will need to be rapid once the working party has met to ensure that the sales are completed by March 2024, for the income to be able to fund 2023/24 transformation expenditure under the Flexible Use of Capital Receipts arrangement.

Adequacy of reserves

38. **Figure 3: Latest Reserve Forecast**

	Balance Actual 31/3/22 £m	Balance Estimate 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
Un-earmarked Reserves	15.3	16.0	17.9	18.6	19.3	20.0
Earmarked Reserves	114.4	17.0	12.8	12.5	12.6	12.8
Reserves established to support the 2023/24 Budget as per cost-of-living mitigation strategy						
Cost of Living Mitigation from 21/22		14.2	0.0	0.0	0.0	0.0
Redirected Earmarked Reserves		5.3	0.0	0.0	0.0	0.0
Assumed 2022/23 surplus		10.1	0.0	0.0	0.0	0.0
Total General Fund Reserves	129.7	62.6	30.6	31.1	31.9	32.8
Dedicated Schools Grant (1)	(20.3)	(36.6)	(63.7)	(106.6)	(159.8)	(224.0)
Dedicated Schools Grant (2)	(20.3)	(36.6)	(63.7)	(105.9)	(157.8)	(218.7)
Net Position DSG1 – (Deficit)	109.4	26.0	(33.1)	(75.5)	(127.9)	(191.2)
Net Position DSG2 – (Deficit)	109.4	26.0	(33.1)	(74.8)	(125.9)	(185.9)

39. Analysis on the councils unearmarked reserves included in the June 2022 MFP Update report to Cabinet showed that on a net revenue expenditure (NRE) basis, despite a £0.7m additional investment as part of the 2022/23 budget, the percentage dropped to 4.7% which put the council on the lower side of the median, and below 5% which is the recommended minimum level used by the Chartered Institute of Public Finance and Accountancy (CIPFA).

To counter this the MTFP makes provision for a £1.934m investment into unearmarked reserves in 2023/24. This includes the £700k per annum included in the MTFP from 2022/23 as part of the financial strategy to gradually increase the unearmarked reserves to reflect the increasing level of annual expenditure. The decision of Cabinet in December 2022, to include within the £1.934m an additional one-off £1.234m was on the basis that this was the amount needed to bring the reserves to the 5% CIPFA minimum recommended level.

40. Whilst the reserves maybe adequate to support the core budget for 2023/24 it does not require any professional judgement from the Chief Financial Officer (CFO) to assess that the council's reserves **cannot** be considered adequate based on the accumulating DSG deficit. However, as legislation prevents the council from making provision to offset the deficit in 2023/24 it appears there is no other option than to accept the position. Councillors do need to recognise that this legislation will not, as it stands, be applicable for the financial year 2026/27 and in the absence of government support the council will be insolvent from the 1 April 2026 onwards.

Is the budget balanced?

41. Yes, the budget is balanced and although there are a number of material risks highlighted in this report some level of comfort can be obtained by the £1.934m increase in reserve position and the existence of a £2.2m base budget contingency

Particularly salient to this comment is the fact that the budget assumes the delivery of £35.1m in annualised savings and efficiencies which is almost equivalent to the total savings budgeted over the entire previous 3-year period and this £35.1m includes £6.5m in transformation savings which are unitemised and is not associated with an individual service area for delivery. Also included is a £2m saving from the council's employee base by increasing the % not budgeted to 5% where appropriate to reflect the level of typical unfilled vacancies during the year.

S25 Report - Conclusions

42. The future financial sustainability of the council continues to be vested in the success of its transformation investment programme. Experience from peers is that such programmes are often overly optimistic around the savings that can be delivered both in terms of value and timing.

It is however true that the budget has been drafted based on an approach which is more traditional or conventional and the council has responded positively to the cost-of-living by way of its mitigation strategy.

Councillors should though be aware of the risks with the MTFP assumptions from 2024/25 onwards including.

- a) transformation savings assumed at the higher end of the range.
- b) an assumption of £26.1m in service specific transformation savings within Children's and Adult services. Evidence from 2022/23 shows that the investment in Children's services was part of its improvement journey rather than clearly identifiable with transformational savings and within Adult Social Care there has only been a relatively small programme around investment in technology.

Appendix 10A - BCP Council - Earmarked Reserves

Detail	31/03/22 Actual Balances £000's	Estimated movement £000's	31/03/23 Estimated Balances £000's	Estimated movement £000's	31/03/24 Estimated Balances £000's
(A) - Financial Resilience Reserves	(42,433)	12,821	(29,612)	29,612	0
(B) - Transition and Transformation Reserves	(14,334)	14,334	0	0	0
(C) - Asset Investment Strategy Rent, Renewals and Repairs	(2,990)	2,990	0	0	0
(D) - Insurance Reserve	(3,500)	0	(3,500)	0	(3,500)
(E) - Held in Partnership for External Organisations	(4,467)	2,340	(2,127)	274	(1,853)
(F) - Required by Statute or Legislation	(752)	(145)	(897)	(145)	(1,042)
(G) - Planning Related	(748)	379	(369)	0	(369)
(H) - Government Grants	(11,192)	7,117	(4,188)	1,436	(2,752)
(I) - Maintenance	(1,401)	142	(1,259)	131	(1,128)
(J) - ICT Development & Improvement	(1,426)	624	(802)	144	(658)
(K) - Corporate Priorities & Improvements	(2,497)	643	(1,854)	644	(1,210)
Sub Total Earmarked Reserve Balance	(85,740)	41,245	(44,608)	32,096	(12,512)
(Hi) - Government Grants (Covid)	(8,483)	6,928	(1,442)	1,168	(274)
(Hii) - NNDR Covid Grants	(19,097)	19,097	0	0	0
(Ki) - Covid recovery resources	(1,005)	445	(560)	560	0
Sub Total Covid Earmarked Reserve Balance	(28,585)	26,470	(2,002)	1,728	(274)
Total Earmarked Reserve Balance	(114,325)	67,715	(46,610)	33,824	(12,786)

(A) - Financial Resilience Reserves

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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.					
MTFP Mitigation Reserve	(8,778)	8,778	0	0	0
MTFP Mitigation Reserve- annual review of reserves	(1,914)	1,914	0	0	0
Regeneration Priorities	(3,156)	3,156	0	0	0
Cleaner Greener Safer	(439)	439	0	0	0
Outturn 2021/22	(6,805)	3,286	(3,519)	3,519	0
Covid 19 Financial Resilience Reserve	(9,982)	9,982	0	0	0
Financial Services Capacity system development	(50)	50	0	0	0
Cost of Living Step 1	(2,900)	0	(2,900)	2,900	0
Cost of Living Step 2	(8,409)	638	(7,771)	7,771	0
Redirected Reserves	0	(5,298)	(5,298)	5,298	0
Outturn 2022/23	0	(10,124)	(10,124)	10,124	0
Financial Resilience Reserves	(42,433)	12,821	(29,612)	29,612	0

(B) - Transition and Transformation Reserves

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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 programme.					
Transformation mitigation Reserve	(14,149)	14,149	0	0	0
BCP Programme Resources Pay & Reward Strategy	(185)	185	0	0	0
Transition and Transformation Reserves	(14,334)	14,334	0	0	0

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

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Resources set a side as part of the process of managing annual fluctuations in the rent, landlord repairs and costs associated with the councils 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	0	0

(D) - Insurance Reserve

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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	(3,500)	0	(3,500)

(E) - Held in Partnership for External Organisations

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.					
Dorset Waste Partnership	(202)	0	(202)	0	(202)
Dorset Adult Learning Service	(652)	200	(452)	0	(452)
Stour Valley and Poole Partnership	(1,849)	1,849	0	0	0
CCG Emotional Wellbeing and Mental Health	(78)	78	0	0	0
Flippers Nursery	(188)	0	(188)	0	(188)
Adult Safeguarding Board	(67)	(50)	(117)	67	(50)
Dorset Youth Offending Service Partnership	(536)	100	(436)	100	(336)
Music and Arts Education Partnership	(407)	0	(407)	0	(407)
Youth Programme	(50)	0	(50)	0	(50)
Bournemouth 2026 - West Howe Bid	(45)	0	(45)	0	(45)
Better Care Fund	(270)	163	(107)	107	0
Aspire Adoption Partnership	(90)	0	(90)	0	(90)
Local Safeguarding Partnership Board	(33)	0	(33)	0	(33)
Held in Partnership for External Organisations	(4,467)	2,340	(2,127)	274	(1,853)

(F) - Required by Statute or Legislation

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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)	0	(139)
Bournemouth Library Private Finance Initiative (PFI)	(683)	(145)	(828)	(145)	(973)
Carbon Trust	70	0	70	0	70
Required by Statute or Legislation	(752)	(145)	(897)	(145)	(1,042)

(G) - Planning Related

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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)	0	(369)
Planning Hearing and Enforcement Reserve	(73)	73	0	0	0
Other Planning Related Reserves	(191)	191	0	0	0
Planning Related	(748)	379	(369)	0	(369)

(H) - Government Grants

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.					
Government Grants	(11,192)	7,004	(4,188)	1,436	(2,752)
COVID 19 Government Grants	(8,483)	7,041	(1,442)	1,168	(274)
NDR Covid Grants	(19,097)	19,097	0	0	0
Total Unspent Grants	(38,772)	33,142	(5,630)	2,604	(3,026)

(I) - Maintenance

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.					
Corporate Maintenance Fund	(251)	81	(170)	170	0
Other Maintenance Related Reserves	(1,150)	61	(1,089)	(39)	(1,128)
Maintenance	(1,401)	142	(1,259)	131	(1,128)

(J) - ICT Development & Improvement

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects					
ICT Development & Improvement	(1,426)	624	(802)	144	(658)

(K) -Corporate Priorities & Improvements

	31/03/22 Actual £000's	Estimated Movement £000's	31/03/23 Estimated £000's	Estimated Movement £000's	31/03/24 Estimated £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)	16	0	0	0
Local Elections Reserve	(527)	(170)	(697)	527	(170)
Other Corporate Priorities & Improvements	(1,954)	797	(1,157)	117	(1,040)
Covid recovery resources	(1,005)	445	(560)	560	0
Corporate Priorities & Improvements	(3,502)	1,088	(2,414)	1,204	(1,210)

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1. BCP Council 2023/24 Budget Equality Impact Assessment Process

The council is legally required by the Equality Act 2010 to evidence how it has rigorously considered its equality duties in the budget-setting process.

For the 2023/24 budget setting process, a series of budget Equality Impact Assessment (EIA) panels were held from November 2022 through to January 2023 to understand which of the budget savings proposals would impact on any group defined by a protected characteristic, as a customer or member of staff.

Members are referred to the full text of [s149 of the Equality Act 2010](#) which must be considered when making decisions on budget proposals.

EIA panels were chaired by the Policy Team, independent from the service and proposals were presented by Service Directors, Service Heads and Service Unit Equality Champions.

Assessments were made on how each proposal would impact each protected group. Consideration was given as to whether the impact would be positive, negative, cumulative or disproportionate for any particular group(s) when compared against any other protected characteristic. If a substantial negative or positive equality impact was identified consideration was given to the mitigating actions that could be taken to reduce, remove or maximise it. Further equality impact analysis and assessments will continue throughout the budget consideration process where relevant and during implementation where a budget proposal is accepted.

Outcomes from panels are recorded in budget EIA conversation forms which have been used to prepare this report. Only proposals that identified a positive or negative impact for a protected group have been included. Full copies of all the conversation forms are available from the Policy and Research Team.

Proposals were also considered against the six domains of the Equality Human Rights Commission (EHRC) measurement framework. The framework reflects the things or areas in life that are important to people and enable them to flourish: Education, Work, Living standards, Health, Justice and personal security, and Participation. Improvement in any of the domains reduces the equality gap. BCP council has identified this measurement framework as a key way of monitoring progress with equality, diversity and inclusion.

