

Notice of Overview and Scrutiny Board

Date: Tuesday, 16 July 2024 at 6.00 pm

Venue: HMS Phoebe, BCP Civic Centre, Bournemouth BH2 6DY



Membership:

Chairman:

Cllr S Bartlett

Vice Chairman:

Cllr S Aitkenhead

Cllr P Broadhead
Cllr J Beesley
Cllr L Dedman
Cllr C Goodall

Cllr S Mackrow
Cllr S Moore
Cllr L Northover
Cllr Dr F Rice

Cllr K Salmon
Cllr T Trent
Cllr O Walters

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

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

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=6194>

If you would like any further information on the items to be considered at the meeting please contact: Claire Johnston email democratic.services@bcpCouncil.gov.uk

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

8 July 2024

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

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

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



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

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

Bias Test

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

Predetermination Test

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

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

For more information or advice please contact the Monitoring Officer
(janie.berry@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. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 13 May 2024.

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5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpCouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

The deadline for the submission of public questions is midday 3 clear working days before the meeting.

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

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

6. Recommendations from Overview and Scrutiny Committees

The Overview and Scrutiny Board is asked to consider the following recommendations.

From the Environment and Place Overview and Scrutiny Committee

1. That the Board consider the inclusion of an item on BCP Council

consultation process on its Work Plan.

Note: This recommendation came from the Committee's consideration of the Poole Park Environment Cabinet report.

From the Health and Adult Social Care Overview and Scrutiny Committee

1. That a similar toolkit be developed for all O&S committees to reflect the relevant data and policy landscape within the remit of these committees. This to be added to the O&S Action Plan.
2. That the Data Use Toolkit be highlighted within the O&S annual report to Council.

Note: These recommendations came from the Committee's consideration of the Data Working Group Report

ITEMS OF BUSINESS

7. Financial Outturn 2023/24

15 - 68

The report presents the revenue and capital budget outturn, reserves position, dedicated schools grant outturn, housing revenue account, and results of council company and partner organisations for the financial year 2023/24.

In general terms the council's attempt to improve the financial health and sustainability of the authority have been successful with the 2023/24 drawdown on specific reserves reduced from the original budgeted amount £30m to £23m at financial outturn. At quarter three the estimated drawdown was forecast to be £27m although this was expected to improve due to the ongoing application of a freeze on expenditure and the Cabinet decision to release a previous accrual relating to the Dolphin Shopping Centre.

Services have delivered 94% of the budgeted savings of £34m, achieved through transformation, third party spend reduction, staff savings and raising additional income.

8. Medium Term Financial Plan (MTFP) Update

69 - 132

This report:

- Aims to ensure the council continues to maintain a balanced 2025/26 budget forecast by considering the impact that various assumptions would have on the underlying approved position.
- Proposes a financial strategy to support the delivery of a robust and financially sustainable budget for 2025/26.
- Proposes a budget planning process and timeline for key financial reports.
- Presents the outcome of the CIPFA Financial Resilience Review undertaken in the summer/autumn of 2023 and finalised in the spring

of 2024.

- Presents a letter submitted by the Director of Finance to DLUHC and CIPFA outlining concerns regarding the impact the deficit on the Dedicated Schools Grant is having on the financial sustainability of the Council. This recognises that due to the forecast £92m accumulated deficit on the 31 March 2025 the council will be technically insolvent (a situation where the deficit on the DSG is greater than the total reserves held by the council with a negative overall general fund position) when the current statutory override finishes on 31 March 2026. This letter also highlighted the difficulties the council will have in setting a legally balanced budget for 2025/26 when it has exhausted its ability to cover the cost of the DSG deficit from its temporary short term treasury management cashflow headroom.

9. Pay and Reward: Update on progress in introducing new terms and conditions of employment

133 - 138

Since the merger of the four preceding councils we have been working with the trades unions, to negotiate a new Pay and Reward package which harmonises pay across all colleagues. The report describes the consultation process conducted with the recognised trade unions, GMB and UNISON, who agreed to ballot their members on the proposed pay and reward offer. The report sets out the various communication and engagement activities undertaken to raise awareness and inform colleagues of the offer.

Two ballot processes have been undertaken and details of the ballot outcomes are provided. Further discussions are ongoing with the unions with a view to reaching an agreed way forward to implement the new arrangements.

10. Revised BCP Seafront Strategy

139 - 170

The BCP seafront is highly valued by local residents and visitors and provides a diverse range of internationally important natural habitats, geology and archaeology. It also sits at the heart of our local tourism industry and also generates significant revenue to the Council, helping to fund wider services for the community.

A review of the Seafront Strategy has been undertaken to assess progress to date and refresh priorities in light of significant organisational changes, new pressures and opportunities.

This report sets out a revised BCP Seafront Strategy, updating on the vision, key objectives, investment criteria and project delivery priorities. It builds on the original strategy adopted in April 2022, by reflecting new priorities such as the removal of barriers to community access, wellbeing, and delivering environmental net gains across biodiversity and carbon reduction. It also strengthens the focus on working with commercial operators to enable project delivery and secure external investment in infrastructure.

The Strategy provides a framework for investment over the next 20 years,

along with priorities for the short to medium term.

11. Work Plan

171 - 216

The Overview and Scrutiny (O&S) Board is asked to consider and identify work priorities for publication in a 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
OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 13 May 2024 at 6.00 pm

Present:-

Cllr S Bartlett – Chairman

Cllr S Aitkenhead – Vice-Chairman

Present: Cllr C Goodall, Cllr S Mackrow, Cllr K Salmon, Cllr M Tarling (In place of Cllr T Trent), Cllr O Walters, Cllr C Adams (In place of Cllr P Broadhead), Cllr P Hilliard (In place of Cllr L Dedman), Cllr B Castle (In place of Cllr L Northover) and Cllr C Weight (In place of Cllr S Moore)

Also in attendance: Cllr M Earl, Cllr J Hanna, Cllr M Howell and Cllr V Slade

1. Apologies

Apologies were received from Cllrs P Broadhead, L Dedman, S Moore, L Northover and T Trent.

2. Substitute Members

The following Substitutes were appointed for this meeting:
Cllr C Adams for Cllr P Broadhead, Cllr C Weight for Cllr S Moore, Cllr B Castle for Cllr L Northover and Cllr M Tarling for Cllr T Trent.

3. Election of Chair

The Vice-Chair took the Chair for this item. A nomination was received and seconded for Councillor S Bartlett. There being no further nominations it was:

RESOLVED that Cllr S Bartlett be elected Chair of the Overview and Scrutiny Board for the 2024/25 municipal year..

Voting: Unanimous

Cllr S Bartlett resumed the Chair.

4. Election of Vice-Chair

A nomination was received and seconded for Councillor S Aitkenhead. There being no further nominations it was:

RESOLVED that Cllr S Aitkenhead be elected Vice-Chair of the Overview and Scrutiny Board for the 2024/25 municipal year.

5. Declarations of Interests

There were no declarations of interest made on this occasion.

6. Confirmation of Minutes

The minutes of the meeting held on 2 April were approved as a correct record.

7. Public Issues

There were no public issues on this occasion.

The Chair proposed and it was agreed to vary the order of business to take agenda item 9 Transformation Programme Update as the next item

8. Transformation Programme Update

The Portfolio Holder for Transformation and Resources presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book. The Board was advised that the report provided an update on the progress of the transformation programme of BCP Council, which consisted of three main elements: organisational design, where and how we work, and supporting our colleagues.

The report highlighted the achievements and benefits of the programme, such as the implementation of the new Dynamics Finance and Operations system, the launch of the new customer journeys on the Dynamics Customer Engagement system, the development of the new People Strategy and the negotiation of the pay and reward offer with the trade unions. The report also outlined the challenges and risks that the programme faced, such as data quality issues, the complexity and volume of the remaining customer journeys and processes that needed to be developed and transferred to the new customer engagement system, the impact of the organisational change on the staff and the exit strategy from the transformation funding.

The Portfolio Holder and Chair of the Committee noted that Katie Lacey, The Director of IT and Programmes would be leaving the Council in the near future and both placed on record their thanks for her contribution to the transformation programme. There were a number of issues considered by the Board including:

- The recruitment system closing down the application process, the Director of People and Culture undertook to follow up on this issue.
- Communication and co-ordination between teams and the organisation of staff to be able to work more efficiently. A common data platform was able to be used to connect previously separate data sets together which would help in this process.
- The Dynamics F&O system allowed Managers and Directors to instantly access budget information. Managers had access to the 2024-25 budget earlier than previously.

- The Chair requested that the Board receive a demonstration of the ERP system (Dynamics F&O) now that it was up and running and well established.
- Savings from the Transformation Programme in relation to Library Services. It was noted that there was a consultation open which was considering matters around this at present. The Consultation would be used to help inform the development of the Service.
- Pay and Reward and the reasons for the different outcomes in the union ballots. It was noted that unions were not obliged to share membership details with the Council. The Union which rejected the offer did share the issues which Union members had with the Council offer and the improved offer reflected this. An update on the outcome of this would be made available as soon as possible.
- Organisational Structure – An organisational hierarchy was being worked on and it was something which would be developed and made available.
- IT accessibility by members of the public. The use of technology should make the whole system more efficient which should allow more resource to support those who were less IT literate.
- Planning issues and communication with residents. Issues around this were being worked on but the Portfolio Holder suggested that the Transformation Working Group may wish to look at this in further detail. It was noted that the improvement journey was multifaceted but now in a better place than it had been.
- Improving interaction in reporting of problems and notifying residents who have raised the issues. The Board was advised that greater consistency in notifications across the different areas of the Council and linking up the different systems was part of the new operating model.
- It was asked whether Councillors would have access to the live data. It was expected that this would be possible.
- It was suggested that the Transformation Advisory Group was to look at the integration of planning with the transformation programme. Planning improvement was an issue on the work plan for Environment and Place Overview and Scrutiny Committee for consideration at regular intervals as required.

The Chair thanked officers and the Portfolio Holder for bringing the report to the Board.

9. A shared vision for Bournemouth, Christchurch and Poole 2024-28 Strategy and Delivery Plan

The Leader of the Council and Portfolio Holder for Dynamic Places 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 Board was advised that BCP Council's high-level vision, priorities and ambitions were adopted by Council in January 2024.

The corporate strategy set out the council's vision, priorities and ambitions as well as the principles which underpin the way the council works as it develops and delivers its services.

A delivery plan had been incorporated into the strategy, prepared in consultation with Cabinet, directors and council officers, to provide focus areas and measures of progress for achieving the vision, priorities and ambitions. Performance would be monitored and reported in a new dashboard. The Strategy was a key component of a whole council approach to performance management. Issues raised by the Board included:

- A suggestion to change the dates so that all issues fell within the correct timeframe.
- Agree to establishing new governance arrangements for reporting and tracking progress.
- That the measure to reduce the number of people in bed and breakfast accommodation should refer to all temporary accommodation. It was noted that this would be extremely difficult and there was sometimes a real need for temporary accommodation.
- A Suggestion to amend the wording of the measuring concerning increasing both the number of new affordable and social rented homes.
- Discussion concerning suitable and effective measurement of resident and staff satisfaction. It was suggested that a number of measures could be grouped together to provide an indication of increased satisfaction.
- new governance arrangements for reporting and tracking progress would be established. It was planned to introduce a Corporate Strategy oversight Board for Officers to keep track of performance and a live dashboard would allow others to access tracking.
- In future a review of the Corporate Strategy should come back to the Board and should be robust. Cabinet would also need to see how it could be robust in challenging the oversight Board.
- It was noted that the dashboard which would be produced would be one of the most important documents for the Board to monitor.
- Concern was raised regarding housing issues and the measures addressing this were considered.
- Town Centres and how they were dealt with through ambitions in this document.

The Chairman outlined the recommendations from the Cabinet report and it was:

RESOLVED that the Board support these, subject to the suggested amendments from the Board:

(a) The delivery plan be approved

(b) The measures for monitoring progress and ensuring accountability for delivery be agreed.