This EIA is based on information made available for consideration during the budget process. It also includes outcomes of EIA panels held earlier in the year where the proposals had previously been discussed. It is important to note that some information may change as the budget process concludes. Full EIA's will still need to be carried out for each of the savings proposals that proceed and include the outcomes of any subsequent service user consultation. These will need to be brought back to an EIA panel in due course.

2. About the BCP Area

The Place: Bournemouth, Christchurch and Poole (BCP) has a combined population of 400,300 and a £10bn economy supported by the tenth largest urban local authority in England. It's a region that promotes and enables wellbeing in all its forms with 15 miles of south-facing sandy beaches and 19 Sites of Special Scientific Interest making up nearly a fifth of the area, as well as being home to the second largest natural harbour in the world. This promotes a healthy work life balance, shaping people's everyday lives. The outstanding natural environment is something residents cherish about living in BCP with a strong sense of belonging to the local area. Yet, like many places BCP has areas of contrast, including some of the most affluent and most deprived areas in England.

There are three world-class universities with about 22,000 students; a multiple site college catering for 11,000 students and collaborating with over 2,000 businesses delivering one of the most successful apprenticeship programmes in the country; and 98 state-funded schools, comprised of 66 primary, 25 secondary, 5 special and 2 AP/PRU¹ schools as well as a long-established language school sector.

The People: The local population is ageing, with predictions that by 2028, 24% will be aged 65+. BCP Council is a member of the Dorset Armed Forces Covenant given the proportion of local residents identifying as current personnel or veterans. BCP also has a high proportion of unpaid carers. In the 2011 census, 11% of the local population identified as unpaid carers with the majority providing up to 19 hours of care per week and it's suspected this number will have risen since then. Life expectancy and healthy life expectancy is better in BCP than it is nationally and this has generally been improving. However, there are some areas where our populations health could be better. Deprivation is strongly linked with many health outcomes, with clear inequalities in life expectancy across the BCP area.

The relationship between unemployment and health status is clear at ward level for BCP. Wards where levels of unemployment are significantly above the BCP average also have the lowest life expectancy. Areas with the highest unemployment rates are significantly more likely to include residents that have no or few qualifications, people with disabilities and mental ill-health, those with caring responsibilities, lone parents, some ethnic minorities, older workers and particularly young people.

The Economy: Around 61% of the total resident population are of working age with higher concentrations of employment in financial services (with the largest financial sector outside London), real estate, tourism & hospitality, arts, entertainment and creative industries, and healthcare. There is also a rich engineering and advanced manufacturing sector. The proportions of workforce educated to higher levels have fallen behind the national, while a fifth of our working age people have no Level 2 qualification, regarded a basic standard for numeracy, literacy, and employability.

The pandemic had more profound effects on the BCP labour market than seen nationally particularly impacting businesses in the tourism and hospitality sector. Despite this, rapid adaptation and digital adoption allowed large parts of the economy to bounce back. BCP was among the top business survival rate nationally. With up to a third of the workforce expected to move into retirement, the area needs to invest in young people and create opportunities locally for them to enter the workforce.

Cost of living: Wages are 8% lower than the average earnings in England. This is most notable for women who earn 16% less in BCP compared to the England average. Average house prices and rental costs are significantly higher than average wages and this has only been exacerbated by rising inflation, making housing affordability a key issue for the area

BCP Council Staff: As at 31 May 2022 BCP Council had 4,600 permanent employees (excluding school staff). In terms of age, 69% were between 25 and 64; 58% were 45 and of these, 4% over 65 and 3% of staff were under 25. Women make up 66% of the workforce. The provision of additional equality monitoring data is optional. The following data is from information voluntarily input to the council's employee system but this is not a complete profile of council staff:

Disabled staff account for 4%; 67% of staff state that they are not disabled; the status of the remaining 29% is unknown. The ethnic origin of 6% of staff was identified as being black or minority ethnic; 1% Other White; 65% White British and 28% were unknown or preferred not to say. In terms of religion, 7% declared they were Agnostic; 26% Christian; 14% of no Religion and 2% had other religions or beliefs and 50% preferred not to say. Monitoring data shows that 47% of the workforce identify as Heterosexual, 2% identify as Gay or Lesbian; 50% prefer not to declare their sexual orientation or it is unknown. There are insufficient numbers to determine the number of people who identify as Trans and data on Pregnancy and Maternity is not currently recorded.

¹ Alternative Provision and Pupil Referral Units

4. Summary of equality Impacts by Protected Group

Both individual and cumulative impacts have been considered for each protected characteristic. The cumulative impact has also been considered where a person may fall into two or more groups that may be negatively impacted. The cumulative impact of these budget proposals shows that low-income households and individuals will be most negatively impacted, followed by older age groups and disabled people. Conversely, older people and those who fit within the protected characteristic of disability are most likely to benefit most from the proposals overall.

People with low socio-economic status, older and disabled people would be impacted mostly in relation to those proposals which affect their ability to participate in normal day to day activities and areas of life, such as access to day services, community transport and discretionary concessions. Such changes when coupled with increased council tax and proposed increases to car parking charges plus escalating increases in the cost of utilities and living; will undoubtedly negatively impact on the quality of life they currently have. The profile of our elderly population suggests that it is likely that more women will be impacted than men. Therefore, the severity of impact the changes will differentiate between men and women.

Disabled people are also likely to have an older age profile as the onset of conditions that would fit within the definition of a disabled person as defined within the Equality Act 2010 would be additionally impacted by the proposals to change the level of supported employment and the provision of day centre meals which these members of this group are able to access.

On the other hand, an area which is likely to improve the lives of our more vulnerable adults is the proposed expansion of the shared lives schemes. Enabling adults from this group to live more independently in the community would also reduce health inequalities as it would increase opportunities to engage and participate in areas of community life where there is under representation and contribute to improved mental health through the reduction of social isolation.

The increased cost of living and pressures on household budgets across BCP area is well documented and it is important to note that the cumulative impact of the proposals will add to the financial burden of some residents within the BCP Council area, increasing the pressure on some of our residents in **lower socio-economic groups**. The removal of grants, cultural activities, and free attractions in the three towns will reduce opportunities for inclusion and participation. These activities tend to strengthen communities as it brings groups of different ages, ethnic origins, religions and beliefs and sexual orientations together. Community based activities and events also have a positive contribution on, and promote feelings of belonging, participation, and social inclusion. They also help to reduce anti-social behaviour and make residents feel safer and are opportunities for the Council to improve engagement and access communities that are seldom heard.

A reduction of the role of economic development funding, reduced grants for certain areas or our community and the cessation of some festivals could all negatively impact on our local businesses and community organisations and employment within these areas, as well as visitors and aspects of the local economy. Loss of trade with falling footfall generated by the free events in local areas has the potential to have a detrimental effect on small and medium local businesses.

The impact of staff is not known at this time as there have not been any definitive decisions on which proposals will be taken forward.

5. Setting the Council Tax

This year the Council is seeking to increase Council Tax.

Most of the council's money is spent providing life changing support for some of the most vulnerable – including older people, people with disabilities and children who need our care and protection. Like other local authorities across the country, BCP Council is facing significant pressures on its budget. The cost of living is affecting fuel prices, food, and energy costs, which means services like waste collection, street lighting, and the resources that keep our most vulnerable adults and children safe, are all becoming more expensive to run.

It is likely that some of our residents on lower earnings in unprotected groups will be affected negatively by the increase. With 10% of households in the BCP area experiencing fuel poverty, an increase in Council Tax will negatively impact on households already struggling financially which is not necessarily limited to just lower socio-economic groups given the recent rises to the cost of living.

Positive Impact: Increasing council tax will enable the council to continue to support the most vulnerable in our communities and provide the services everyone in the community uses.

Mitigating Actions: There are several schemes in place to assist residents on lower incomes with their Council Tax bills. These include:

Council Tax Support: Residents on lower incomes can apply for assistance with their Council Tax bill by applying for Council Tax Support, further information is available on the Council's website <https://www.bcpCouncil.gov.uk/Benefits-support-and-advice/Benefits-support-and-advice.aspx>

Single Person Discount: If you're the only person over 18 in your home, you may be entitled to a 25% reduction on your Council Tax.

Council Tax Discounts and exemptions: Further details of ways in which council tax could be reduced for qualifying households is available on the website including student exemptions. <https://www.bcpCouncil.gov.uk/Council-Tax/Council-Tax-discounts-and-exemptions/Council-Tax-discounts-and-exemptions.aspx>

Discretionary Reduction and Help with Paying Council Tax Bill: Section 13A (1c) of the Local Government Finance Act 1992 allows local authorities to, in exceptional circumstances, reduce the Council Tax liability for a charge payer. Statutory exemptions and discounts must first have been exhausted.

However, it is likely that some of our residents on lower earnings in unprotected groups will be affected negatively by the increase. A single person discount is available for those qualifying households. Single Person households make up 34% of all households in the BCP. 44% of those are aged 65+ and 8% are white ethnic minority or Black and other Asian Minority Ethnic.

For further information please contact the Council's Policy Team via bcpequalities@bcpcouncil.gov.uk

Table of Budget Proposal Impacts on Protected Groups

Click on a heading below to navigate to the associated Equality Impact Assessment. To return to this table click on the EIA number in the title.	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy and Maternity	Race	Religion or belief	Sex	Sexual Orientation	Military veterans	Children in Care	Care Leavers	Carers	Socio Economic Status	Local business or community organisations
1. Revised Leadership Structure								x							
2. Food Safety standards review in line with food Safety Standard Rules (List 1)						x								x	x
3. Reduction in grant support for central advice services and council for community and voluntary sector (List 2)	x			x	x	x		x						x	x
4. Bringing Service in house (List 1)						x									x
5. Phased reduction in Cultural Grants over a 5-year period (List 2)		x				x	x		x						x
6. Reshape Cultural Compact Activity with Partners (List 1)	x	x				x	x							x	x
7. Leisure Centres – (List 1)														x	
8. Bournemouth Indoor Bowls Club alternative management model (excluding skills and learning) (List 1)	x														
9. Pricing increases across the Poole Leisure Estate (List 1)														x	
10. Seek community management of Littledown Leisure Centre Paddling Pool (outdoors) if not secured close (List 2)	x				x			x						x	
11. Reduce Sports grants by 10% a year for 5 years (List 1)	x	x												x	x
12. Innovative cost reduction and income generation for Christmas Tree Wonderland and Poole Maritime Festival (List 1)														x	x
13. Harmonisation of beach huts fees and charges (List 1)		x												x	

Click on a heading below to navigate to the associated Equality Impact Assessment. To return to this table click on the EIA number in the title.	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy and Maternity	Race	Religion or belief	Sex	Sexual Orientation	Military veterans	Children in Care	Care Leavers	Carers	Socio Economic Status	Local business or community organisations
14. Highway Network Management Street Works (List 1)	x	x			x			x						x	x
15. Reshape Park Operations (List 1)	x	x			x										
16. Seek community management / transfer of paddling pools and if not secured close (List 2)	x	x			x			x			x			x	x
17. Green bin waste income - increased charge (List 1)														x	
18. Temporary Accommodation Grant Funding (List 1)	x	x				x								x	
19. Telecare Income Generation (List 1)	x	x						x						x	
20. Cease Neighbour notification letters (List 1)	x	x													
21. Car Parking Charges (List 1)		x												x	
22. Minor Parking Harmonisation Charges (List 1)		x												x	
23. National Concessionary Fare Scheme - remove discretionary elements (List 2)	x	x											x		
24. Review Community Transport offer (List 2)	x	x						x					x	x	
25. Capital investment in alternative to School Crossing Patrols at specific locations (List 1)	x	x			x			x						x	
26. Dimming of street lighting in residential areas (List 1)	x	x	x		x	x	x	x	x					x	x
27. Reduction of Economic Development - Reduce Budget non staffing (List 2)	x													x	x
28. Smart Places – Reduce budget (List 2)	x	x												x	x
29. Day Opportunity Strategy Implementation (List 1)	x	x						x							
30. Expand Shared Lives (List 1)	x	x				x	x					x			

Click on a heading below to navigate to the associated Equality Impact Assessment. To return to this table click on the EIA number in the title.	Age	Disability	Gender Reassignment	Marriage & Civil Partnership	Pregnancy and Maternity	Race	Religion or belief	Sex	Sexual Orientation	Military veterans	Children in Care	Care Leavers	Carers	Socio Economic Status	Local business or community organisations
31. Work in partnership with Tricuro to reduce contract value (List 1)	x	x						x							
32. Alternative meals provision (bring future savings forward) (List 1)	x	x												x	
33. Employment support service (List 1)	x	x										x		x	x
34. Reprovision of some carers services (List 1)		x						x					x	x	
35. Education - Revised Delivery Models (List 1)	x	x									x				
36. Targeted Family Support - Clinical psychology (List 1)	x	x									x	x			

Budget EIA 1 – Revised Leadership Structure	
Summary of Equality Impacts	<p>Sex: 75% of the current posts are occupied by females and 25% occupied by males so the proposals are likely to impact more on women.</p> <p>Once the proposal has been agreed a more accurate equality profile of the people impacted by the decision will be provided.</p>
Level of Impact	<p>The proposals may create some additional leadership posts that could provide the opportunity to increase the diversity of our senior leadership team which has been under scrutiny by the Equality Action Commission and contribute to the achievement of one of the Equality Footprint actions.</p> <p>Any recruitment for the newly created posts is subject to the Independent Observer process as all are at the requisite level or grade.</p> <p>The proposals provide an opportunity for targeted recruitment which may impact on the profile of the Leadership structure contributing towards BCP Council's aim for it to be more representative of the Communities it serves.</p> <p>This proposal will not directly impact on service users.</p>
Mitigating actions	<p>Whilst the specific implications of the proposal are currently unknown future mitigating actions could include:</p> <ul style="list-style-type: none"> • Redeployment • Early retirement • Applications for voluntary redundancy can be made • Applicants are entitled to submit up to 3 preferences in order. • Mental Health support
Date discussed	25 January 2023
Budget EIA 2 - Food Safety standards review in line with food Safety Standard Rules (List 1)	
Summary of Equality Impacts	<p>Race: The businesses impacted are more likely to be operated by Ethnic Minority Groups. It will impact residents and businesses where English is not the first language. Reduced ability for minority businesses to comply with legal requirements, due to lack of understanding, with potential for reduction in food safety standards and resultant escalation to legal action.</p> <p>Socio-economic status: Research shows that areas of lower social economic status have a higher density of takeaway premises, which as a category, has demonstrated lower compliance with food safety standards, and that ethnic minority groups are more likely to live in the most deprived neighbourhoods in England.</p> <p>Local business or community organisations: Businesses and residents where IT access and/or IT skills impacts accessibility of information - Reduced ability for residents and businesses to access and/or understand food safety advice and engage with our services, where there are language and/or IT barriers.</p> <p>EHRC: This may impact on the health of the community and businesses being able to operate.</p>

Level of Impact	<p>A reduction in inspection of the food businesses is likely to result in a decline of food safety standards in a number of food retailers. Hence there is potential for increased risk of unsafe food reaching the marketplace with consequential impact on the wider community within the BCP Council area and beyond.</p> <p>Ethnic minority groups are more likely to live in the most deprived neighbourhoods which have a higher density of takeaway premises that tend to demonstrate lower compliance with food safety standards. Hence, ethnic minority groups will be disproportionately impacted by the reduction in the food safety programme with consequential impact on food safety standards. Mitigations will include better signposting in relevant languages, together with more focused prioritisation of higher risk food retailers for inspection and intervention.</p>
Mitigating actions	<ul style="list-style-type: none"> • More signposting • Advice & Information • Inspection of Food Businesses • Work with Partner Organisations • Oversight & audit by the Food Standards Agency
Date discussed	29 November 2022
Budget EIA 3 - Reduction in grant support for central advice services and council for community and voluntary sector (List 2)	
Summary of Equality Impacts	<p>Age: Older age population - higher proportion of clients from ages 65+</p> <p>Disability: 55% of clients has a disability or long-term limiting illness. 49 clients in Q2 supported with health and community care issues.</p> <p>Marriage and civil partnership: 172 clients supported in Q2 with relationship and family issues</p> <p>Pregnancy and maternity: 172 clients supported in Q2 with relationship and family issues</p> <p>Race: 87 clients supported in Q2 with immigration and asylum issues.</p> <p>Sex: 66% of clients in Q2 were female</p> <p>Socio-economic status: 682 clients in Q2 supported with benefits and tax credits issues. £19,144 value of debt written off. The services mostly accessed in the deprived wards.</p> <p>Local business or community organisations: In relation to CAN, the community and voluntary sector groups and organisations that are supported cover a wide range of different groups, some of whom may provide support to groups of protected characteristics.</p>
Level of Impact	<p>Significant impact – will affect those in crisis.</p> <p>For CA there is likely to a reduction in service provision which will increase waiting times for residents seeking support. It is fair to assume that for some residents the delay will result in their situation worsening and could lead to negative outcomes such as eviction, repossession, loss of benefits, marital difficulties, domestic abuse etc.</p> <p>For CAN, there is likely to be a reduced service provision to the community and voluntary sector, which in turn may result in groups closing or other difficulties such as inadequate governance arrangements. The closure of groups may impact upon residents who are receiving support from that organisation.</p>

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	There is likely to be increased demand on the council as a result of the reduction in service provision for both grants. The reduction in the CA grant will negatively impact a number of protected characteristics and other communities of interest. The reduction in the CAN grant will negatively impact council departments such as Adult Social Care and Children's Social Care who look to the community and voluntary sector to provide support to residents who don't meet the threshold for service level intervention. The reduction to CAN also impacts on the Council's ability to be an 'enabling council' as it is looking to the community to take on more responsibilities but at the same time removing the support from CAN to support this activity.
Mitigating actions	The only partial mitigating factor is that the proposals are for a reduction rather than completed removal of the two grants, given that they are non-statutory functions. Further information will be obtained on AFC and Care leavers. Other organisations exist that provide the services CAB offer. E.g. debt advise service.
Date discussed	29 November 2022
Budget EIA 4 – Bringing Service in house (List 1)	
Summary of Equality Impacts	Race: All the protected groups may be affected by this as they intersect the race/ethnic protected group itself. The nature of the work the grant supports is to understand where these intersections lay and mitigate the work according to the impact of race and ethnicity. Removal of the grant will directly impact Black and Minority Ethnic groups. Local business or community organisations: This may impact on the ability of the organisation to continue functioning. EHRC: This may negatively impact on our ethnically diverse communities by limiting their ability for participation and it may also impact on justice and personal security .
Level of Impact	As key partners in delivering strengths-based community engagement interventions across BCP, we have identified that there is a need to work with our ethnically diverse communities more effectively and innovatively. Removing this limited grant project will impact on the organisation but the success of the much larger National Lottery funded project that we are currently in the process of applying for will enable the organisation to extend their services, reach more communities and improve our partnership working whilst reducing duplication. If the National Lottery funded project is unsuccessful it will have a detrimental effect on the work that can be delivered in supporting the Council and its equalities objectives. It will also impact the delivery of community engagement especially amongst both communities that we currently do not engage effectively with and those ethnically diverse communities that we need to build relationships with. It will affect our Hate Crime work and Engagement work. It could impact on support services for ethnically diverse communities across BCP. It may also affect work with the Council to deliver more effective and appropriate work delivering our services, policies and procedures and acting as a critical friend
Mitigating actions	BCP Council and its partners, are working on a new funding project that has the capacity to replace the funding for objectives 3, 4 and 5 of the original Council contract. This funding application to the National Lottery is for an Ethnically Diverse Communities Project, totalling £750,000 over a 5-year period. The funding application is currently being co-produced by partners and communities across BCP to go to England National Lottery Committee panel in January 2023.
Date discussed	29 November 2022

Budget <u>EIA 5</u> – Phased reduction in cultural grants over a 5-year period (List 2)	
Summary of Equality Impacts	<p>Disability, Race, Religion or belief and sexual orientation: There may be equality impacts for these specific groups as projects designed to connect with them through outreach programmes may not be funded.</p> <p>Local business or community organisations: There would also be a significant number of jobs and freelancer roles lost in the local economy. There is also a risk some community groups may fold.</p> <p>EHRC: A reduction in cultural grants could impact on those activities that enhance the normal educational offer. There will be missed opportunities for social inclusion, participation and the loss of activities could impact mental health and living standards.</p>
Level of Impact	<p>The organisations would have to reduce their cultural activity under this proposal. The work they co-create with diverse and underserved communities, including all protected groups, is a very significant part of their activity.</p> <p>Under the proposals they would likely retain their core “cash cow” activities, such as cinema and blockbuster concerts, for example, but reduce the expensive outreach, learning and participation work, which is key to what makes them socially beneficial organisations. This work is how they inclusively engage and co-create with communities, underserved, under-represented and all protected groups.</p> <p>Protected groups would therefore be hardest hit and more marginalised by reductions in grants. There would be significant impact also on the wider cultural economy and ecosystem, which could result in the closure of small businesses supporting the creative sector. This may have significant impact on the Lighthouse and it’s ability to continue running. This in turn would impact on the BSO and other groups that use the facilities such as the disabled theatre group.</p>
Mitigating actions	None.
Date Discussed	30 November 2022
Budget <u>EIA 6</u> - Reshape Cultural Compact Activity with Partners (List 1)	
Summary of Equality Impacts	<p>Age: Reshaping cultural compact activities around education will impact on young people.</p> <p>Disability: Ceasing cultural compact activities around education will impact on those with disabilities including mental health. Also see race below.</p> <p>Race and religion & belief: Will not be able to build upon the Your Shout programme of research and development of ethnically and disability led cultural organisations, aiming to enable these to develop and curate more diverse and inclusive programmes. Examples of these which the Compact has enabled to deliver in 2022 were The World of Love Festival and Reggae Weekender. The next major commission was extensive cultural network mapping, to ensure that the Compact knows what community cultural groups are out there to reveal the “invisible city” of underserved and under-represented cultural groups highlighted by the 2019 Cultural Enquiry.</p> <p>Socio-economic status: Lack of cultural attractions may impact on the free events that families on low incomes can attend.</p> <p>Local business or community organisations: Lack of events drawing visitors/residents into the town may impact on local businesses</p> <p>EHRC: Could impact on social inclusion and, participation which in turn may impact on mental health.</p>

Level of Impact	The Compact has a diverse board and strong policies of equality and inclusion for all communities, residents, visitors and protected groups. Reshaping the BCP Cultural Compact may eliminate BCP's growing reputation as a place where great culture can happen. The Compact is a multi-sector body, bringing together sectors such as the NHS, Education, Business, Tourism and young people, bringing in investment and joining up sector priorities and plans so that BCP can thrive as a place where people can benefit from cultural participation.
Mitigating actions	No mitigating actions for the results of ceasing on the protected groups.
Date Discussed	30 November 2022
Budget EIA 7 - Leisure Centres – 2 Riversmeet – Review of pricing (List 1)	
Summary of Equality Impacts	Socio-economic status: Raising fees may impact on those already experiencing financial pressures due to the cost-of-living crisis. EHRC: May be detrimental to Health if price rise excludes users from participating in exercise.
Level of Impact	Impact on the organisations and their delivery of services: Two Riversmeet will need to review the pricing across all offers. The Centre has the ability to offer new and enhanced services to support additional income generation. Impact on equalities and inclusion: Two Riversmeet will aim to increase further the offer for users therefore increasing the ability to be inclusive to local residents and users. Price increases may impact negatively on users but even within the savings required all costs associated with supplies and utilities are increasing which require us to budget accordingly.
Mitigating actions	No mitigating actions identified.
Date discussed	30 November 2022
Budget EIA 8 - Bournemouth Indoor Bowls Club alternative management model (excluding Skills and Learning) (List 1)	
Summary of Equality Impacts	Age: Most bowls players are older so older people will be impacted more. EHRC: May impact on both a persons ability to participate and their health.
Level of Impact	The site would still operate to provide access for Adult Skills and Learning and Mini Monkeys so those organisations would be able to continue their services unaffected. Disadvantages bowls players who are members and pay to play users, Poole Indoor bowls club and Christchurch and East Dorset club have capacity to take on these players and <u>needs to continue?</u>
Mitigating actions	The Council have managed to secure reduced joining rates for those who wish to use one of these other sites.
Date Discussed	30 November 2022
Budget EIA 9 - Pricing increases across the Poole Leisure Estate (List 1)	
Summary of Equality Impacts	Socio-economic status: Increasing the cost of services to users would impact on families already experiencing difficulties due to cost of living rises.