Voting: Nem con

10. BCP Regeneration Update

The Leader of the Council and Portfolio Holder for Dynamic Places 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 Board was advised that the report provided an update on activity carried out by the Investment & Development directorate since it was formed in November 2023, with a particular focus on the three priority regeneration projects of Holes Bay, Dolphin Leisure Centre and Bournemouth International Centre & Winter Gardens. An advisory panel had been established from the previous non-executive directors of FuturePlaces. There had been a decision to decouple the BIC from the Winter Gardens and each of these sites would need to be moved forward with partners for each of the sites. The Dolphin Leisure Centre was coming to the end of its life. The only way to achieve the building of a new leisure centre would be through cross funding with property development. The Board raised a number of issues in the subsequent discussion, including:

- Holes Bay – Environmental noise issues within the site due to proximity to the switching station. It wasn't considered that this was a significant issue and developing the site out in stages may lead to a position where it could be removed in future.
- BIC/Winter Gardens – The options for the site included the improvement of the existing facility in conjunction with the views of the current operator, BH Live who had an operating lease until 2035 or a more ambitious plan which could be sold to an external provider. Renovations would lead to discussion with BH Live regarding an extension of the current lease. The Board raised issues concerning how the process would move forward for each site in the now decoupled state. It was noted that this was a Bournemouth Development Company Project, and the Council would work with MUSE to move this forward. There was an existing precedent for Planning Permission but it was expected that there would be less commercial requirements in the area. The alternative option for the Winter Gardens Site would be to consider it as part of a number of sites within the Town Centre to offer to developers. The procurement aspect of this process alone would be around 2 years. The BIC situation was still in very early stages.
- Dolphin Centre – Issues concerning current parking arrangements were raised. It was suggested it should be included as a package with Leisure Centre entry. It was noted that not everything had been harmonised in the parking harmonisation Briefing for Ward Councillors and Neighbouring Wards. Potential blocks for understanding the relative costs of the scheme and financial constraints. The specification and design the Council may have to contribute additional capital.
- The Board enquired about the governance arrangements for the future development sites, previously there was a FuturePlaces working group. The investment advisory panel was formed from previous FuturePlaces non-executive directors and provided an informal sounding board acting as a critical friend and providing links and expertise as appropriate.
- Development on Winter Gardens can concentrate efforts on a new winter gardens scheme but within the twin track. Draft local plan limits

development to 7 storeys. The second option was an opportunity to package up a number of sites within the Town Centre area to offer to developers the procurement aspect of this process alone would probably be 2 years.

- Affordable / Social Housing – The Board asked about provision on the BIC/Winter Gardens site. It was noted that the real opportunity would be on the Holes Bay Site. Provision of further social housing would be welcomed. However, it was noted that provision of any housing was important for local delivery. The Dolphin Centre site was not within the Housing Team's location plan for delivery and this combined with the need to make delivery of the leisure centre affordable provision of social housing at this site seemed unlikely. It was noted that Winter Gardens originally commuted the affordable housing onto the Eden Glen site. The Board also commented that it should be assured that homes would not be used as holiday lets.
- Timeframe – The Board enquired about the timeframe for a potential decision on any of the sites coming through Cabinet. This was not expected for sometime, although any decisions would be through full Council due to the anticipated costs involved for all of them. The Board reiterated that early engagement on the projects with ward Councillors was extremely important.

RESOLVED that members of the Overview & Scrutiny Committee noted the contents of the report and provided feedback to the Investment & Development directorate.

Voting: Nem. Con.

11. Work Plan

The Overview and Scrutiny Specialist 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 Overview and Scrutiny (O&S) Board was asked to consider and identify work priorities for publication in its Work Plan.

The Chair confirmed the items which were now expected at the next Board meeting which were the Seafront Strategy and MTFP Cabinet reports and future Budget scrutiny discussion.

The Board agreed in principle on a housing inquiry to involve all Scrutiny Committees

The Board agreed to consider the Pay and Reward update when available
The Board considered when to bring a report on the Local Transport Plan.
This shouldn't be as a piece of pre decision Scrutiny. Consideration was also given to TAGs role in the development of the Local Transport Plan.

The Chair advised that he was awaiting the Monitoring Officers opinion on a scrutiny request on the Dorset Pension Fund and advised that he had declined a request for further scrutiny of the Wessex Fields decision by Council

RESOLVED that the O&S Board Work Plan be updated as outlined above.

Voting: Nem. Con.

The meeting ended at 9.32 pm

CHAIRMAN

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CABINET



Report subject	Financial Outturn 2023/24
Meeting date	17 July 2024
Status	Public Report
Executive summary	<p>The report presents the revenue and capital budget outturn, reserves position, dedicated schools grant outturn, housing revenue account, and results of council company and partner organisations for the financial year 2023/24.</p> <p>In general terms the council's attempt to improve the financial health and sustainability of the authority have been successful with the 2023/24 drawdown on specific reserves reduced from the original budgeted amount £30m to £23m at financial outturn. At quarter three the estimated drawdown was forecast to be £27m although this was expected to improve due to the ongoing application of a freeze on expenditure and the Cabinet decision to release a previous accrual relating to the Dolphin Shopping Centre.</p> <p>Services have delivered 94% of the budgeted savings of £34m, achieved through transformation, third party spend reduction, staff savings and raising additional income.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Note the outturn position for 2023/24. 2. Agree the acceptance of grants up to £1m as set out in Appendix C.
Reason for recommendations	<p>To comply with accounting codes of practice and best practice which requires councils to regularly monitor the annual budget position and take any action to support the sustainability of the council's financial position.</p> <p>To comply with the council's financial regulations regarding capital virements and acceptance of grants.</p>
Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Graham Farrant, Chief Executive

Report Authors	Adam Richens, Director of Finance and Chief Finance Officer adam.richens@bcpcouncil.gov.uk Nicola Webb, Assistant Chief Finance Officer nicola.webb@bcpcouncil.gov.uk Matthew Filmer, Assistant Chief Finance officer matthew.filmer@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

1. In February 2023 Council agreed the 2023/24 annual general fund net revenue budget of £309m, a capital programme of £180m and the specific use of earmarked reserves to balance the budget and support services of £30m. This revenue budget also assumed the delivery of £34m of savings which included £9m in un-itemised transformation-based savings. Budgets were also agreed for the capital programme and housing revenue account (HRA).
2. Non-delivery in full of the un-itemised transformation savings had been anticipated since the first quarter with service budgets and transformation savings reduced to reflect a more achievable level.
3. An expenditure control mechanism has been in place across the council since September 2023 to minimise spend on non-essential activity.
4. The quarter three budget monitoring report indicated that the specific drawdown on reserves was reduced from the £30m budgeted amount to £27.2m based on a £2.8m variation with pressures in the Children's and Operations directorates offset by surpluses in other areas.

Revenue Outturn 2023/24

5. The final revenue outturn for 2023/24 is a £7.0m reduction in the use of specific reserves compared with the projected £2.8m reduction predicted at quarter three. A summary of the outturn is shown below in Table 1:

Table 1 : Summary General Fund Outturn 2023/24

Q3 Variances £000's	Directorate	Working budget £000's	Outturn £000's	Under/ Overspend £000's
(5,555)	Wellbeing	133,669	122,270	(11,399)
3,139	Children's	87,973	91,433	3,460
*5,318	Operations	63,997	63,268	(729)
(689)	Resources	38,730	38,956	226
*(5,013)	Corporate Items	(14,447)	(12,992)	1,672
(2,800)	Total projected outturn	309,921	302,935	(6,986)

*Comparative adjusted for variance previously included within corporate items

6. There has been a significant improvement in the variation for Wellbeing services as previously forecast demand has not materialised and Operations services have managed their previous overspend to deliver a small positive variance overall. These improvements have been partially offset by central provisions and adjustments within Resources and Corporate items.
7. The Wellbeing directorate, which includes adult social care, public health, commissioning, housing and community services, had a positive variance of £11.4m, mainly due to lower than expected demand and costs for care packages for adults with learning disabilities and mental health issues. The increase compared with quarter three is largely due to anticipated new demand for this service not materialising in the final quarter. The budget in 2024/25 has been rebased to reflect that an estimated £5.1m of the unexpected positive variance is considered an on-going saving, with some reallocated to support other services and the balance added to the new year contingency.
8. The Children's Services directorate, which covers safeguarding, early help, corporate parenting, education and skills, and partnerships, had an overspend of £3.4m, largely due to the high cost and number of placements for children in care, and the use of agency staff in social work teams. Children's services have an overspend slightly higher than previously forecast. The number of children looked after has continued ahead of expectations with an increase in care costs and staff needed to support them. Mitigation activities are on-going including the recruitment of permanent staff and the careful monitoring of agency use. The initial budget set for 2024/25 provided for some growing demand for care, with early indications being this will be exceeded. As a result, the new year budget has been increased by £2.5m from the resources released from Wellbeing noted above.
9. The Operations directorate, which encompasses commercial, environment, planning, transport, infrastructure, and investment and development services, had a positive variance overall of £0.7m in 2023/24. There are budget surpluses in seafront, waste, and sustainable travel services, partially offset by pressures in parking, planning, and facilities management. Most service areas improved budget performance in the final quarter by holding vacancies, delaying expenditure or from generating more income than previously anticipated. Despite the improved performance some areas remain of concern. This includes for the planning service where a restructure is underway to reduce reliance on more expensive agency staff.
10. The Executive and Resources directorate, which provides professional support services, tax collection, and housing benefits administration, had an overspend of £0.2m. This is mainly due to legal services where locums are being used due to recruitment difficulties plus income shortfalls from registrars and land charges. There is some offset from savings within marketing, policy and communications where vacancies have been held pending a restructure.
11. The corporate budgets, which include contingencies, treasury management, investment income, housing benefits and central provisions had an overspend of £1.7m due largely to the pay award being greater than budgeted and the movement in provisions.
12. Appendix A1 provides the detail and reasons for budget variances in each service area.

13. Appendix A2 provides a summary revenue outturn statement.

Savings Monitoring 2023/24

14. Delivery of budgeted savings is fundamental to a sustainable MTFP. The table below shows achievement of 94% of the £34m savings budgeted. The impact of savings not delivered during the year is included in the budget variances in Appendix A1.

Table 2: Summary of savings delivery 2023/24.

Directorate	Council Approved Savings £000s	Delivered £000s	Not delivered £000s
Wellbeing Directorate	(9,684)	(9,414)	270
Children's Services Directorate	(1,183)	(1,183)	0
Operations Directorate	(10,903)	(9,493)	1,410
Resources Directorate	(508)	(508)	0
Corporate Items	(3,021)	(3,021)	0
Transformation – not itemised	(9,044)	(8,662)	382
Total Savings	(34,343)	(32,281)	2,062

Note that the table above includes housing and community within Operations rather than reflecting the move to Wellbeing for consistency.

15. Wellbeing savings not delivered were from the delay in technology investment.
16. Operations savings are many and varied with specific savings totalling £1.4m not delivered. This includes for waste disposal costs which increased by more than budgeted and new burdens which were unfunded. In the planning service a staff restructure was not progressed, and additional income not achieved. Mitigations for undelivered savings were found across the services.
17. The balance of un-itemised transformation savings, after in-year budget adjustment was £0.4m.
18. Appendix A3 provides a schedule of final savings delivery for 2023/24 for each service area.

Transformation

19. The total one-off costs associated with the corporate transformation investment programme in 2023/24 was £10.5m of revenue and £0.9m of capital.
20. Revenue expenditure includes the strategic investment partner (SIP) costs of £4.8m to continue work to bring services on to the Microsoft Dynamics Customer Resource Management system. This new system will improve customer interaction with the council as well as drive out savings and efficiencies. SIP activity also included completing support for the Dynamics Finance and HR Enterprise Resource Planning (ERP) system implementations from early April 2023. Other expenditure includes for internal and agency staff to create additional capacity for implementation and costs for ICT.
21. The revenue costs also include £3.3m for redundancies to permanently reduce the staff base of the council.
22. The revenue costs of the transformation programme are funded by capital receipts using the government's permitted flexible use of capital receipts (FUCR)

policy. This includes for the separate transformation programmes for adult social care and children's services which incurred costs of £1.1m in 2023/24 and will be reported on separately by the services in due course.