	EHRC: May be detrimental to Health if price rise excludes users from participating in exercise.
Level of Impact	The possible option of price rises to provide the saving required would impact users of some of their services though the addition in the region of £1 to cost of the activity. The overall price still remains in line with other centres and Everyone Active would retain the Access to Leisure option with no price increase for those signed up to the scheme (those who meet certain criteria re finances/disabilities)
Mitigating actions	Since identifying this as a possible savings option, some discussions have taken place with Everyone Active and they have suggested they could reduce the Service fee by the amount required and keep the Dolphin Leisure Centre option <u>or open?</u> if they were given approval to increase their prices. Proposals for pricing have been sent through and are being reviewed.
Date Discussed	30 November 2022
Budget EIA 10 - Seek community management of Littledown Leisure Centre Paddling Pool (outdoors) if not secured close (List 2)	
Summary of Equality Impacts	Age: Young children will lose the facility. Pregnancy and maternity: Would impact young families who use the facilities. Sex: More women than men will be impacted as more women use the service. Socio-economic status: May affect those unable to access leisure facilities outside of their local area due to economic reasons. EHRC: May impact on participation, health and living standards.
Level of Impact	The closure of the outdoor paddling pool would reduce the option of free outdoor leisure provision.
Mitigating actions	There are no mitigating actions being put in place.
Date discussed	30 November 2022
Budget EIA 11 - Reduce Sports grants by 10% a year for 5 years (List 1)	
Summary of Equality Impacts	Age: The removal of this grant is likely to impact young people more as their sporting organisations would have accessed the grant. Disability: It is not known how many disabled sport organisations would be affected by reducing the grant as there have been no applications over the last 3 years. Socio-economic status: It is possible that those from the most deprived areas of the borough will be affected however, there have been no recent applications for the funding. Local business or community organisations: Poole sports council as the main recipient of the fund are likely to experience negative impacts as a result of reducing funding. EHRC: may have implications for health, participation and education.
Level of Impact	Reduces the available funding for individuals and organisations but retains whilst still retaining the ability to provide some financial support

Mitigating actions	The proposal is for a reduction in grant and not the total removal. As there has been not take up of the grant over the last 3 years, there is no mitigating action as the grant can still be accessed.
Date discussed	30 November 2022
Budget EIA 12 – Innovative cost reduction and income generation for Christmas Tree Wonderland & Poole Christmas Maritime Light Festival (List 1)	
Summary of Equality Impacts	<p>Socio-economic status: As this is a free event this is likely to impact on those families on low incomes.</p> <p>Local business or community organisations: Traders would be impacted on loss of income. Feedback from Dorset Police is that the attractions, particularly in Bournemouth, have made the area a safer place in the late evening as the illuminations deter anti-social behaviour around the town centres, gardens and the Quay. This could also impact on trade.</p> <p>EHRC: Reduced contribution is unlikely to negative impact on any of the domains.</p>
Level of Impact	There would be little or no impact as the attractions would still be delivered. These attractions are free in complete contrast to similar Christmas Illuminations offerings in other towns and cities – e.g., Longleat, Blenheim Palace, Kew Gardens which are ticketed, making these events, particularly CTW, unique in inclusivity for all regardless of level of income. They are both easily accessible in public open space being level with no steps to negotiate making them both buggy and wheelchair friendly. For anyone with neurodiverse needs information is provided on the website to ensure that the attraction can be enjoyed by all.
Mitigating actions	Mitigating actions will depend on what option is chosen.
Date discussed	30 November 2022
Budget EIA 13 - Harmonisation of beach huts fees and charges	
Summary of Equality Impacts	<p>Disability: The Seafront Service enables access to beach huts for a range of other Council services including: Youth Services; Fostering Services; Carer Support; and Access to Resources (total 6 huts). The Council also supports access by external organisations including the NHS and Royal Life Saving Society. There are two charitable organisations that rent a hut on an annual basis and may be affected by the fee proposals within this report. There are no direct public health implications related to this report however, some beach hut tenants may feel their well-being is being impacted by the proposed changes which should be considered as part of decision making</p> <p>Socio-economic groups: Whilst research shows that the majority of tenants and those on the waiting list are from more affluent demographics, the pricing strategy may affect affordability for some beach hut tenants. Harmonisation of prices also means that the strategy may have a proportionately higher impact in some areas. Beach huts are available for hire from the Council or private tenants for shorter term or daily bookings for those unable to afford to rent on a longer term or annual basis.</p> <p>EHRC: This will impact on living standards, health and participation.</p>
Level of Impact	There are no specific implications for equality groups related to the proposed changes however, the pricing proposal may affect affordability for some beach hut tenants. Shorter term options are available for those unable to afford to rent on a longer-term basis.

Mitigating actions	To help mitigate the impact, it is proposed that the changes to pricing are implemented over time and the Council considers the removal of restrictions on sub-letting to widen the private hire market enabling more people to access the service more often on a short-term basis.
Date discussed	13 October 2022
Budget EIA 14 - Highway Maintenance - 10% reduction in Highway Maintenance (List 1)	
Summary of Equality Impacts	<p>Age: Deterioration of footpaths may impact on elderly ability as more hazards may be faced. Deterioration of footpaths may impact on young children as they cycle on the pavement and may encounter more hazards.</p> <p>Disability: Deterioration of footpaths may impact on disabled as more hazards may be faced. Impacts both physical and visual impairments.</p> <p>Pregnancy and maternity: Deterioration of footpaths may impact on pregnant and young parents with pushchairs as more hazards may be faced.</p> <p>Sex: Women may be impacted more from a walking perspective or pushing pushchairs. Deterioration of main commuter routes may impact men more as they tend to drive/cycle more than other groups.</p> <p>Socio-economic status: May impact those with a lower socio-economic status as they are less likely to own cars.</p> <p>Local business or community organisations: Uneven highways may be detrimental to business by discouraging customers.</p> <p>EHRC: May impact on living standards, work, and participation.</p>
Level of Impact	This will impact on all BCP highway asset users such as pedestrians, cyclists, drivers and vehicle passengers. There are likely to be differential impacts across the protected groups depending on the aspect of the network which is being considered. However, the scale of the differential impacts is not quantifiable at this stage, as it is currently not possible to accurately define the impact that the proposals will have on the network.
Mitigating actions	The movement away from measurement-based intervention levels to investigatory levels allows Inspectors greater flexibility through a risk assessment process to identify defects which may result in a negative impact on highway users, and which pose the greatest risk. This enables greater flexibility for Inspectors to identify defects such as those outside schools, residential homes, or GP surgeries. Improvements through the Transformation Programme will enable swifter action on the receipt of public reports.
Date discussed	21 November 2022
Budget EIA 15 – Reshape Park Operations (List 1)	
Summary of Equality Impacts	<p>Age: Older people may be affected with accessibility issues.</p> <p>Disability: People with disability may be adversely affected if access to open areas is reduced.</p> <p>Pregnancy and maternity: People with pushchairs may have accessibility issues.</p> <p>EHRC: No impact on any domain identified.</p>

Level of Impact	Very low risk. Reducing grass cutting will mean that some areas are left to grow longer. This may mean that certain groups have less access to some open spaces.
Mitigating actions	None required.
Date discussed	21 November 2022
Budget EIA 16 - Seek community management / transfer of paddling pools and if not secured, close (List 2)	
Summary of Equality Impacts	<p>Age: Paddling pools are part of the broad offer of green spaces in providing a range of facilities, particularly for early years. Young – preschool groups who use the pools for recreation.</p> <p>Sex: More women than men will be impacted as more women use the service.</p> <p>Disability: Those with disabilities particularly around mental health and neurodivergent characteristics that use the facilities,</p> <p>Pregnancy and maternity: Parents who use the facilities with their children.</p> <p>Children in care: Children in care who use the facilities.</p> <p>Socio-economic status: This is a free amenity and people on a low income may be disadvantage by not have access to it.</p> <p>Local business or community organisations: Redhill and Hamworthy Park sites act as 'Green Heart parks' providing a range of facilities for the local community that would otherwise see café facilities lose their trading viability.</p> <p>EHRC: May impact on participation, health and living standards.</p>
Level of Impact	<p>This is going to have a high impact on the communities that the paddling pools serve. Some of the impact concerns protected groups which has been highlighted but the loss of a community resource could impact on the overall health and wellbeing (both physical and mental) of the pool users.</p> <p>Closure of the pools could also impact on the cafes that service the sites and reduce parking income.</p>
Mitigating actions	To try and hand over the pools to community groups to run.
Date Discussed	21 November 2022
Budget EIA 17 - Green bin waste income - increased charge (List 1)	
Summary of Equality Impacts	<p>Socio-economic: An increase in the Green Bin Waste income will impact on those with lower incomes at a time when there is an increased cost of living.</p> <p>Profile data – is not available for garden waste customers. Garden waste subscribers are anecdotally and via mapping predominately determined by in the first instance the size of their garden and therefore volume of waste to be disposed of.</p>
Level of Impact	Low but combined with other increases could be higher.
Mitigating actions	Homeowners are able to take waste for free to recycling centres. For those without transport they could home compost or share a bin with a neighbour – no vehicle required
Date Discussed	22 July 2022

Budget EIA 18 - Temporary Accommodation Grant Funding (List 1)	
Summary of Equality Impacts	<p>Age: 55% of people in temporary accommodation are those under 25 so this will impact on young people</p> <p>Disability: 7% have ill health or a disability. 3% have a learning disability.</p> <p>Socio-economic status: Most homeless clients using temporary accommodation are receiving benefits.</p> <p>Race: Proposals may impact on a particular group as it relates to social and temporary housing.</p> <p>EHRC: Will impact on living standards, justice and personal security and Health.</p>
Level of Impact	<p>A blanket increase of for the service charges regardless of accommodation type. This will mean larger accommodation affordability is subsidised by smaller. However, this is fair as clients don't get to choose where they are placed.</p> <p>The introduction of a new method for charging users for utilities may have a disproportionate impact on a specific racial group in accordance with the profile of residents who live in that area. A full EIA will be carried out once the chosen method has been selected. It is intended to implement the fairest method for charging users.</p>
Mitigating actions	<p>Mitigating actions include:</p> <ul style="list-style-type: none"> • Assessment of suitability before going into temporary accommodation e.g. bedroom sizes, affordability, disabilities. • Affordability part of suitability • Ensure cost is equal for every client going in
Date discussed	29 November 2022
Budget EIA 19 - Telecare Income Generation (List 1)	
Summary of Equality Impacts	<p>Age: Most users are older so the increase will impact those over 65.</p> <p>Disability As most users are elderly it is likely that they will have mobility issues. No data is held as to whether younger people with a disability use the service.</p> <p>Sex: Because of the age profile of BCP residents it is likely that more users of the service are women.</p> <p>Socio-economic status: This is an optional service that users choose to buy. The proposed increase sits within the charge range of similar services provided by other organisations. It may affect users who have limited funds.</p> <p>EHRC: Could be detrimental to health, justice and personal security and living standards.</p>
Level of Impact	<p>An increase in service charges could lead to 30% of current users withdrawing from the service. The loss of income from these users is covered in the increase.</p> <p>This will disproportionately impact on vulnerable people who may be more at risk through not being able to afford the service.</p>
Mitigating actions	Service users do have the option to search for competitive alternatives.
Date discussed	29 November 2022