23. Capital expenditure for the transformation programme is funded by prudential borrowing.
24. Additional annual transformation savings of £7.6m were delivered in the 2023/24 financial year. These comprise staff reductions of £5.8m and third party spend of £1.8m.
25. Appendix A4 provides details of the corporate transformation programme and funding through the FUCR.

Reserves Monitoring for 31 March 2024

26. Earmarked reserves are those set aside for specific purposes, and these were reconsidered in quarter one to release funding to support the children's services business case to improve the service.
27. Table 3 below summarises the projected movement in reserves during the current financial year.

Table 3: Summary of projected movements in reserves

	Balance 1 April 2023	Balance 31 March 2024	Movement
	£m	£m	£m
Un-earmarked reserves	17.9	26.1	8.2
Earmarked reserves	68.5	39.0	(29.5)
Total reserves	86.4	65.1	(21.3)

These reserves do not include revenue reserves earmarked for capital, school balances or the negative DSG reserve.

The main movements in earmarked reserves include:

- a. Financial resilience reserves drawdown to support the budget.
 - b. Government grants drawdown to support specific projects and expenditure.
 - c. Utilisation of corporate priorities, ICT development and transition and transformation reserve contributions.
28. Appendix B provides a summary of the actual earmarked reserves position as of 31 March 2024.

Dedicated Schools Grant (DSG)

29. The 2023/24 budgeted high needs funding shortfall due to the growing demand from pupils with high needs is £27.1m. The accumulated deficit was projected to increase to £62.9m.
30. At outturn, the overspend on high needs is £1.3m (increasing the funding shortfall to £28.4m) with the increase from budget largely due to bespoke packages and

therapies. There is some offset from other budgets to leave a net overspend of £0.6m overall. The accumulated deficit at March 2024 is £63.5m.

Table 4: Summary outturn position for dedicated schools grant

Dedicated Schools Grant	£m
Accumulated deficit 1 April 2023	35.8
Budgeted high needs funding shortfall 2023/24	27.1
Overspend in 2023/24	0.6
Accumulated deficit 31 March 2024	63.5

31. The DfE safety valve conversations regarding the accumulated deficit progressed with government over the final quarter but no solutions have yet been forthcoming.

Capital Investment Programme (CIP)

32. 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.
33. The budget has been updated during the year to include new schemes, inclusion of slippage from 2022/23 and the reprofiling of expenditure into future years. Of the final £142m budget, 57% was spent with the balance carried forward into 2024/25.
34. Increases in raw materials prices, construction and labour costs and the cost of borrowing compounded by delay in supply chains continued to reduce the ability to deliver the planned capital programme.
35. Appendix C summarises capital spend by directorate and how this was funded in 2023/24.

Housing Revenue Account (HRA)

36. 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.
37. The 2023/24 budget comprises total income of £51.5m for the year and a net surplus of £6.7m.
38. Total rental income of £47.6m was £0.5m adverse to budget. Rental income benefitted from lower levels of voids and right-to-buy sales, and the delivery of additional HRA properties via the development programme but this was offset by a correction for over-recognition of income in previous years in the final quarter.
39. Service charge income of £3.0m was £0.4m ahead of budget due to additional charges for communal heating and electricity, reflecting higher underlying costs.
40. Repairs & Maintenance costs of £12.5m were £0.9m over budget due to additional spending on planned repairs and preparation of voids for reletting.

However, this was an improvement on the £1.7m variance forecast at quarter three.

41. Supervision & management costs of £14.1m were £1.1m less than budget due to higher-than-expected staff vacancies and the contingency budget unused as reported at quarter three.
42. Work to align the depreciation charge methodology between the two neighbourhoods has led to a charge of £14.8m, which is £3.0m adverse to budget. This charge is recycled each year through the major repairs reserve to provide funding for the HRA's planned maintenance capital programme and does not impact on the overall financial position of the HRA.
43. There is a favourable variance of £1.0m for interest earned due to higher than budgeted interest rates.
44. An exceptional gain of £1.9m was reported in quarter three because of the return to the HRA of the retained surplus that Poole Housing Partnership Ltd built up during the period when it functioned as the arm's length management organisation (ALMO) for the Poole neighbourhood properties.
45. The net surplus for the year is £6.4m which is £0.25m below budget, being the net impact of all income and expenditure variances.
46. The capital programme budget of £46.5m was only 52% spent by the year end at £22.1m. The quarter three projection was slightly higher at 55% of the annual programme. The annual shortfall is due to the rescheduling of new build projects and a low volume of acquisitions, the latter due to ongoing high borrowing costs making purchases financially unviable. The £0.5m contingency budget was not spent, and work on the £1m programme for net-zero carbon initiatives is still at the planning stage.
47. Appendix D provides a summary of HRA budget monitoring for both the revenue and capital account at outturn.

Companies and partner organisations

48. The financial sustainability of the council could also be affected by the performance of partners and subsidiaries in which it has a financial interest. Each of these entities has their own governance framework and arrangements for reporting their financial and operating performance.
49. Appendix E contains a summary of the outturns for partner and subsidiary organisations. It should be noted that these are provisional figures and are unapproved by the respective boards of directors and are also subject to audit.

Scenarios

50. The outturn includes some estimates and assumptions, with anticipated losses provided for where known and able to be estimated.

Summary of financial implications

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

Summary of legal implications

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

Summary of human resources implications

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

Summary of sustainability impact

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

Summary of public health implications

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

Summary of equality implications

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

Summary of risk assessment

57. The outturn is prepared based on the best estimates available to close the financial statements. Any variations to these will impact in the 2024/25 financial year.

Background papers

58. The link to the budget papers for 2023/24 is below:

[BCP Council – Democracy \(ced.local\)](#) item 10

59. The link to the 2023/24 quarter three budget monitoring report is below:

[Welcome to BCP Council | BCP \(ced.local\)](#) item 96

Appendices

- Appendix A A1 Revenue Budget Variances by Service Area
 A2 Revenue Outturn Summary 2023/24
 A3 Revenue Savings Monitoring 2023/24
 A4 Transformation Programme
- Appendix B Earmarked Reserves for 31 March 2024
- Appendix C Capital Programme Outturn 2023/24
- Appendix D HRA Outturn 2023/24
- Appendix E Companies Outturns 2023/24

Appendix A1: Outturn Revenue Budget Variances by Service Area 2023/24

1. The projected outturn for each directorate is shown in the tables and narrative below.

Wellbeing – outturn positive variance of £11.4m (9%)

2. The Wellbeing directorate includes adult social care, public health services, commissioning teams for adults and corporate procurement, plus housing and community services. The £5.8m increase from quarter three is largely due to care packages for adults with learning disabilities and mental health issues not materialising as anticipated by the service.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	Adult Social Care			
10,219	Care – Long Term Conditions	92,574	102,833	10,259
(4,938)	Care – Learning Disabilities & Mental Health	70,762	61,187	(9,575)
(297)	Employees	24,791	24,255	(536)
(4,984)	Client Contributions	(24,634)	(29,416)	(4,782)
(1,276)	CHC, Joint Funding & Sec 117 Mental Health	(12,574)	(14,554)	(1,980)
(3,162)	Section 256 NHS funding	0	(3,692)	(3,692)
33	Other Funding: grants, other authorities, Health.	(23,585)	(23,552)	33
(7)	Other services: training, running costs, etc.	550	568	18
(4,412)	Total Adult Social Care Net budget:	127,884	117,629	(10,255)
	Commissioning			
286	ASC: Care and contracts (including Tricuro)	26,557	29,172	2,615
208	ASC: Employees	2,490	2,577	87
67	ASC: Client contributions	(1,624)	(1,711)	(87)
(1,282)	ASC: Income from NHS (Section 256)	(4,392)	(7,924)	(3,532)
(38)	ASC: Specific grants & government funding	(27,924)	(27,963)	(39)
541	ASC: Other services, voluntary sector, projects.	410	818	408
(236)	Corporate Procurement	1,218	996	(222)
(454)	Total Commissioning Net budget:	(3,265)	(4,035)	(770)
	Housing			
(7)	Housing Options and Partnerships	5,629	5,790	161
(316)	Neighbourhood Services	(2,215)	(2,523)	(308)
(82)	Risk and Improvement	363	120	(243)
(405)	Housing Total	3,777	3,387	(390)
	Communities			
(321)	Community Engagement	685	600	(85)
20	Regulatory Services	2859	2747	(112)
39	Safer Communities	835	1188	353
0	Service Management	318	254	(64)
(22)	Strategic Community Safety	575	499	(76)
(284)	Communities Total	5271	5287	16
(689)	Housing & Communities Total	9,048	8,674	(374)
	Public Health (fully funded by government grant)	0	0	0
(5,555)	Wellbeing Total	133,669	122,270	(11,399)

Adult Social Care and Commissioning

3. Care cost pressures for people with long term conditions is £10.3m above budget, this includes complex packages for people discharged from hospital prior to their Care Act assessment. Additional £3.7m one-off Section 256 transfers from Health has been used towards the cost of new hospital discharge procedures. During quarter four demand for care home placements averaged at 1,067 beds per week (7% above budget) with an average weekly fee of £1,123 (4% above budget). During the same period, demand for home care packages averaged 18,410 hours per week (11% above budget), although this pressure is partially mitigated by lower take up of direct payments.
4. Due to financial pressures in the health system, the previous funding towards hospital discharge related costs has reduced significantly, and the council will be faced with higher unfunded pressures for people with long term conditions in 2024/25.
5. Expenditure for people with learning disabilities (LD) and mental health (MH) is underspent by £9.6m, an increase of £4.6m since quarter three. This is due to a combination of factors including delayed demand for care, lower needs than previously anticipated, delays from mental health hospital discharges, robust contract negotiations with providers and revised, lower cost, contracts.
6. It is important to note that the Integrated Care Board (ICB) are looking at the LD and MH services in some depth. There has been improved demand management, quality assurance and scrutiny processes, using a strengths-based approach. Good outcomes have been achieved for continuing health care (CHC) / joint funding arrangements with budgeted savings being exceeded. Sadly, we have also seen a slightly higher number of deaths this year but on a positive note, more young people are able to stay supported at home for longer, and lower cost options than anticipated have been found for young people needing care. Robust reviews have also led to reductions in the need for one-to-one support packages.
7. Unlike for people with long term conditions, general demographic trends are less relevant for adults with LD and MH, and the budget is based on support for largely already known individuals, but budget requirement overall can still be difficult to predict. Cost projections include young people when it is anticipated that they will finish education, but education health and care plans (EHCPs) can be extended, and often the need for services can be delayed for another year. Where people are in an acute hospital for a length of time, payments to the home care provider stop and these cannot be predicted. Engagement with families provide indications of when a person is likely to move out of the home, and it can be difficult to source provision at that time, or stability can be achieved by further interventions to be able to continue living at home. Also, people can change location and come in or out of the council's responsibility to provide care.
8. Delay in LD demand and mental health discharges can also be due to other services not being available, for example, housing, supported living, and specialist care. Commissioning and housing services are working on improving the areas within the council's control.
9. In addition to the issues noted above, data systems used in forecasting have inconsistencies with the dates for periods of care payments and it is likely that the quarter three forecast was overstated, with the change between quarters greater by assuming a longer lag in payments to providers in the earlier estimates. Work is ongoing to develop different reporting mechanisms to address this in future.
10. Employees savings of £0.5m (an increase of £0.2m since quarter three) is due to ongoing vacancies from expenditure control measures and some recruiting difficulties. Uncertainty around the pay and reward outcome has seen several staff leave and due to the national shortage of social work and occupational therapists, there are delays for

assessments and new case work. The current backlog for care assessments and reviews is circa 2,800 and for deprivation of liberty (DOLs) there are 1,200 cases outstanding. Future spending plans for care services will need to consider how this currently suppressed demand will impact.