Budget EIA 20 - Cease Neighbour notification letters on planning applications and harmonising press notices procedure	
Summary of Equality Impacts	<p>Age: Older residents may be negatively impacted as they may be less mobile and unable to leave the house.</p> <p>Disability: This may include housebound residents, for example those with physical or visual impairment.</p> <p>EHRC: Might impact on people's ability to participate.</p>
Level of Impact	Low.
Mitigating actions	<p>Although such an approach accords with national legislation the use of site notices to notify interested residents of a planning application in their locality rather than writing to residents directly could result in residents being unaware of an application.</p> <p>To mitigate this it is proposed to enhance the circulation of the weekly list of planning applications by sending it to councillors and residents' groups as well as promote it to interested residents. As the Council and the Planning System becomes more digitally enabled it is expected that there will be further ways to optimise notification over time.</p> <p>Consideration will also be given to the language notices will be written in. This will be dependent on the profile of the ward.</p>
Date discussed	21 November 2022
Budget EIA 21 - Parking Charges Changes (List 1)	
Summary of Equality Impacts	<p>Disability: The proposed changes impact all Town Centre, District and car park users, however the impact on blue badge holders will be less on-street due to the free parking their blue badge entitles them to; off-street all disabled tax-exempt vehicle (DTEV) permit holders are able to purchase a £25 permit which enables them to park unrestricted in all BCP surface car parks.</p> <p>All payment options through the cashless mobile phone and car park Pay & Display machines remain available.</p> <p>To maintain access to parking the Blue Badge and Parent and Child bays are actively monitored by the enforcement team and PCNs issued to any unauthorised vehicles.</p> <p>Socio-economic status: Some residents parking zones are in areas where there is high demand for on-street parking owing to a lack of off-street parking provision. Some of these areas are in areas of deprivation meaning residents that own a vehicle in these areas have no choice but to purchase a permit to park their vehicle near their home. Some residents may need to own their vehicles for work purposes and potentially as a means to care for relatives if the use of public transport is impractical. The actual maximum cost increase for permit holders for resident on-street parking areas is of the order of £20 per annum.</p> <p>EHRC: Increased car parking charges could impact on work, living standards and participation.</p>
Level of Impact	Increasing Car parking charges will impact everyone especially at a time when the cost of living is increasing.
Mitigating actions	<p>Disability: The proposed changes impact all service users, however blue badge holders will not be impacted on-street due to the free parking their blue badge entitles them to; off-street all disabled tax-exempt vehicle (DTEV) permit holders (£25 annual fee) are able to park unrestricted in all BCP surface car parks. No 20% increase to DTEV permits is included in this proposal. The rationale for this is that this protected group is less likely to be able to switch to alternative transport modes or car share.</p>

	<p>Socio-economic status: It is acknowledged that this group are negatively impacted through the cost increase, however, the permits still provide a heavily discounted parking option for both residents and non-residents compared with daily rate parking charges.</p>
Date discussed	30 November 2022
Budget EIA 22 – Minor Harmonisation Charges	
Summary of Equality Impacts	<p>Disability: The proposed changes impact all Town Centre, District and car park users, however the impact on blue badge holders will be less on-street due to the free parking their blue badge entitles them to; off-street all disabled tax-exempt vehicle (DTEV) permit holders are able to purchase a £25 permit which enables them to park unrestricted in all BCP surface car parks.</p> <p>All payment options through the cashless mobile phone and car park Pay & Display machines remain available.</p> <p>To maintain access to parking the Blue Badge and Parent and Child bays are actively monitored by the enforcement team and PCNs issued to any unauthorized vehicles.</p> <p>Discounted parking permits are available for both residents and non-residents.</p> <p>Socio-economic status: Some residents parking zones are in areas where there is high demand for on-street parking owing to a lack of off-street parking provision (designated car parks). Some of these areas are in areas of deprivation meaning residents that own a vehicle in these areas have no choice but to purchase a permit to park their vehicle near their home. Some residents may need to own their vehicles for work purposes and potentially as a means to care for relatives if the use of public transport is impractical.</p> <p>Discounted parking permits are available for both residents and non-residents.</p> <p>EHRC: This could impact on work, living standards and participation</p>
Level of Impact	<p>In some areas charges for on-street parking are less than the off-street charges. As a general principle it is recommended that the on-street charges are higher where there are nearby car parks to encourage their use first and to discourage persons from hunting for spaces on street which can increase congestion.</p> <p>It is also recommended that all high seasons are harmonised through either the eradication of seasons leaving year-round fixed tariffs or by adjusting the existing so that there are only two seasons: high and low. High = 1 March to 31 October and Low = remainder of year.</p> <p>It is also recommended that the daytime tariffs charges for car parks apply 24/7. At present some car parks are free to use overnight and some have fixed overnight charges. The latter causes customers difficulties when they arrive before a daytime tariff begins because they are forced to pay an overnight charge and then also the daytime tariff.</p> <p>There are currently over 200 different parking related permit types. This places a huge administrative burden on the parking team. Many of the permit types contradict the Corporate Plan and specifically Climate Change Mitigation by offering parking at certain locations for a charge that is far cheaper than the sustainable transport alternatives. There is also inconsistency in the level of charge across the legacy Council areas.</p>

Mitigating actions	<p>Disability: The proposed changes impact all service users, however blue badge holders will not be impacted on-street due to the free parking their blue badge entitles them to; off-street all disabled tax-exempt vehicle (DTEV) permit holders (£25 annual fee) are able to park unrestricted in all BCP surface car parks.</p> <p>Socio-economic status: It is acknowledged that this group are negatively impacted through the cost increase, however, the permits still provide a heavily discounted parking option for both residents and non-residents compared with daily rate parking charges</p>
Date discussed	30 November 2022
Budget EIA 23 - National Concessionary Fare Scheme - remove discretionary elements (List 2)	
Summary of Equality Impacts	<p>Age: Travel by bus is higher at both ends of the age categories (those aged 16-24 and those aged 65 and over). Residents automatically qualify for a bus pass once they reach pensionable age (currently 66). Older people will be impacted more.</p> <p>Disability: People with a disability are significantly more likely to travel by bus regularly compared to those without a disability. Residents with a qualifying disability are entitled to an England national concessionary travel scheme (ENCTS) bus pass regardless of age.</p> <p>Carers: Carers will be negatively impacted by this decision as they will now need to pay to accompany a vulnerable adult on the bus.</p> <p>EHRC: This will impact on living standards and participation for those who are affected. It could also impact on their health.</p>
Level of Impact	<p>The removal of Companion Passes will impact on residents with this concession if their travelling companion is unable or unwilling to pay the required bus fare. This will result in some ENCTS bus pass holders being denied access to local buses and as a consequence, access to essential services and facilities and social contact. There could be a 'knock-on' impact on other services, for example social services should there be a need for support for people no longer getting out and about.</p> <p>The removal of the 'All Day Local' will impact on blind or partially sighted people if they had a specific reason to travel before 9.30am or after 11pm on weekdays. It is expected those who can change their travel times will do so. However, some blind or partially sighted people will use their bus pass to travel to work or education/training. They would be required to pay a fare which, depending on their financial status, could be a financial burden due to the cost-of-living crisis. This could result in them travelling less often or not at all.</p> <p>The removal of the Taxi Tokens issued to a small number of Bournemouth residents in lieu of the ENCTS bus pass will result in a requirement for these people to pay for all their taxi fares. Depending on their financial status, this could be a financial burden due to the cost-of-living crisis. This could result in them travelling less often and therefore, reduce access to essential services and facilities and social contact.</p> <p>Similarly, the removal of cash payments issued to a small number of Christchurch residents in lieu of the ENCTS bus pass will result in a requirement for these people to pay for all their taxi fares. Depending on their financial status, this could be a financial burden due to the cost-of-living crisis. This could result in them travelling less often and as a consequence, reduce access to essential services and facilities and social contact.</p>

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Mitigating actions	Residents unable to use local bus services due to a change in the discretionary concessions are likely to be able to access community transport. Service provision currently varies across the BCP Council area but could include access to a voluntary car scheme, Dial-a-Bus, Dial-a-Ride or SEDCAT service.
Date discussed	30 November 2022
Budget EIA 24 - Review Community Transport (List 2)	
Summary of Equality Impacts	<p>Age: Older people who are mentally or physically unable to access other forms of public transport and benefit from supported door to door transport. Young children also use the service.</p> <p>Disability: Those who are mentally or physically unable to access other forms of public transport and benefit from supported door to door transport.</p> <p>Sex: The majority of scheme members are female so it will impact on women more.</p> <p>Carers: The burden on carers, both formal and informal, would increase should the proposal be implemented.</p> <p>Socio-economic status: Poorer residents are less likely to have access to a car.</p> <p>EHRC: This will impact on certain residents ability for participation. It could impact on their work, education and health. There may even be implications for justice and personal security.</p>
Level of Impact	<p>It won't be clear until the review has been completed whether there will be a negative or positive impact on service users. However if service provision is reduced there will be a negative impact on service users.</p> <p>This could impact those who use the community transport service and who are entirely dependent on it to access, shops, medical appointments, and the wider community.</p>
Mitigating actions	<p>It is intended to review the Community Transport Offer. This will be achieved by consulting with the key stakeholders and users of the service to quantify demand for the service thereby informing decision making with regards to potential options for delivery of the service.</p> <p>If it transpires that wider proposed changes to bus services are proposed through the reduction of bus subsidy for example then the aforementioned consultation of key stakeholders and users of the service shall also need to account/consider any potential changes to bus services.</p> <p>The provision of community transport is provided pursuant to Section 63 of the Transport Act 1985. As part of the consideration of provision under the Transport Act the Council must have regard to its functions as a social services authority amongst other factors.</p>
Date Discussed	30 November 2022
Budget EIA 25 - Capital investment in alternative to School Crossing Patrols at specific locations (List 1)	
Summary of Equality Impacts	Age: As the main purpose of a SCP is to assist in enabling children to walk to school, this change is likely to impact children to a far greater extent than adults.

	<p>Disability: The proposed changes impact any individuals with disabilities that could for example include physical or mental disabilities, learning difficulties, etc. Some individuals may be less able to cross a road because of the speed at which they can travel or the degree to which they can process risk and harm. This also affects those in wheelchairs, the deaf, hard of hearing, blind and partially sighted who all experience challenges when crossing a road.</p> <p>Pregnancy and maternity: Pregnant people often escort their other children to school and may be less mobile due to pregnancy and/or due to the impact of having given birth and/or sleep deprivation. This could arise at any time before or after pregnancy including whilst on maternity leave which is a specific category to consider.</p> <p>Sex: Children walking to school would be likely to be split equally between male and female in line with the broader population. It is possible that more women may have caring roles and so more adult females may use the current SCP sites than adult males and therefore more women may be impacted by this change. Males of all ages are known to be at greater risk of injury on our roads and this includes pedestrians.</p> <p>Socio-economic status: School crossing patrol services are not specific to areas of deprivation as they are introduced at locations where a road is difficult to cross, where there is significant demand to cross at that point and where the route lies on a popular choice for pedestrians wishing to travel to or from a school. In some more deprived areas, car ownership may be lower, and this may limit travel choices such that in these areas more people walk to school. In more deprived areas there could be a risk that in particular younger children are less likely to be accompanied on their journey to school by an adult although we are not aware of statistics to support that theory.</p> <p>EHRC: From a safety point of view, crossings will be operational outside of normal school hours and improve personal security. Negatively, children may miss the interaction with an adult outside of their family group and reduce participation.</p>
Level of Impact	<p>Loss of SCPs could impact child protection issues as they may not be spotted or reported. The loss may also impact on opportunities for community interaction. There may also be an increased chance of risk taking behaviour as no adult will be present to help prevent it. The loss of an individually tailored crossing service will that extra time and consideration to specific user needs won't be available. There is evidence to suggest that pedestrians will go and use an SCP to safely cross whereas they may decide not to use a physical crossing but instead risk crossing the road at a point that is more direct for their particular route but less suitable in road safety terms.</p>
Mitigating actions	<p>Both Zebra and signal crossings have been designed to incorporate safety features such as tactile paving, being positively illuminated at night, audible sounds and tactile cones. With signal crossings - Toucans and Puffins - we have on crossing detection which will extend the red signal to traffic time to cater for slower moving pedestrians and/or mobility scooters. The Council also offers schools pedestrian training to years 1 and 4 that aims to equip children to safely cross roads in a range of circumstances.</p>
Date discussed	30 November 2022