11. Additional client contributions and deferred payments provided a budget surplus of £4.8m and is linked with the additional caseload for people with long term conditions. It was already anticipated last quarter and a proportion is likely to be ongoing and the approved 2024/25 budget has been increased accordingly.
12. Additional income from the NHS for CHC eligibility of nearly £2m (an increase of £0.7m since quarter three) is again linked to the additional caseload. During the 2024/25 budget preparation, it was expected that a proportion could be considered as ongoing additional recoupment with the 2024/25 budget increased accordingly. However, the NHS has since indicated that they are high outliers in their CHC spend and are planning to review the approach to reduce their spend in CHC and joint funding. This places a significant increased risk in achieving the 2024/25 budget expectations for CHC and joint funding refunds.
13. The Commissioning directorate is experiencing variances of a smaller order with the largest being NHS funding from CHC eligibility recoupment and use of one-off Section 256 transfers for care arrangements commissioned in block that have joint benefit.
14. Corporate procurement has achieved a saving of £0.2m mainly due to expenditure control, employee vacancies and reduced spend on stationery purchased centrally.

Housing & Communities

15. The Housing service has had significant pressures in year due to the rising cost of temporary accommodation and the number of families being supported. This has been mitigated by use of various resettlement grants and staffing vacancies resulting in an overall underspend across Housing Options and Risk and Improvement.
16. The in-year homelessness prevention grant (HPG) was fully used this year with £0.2m of the reserve drawn down to support expenditure, particularly the housing benefit subsidy costs. A balance of £1.8m will be retained within the reserve, an improvement of £0.1m on the quarter three forecast, to help mitigate pressures in future years. The Housing service are progressing alternative accommodation options to reduce the dependency on bed and breakfast provision going forward and have already seen a reduction in the temporary accommodation costs as a result.
17. Within neighbourhood services income on photovoltaic panels is in line with the quarter three forecast at a £0.3m surplus, some of which is due to income delayed from the previous financial year. It is not anticipated that this surplus will continue in subsequent years.
18. Community engagement has carried forward a large proportion of ringfenced grant income into the next financial year which will be used to deliver specific community related projects going forward. There was also less grant allocated from Homes for Ukraine than originally anticipated reducing the overall underspend.
19. Safer communities incurred £0.2m of unexpected legal costs defending judicial review challenges made relating to public space protection orders and licensing. There is no budget or provision set aside for these costs and a challenge can be made at any time. Although we were aware at quarter three of the challenges being made, it was not known what the financial impact would be until the review had taken place.
20. There were variabilities in salary costs across the Communities service causing fluctuations on the budgets but there are some savings which helped mitigate the impact of the legal costs incurred.

Children's Services – outturn overspend £3.5m (4%)

21. The overall outturn position for Children's services is £3.5m, a small increase of £0.3m from quarter three.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
(5,495)	Management & Commissioning	1,726	(4,203)	(5,929)
3,299	Safeguarding & Early Help	13,429	16,704	3,275
5,664	Corporate Parenting & Permanence	45,204	52,233	7,029
385	Quality, Performance Improvement & Governance	4,464	4,387	(77)
(714)	Education & Skills	20,955	19,954	(1,001)
0	Partnerships	2,195	2,358	163
3,139	Children's General Fund Total	87,973	91,433	3,460

22. Children's Services management incorporates various budgets including the overall service agency budget. This is held centrally as the agency use within individual service units fluctuates based on demand and vacant positions. The forecast variance offsets the staffing overspends shown in all other directorates as described below.
23. Safeguarding & early help has the highest use of agency as the front door teams of multi-agency safeguarding hub (MASH), assessment, children & families first are predominately the most challenging social worker posts to fill permanently. The variance is similar to the quarter three projection as the trend was already established.
24. The agency use within corporate parenting & permanence relates to the children in care teams. The service continues to work to reduce the level of over-establishment agency social workers. It has been necessary to stabilise the service and support quality assurance activities. The service director is working towards removing the agency staff in these areas for the new financial year.
25. Staffing pressure within quality, performance improvement & governance relates to additional independent reviewing officer (IRO) posts required to manage the increased level of demand. The budget position was recovered during the last quarter due to the timing of workforce development training and vacancies unable to be filled.
26. The improved position between quarter three and four within the education and skills directorate reflects continued vacancies within some teams and some efficiencies in school transport costs.
27. The forecast cost of all placements for children in care (CiC) has been examined thoroughly throughout the year. The corporate parenting & permanence directorate incorporates the pressure. The number of CiC has gone up further since quarter three, from 550 to 563. The largest financial challenge is in the residential provision.
28. A demand and mitigation programme has been developed with specific reference to seeking efficiencies within various workstreams relating to care placements. Specifically looking at all placements for those aged over 18 and those with residential placements over 16 and under 12 plus all unregistered placements. An assumption of reduced in year spend was anticipated but due to increased demand the net effect of any mitigations is not seen, and the final cost of placements has increased over the year.
29. The outturn pressure within Partnerships relates, in the majority, to Aspire Adoption, a partnership between BCP and Dorset Council. The pressure relates to the cost of the staff pay award being greater than budget and an income shortfall where inter-agency placements have not been as high as expected.

30. The services are continually reviewing the use of agency staff and with the ongoing recruitment campaign to attract and retain qualified social workers, there is an aspiration to further reduce the cost incurred from high agency premium.
31. It is important to note that various one-off reserves have been included in the forecast and outturn position, the true pressure on care is approximately £7.7m. There is budget for growth as part of the MTFP 2024/25 but currently the existing cost of placements is exceeding the budget for care heading into the new financial year.

Operations – outturn positive variance £0.7m (1%)

32. On 1 April 2023 Operations underwent restructuring to provide a focus on the more commercial areas, place-shaping and service consolidation. During the year, the work of BCP FuturePlaces Ltd was internalised and a newly constituted directorate for Investment and Development was formed. Effective from 1 April 2024 further restructuring has occurred with infrastructure services now allocated across other service directorates with the retiring director undertaking a temporary role to maintain capacity for part of 2024/25.
33. The 2023/24 outturn position is presented in the new year budget structure in the table below:

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	Commercial Operations			
346	Leisure and Events	1,641	1,331	(311)
(683)	Seafront	(5,391)	(7,147)	(1,755)
63	Flood & Coastal Erosion	858	863	5
2,005	Parking Services	(17,767)	(16,684)	1,083
1,731	Commercial Operations Total	(20,658)	(21,637)	(978)
	Environment			
(25)	Service Management	764	664	(100)
330	Neighbourhood Services & Grounds	16,112	15,735	(377)
(286)	Passenger Transport	458	147	(311)
1,171	Bereavement & Coroner	42	825	783
(19)	Waste	15,816	15,322	(494)
34	Greenspace	730	453	(277)
(620)	Transport & Operating Centres	5,555	4,798	(757)
585	Environment Total	39,477	37,944	(1,533)
	Planning & Transport			
(188)	Planning Management	339	184	(155)
2,054	Planning Operations	(145)	2,119	2,264
(61)	Strategic Planning	913	970	57
(239)	Transport Policy / Sustainable Travel	11,474	10,550	(924)
1,566	Planning & Transport Total	12,581	13,823	1,242
	Infrastructure			
0	Service Director	215	137	(78)
0	Infrastructure Total	215	137	(78)

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
	Investment and Development			
(66)	Housing Delivery	303	14	(289)
636	Regeneration Delivery	700	847	147
(116)	Smart Places	118	118	(0)
525*	Loss from FuturePlaces Ltd	0	440	440
979*	Investment and Development Total	1,121	1,419	298
50	Operations Strategy Total	1,808	2,121	313
	Customer & Property			
333	Business Support	7,043	7,604	561
(168)	Culture	1,277	1,084	(192)
(106)	Customer Services & Libraries	9,425	8,939	(486)
635	Engineering	5,684	5,398	(286)
442	Facilities Management	7,011	8,066	1,055
(700)	Property Maintenance	(1,201)	(1,544)	(343)
(29)	Telecare	215	(87)	(301)
406	Customer & Property Total	29,454	29,461	7
5,318*	Operations Services	63,997	63,268	(729)

*Adjusted for the overspend previously shown within corporate budgets

Commercial Operations

34. There was significant improvement across Commercial Operations with its services reporting an overall outturn underspend of circa £1m compared to an overspend of £1.7m at quarter three (an improvement of £2.7 due to lower expenditure and higher income than projected.)
35. Leisure and events delivered a budget surplus of £0.3m instead of the overspend projected at quarter three. This movement is due to unfilled vacancies, reduced spend on the Bounce Back Festival and pessimistic income projections at quarter three.
36. Seafront service area recorded a significant underspend of £1.8m which resulted primarily from further savings in maintenance costs in the final quarter. Income is £0.2m below budget at outturn (compared with £0.7m below at quarter three) with beach huts and concessions performing better than expected.
37. The parking services overspend reduced to £1.1m over the final quarter as expenditure was less than projected and income higher. The final position was additional expenditure of £2.2m (due to additional transaction costs from the significant move away from cash payments) and an income surplus of £1.1m from greater volumes as price increases had been implemented as planned.

Environment

38. Environment yielded a net positive variance of £1.5m being an improvement from the projected overspend of £0.6m at quarter three.
39. Within neighbourhood services and grounds maintenance, there was a net underspend of £0.4m. The primary contributors were park operations, with reduced expenditure from the spend freeze on materials, equipment, and repairs, and management costs.
40. The £0.3 million underspend in passenger transport remained consistent with staff vacancies maintained and reduced operational costs.

41. The bereavement and mortuary service overspend is due to income shortfalls for crematoriums (£0.8m) and cemeteries (0.2m) with some offset from higher memorial and coroner income. Expenditure was close to budget across these services. The final income achieved was better than expected at quarter three.
42. Waste services include trade waste, domestic waste collection and recycling. The main variances relate to increased net income from trade waste (£0.5m) and recycling (£0.2m) with some offset from additional costs for domestic waste of £0.3m.
43. Greenspace achieved additional income across most service areas amounting collectively to £0.4m with only heathland mitigation not achieving its budgeted income. These variances are small individually and were not projected at quarter three. Expenditure is only £0.1m more than budgeted.
44. Transport and operating centres in the fourth quarter reported an underspend of £0.7m, largely due to substantial savings realised in fuel costs and hire charges which were below the previously projected figures.

Planning & Transport

45. The planning & transport service area continue to experience pressure in quarter four concluding with a £1.2m overspend.
46. The ongoing pressure in planning services from agency use is as projected at quarter 3 with £2m of additional staff costs due to recruitment challenges and not restructuring to deliver budget savings. This was compounded over quarter four with an income shortfall of £0.2m.
47. Sustainable travel, increased its underspend, ending quarter four with a further £0.7m to £0.9m overall. Concessionary fares underspent by £0.6m. This includes £0.4m for claims allowed for in 2022/23 that did not materialise plus £0.2m saving from lower journey numbers than budgeted in 2023/24.

Infrastructure

48. The restructuring in quarter four ready for 2024/25 service delivery has distributed the services previously included within Infrastructure across other service directorates. Remaining within infrastructure is the service director costs. The small saving reflects an overstated budget for pension costs that still needs to be reallocated following the restructure.

Operations Strategy

49. This directorate now includes cultural grants, destination development, economic development and several grant funded areas alongside the costs for the head of service. The main variances relate to economic development which has not achieved its income target of £0.1m and staff costs for the head of service which were unbudgeted of £0.2m.

50. Investment and Development

51. Housing delivery generated a positive variance of £0.3m from reduced expenditure of £0.2m and additional recharges to the capital programme of £0.1m.
52. Regeneration delivery includes the costs of closure for BCP FuturePlaces Ltd. This brought a staffing pressure of £0.6m into the new directorate for company employees transferring across to the council to continue agreed activities for the period from 1 November 2023. Staff departures and vacancies in the council's regeneration team have reduced this overspend to £0.2m. Additional costs of closure from unrecoverable company expenditure, at quarter three had been projected at £0.5m, net of the provision set aside for losses in 2023/24 (and previously shown in central variances). The final net loss has been established at £0.4m and is included in the table above.