Budget EIA 26 – Dimming of street lighting in residential areas	
Summary of Equality Impacts	<p>Age: Elderly people may feel less safe which could increase the potential of social isolation and lack of engagement in community life. There may also be an increased risk of collision and road traffic accidents. Significant proportions of the night time economy is supported by student activity. Reduction in lighting may increase the vulnerability of young people and females in particular given that greater amounts of alcohol is consumed.</p> <p>Disability: Those with physical and mental impairments may feel less safe because they are vulnerable. There may be an overall increase in the perception of crime.</p> <p>Gender Reassignment: Those who have had their gender reassigned may feel less safe venturing out after dark.</p> <p>Pregnancy/Maternity: Pregnant people may feel more vulnerable if street lighting levels are lowered.</p> <p>Race: Some groups may feel more vulnerable to becoming victims of hate crime.</p> <p>Religion: Those with an obvious religious appearance (such as orthodox Jews or Muslim women) may feel vulnerable due to their faith.</p> <p>Sex: Women may feel less safe if it is darker in the area they live.</p> <p>Sexual Orientation: Members of the LGBTQ community may feel vulnerable if outside after dark in an area with reduced lighting.</p> <p>Socio-economic status: Those living in deprived areas may feel less safe. In addition, those households without cars may feel less safe waking at night. It may discourage them from using bus services. They may not be able to afford taxis.</p> <p>Local business and Community organisations: local businesses and community organisations may experience a drop in businesses or membership, respectively if people do not feel safe going outside after dark.</p> <p>EHRC: Will impact on a person's personal security, ability to participate and potentially, of people feel unable to venture outside at night – work.</p>
Level of Impact	Whilst it would appear that there would be a lot of impact from the introduction of reduced lighting, from experience in the Bournemouth area, there is very little noticeable change to the level of lighting when dimming to 75% output from 8pm to midnight and this has not resulted in any complaints from local residents.
Mitigating actions	It will be important to monitor the levels of crime being experienced and also the perception of crime to ensure there is no increase as a result of these measures.
Date discussed	21/01/2022
Budget EIA 27 - Reduction of Economic Development - Reduce Budget non staffing (List 2)	
Summary of Equality Impacts	<p>Age: Children and Young People will be affected as the ability to work in partnership with schools and colleges will be reduced.</p> <p>Socio-economic status: It is not known what the impacts may be on those of a lower socio-economic status although withdrawing funding is likely to impact on this group.</p> <p>Local business or community organisations: A reduction in economic development budget will mean that the current services provided to businesses will stop and funding to other organisations. There will no longer be support to young enterprise, no business mentoring. A reduction in budget will also mean that business may not be able to access the services provided by the organisations that we will no longer be able to support. A reduction in budget may mean that some of the Community organisations that we support may cease to exist.</p>

	EHRC: A reduction in economic development budget will impact on work, education and living standards.
Level of Impact	A reduction in funding will impact on our ability to work with schools and colleges and invest in our young people providing them with opportunities to experience activities that will aid their future working life. A reduction will impact on our local businesses as some of the support given to them will no longer be available.
Mitigating actions	No mitigating actions identified.
Date discussed	23 November 2022
Budget EIA 28 - Smart Places – reduce budget (List 2)	
Summary of Equality Impacts	Age: There may be an impact on older residents as the progression of Digital Inclusion will be stymied. This will impact on participation in everyday life, particularly for some older residents. Disability: There may be an impact on residents with disabilities as the progression of Digital Inclusion will be delayed. Socio-economic status: Smart Places have been focussing elements of their projects on some of the most deprived areas within the BCP Council area and this may now not be progressed as quickly as anticipated. Local business or community organisations: Will be impacted if the ability of staff to deliver the project is restricted through a reduction in funding. EHRC: This will impact on participation, health and living standards.
Level of Impact	The impact is the ability of not being able to progress the information going forward. Not able to deliver on Corporate Priorities and the Transformation programme.
Mitigating actions	The above financial arrangements enable the Smart Place programme to continue providing benefits to protected groups, helping to reduce demand on Council services.
Date discussed	23 November 2022
Budget EIA 29 - Day Opportunity Strategy Implementation (List 1)	
Summary of Equality Impacts	Age: As most day centre users are elderly this will impact our older residents Disability: Day centre users include vulnerable adults, who can be isolated and those with mild disabilities. Those with more severe disabilities tend to reside in care homes. Sex: Most day centre users tend to be more female, so any changes will impact women more. EHRC: Any impact is unknown at present as a decision has not been made on how the delivery of day opportunities will be carried out, However, there may be implications for participation, health (particularly mental) and living standards.
Level of Impact	Currently, the level of the impact is unknown. Once a decision has been made the full equality impacts can be addressed.
Mitigating actions	The Day Opportunities Strategy will address the mitigating actions required if a change in service delivery is undertaken.
Date discussed	23 November 2022

Budget EIA 30 – Expand Shared Lives (List 1)	
Summary of Equality Impacts	<p>Age: Shared Lives carers can provide support to people with dementia (who tend to be older) in their neighbourhood enabling the person to remain in their own home. They can also offer support to family members so that the person does not have to leave their familiar surroundings</p> <p>Disability: Positive benefits for the client as the shared lives programme will allow them to be placed in an environment where their impairments can be adapted for.</p> <p>Race: Positive benefits for the client and the programme aims to place clients with carers of their own race where possible.</p> <p>Religion or belief: Positive benefits for the client because again, the programme aims to place clients with carers who share their beliefs.</p> <p>Care leavers: They can provide support for care leavers and provide a setting in which they can learn daily living skills in a very practical way, in preparation for moving on into greater independence.</p> <p>EHRC: This are likely to be positive impacts in terms of living standards, health, participation and justice and personal security.</p>
Level of Impact	<p>There is likely to be a positive impact on the wellbeing of clients.</p> <ul style="list-style-type: none"> • They can provide an interim placement for people with mental health problems recently discharged from hospital and also help prevent readmission. • They can support parents with a learning disability and can help to teach parenting skills, which may prevent unnecessary admission of a child to care. • They can provide respite to unpaid family carers, an arrangement which can also help with long-term succession planning for older family carers. The use of Shared Lives for short breaks is growing as people become more aware of the flexibility of the scheme. • People also sometimes use a Shared Lives scheme as a way of learning the skills they need to live independently and to help them put down roots in the area or community before moving into a place of their own.
Mitigating actions	Clients are placed with the best match as so this will address any specific equality needs of the client. Eg religion.
Date Discussed	23 November 2022
Budget EIA 31 - Work in partnership with <u>Tricuro to reduce contract value (List 1)</u>	
Summary of Equality Impacts	<p>Age: Most clients who use this service are older and so will impacted by this decision. As yet, the impact is unknown as the details of the proposal have yet to be determined.</p> <p>Disability: Most clients who use this service have both physical and mental disabilities and so will impacted by this decision. As yet the impact is unknown as the details of the proposal have yet to be determined.</p> <p>Sex: Most clients are women and so will be adversely impacted.</p> <p>EHRC: Although the full proposals are unavailable currently, this is likely to impact on living standards, health, justice and personal security and participation.</p>

Level of Impact	Not known at this stage.
Mitigating actions	Not known at this stage.
Date discussed	23 November 2022
Budget EIA 32 – Alternative meals provision (bring future savings forward) (List 1)	
Summary of Equality Impacts	<p>Age: Adult Social Care Clients tend to be older, and they will be disproportionately affected.</p> <p>Disability: Adult Social Care Clients tend to have mobility and disability issues and will be disproportionately affected.</p> <p>Socio-economic status: Clients using the service may have to source meals elsewhere at a greater cost.</p> <p>EHRC: Will impact on work, living standards, participation and health.</p>
Level of Impact	Adult social care clients and carers are disproportionately older women and will usually have a disability, but otherwise there is no specific impact relating to those with protected groups.
Mitigating actions	Clients impacted have the protection of the Care Act and are entitled to a carers or client assessment which will seek to ensure eligible needs are met, that clients/carers are safeguarded and will, if necessary, ensure appropriate mitigation to prevent harm.
Date discussed	23 November 2022
Budget EIA 33 – Employment support service (List 1)	
Summary of Equality Impacts	<p>Age: Those of working age are more likely to impacted by the decision.</p> <p>Disability: Adults with learning disabilities, but also other adults of working age with mental health needs or other long-term conditions. Service typically supports adults who want to develop skills for paid work or be engaged in unpaid voluntary roles but cannot be supported through DWP supported employment services as their needs too high or require a high degree of support to engage with volunteering.</p> <p>Care leavers: Withdrawal of this service would impact care leavers. The Care Act 2014 places a responsibility on local authorities to ensure services should be made available for young people when they move into adulthood. It cites employment support as one of the areas councils should consider providing.</p> <p>Socio-economic status: May impact those who have savings. Currently people not financially assessed to access COAST, but as part of a future day services offer they may have to make a financial contribution.</p> <p>Local business or community organisations: This will impact on Tricuro as COAST is supported employment service run by Tricuro. Approximately 130 people under Coast at present, mainly with learning disabilities. There are two elements to the service.</p> <p>EHRC: This will impact on providing vulnerable adults with work, it may subsequently impact their mental health, living standards and participation in society.</p>

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Level of Impact	<p>The main impact is on a group of adults with learning disabilities, mental health needs or long term conditions. The service enables these adults to develop their skills for paid work. Removal of this service would impact their ability to access work.</p> <p>National Building the Right Support Guidance, the NHS long term plan for people with learning disability and autism, promotes supporting people into work as a key objective. Decommissioning this service will negatively impact on the national return for BCP Council – Supporting people with learning disabilities into work KPI.</p> <p>Maintaining people in employment can reduce or delay the need for more expensive forms of care and support.</p> <p>This will impact on Fulfilled Lives objective within the corporate strategy to increase the proportion of adults with care and support needs in employment, training and volunteering by March 2023.</p>
Mitigating actions	There will be a cost towards finding another service however other free alternatives are available and could be signposted towards.
Date discussed	23 November 2022
Budget EIA 34 - Reprovision of some carers services (List 1)	
Summary of Equality Impacts	<p>Disability: The reprovision of the carers centre may have an impact on the Mental health of the carers as it may impact on their ability to socialise and their need to feel safe.</p> <p>Sex: Will impact more on older women as tend to be carers.</p> <p>Children in care: Whilst the profile of the carers centre users is not known it is likely some may be the carers of children in care.</p> <p>Socio-economic status: May impact on those carers on low incomes who may now need to travel further to a new centre.</p> <p>EHRC: This will impact on carers ability for participation and may impact on their health and living standards too.</p>
Level of Impact	Adult social care carers are disproportionately older women and often report being in poor health, but otherwise there is no specific impact relating to those with protected groups. Clients impacted have the protection of the Care Act and are entitled to a carers or client assessment which will seek to ensure eligible needs are met and that carers are safeguarded.
Mitigating actions	The service will be moved to another building within the BCP council area.
Date discussed	23 November 2022
Budget EIA 35- Education - Revised Delivery Models	
Summary of Equality Impacts	<p>Age: This service is aimed at children so will affect young people. However, the changes put in place do not appear to have any detrimental impacts, but instead improve the service offered to the children.</p> <p>Disability: This service is aimed at children who have special educational needs and so will affect young people. However, the changes put in place do not appear to have any detrimental impacts, but instead improve the service offered to the children by increasing the time given to assessments.</p> <p>Children in care: It is possible that children in care may need access to this service, however the proposals made would only appear to enhance the service provided.</p>