Customer, Arts, & Property

53. There has been an improvement overall for customer, arts and property with a break-even position overall.
54. Poole Museum is closed for major refurbishment resulting in £0.2m of savings across its budget lines including business rates and supplies and services.
55. Customer services have achieved savings of £0.1m from holding vacancies, and reduced costs from the expenditure control. The libraries service has net savings of £0.4 with additional central staff and IT costs of £0.1m offset by reduced expenditure on buildings and central supplies and services of £0.5m.
56. The engineering service has realised a net saving of £0.3 million across its various divisions. This saving stems from capital recharges exceeding the budgeted projections, and unfilled vacant positions. The Twin Sails additional costs has been balanced by low spend on routine structural maintenance.
57. In facilities management significant pressures remain from the delay in disposing of the former civic centre buildings and with general running costs still being incurred with no budget provision. This has increased more than expected due to general inflationary pressures. The service has also seen increased costs from the cleaning contract and general repairs and maintenance across its various sites.
58. The property maintenance teams include for construction as well as repairs and maintenance. The £0.3m variance relates to the construction teams which were able to exceed their anticipated surplus. The work includes a significant amount of compliance activities.
59. Business support had an ambitious staff saving target which has been difficult to achieve due to lower staff turnover than expected and there is an overspend of £0.5m this financial year. There has been a hold on recruitment and there are many vacancies across the business support teams. The voluntary redundancy process undertaken in the last quarter of 2023/24 will provide the benefit of reduced costs going forward.

Executive & Resources – overspend £0.2m (0.6%)

60. Executive and Resources provide professional support services to the council and undertake tax collection and housing benefits administration. The outturn is a £0.2m overspend compared with the projected £0.7m surplus at quarter three. The change is largely due to yearend adjustments to the bad debts provision in the revenues and benefits service within Finance and reserves movements in IT and Programmes and Marketing, Communications and Policy.

Q3 Report Variance £000's	Service	Working budget £000's	Outturn £000's	Outturn Variance £000's
93	Executive	953	1,081	128
93	Executive Total	953	1,081	128
486	Law and Governance	4,538	4,981	443
(648)	Marketing, Comms and Policy	2,741	2,350	(391)
1	People and Culture	2,151	2,152	1
(561)	Finance	14,703	14,595	(108)
(60)	IT and Programmes	13,644	13,798	154
(782)	Resources Total	37,777	37,875	98
(689)	Executive & Resources Total	38,730	38,956	226

61. Executive have carried some vacancies for part of the year, but this has been offset by agency costs and associated recruitment expenditure resulting in an overall overspend.
62. Law & governance has remained consistent with quarter three. Within Legal there are a significant number of locums due to the difficulties in recruitment of permanent staff. The service has also suffered with a downturn in income. The registrars' service has experienced challenges in achieving its income target as the service has not grown as envisaged to fund additional staff costs. The pressure on land charges stabilised towards the end of the year but was too late to recover from the shortfall already experienced from the ongoing stagnation in the property market.
63. The underspend within marketing, communications & policy has arisen in part from vacancies in the communications and climate teams where recruitment was put on hold pending a restructure. The climate budget has been underutilised this year because of expenditure controls in place and projects not progressing due to lack of staff resource. A reserve of £0.23m has been established at the year end to enable projects to be undertaken in 2024/25 instead, with this being the main change compared with the quarter three projection. The service was able to raise unbudgeted income of £0.1m from advertising income.
64. People and Culture have remained on budget throughout the year making use of transformation funds where required.
65. The underspend previously reported within finance has reduced over quarter four due to the yearend adjustment to increase the bad debt provision relating to courts summons income following a review of outstanding items.
66. IT and programmes have drawn down £0.2m less from reserves to fund project management staff costs than previously anticipated leaving a small overspend overall.

Corporate Budgets

67. Corporate budget variances and one-off items that impact on the outturn for 2023/24 are shown in the table below with a surplus of £5m projected at quarter three reduced to an overspend of £1.5m at outturn.
68. The main movements relate to increased provisions for legal cases and other anticipated losses and not allocating a proportion of staff and other costs (in addition to those directly charged) to the transformation programme following a yearend review.
69. The table below provides a summary of the variances:

Q3 Report Variance	Service	Working budget	Outturn	Outturn Variance
£000's		£000's	£000's	£000's
	Ongoing variances			
2,958	Pay related costs	(2,440)	2,070	4,510
(2,225)	Contingency	2,225	0	(2,225)
0	Interest Payable	3,483	3,523	39
(650)	Investment Income	(2,535)	(3,498)	(963)
(628)	VAT Rebate	0	(628)	(628)
(806)	Pay & grading project	991	212	(779)
200	Website improvements	0	133	133
2,855	Transformation savings remaining unidentified	(382)	0	382
(7,636)	Debt Repayment - MRP & VRP	15,166	9,840	(5,326)
2,365	Transfer of revenue costs to transformation	(3,200)	0	3,200
0	Transformation	4,500	4,477	(22)
0	Housing Benefits	(1,623)	(1,057)	566
0	Contribution from HRA	(1,030)	(1,230)	(200)
0	Investment Properties	(5,034)	(5,069)	(35)
0	Dividend Income	(152)	(310)	(158)
0	Levies	627	635	8
0	Apprentice Levy	622	778	156
0	Parishes / Town Precept / Chartered Trustee	0	1,028	1,028
0	To and (From) Reserves	(28,507)	(28,511)	(4)
0	Pension Backfunding	3,664	3,664	(0)
0	Admin Charged to Grant Income	(762)	(1,301)	(539)
(1,360)	Provisions	0	2,074	2,074
(86)	One off Corporate Items	(61)	178	239
(5,013)	Corporate Items	(14,447)	(12,992)	1,455
	Funding			
0	Council Tax Income	(243,798)	(243,798)	0
0	Parishes / Town Precept / Chartered Trustee	0	(1,028)	(1,028)
0	New Homes Bonus	(344)	(344)	0
0	Revenue Support Grant	(3,937)	(3,937)	0
0	NNDR Net Income	(32,144)	(30,995)	1,149
0	NNDR 31 Grants	(28,057)	(28,172)	(115)
0	Service Grant	(2,215)	(2,221)	(6)
0	Estimated Deficit Collection Fund - NNDR	610	609	(1)
0	Estimated Surplus Collection Fund - CTAX	(36)	(36)	0
(5,013)	Corporate Total	(324,368)	(322,913)	1,455

70. Pay related costs ended the year with a £4.5m outturn. This includes the overall cost of funding the 23/24 pay award which was higher than anticipated in setting the 2023/23 budget.
71. The budget contingency of £2.2m was unused to offset the anticipated net pressures at quarter three.
72. Treasury management income was higher than budget by £1m as the returns on investments is linked to base rate movements and these were higher than anticipated.
73. A VAT rebate of £0.6m has been received following a recent national case for VAT charged on leisure services provided by local authorities.
74. The pay and grading project budgeted to conclude during 2023/24 with a net increase in the council's pay bill was delayed. Agreement with the trade unions was not concluded according to the planned timescale with implementation of harmonised pay across the council not carried out in 2023/24. The additional salary costs allowed in the budget of £0.8m was not incurred but project staff did continue to work on project activity.
75. Budget virements were processed in quarter one to remove budgets from services permanently based on a review of unexpected variances in the fourth quarter of 2022/23. Further reductions were made following budget challenge sessions in October. This has enabled the unidentified transformation savings included in the budget to be reduced from £10.7m to £0.4m.
76. A review of the council's minimum revenue provision has been conducted which identified a saving of £9.2m. This is offset by a voluntary revenue provision assumed of £7.1m. Full details of the change can be found on agenda item 7 of the Audit and Governance Committee held on the 11 January 2024.
77. The budget assumed an amount of £3.2m of revenue costs (mostly salaries) which could be charged to transformation for project support. Quarter three had assumed this would be reduced to £0.9m. The final outturn confirmed that no revenue costs would be charged to transformation.
78. Housing Benefits variance of £0.6m relates to the need to set aside additional monies in bad debt provision in relation to income raised for overpayment of benefits to claimants.
79. Several changes have occurred with provisions in the 2023/24 accounts. A number have been released including most notably the release of the Dolphin Centre provision of £1.1m as set out in the Cabinet report of the 7 February 2024. Monies have also been set aside in relation to a number of legal cases.
80. Business rates for the year performed better than assumed in setting the 2023/24 budget. The retention of business rates is a complex model and due to the intricacies of the system the council has to account for a levy payment of £1.4m. This means future business rates surplus can be released to support future budgets.

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BCP Council - General Fund Summary 31 March 2024

Quarter 3 Forecast Variance £'000	Directorate	Working Budget £'000	Actual Outturn £'000	Outturn Variance £'000
(5,555)	Wellbeing	133,669	122,270	(11,399)
3,139	Children's Services	87,973	91,433	3,460
5,318	Operations	63,997	63,268	(729)
(689)	Resources & Executive	38,730	38,956	226
2,213	Total Net Cost of Service	324,368	315,927	(8,441)

Corporate Items

2,958	Pay related costs	(2,440)	2,070	4,510
(2,225)	Contingency	2,225	0	(2,225)
0	Interest Payable	3,483	3,523	39
(650)	Investment Income	(2,535)	(3,498)	(963)
(628)	VAT Rebate	0	(628)	(628)
(806)	Pay & grading project	991	212	(779)
200	Website improvements	0	133	133
2,855	Virement undertaken to identified transformation savings	(382)	0	382
(7,636)	Debt Repayment - MRP & VRP	15,166	9,840	(5,326)
2,365	Proposed transfer of revenue costs to transformation	(3,200)	0	3,200
0	Transformation	4,500	4,477	(22)
0	Housing Benefits	(1,623)	(1,057)	566
0	Contribution from HRA	(1,030)	(1,230)	(200)
0	Investment Properties	(5,034)	(5,069)	(35)
0	Dividend Income	(152)	(310)	(158)
0	Levies	627	635	8
0	Apprentice Levy	622	778	156
0	Parishes / Town Precept / Chartered Trustee	0	1,028	1,028
0	To and (From) Reserves	(28,507)	(28,511)	(4)
0	Pension Backfunding	3,664	3,664	(0)
0	Admin Charged to Grant Income	(762)	(1,301)	(539)
(1,360)	Provisions	0	2,074	2,074
(86)	One off Corporate Items	(61)	178	239
(5,013)	Corporate Items	(14,447)	(12,992)	1,455

(2,800)	Net Budget Requirement	309,921	302,935	(6,986)
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Funding

0	Council Tax Income	(243,798)	(243,798)	0
0	Parishes / Town Precept / Chartered Trustee	0	(1,028)	(1,028)
0	New Homes Bonus	(344)	(344)	0
0	Revenue Support Grant	(3,937)	(3,937)	0
0	NNDR Net Income	(32,144)	(30,995)	1,149
0	NNDR 31 Grants	(28,057)	(28,172)	(115)
0	Service Grant	(2,215)	(2,221)	(6)
0	Estimated (Surplus) / Deficit on the Collection Fund - NNDR	610	609	(1)
0	Estimated (Surplus) / Deficit on the Collection Fund - CTAX	(36)	(36)	0

0	Total Funding	(309,921)	(309,921)	0
(2,800)	Net Position	0	(6,986)	(6,986)

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BCP Council - Budget 2023/24 - Savings Monitoring Statement - Detailed Schedule

Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
1	Adult Social Care	Fees and Charges	Additional income - client contributions (inflation)	(1,229)	(1,229)	0	
2	Adult Social Care	Service Efficiency	Day opportunity strategy implementation	(600)	(600)	0	
3	Adult Social Care	Service Efficiency	Ensuring BCP block booked care home beds are at maximum capacity	(1,300)	(1,300)	0	
4	Adult Social Care	Service Efficiency	Demand management (LTC & LD)	(1,300)	(1,300)	0	
5	Adult Social Care	Service Efficiency	Review of care arrangements for people with Learning Disabilities and Mental health	(391)	(391)	0	
6	Adult Social Care	Service Efficiency	Extra Care Housing	(250)	(250)	0	
7	Adult Social Care	Service Efficiency	Additional Income from Health	(741)	(741)	0	
8	Adult Social Care	Service Transformation	Investment in care technology	(270)	0	270	implementation delay
9	Adult Social Care	Service Efficiency	Reassessment of all cases and implementing Strength based culture	(500)	(500)	0	
10	Adult Social Care	Recharges	Adjustment to the Residential and Homecare Budget from Covid grants	(257)	(257)	0	
11	Adult Social Care	Service Efficiency	Enhance support to Self Funders to make decisions about their care	(50)	(50)	0	
12	Adult Social Care	Recharges	Increase use of DFG for Ots and ICES and decrease use for Housing	(550)	(550)	0	
13	Adult Social Care	Service Efficiency	Managing personal budgets to ensure a strength-based approach	(500)	(500)	0	
14	Adult Social Care	Fees and Charges	Service User contributions	(400)	(400)	0	
15	Adult Social Care	Service Efficiency	Work in partnership with Tricuro to reduce contract value	(400)	(400)	0	
16	Adult Social Care	Service Efficiency	Tricuro absorb inflationary pressures 22/23	(171)	(171)	0	
17	Adult Social Care	Service Transformation	Alternative meals provision (bring future savings forward)	(157)	(157)	0	
18	Adult Social Care	Service Efficiency	Employment support service	(130)	(130)	0	
19	Adult Social Care	Service Transformation	Reprovision of some carers services	(119)	(119)	0	
20	Adult Social Care	Service Efficiency	Prompt assessment and enacting client contributions	(100)	(100)	0	
21	Adult Social Care	Service Efficiency	Release of voluntary sector budget	(80)	(80)	0	
22	Adult Social Care	Service Efficiency	Expand Shared Lives	(60)	(60)	0	
23	Adult Social Care	Service Efficiency	Reduce social workers mileage budget to current use	(59)	(59)	0	
24	Adult Social Care	Service Efficiency	Alternative funding for BCP handyvan service	(37)	(37)	0	
25	Adult Social Care	Service Efficiency	Reprovisioned in-house reablement service	(33)	(33)	0	
		Saving Total - Wellbeing Directorate		(9,684)	(9,414)	270	
26	Children's Services	Service Efficiency	Children's Services Pay Review - October Cabinet 2022	28	28	0	net position of pay supplement and agency savings
27	Children's Services	Service Efficiency	Education - Revised Delivery Models	(200)	(200)	0	Managed with wider education service
28	Children's Services	Service Transformation	Staffing - Quality Performance Information & Governance	(250)	(250)	0	Staff team funded from DfE Improvement Grant 23/24
29	Children's Services	Service Transformation	Other Areas - Contracts & SLAs	(170)	(170)	0	SLA's - given notice
30	Children's Services	Service Transformation	Staffing - Corporate Parenting	(143)	(143)	0	Vacant posts removed from establishment
31	Children's Services	Service Transformation	Targeted Family Support - Clinical psychology	(131)	(131)	0	Saving achieved - contract ceased
32	Children's Services	Service Transformation	Staffing - Safeguarding & Early Help	(106)	(106)	0	Vacant posts removed from establishment
33	Children's Services	Service Transformation	Other Areas - P-Cards	(70)	(70)	0	Delivered
34	Children's Services	Service Transformation	Other Areas - workforce development, use of grants	(55)	(55)	0	Savings achieved
35	Children's Services	Service Transformation	Education - Family Hub & Youth Premises Costs	(47)	(47)	0	Delivered
36	Children's Services	Service Transformation	Other Areas - Subscription	(12)	(12)	0	Savings achieved
37	Children's Services	Service Efficiency	Adult Learning - Skills & Learning - Internally Funding Pay award / Pension / Increments	(27)	(27)	0	Savings achieved

Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
		Saving Total - Children's Service Directorate		(1,183)	(1,183)	0	

Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
38	Operations - Communities	Service Reduction	Becoming an Enabling Council, rethinking Community Development	(300)	(300)	0	
39	Operations - Communities	Service Reduction	Individual saving proposals less than £100k	(138)	(138)	0	
40	Operations - Communities	Service Reduction	Food safety programme review inline with Food Standards Agency (FSA)rules	(45)	(45)	0	
41	Operations - Communities	Fees and Charges	Additional regulatory services income in line with set fees and charges	(35)	(35)	0	
42	Operations - Communities	Service Reduction	Bringing service in-house	(35)	(35)	0	
43	Operations - Communities	Service Reduction	Explore shared Trading Standards Service	(28)	(28)	0	Achieved through staff reduction.
44	Operations - Communities	Service Reduction	Reshape Out of Hours Noise & Nuisance Service	(49)	(49)	0	
45	Operations - Communities	Service Efficiency	Additional Market Income due to additional Wednesday market Bmth, plus fee structure	(10)	(10)	0	Additional events income achieved
46	Operations - Communities	Recharges	Full cost recovery in regards to Domestic Abuse Grant usage	(25)	(25)	0	
		Saving Total - Operations - Communities		(665)	(665)	0	
47	Operations - Destination & Culture	Fees and Charges	Harmonisation of beach huts fees and charges	(611)	(463)	148	Reduction in Short Lets/ Overnight Stay Beach Huts
48	Operations - Destination & Culture	Fees and Charges	Destination & Culture - Beach hut prices	(200)	(200)	0	income being achieved
49	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	261	0	Prior year vat windfall was one off
50	Operations - Destination & Culture	Fees and Charges	Seafront prices excluding beach hut harmonisation	(400)	(324)	76	Poorer than expected trading conditions (but offset by lower costs)
51	Operations - Destination & Culture	Service Efficiency	Upton Country Park - Move to full cost recovery including CIL	(85)	(85)	0	Additional Income Generation exceeded previous highest forecasts
52	Operations - Destination & Culture	Service Efficiency	Highcliffe Castle - Move to full cost recovery over a 3 year period	(82)	(82)	0	Budget shortfall for the year £42k overall and increase in net cost compared with 2022/23 - balance of budget shortfall attributed to tea room (below).
53	Operations - Destination & Culture	Fees and Charges	Destination and Culture - Leisure Centres	(100)	(100)	0	Additional Net income Generated through memberships and swimming exceeded targets avings
54	Operations - Destination & Culture	Service Reduction	Remove Festival Coast Live - Events & festivals	(145)	(145)	0	This specific savings was applied twice but alternatives have been found during the year
55	Operations - Destination & Culture	Fees and Charges	Seafront Arcade income generation	(100)	(100)	0	Additional Income generated through short term investment to modernise offer
56	Operations - Destination & Culture	Service Reduction	Bournemouth Indoor Bowls Club alternative management model (excluding Skills and Learning)	(80)	(66)	14	Marginal Variances across the site contributing to a slight difference from original target.
57	Operations - Destination & Culture	Fees and Charges	Pricing increases across the Poole Leisure Centre Estate	(60)	(60)	0	Delivered through SLM Managed Contract
58	Operations - Destination & Culture	Service Reduction	Seafront - Reduction of operational budget	(50)	(50)	0	Savings achieved - reducing R&M
59	Operations - Destination & Culture	Fees and Charges	Concessions income	(50)	(50)	0	Additional rental income exceeded target
60	Operations - Destination & Culture	Service Reduction	Innovative cost reduction and income generation for Christmas Tree Wonderland and Poole Christmas Maritime Light Festival	(15)	(15)	0	Achieved
61	Operations - Destination & Culture	Fees and Charges	Seafront Car Parking income	(30)	(16)	14	Shortfall due to Q4 Closure due to Weather Conditions
62	Operations - Destination & Culture	Service Efficiency	Highcliffe Castle tea rooms new operating model	(30)	0	30	Budget shortfall on Tea room at outturn
63	Operations - Destination & Culture	Service Efficiency	Reshape Leisure Team	(20)	(20)	0	Restructured to deliver savings
64	Operations - Destination & Culture	Fees and Charges	Tourism & Events full cost recovery and income generation	(20)	(20)	0	Savings Achieved
65	Operations - Destination & Culture	Fees and Charges	Seafront Sandbanks Golf income generation	(15)	(15)	0	Savings Achieved

Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
66	Operations - Destination & Culture	Service Reduction	Remove Blue Flags and Seaside awards	(10)	(10)	0	Savings Achieved
67	Operations - Destination & Culture	Service Efficiency	Service efficiencies within the Bournemouth Tourist Information Centre	(10)	0	10	Savings Not Achieved
68	Operations - Destination & Culture	Service Reduction	Reduce Poole Quay and Bournemouth Summer Fireworks	(2)	(2)	0	Savings Achieved
69	Operations - Destination & Culture	Service Reduction	Sports Grants - Reduce Sports grants by 10% a year for 5 years	(2)	(2)	0	Savings Achieved
70	Operations - Destination & Culture	Fees and Charges	Tennis income generation	(5)	(5)	0	Additional income generated through improved activity and changes in VAT rates for tennis
71	Operations - Destination & Culture	Service Reduction	Reshape Cultural Compact Activity with Partners	(100)	(100)	0	Savings Achieved - function transferred to business as usual activities
72	Operations - Destination & Culture	Service Efficiency	Poole Museum impact of capital scheme	(120)	(120)	0	Savings Achieved
		Saving Total - Operations - Destination and Culture		(2,081)	(1,789)	292	
73	Operations - Environment	Service Efficiency	Green bin waste income - increased charge	(741)	(741)	0	Fully achieved. Savings target based on 2023 fee increase with further uplift in January 2024.
74	Operations - Environment	Fees and Charges	Review of MTFP provision for waste disposal costs - recycle / black bin waste	(458)	(42)	416	Price per recycling tonne higher than budget, unfunded waste burdens.
75	Operations - Environment	Service Reductions	Highway Maintenance - 10% reduction in Highway Maintenance	(300)	(300)	0	Savings Achieved
76	Operations - Environment	Service Reductions	Reshape Parks Operations	(170)	(106)	64	Posts removed but unachievable vacancy allowance despite not filling positions. Alternative savings from spend freeze in wider parks budget.
77	Operations - Environment	Service Reductions	Strategic Greenspace - delete vacant posts	(121)	(121)	0	Savings Achieved
78	Operations - Environment	Service Reductions	Sales of waste material from the Household Waste Recycling Centres	(100)	8	108	Lower tonnages coming through and adverse market prices
79	Operations - Environment	Recharges	Parks Operations - Parish and Town Councils Full Cost Recovery Recharge	(50)	0	50	Providing a reduced service for Highcliff & Walkford Parish Council and Christchurch Town Council arrangement ended Sept 23
80	Operations - Environment	Service Reduction	Parks Operations - Remove subsidy of Kings Park Nursery, Commercialisation, or community management	(41)	0	41	Facility closed at the end of the year with stock written as an exceptional one off item.
81	Operations - Environment	Fees and Charges	Currently non-viable cafes put out to tender	(40)	(32)	8	Residual exit costs
82	Operations - Environment	Service Efficiency	Change contracted disposal arrangements for dog waste in Bournemouth	(11)	(11)	0	Savings Achieved
83	Operations - Environment	Service Reduction	In-bloom and Green Flag is stopped	(10)	(10)	0	Savings Achieved
84	Operations - Environment	Service Efficiency	Harmonisation of Grounds Maintenance services	(6)	(6)	0	Savings Achieved
85	Operations - Environment	Service Reduction	Remove grit bins in all but essential locations	(3)	(3)	0	Savings Achieved
86	Operations - Environment	Service Efficiency	Borrow to finance domestic waste bin replacements	(201)	(201)	0	Savings Achieved
87	Operations - Environment	Recharges	Capitalisation of highway - neighbourhood services	(900)	(900)	0	Savings Achieved
88	Operations - Environment	Recharges	Capitalisation of highway - neighbourhood services - revenue implications	244	244	0	Savings Achieved
		Saving Total - Operations - Environment		(2,908)	(2,221)	687	
89	Operations - Housing	Investment	Council New Build Housing & Acquisition Strategy (CNHAS)	(399)	(399)	0	Achieved.
90	Operations - Housing	Fees and Charges	Telecare income generation	(68)	(68)	0	Fees increased and budget surplus achieved
91	Operations - Housing	Fees and Charges	Garages income	(49)	(49)	0	Fees increased.
92	Operations - Housing	Service Efficiency	Delete vacant posts	(48)	(48)	0	Vacancies have been addressed.
93	Operations - Housing	Service Efficiency	Temporary accommodation grant funding	(30)	(30)	0	Funding from DLUHC for RSI
94	Operations - Housing	Recharges	Refugee grant to fund officer time	(75)	(75)	0	Funding received from DLUHC for Homes for Ukraine
95	Operations - Housing	Recharges	Herbert Ave. set-up costs grant	(100)	(100)	0	Funded from a reserve for temporary accommodation

Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
96	Operations - Housing	Investment	21/22 Investment - CNHAS Feasibility Fund	(50)	(50)	0	Achieved.
97	Operations - Housing	Recharges	Capitalise Disabled Facilities Grant officer time	(48)	(48)	0	Capitalised as planned
		Saving Total - Operations - Housing		(867)	(867)	0	
98	Operations - Transport/Engineering	Fees and Charges	Car Parking income - Charges from June 2023 in line with inflation. Includes 10% increase in parking charges at Seafront/Beach car parks and adjacent (existing) on-street pay and display areas from June 2023.	(1,840)	(1,840)	0	Charges have been increased in line with budget and Pay and Display income Remains on Target. There are pressures on Permit and PCN Income targets.
99	Operations - Transport/Engineering	Fees and Charges	Car Parking Income - Impact of additional income in 2022/23 into future years	(1,266)	(1,266)	0	Parking income has over-achieved budget by £1m despite summer poor weather, reduced visitors, however there are higher costs relating to income collection which cannot be absorbed.
100	Operations - Transport/Engineering	Fees and Charges	Car Parking Options - Minor harmonisation charges	(200)	(200)	0	Harmonisation has taken place.
101	Operations - Transport/Engineering	Fees and Charges	Car Parking Seasonal Adjustment - Christmas	(150)	(150)	0	
102	Operations - Transport/Engineering	Fees and Charges	Car Parking Options - Parking concessions across the year	100	100	0	
103	Operations - Transport/Engineering	Service Efficiency	Car Park and subway lighting investment plus review of existing energy budget provision	(75)	(75)	0	
104	Operations - Transport/Engineering	Service Reduction	Dimming of street lighting in residential areas in Poole to match Bournemouth	(70)	(70)	0	Savings achieved on electricity costs
105	Operations - Transport/Engineering	Service Efficiency	Capital investment in alternative to School Crossing Patrols at specific locations	(15)	(15)	0	
106	Operations - Transport/Engineering	Service Reduction	Street Lighting - Lanterns to have revised dimming profile 75% output 8pm to midnight, 50% midnight to 6am	(56)	(56)	0	Savings achieved on electricity costs
107	Operations - Transport/Engineering	Service Efficiency	Highway Network Management - street works	(50)	(50)	0	
108	Operations - Transport/Engineering	Recharges	FCERM Centre of Excellence – adjustment in income target	(50)	(45)	5	Small net overspend for the year
109	Operations - Transport/Engineering	Service Reduction	FCERM - Not undertaking technical incident response during flood events	(7)	(7)	0	Achieved
		Saving Total - Operations - Transportation and Engineering		(3,679)	(3,674)	5	
110	Operations - Planning	Fees and Charges	Development Management - Increase income through offering enhanced services	(104)	0	104	Income shortfall for the year through reduced demand
111	Operations - Planning	Service Reduction	Reshaping the non-statutory elements of the Planning Service	(100)	0	100	Reshaping has not been undertaken
112	Operations - Planning	Service Reduction	Additional reshaping of the non-statutory elements of the Planning Service	(75)	0	75	Reshaping has not been undertaken
113	Operations - Planning	Service Reduction	Stop sending neighbour notification letters on planning applications and harmonising press notices procedure	(20)	(20)	0	
		Saving Total - Operations - Planning		(299)	(20)	279	
114	Operations - General	Third Party Spend	Staff Mileage, premises costs (not energy related)	(156)	(156)	0	
		Saving Total - Operations - General		(156)	(156)	0	
115	Operations - Development	Service Reduction	Reduction of Economic Development - Reduce Budget non staffing	(147)	0	147	Overspend on economic development and income target not achieved
116	Operations - Development	Service Reduction	Smart Places - Reduce Budget	(101)	(101)	0	Recovered through capital recharges
		Saving Total - Operations - Development Directorate		(248)	(101)	147	

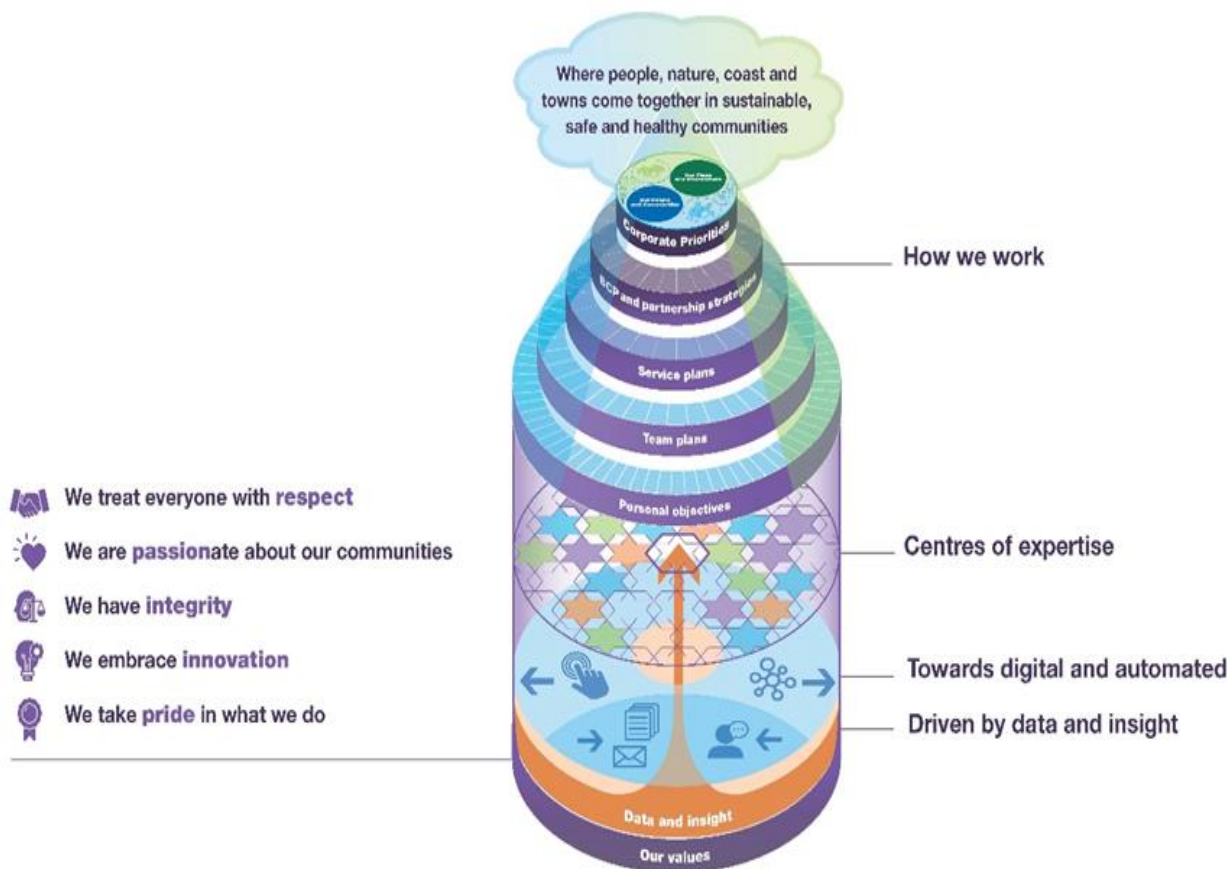
Ref:	Directorate	Category of the Proposal	Description of the Proposal	Council Approved Savings 2023/24 £000s	Quarter Four Delivered 2023/24 £000s	Variation 2023/24 £000s	Comments / Notes
117	Resources - Marketing	Service Reduction	Delete vacancies and reduce marketing, PR and web support	(238)	(238)	0	
		Saving Total - Resources - Marketing		(238)	(238)	0	
118	Resources - Finance	Transformation Savings	Finance Target Operating Model Savings - part 1	(108)	(108)	0	
119	Resources - Finance	Transformation Savings	Finance Staff Savings in Audit & Management Assurance	(97)	(97)	0	
120	Resources - Finance	Transformation Savings	Revenue & Benefits Service - insource from SVPP	(65)	(65)	0	
		Saving Total - Resources - Finance & Development		(270)	(270)	0	
121	Corporate Areas	Transformation Savings	Unitemised savings	(9,044)	(8,662)	382	included in variances as unachievable
122	Corporate Areas	Service Efficiency	Increase Vacancy Drag	(2,342)	(2,342)	0	Assumed as budget adjustments made
123	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)	(138)	0	
124	Corporate Areas	Service Reduction	Corporate Areas - Restructure of the Corporate Management Board / SDs	(244)	(244)	0	Reorganisation has been implemented and posts deleted
125	Corporate Areas	Service Reduction	Base Reduction in Regeneration Resources	(150)	(150)	0	
126	Resources Service Wide	Recharges	Recharges to Dorset Adult Learning	(28)	(28)	0	
127	Resources Service Wide	Recharges	Recharges to Bournemouth Companies	(19)	(19)	0	
128	Corporate Areas	Service Reduction	Base Reduction in Regeneration Resources	(56)	(56)	0	
129	Resources - Legal Services	Fees and Charges	Registrars Service impact of price adjustments	(19)	(19)	0	Fees and charges increased but reduced demand
130	Resources - Customer Services	Fees and Charges	Blue Badges recognising level of annual activity	(25)	(25)	0	
		Saving Total - Corporate Areas		(12,065)	(11,683)	382	
		Overall Total - Service Based Savings and Efficiencies		(34,343)	(32,281)	2,062	

Transformation Investment Programme

Including the Flexible Use of Capital Receipts

1. As might be expected the council has inherited a range of legacy staffing arrangements, processes and systems and therefore has an opportunity to remove duplication, remove inefficiencies, and to leverage economies of scale whilst improving governance. Much of this formed the foundation of the argument for establishing the new council alongside the opportunity to fundamentally transform public services. Achievement of these benefits will be delivered by the adoption of a radically different operational model and specifically via.
 - Investment in technology
 - Investment in data and insight
 - Investment in new ways of working
 - Engaging and empowering our communities
 - Leveraging our partnerships
 - Creating equity in pay & conditions
 - Investing and rationalising the civic estate
2. Investment in three core technologies, along with the rationalisation and effective integration of our core service technologies, will enable the council to become the leading digital and insight driven local authority in the UK. Specifically, these are the investment in the Customer Relationship Management (CRM) system, investment in the Enterprise Resource Planning (ERP) systems (Finance and Human Resources), alongside establishing an appropriate data platform.
3. A high-level business case was presented to Cabinet in November 2019 which set out the original scope of the council's organisation design project, which was facilitated by KPMG, and identified that it could potentially deliver up to £43.9m of gross annual savings by year 4 based on an investment of £29.5m. The original profile of these savings was assumed to accumulate as £7.8m in year 1 growing to £16.5m in year 2, £36.9m in year 3 and £43.9m in year 4. It should be highlighted that these savings will impact on the whole council including both General Fund and Housing Revenue Account (HRA) services.

Figure 1: Our Operating Model



4. Council on 7 July 2020 agreed to the extension of the project to a £38m programme referencing the accelerated leap forward in different ways of working because of the Covid-19 public health emergency and the need to accelerate the pace at which we generate savings and efficiencies. This report also approved the procurement of a strategic partner, approved oversight of the programme by a Cabinet Working Group as part of the governance arrangements and set out that the £43.9m must be adopted as the minimum expectation of savings and efficiencies. Key milestones in the development of the Transformation Investment programme can therefore be set out as follows.
 - a) November 2019. First presented to Cabinet based on a report, costing £314,650, commission from KPMG.
 - b) June 2020 Cabinet (July Council). Establishment of a £37.62m budget for the implementation of the programme.
 - c) February 2021 (part of the 2021/22 budget report). Increase in the budget to £44.52m to allow an additional £6.9m for redundancy costs.
 - d) February 2022 (part of the 2022/23 budget report). Further increase in the budget to £67.86m to reflect the following additional elements.
 - £20.09m Inclusion of internal base revenue budget staff costs, £6.7m for 3 years, where staff are not available to support day to day or statutory improvement duties, and will be apportioned and charged against the transformation investment programme.