	EHRC: The proposals for this service will have positive impacts as it will be assisting those with special educational needs access the right education for them.
Level of Impact	Low negative impact. High positive impact.
Mitigating actions	None required as no negative impacts have been identified.
Date discussed	9 December 2022
Budget EIA 36 - Targeted Family Support - Clinical psychology (List 1)	
Summary of Equality Impacts	<p>Age: The service is provided for all ages including children, children in care, foster carers, connected carers, adoptive parents. Children are therefore more likely to be impacted by the proposals.</p> <p>Disability: Whilst the profile of clinical psychology users is not available, some service users may have disabilities.</p> <p>Children in care: This service is used by Children in Care and therefore may impact them.</p> <p>Care leavers: This service is used by Care Leavers and once again any changes will impact them.</p> <p>EHRC: The review of Clinical Psychology provision should enable the Council to provide a service which helps improve Education, Living standards and participation.</p>
Level of Impact	As the outcome of the pilot is unknown it is difficult to pre-empt the impact of any decision.
Mitigating actions	These will be addressed once the outcome of the pilot is known.
Date discussed	1 December 2022

BCP Pay Policy 2023/24	
Date: 04 January 2023	Policy Author: Liz Bowman, Reward Manager
Review Date: December 2023	Version: 1
Purpose/Introduction	<p>This policy is established to meet requirement of section 38(1) of the Localism Act (2011).</p> <p>The purpose of this policy is to provide transparency on the salaries of Chief Officers of the Council, how those salaries are set, and other issues related to the pay of Chief Officers.</p> <p>BCP Council has now been in existence following Local Government Reorganisation (LGR) since April 2019 and is made up of the following preceding authorities, Bournemouth Borough Council, Christchurch Council and Borough of Poole. The financial information published to meet legislative responsibilities is relating to the 2022/23 salary information using a snapshot date of December 2022, and the audited 2021/22 Statement of Accounts.</p>
Who the policy applies to	<p>Chief Officers - The Council will engage persons for the following posts, who will be designated Chief Officers:</p> <ul style="list-style-type: none"> (a) Chief Executive and Head of Paid Service (b) Directors who report directly to the Chief Executive within the line management structure

<p>The policy</p>	<p>The 2021/22 salaries of the Chief Executive and Chief Officers were set by the Leader and Deputy Leader of the BCP Shadow Authority on advice from the South West Local Government Employers Association and having regard for the Chief Executive and Chief Officers' national pay scales.</p> <p>The salaries for these staff will be increased in line with national pay awards agreed by Joint National Committee (JNC) for Chief Executives and Chief Officers unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on JNC conditions of service.</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ul style="list-style-type: none"> a The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). b The median full-time equivalent salary for staff, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. c The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. d These ratios are published in line with the recommendations of the Hutton review of Fair Pay in the Public Sector. This review also recommends that local authorities define what they mean by 'lowest salary'. e The lowest salary is defined as the full-time equivalent salary of employees in receipt of the lowest salary point of the salary and grading structure for the preceding councils' employees who are not covered by Soulbury, Apprentices or Youth Workers national scales. f The salaries of Heads of Service / Service Directors, the posts that report into Corporate Directors, and other employees not covered by nationally agreed pay scales, are determined under the preceding councils' job evaluated pay and grading structure. g An extract from the annual statement of accounts for 2021/22 is given in Appendix B for BCP Council which gives details of the payments made to Chief Officers in 2021/22. h Whilst it is the Council's policy to recruit on the minimum of a pay scale, due regard will be taken of the prevailing market rates.
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BCP Pay Policy 2023/24

- i Incremental progression does not apply to Chief Officers.
- j No other fees are paid to Chief Officers, but they can make claims under the relevant authorities Business Travel and Subsistence arrangements.
- k Payments for working hours additional to contractual hours are not made.

The Council publishes the total remuneration of Chief Officers and Service Directors as part of the annual statement of accounts on its public website.

The decision to employ Chief Officers, who were previously employed by the Council and left with a severance or redundancy payment, will be based on the applicants' suitability for the post. No deductions will be made from the remuneration package, providing the employment is more than four weeks from the original date of termination. If the employment is within four weeks of the original termination, the employee will have to reimburse any redundancy payments to the previous employer if they have been made to them.

The Council's policy is to usually employ Chief Officers under employment contracts, not under a contract for services.

The decision to employ Chief Officers who are in receipt of a Local Government Pension Scheme pension (whether their previous service was with the same authority or not) is dependent on the applicant's suitability for the post. The remuneration will be set in line with the Chief Executive and Chief Officers' national pay scales, the going market rate and affordability.

Special Severance payments will be approved according to the following process (as recorded in the scheme of delegation):

- payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011
- payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment
- payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments

The Council has adopted a range of clear policies, procedures, and guidance with regard to payments upon the termination of employment. The Scheme of Delegation details governance arrangements in regard to severance payments in line with the 'Statutory Guidance on the Making and Disclosure of Special Severance Payments by local authorities in England' published 12 May 2022. This guidance forms part of the best value regime for local authorities in England as set out in section 3 of the Local Government Act 1999.

In line with the 2015, Local Government Transparency Code, which was issued to increase democratic accountability through open access to information, sets a

requirement for local authorities to publish specific data, Under the Account and Audit Regulations 2015 we publish:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more who must also be identified by name

In addition to this requirement, for all employees whose salary exceeds £50,000, there is a requirement to publish a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and benefits-in-kind.

A new non-contractual pay supplement policy and governance arrangement has been introduced to ensure consistent approach across BCP Council. Governance arrangements are in line with the scheme of delegation

The Scheme of Delegation outlines who has the authority to approve pay, supplements, enhancements, and allowances. These approvals have been reviewed and updated.

BCP Pay Policy 2023/24

	<p>BCP Council will be reviewing the full pay and reward offer, including terms and conditions, through the year with a view to implementing within financial year 2023/24</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix C</p>
<p>How to use the policy</p>	<p>This policy will be published on the Council's website to ensure that all staff, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • Pay Supplements Policy • Scheme of Delegation
<p>Roles and responsibilities</p>	<p>This policy is reviewed annually by the Corporate Management Board and any recommendations for change will be made to the Cabinet for approval</p>
<p>Enforcement and sanctions</p>	
<p>Further information and evidence</p>	

Appendix A

– Salary Information 2022/23

Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):

- a The Head of Paid Service (Chief Executive) base salary at snapshot date December 2022, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance).

Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Christchurch & Poole Council	Chief Executive	£193,404.00	0	£26,295.58	£219,699.58

- b The median full-time equivalent salary for staff at snapshot date December 2022, excluding employees paid on national scales known as Soulbury grade staff, youth workers and employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£28,371.00	£4,936.58	£2,786.47	£36,094.05	1:6

- c The lowest full time equivalent salary at snapshot date December 2022, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£17,338.00	£3,016.81	£571.44	£20,926.25	1:10

Appendix B

– DRAFT Statement of Accounts 2021/22

26. Officers' Remuneration – Senior Officers

	Remuneration Salary (including supplements)	Expenses Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total payment including Pension Contributions
	2021/22	2021/22	2021/22	2021/22	2021/22
	£	£	£	£	£
Chief Executive - (Mr G Farrant)	191,479			-	191,479
Corporate Director - Chief Operations Officer (1)	96,048			16,136	112,184
Corporate Director - Chief Operations Officer (2)	41,030			-	41,030
Corporate Director - Children's Services (3)	31,510			5,294	36,804
Corporate Director - Adult Social Care (4)	33,363			6,893	40,256
Corporate Director - Resources	126,338			21,225	147,563
Director of Finance	117,013			19,658	136,671
Director of Law & Governance	117,013	7,358		19,658	144,029
Director - Adult Social Care (4)	113,620			19,088	132,708
Director - Commissioning (4)	113,620			19,088	132,708
Totals	981,034	7,358	-	127,040	1,115,432

Notes:

1. The previous Chief Operations Officer left the Authority 5 December 2021. Role description changed in 2021/22, previously Corporate Director - Environment & Community.
2. A new Corporate Director - Chief Operations Officer was appointed 15 December 2021.
3. New Corporate Director - Children Services as from 22 January 2022. Previously the role was temporarily filled up to the period ending 27 January 2022 at a cost of £312,856 (includes relevant agency fee and oncosts).
4. Corporate Director - Adult Social Care left the authority on the 30 June 2021, duties were split between Directors of Adult Social Care & Director of Commissioning.

Appendix C

BCP ("THE COUNCIL")

POLICY IN RELATION TO EMPLOYER DISCRETIONS UNDER THE LOCAL GOVERNMENT PENSION SCHEME

This document forms the Council's policy in relation to the various discretions available to it in respect of the Local Government Pension Scheme. Part A records the Council's policy in respect of Regulations 12, 16, 30 and 31 of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2013 ("Benefits Regulations"), as required by Regulation 66 of the Local Government Pension Scheme (Administration) Regulations 2008 ("Administration Regulations"). Part B refers to the other discretions available to the Council but for which it is not a requirement to publish a formal policy. References to specific Regulations are to the Benefits Regulations.

This policy does not form part of employees' terms and conditions of employment and the Council may repeal, review or amend its policy at any time.

PART A

Regulation	Policy
<p>Regulation 16 [R] – <u>Power of employing authority to contribute to a shared cost APC scheme</u> Whether, how much, and in what circumstances to contribute to a shared cost APC scheme.</p>	<p>On the basis of cost implications, the Council will not enter into a shared cost APC scheme</p>
<p>Sch 2, para 2 (2) & (3) [TP] <u>Power of employing authority to apply 85 Year Rule before age 60</u> Whether to "switch on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60. Whether to waive, on compassionate grounds, the actuarial reduction applied to benefits from pre 01/04/2014 membership where the employer has "switched on" the 85 Year Rule for a member voluntarily drawing benefits on or after age 55 and before age 60.</p>	<p>On the basis of cost implications, only in exceptional circumstances would the Council switch on the 85 Year Rule and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the portfolio for Resources in consultation with the Executive Director and the Section 151 Officer</p>
<p>Regulation 30 (6) <u>Flexible retirement</u> Whether all or some benefits can be paid if an employee reduces their hours or grade (flexible retirement). Whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement.</p>	<p>The Council will consider requests for Flexible Retirement in accordance with the agreed Flexible Retirement Policy and Procedure.</p> <p>On the basis of cost implications, only in exceptional circumstances would the Council consider waiving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p>

BCP Pay Policy 2023/24

Regulation	Policy
<p>Regulation 30 (8) [R]</p> <p><u>Power of employing authority to waive actuarial reduction</u></p> <p>Whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age.</p>	<p>On the basis of cost implications, only in exceptional circumstances would the Council consider waving any required actuarial reduction to such benefits and the consideration of this issue would be delegated to the Cabinet Member with the Portfolio for Resources in consultation with the Executive Director and the Section 151 Officer.</p>
<p>Regulation 31 [R]</p> <p><u>Power of employing authority to grant additional pension</u></p> <p>Whether to grant additional pension to an active member or within 6 months of ceasing to be an active member by reason of redundancy or business efficiency (by up to £6,500 p.a.).</p>	<p>The Council has elected not to use this discretion</p>
<p>Reg D11 (2)(c) [C]</p> <p><u>Power of employing authority to grant early payment of benefits on compassionate grounds</u></p> <p>Whether to grant applications for the early payment of deferred pension benefits on or after age 50 and before NRD on compassionate grounds</p> <p><i>For members who ceased active membership before 1 April 1998</i></p>	<p>The Council will only agree to the early payment of such benefits when there is no cost attached. Only in exceptional compassionate circumstances would any required actuarial reduction of such benefits be waived. The Council delegates the consideration for these issues to the Cabinet Member with the Portfolio for Resources, the Executive Director and the Section 151 Officer.</p>

PART B - where formulation of a written policy is **not** compulsory

Regulation	Policy
<p>Regulation 9 (1) & (3) [R]</p> <p><u>Contributions payable by active members</u></p> <p>Employers determine the contributions payable by members by attributing each member to one of the contribution bands set out in Regulation 9 (2) [R]. Employers have the capacity to re-attribute the specific pay band (upwards or downwards) where there is a material change in a member's contractual terms.</p>	<p>The policy is set to review the bandings on an annual basis.</p>
<p>Regulation 22 (7) (b) and (8) (b) [R]</p> <p><u>Facility to extend time limits for active members to not aggregate deferred periods of LGPS</u></p>	<p>The Council will only agree to extend the 12-month option period in exceptional</p>
Regulation	Policy

<p><u>membership</u></p> <p>Whether to extend the 12-month option period for a member to elect that deferred benefits should not be aggregated with a new employment or ongoing concurrent employment.</p>	<p>circumstances. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Regulation 100 (6) [R]</p> <p><u>Facility to extend time limits for active members to request a transfer of previous pension rights into the LGPS</u></p> <p>Where an active member requests to transfer previous pension rights into the LGPS, the member must make a request within 12 months of becoming an active member. Employers, with agreement of Administering Authority, may allow a longer period than 12 months.</p> <p>JOINT DISCRETION WITH ADMINISTERING AUTHORITY</p>	<p>The Council will only agree requests to transfer previous pension rights into the LGPS in exceptional circumstances and in consultation with Dorset Council. The Council delegates the consideration of this issue to the Head of HR.</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to, how much and in what circumstances to contribute to a shared-cost Additional Voluntary Contribution (SCAVC) arrangement</u></p>	<p>The Council will enter into a shared cost AVC (SCAVC) arrangement</p>
<p>Reg 17 & 15(2A) [TP]</p> <p><u>Power of employing authority to determine whether to extend the time limit for a member to elect to purchase additional pension by way of a shared cost additional pension contribution (SCAPC) upon return from a period of absence</u></p> <p>Whether to extend the 30-day deadline for member to elect for a SCAPC upon return from a period of absence from work with permission with no pensionable pay (otherwise than because of illness or injury, relevant child-related leave or reserve forces service leave)</p>	<p>The Council will only agree to include a regular lump sum when calculating APP on a case-by-case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>
<p>Reg 21(5A) and 21(5B) [R]</p> <p><u>Power of employing authority to determine whether, subject to qualification, to substitute a higher level of pensionable pay when calculating assumed pensionable pay (APP)</u></p>	<p>The Council will agree to substitute a higher level of pensionable pay when calculating APP on a case-by-case basis. Each case will be considered the Head of HR or their nominated representative on its own merits.</p>

**CORPORATE AND COMMUNITY OVERVIEW
AND SCRUTINY COMMITTEE**



Report subject	Work Plan
Meeting date	6 February 2023
Status	Public Report
Executive summary	The Chairman and Vice Chairman of the Corporate and Community O&S Committee have worked with Officers to identify the priority areas of work for the Committee with contributions from the Committee members. The work priorities of the Committee have been developed on the basis of risk. The proposed Work Plan is attached at Appendix A. The Committee is asked to consider the proposals contained in the Work Plan and approve or amend the contents. A link to the current published Cabinet Forward Plan is included within the report to aid the Committee in deciding on its priorities for scrutiny.
Recommendations	It is RECOMMENDED that the Corporate and Community Overview and Scrutiny Committee amend as appropriate and then approve the Work Plan attached at Appendix A to this report.
Reason for recommendations	The Council's Constitution requires all Overview and Scrutiny bodies to set out proposed work in a Work Plan which will be published with each agenda.

Portfolio Holder(s):	Not applicable
Corporate Director	Graham Farrant, Chief Executive
Contributors	Lindsay Marshall, Overview and Scrutiny Specialist
Wards	N/A
Classification	For Decision

Background

1. All Overview and Scrutiny (O&S) bodies are required by the Constitution to consider work priorities and set these out in a Work Plan. When approved, this should be published with each agenda.
2. The Constitution requires that the Work Plan of O&S bodies shall consist of work aligned to the principles of the function. The BCP Council O&S function is based upon six principles:
 1. Contributes to sound decision making in a timely way by holding decision makers to account as a 'critical friend'.
 2. A member led and owned function – seeks to continuously improve through self-reflection and development. Enables the voice and concerns of the public to be heard and reflected in the Council's decision-making process.
 3. Engages in decision making and policy development at an appropriate time to be able to have influence.
 4. Contributes to and reflects the vision and priorities of the council.
 5. Agile – able to respond to changing and emerging priorities at the right time with flexible working methods.
3. The O&S Committee may take suggestions from a variety of sources to form its Work Plan. This may include suggestions from members of the public, Officers of the Council, Portfolio Holders, the Cabinet and Council, members of the Committee, and other Councillors who are not on the Committee.
4. The Constitution requires that all suggestions for O&S work will be accompanied by detail outlining the background to the issue suggested, the proposed method of undertaking the work and likely timescale associated, and the anticipated outcome and value to be added by the work proposed. No item of work shall join the Work Plan of the O&S Committee without an assessment of this information.

Summary of financial implications

5. When establishing a Work Plan, the Constitution requires the Overview and Scrutiny Committee to take into account the resources, including Councillor

availability, Officer and financial resources, available to support their proposals. The Committee may wish to consider the Cabinet Forward Plan to aid in planning its work: [BCP Council – Democracy](#)

6. To ensure sufficient resource availability across all O&S bodies, Officer advice is that, in addition to agenda items, one additional item of scrutiny inquiry work may be commissioned by an Overview and Scrutiny body at any one time. This may take the form of a working group or task and finish group, for example. Bodies commissioned by the Overview and Scrutiny Committee may have conferred upon them the power to act on behalf of the parent body in considering issues within the remit of the parent body and making recommendations directly to Portfolio Holders, Cabinet, Council or other bodies or people within the Council or externally as appropriate.

Summary of legal implications

7. The Council's Constitution requires all Overview and Scrutiny bodies to set out proposed work in a Work Plan which will be published with each agenda.

Summary of human resources implications

8. N/A to this decision

Summary of environmental impact

9. N/A to this decision

Summary of public health implications

10. N/A to this decision

Summary of equality implications

11. Any member of the public may make suggestions for Overview and Scrutiny work. Further detail on this process is included with Part 4 of the Council's Constitution.

Summary of risk assessment

12. N/A to this decision.

Background papers

None

Appendices

Appendix A – Corporate and Community Overview and Scrutiny Committee proposed Work Plan

Appendix B – Scrutiny request form

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Work Plan – BCP Corporate and Community Overview and Scrutiny Committee

The following work plan items are suggested as early priorities to the Corporate and Community O&S Committee by the Chair and Vice Chair, following consultation with officers.

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer/Portfolio Holder	Report Information
Meeting Date: Monday 6 February 2023					
1.	Transformation Update To consider an update on the Transformation programme including the financial position	To ensure that the Committee maintains an oversight of this issue.	Committee Report	PH – Finance and Transformation Chief Executive	Contact Democratic Services for further information.
2.	Budget and Medium-Term Financial Plan 2023/24 To consider the appropriate Cabinet report.	To provide an opportunity for pre-decision scrutiny of the Cabinet report and an opportunity to make recommendations as appropriate.	Cabinet report / briefing paper	PH – Finance and Transformation Director of Finance	Contact Democratic Services for further information.
DATE to be allocated					
1.	End of year Corporate Performance Report	To provide the Committee with an overview of performance and an opportunity to consider any areas to target scrutiny.	Committee/ Cabinet report	PH - Finance and Transformation Head of Policy and Research	
2.	Business Improvement Districts To consider information from the local BIDs on current issues and priorities.	To enable the Committee to hear from the Council's partners in the local BIDS and consider ways to work together	Committee Report	PH – Development Growth and Regeneration Director Economic Development	Moved from October meeting date to accommodate budget

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer/Portfolio Holder	Report Information
<p>Commissioned Work</p> <p>Work commissioned by the Committee (for example task and finish groups and working groups) is listed below:</p> <p>Note – to provide sufficient resource for effective scrutiny, no more than 2 items of commissioned work will run at a time. Further commissioned work can commence upon completion of previous work.</p>					
	<p>Complaints Procedure – Working group</p> <p>To scrutinise and review the current complaints procedure and its effectiveness, to consider any opportunities for improvements.</p>	<p>To allow a more in-depth piece of work to analyse current practice and to consider making recommendations if required</p>	<p>Task and Finish Group</p>	<p>PH – Council Priorities and Delivery</p>	
<p>Update Items</p> <p>The following items of information have been requested as updates to the Committee.</p> <p>The Committee may wish to receive these in an alternative to format to Committee updates (e.g. by emailed briefing note outside of the Committee) to reserve capacity in Committee meetings for items of value-added scrutiny.</p>					
	<p>Request made at the Committee meeting held on 12 December 2022.</p>	<p>The wider list of assets considered for disposal and the reasons for those selected for shortlist and 2. The timetable for the controlled disposal of public assets, which maximises value and controls risk, over the period of the Transformation Programme.</p>	<p>TBC</p>	<p>PH – Finance and Transformation</p>	

	Subject and background	Anticipated benefits and value to be added by O&S engagement	How will the scrutiny be done?	Lead Officer/Portfolio Holder	Report Information
Annual Reports					
	Crime and Disorder Scrutiny Report	Statutory requirement	Committee Report	PH – Community Safety and Regulatory Services	
	Budget Report	Ensure that there is scrutiny of the annual budget setting process	Committee Report	PH – Finance and Transformation Director of Finance	
Requested items – Further details and dates to be allocated					
	Our Cultural Plan	TBC	Cabinet Report	PH – Tourism, Culture and Vibrant Places	Cabinet report deferred to the March Cabinet.
	Award of Gigabit Fibre Neutral Host Operator	TBC	Cabinet Report	PH – Development, Growth and Regeneration	Cabinet report deferred to next municipal year
	Library Strategy	TBC	Cabinet / Committee report	PH – Tourism, Culture and Vibrant Places	Cabinet report deferred to next municipal year
	Pay and Reward update	TBC	Committee Report	TBC	
	External Consultancy Contracts	TBC	TBC	TBC	
	Shared Prosperity Fund and Investment Plan	TBC	TBC	PH – Transformation and Finance	Member seminar arranged on this issue

Our Cultural Plan, Award of Gigabit Fibre Neutral Host Operator, Library Strategy, Pay and Reward. Other items suggested were the Shared Prosperity Fund and Investment Plan and scrutiny of external consultancy contracts.

Request for consideration of an issue by Overview and Scrutiny

Guidance on the use of this form:

This form is for use by councillors and members of the public who want to request that an item joins an Overview and Scrutiny agenda. Any issue may be suggested, provided it affects the BCP area or the inhabitants of the area in some way. Scrutiny of the issue can only be requested once in a 12 month period.

The form may also be used for the reporting of a referral item to Overview and Scrutiny by another body of the council, such as Cabinet or Council.

The Overview and Scrutiny Committee receiving the request will make an assessment of the issue using the detail provided in this form and determine whether to add it to its forward plan of work.

They may take a variety of steps to progress the issue, including requesting more information on it from officers of the council, asking for a member of the overview and scrutiny committee to 'champion' the issue and report back, or establishing a small working group of councillors to look at the issue in more detail.

If the Committee does not agree to progress the issue it will set out reasons for this and they will be provided to the person submitting this form.

More information can be found at Part 4.C of the BCP Council Constitution, under procedure rules 2.4-2.9

<https://democracy.bpcouncil.gov.uk/documents/s25674/Part%204%20-%20Procedure%20Rules.pdf>

Please complete all sections as fully as possible

1. Issue requested for scrutiny

2. Desired outcome resulting from Overview and Scrutiny engagement, including the value to be added to the Council, the BCP area or its inhabitants.

3. Background to the issue

4. Proposed method of scrutiny - (for example, a committee report or a working group investigation)

5. Key dates and anticipated timescale for the scrutiny work

6. Notes/ additional guidance

Document last reviewed – January 2022

Contact – democratic.services@bcpcouncil.gov.uk