- £1.75m Investment in the data and insight capability
 - £1.5m Extra contingency
- e) February 2023 (as part of the 2023/24 budget report). Reduced the transformation investment programme to £57.36m to reflect.
- (£10.5m) Reduction in the annual recharge of internal base revenue costs to £3.2m for 3 years.
- f) July 2023 (as part of this 2022/23 Financial Outturn report). Reduce the transformation investment programme to £56.87m to reflect.
- (£0.5m) Reduction in the annual recharge of internal base revenue costs to £2.7m for 2022/23.
- g) February 2024 (as part of the 2024/25 budget report). Reduced the transformation investment programme to £52.13m to reflect.
- (£4.7m) Reduction in the annual recharge of internal base revenue costs to £0.8m for both 2023/24 and 2024/25.
- h) July 2024 (as part of the 2023/24 financial outturn report). Reduced the transformation investment programme to £50.48m to reflect.
- (£1.65m) Remove the annual recharge of internal base revenue costs both 2023/24 and 2024/25.

The current consolidated position in respect of the transformation investment programme is set out in figure 2 below.

Figure 2: Consolidated Transformation Programme Table Simplification in progress

Transformation Investment Programme		2020/21	2021/22	2022/23	2023/24	Total	2024/25	Overall	2025/26	2026/27	2027/28	Overall
One-off / time-limited budget provision for the delivery of the programme		Actual £m	Actual £m	Actual £m	Actual £m	Actuals £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Capital Spend	Expenditure											
	Capital expenditure	1.19	0.05	0.76	0.89	2.89	0.71	3.60				3.60
		1.19	0.05	0.76	0.89	2.89	0.71	3.60				3.60
	Funding											
	Prudential Borrowing (funded from General Fund MRP)	0.00	0.00	(0.56)	(0.89)	(1.45)	(0.71)	(2.16)				(2.16)
Revenue Spend	Prudential Borrowing (funded from HRA land tfr)	(1.19)	(0.05)	(0.20)	0.00	(1.44)	0.00	(1.44)				(1.44)
		(1.19)	(0.05)	(0.76)	(0.89)	(2.89)	(0.71)	(3.60)				(3.60)
	Expenditure											
	One-off costs - including data and insight and capability	0.31	5.32	12.90	7.21	25.74	3.39	29.13				29.13
	Redundancy costs	0.00	0.56	0.01	3.26	3.83	9.07	12.90				12.90
	Contingency	0.00	0.00	0.00	0.00	0.00	2.15	2.15				2.15
	Staff costs apportioned to Transformation	0.00	0.00	2.70	0.00	2.70	0.00	2.70				2.70
		0.310	5.880	15.61	10.47	32.27	14.61	46.88				46.88
	Funding											
	Assumed fundable by Capital Receipts/Capital Direction	(0.31)	(3.88)	(15.61)	(10.47)	(30.27)	(14.61)	(44.88)				(44.88)
Total	Contributions from outside of the General Fund	0.00	(2.00)	0.00	0.00	(2.00)	0.00	(2.00)				(2.00)
		(0.31)	(5.88)	(15.61)	(10.47)	(32.27)	(14.61)	(46.88)				(46.88)
Total	Total expenditure	1.50	5.93	16.37	11.36	35.16	15.32	50.48				50.48
	Total funding	(1.50)	(5.93)	(16.37)	(11.36)	(35.16)	(15.32)	(50.48)				(50.48)

Transformation Investment Programme		2020/21	2021/22	2022/23	2023/24	Total	2024/25	Overall	2025/26	2026/27	2027/28	Overall
Ongoing base revenue budget of the council		Actual £m	Actual £m	Actual £m	Actual £m	Actuals £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Revenue Budget	Expenditure											
	Licences and other revenue costs of the programme	0.34	2.24	2.08	2.75	7.41	4.50	11.91	4.50	4.50	4.50	25.41
		0.34	2.24	2.08	2.75	7.41	4.50	11.91	4.50	4.50	4.50	25.41
	Savings and efficiencies											
	Transformation Programme Savings	0.00	(3.95)			(3.95)		(3.95)				(3.95)
	Budgeted savings from 2022/23											
	2022/23 In year - Savings delivered			(7.10)	(7.10)	(14.20)	(7.10)	(21.30)	(7.10)	(7.10)	(7.10)	(42.60)
	Budgeted savings from 2023/24 excluding any previously unidentified savings											
	3rd Party savings - Included within budgeted savings proposals				(0.91)	(0.91)	(0.91)	(1.81)	(0.91)	(0.91)	(0.91)	(4.53)
	Staff savings - Included within budgeted 23/24 services savings proposals				(5.76)	(5.76)	(5.76)	(11.52)	(5.76)	(5.76)	(5.76)	(28.81)
	Additional 2023/24 in-year savings				(0.89)	(0.89)	(0.89)	(1.78)	(0.89)	(0.89)	(0.89)	(4.45)
	Budgeted savings from 2024/25											
	2024/25 Budget: Identified Transformation savings						(13.81)	(13.81)	(13.81)	(13.81)	(13.81)	(55.25)
	2025/26 Estimate: Identified Transformation Savings							0.00	(3.09)	(3.09)	(3.09)	(9.27)
	2026/27 Estimate: Identified Transformation Savings							0.00		(0.66)	(0.66)	(1.32)
	2027/28 Estimate: Identified Transformation Savings							0.00			(0.08)	(0.08)
		0.00	(3.95)	(7.10)	(14.66)	(25.71)	(28.47)	(54.18)	(31.56)	(32.22)	(32.30)	(150.25)

Funding Implications on the revenue budget		2020/21	2021/22	2022/23	2023/24	Total	2024/25	Overall	2025/26	2026/27	2027/28	Overall
		Actual £m	Actual £m	Actual £m	Actual £m	Actuals £m	Estimate £m	Total £m	Estimate £m	Estimate £m	Estimate £m	Total £m
Revenue Budget	One-off Capital Investment											
	Minimum Revenue Provision and interest implications	0.00	0.28	0.28	0.47	1.03	0.69	1.72	0.87	0.59	0.59	3.77
		0.00	0.28	0.28	0.47	1.03	0.69	1.72	0.87	0.59	0.59	3.77
	One-off Revenue Investment											
	Revenue foregone on asset disposed off	0.00	0.00	0.00	0.88	0.88	0.96	1.83	1.04	1.04	1.04	4.94
		0.00	0.00	0.00	0.88	0.88	0.96	1.83	1.04	1.04	1.04	4.94

Transformation Expenditure

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

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

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

6. The £11.361m of expenditure incurred in **2023/24** can be analysed as follows

£0.822m	Laptops
£0.066m	Other Capital Expenditure
£4.815m	Strategic Investment Partner – work package costs
£3.262m	Redundancy costs
£1.709m	Internal direct staff costs *
£0.606m	ICT costs
£0.081m	Agency staff costs
£11.361m	Total 2023/24 costs

*	£0.51m ICT Services
	£0.43m Project Management Office and Communications
	£0.36m People & Cultural Services
	£0.20m Procurement and Commissioning
	£0.14m Financial Services
	£0.06m Other Services

7. In respect of the £15.32m of expenditure estimated in the current year **2024/25** financial year this can be analysed as principally.

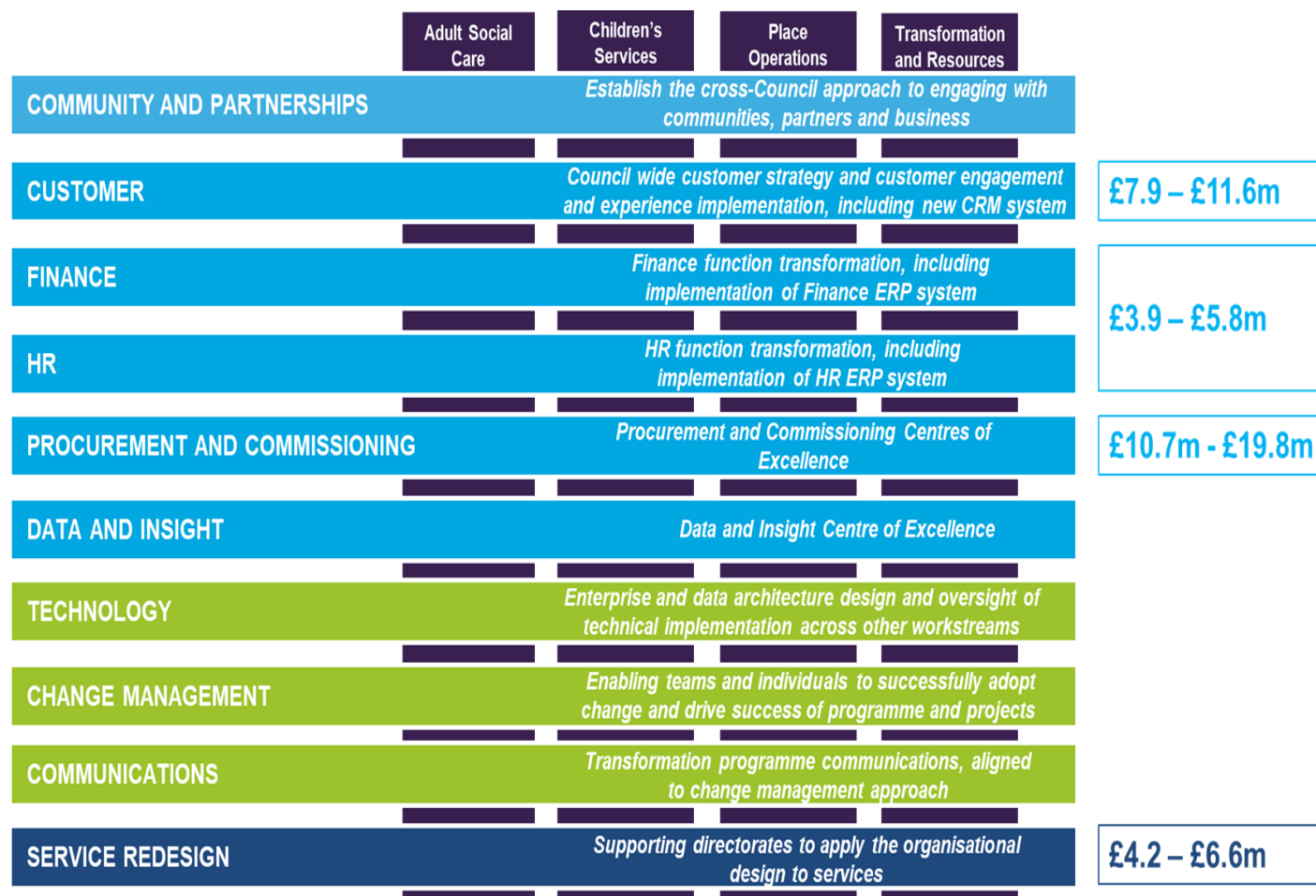
£0.34m	Laptops
£0.36m	Other Capital Expenditure
£9.07m	Redundancy costs from reducing the headcount of the authority
£2.91m	Internal direct staff costs *
£2.15m	Contingency
£0.49m	IT costs
£15.32m	Total remaining costs 2024/25

*	£0.95m ICT Services
	£0.75m People & Cultural Services
	£0.74m Financial Services
	£0.18m Other Services
	£0.17m Procurement and Commissioning
	£0.12m Project Management Office and Communications

Transformation Savings

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

Figure 3: Transformation savings workstreams.



5

9. Savings from the transformation investment programme are therefore 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.

(e) The Council's estate and accommodation project.

Transformation Savings

10. The (£7.1m) of ongoing savings delivered in **2022/23** can be analysed as follows.

(£3.327m)	Third Party expenditure reductions
(£1.726m)	Implement of new Smarter Staff Structures
(£1.141m)	Estate workstream - lease surrender, operating costs civic buildings
(£0.793m)	Business Support savings via vacancy management
(£0.111m)	Cost recovery – additional income
(£7.100m)	Total Savings 2022/23 onwards
11. The (£7.56m) of additional ongoing savings delivered in **2023/24** can be analysed as follows.

(£5.761m)	Staffing savings including £2.3m from increasing the vacancy drag.
(£0.906m)	Third party spend.
(£0.625m)	Utility (Electricity/Gas) savings from contract arrangements
(£0.265m)	Third party spend.
(£7.557m)	Total additional savings from 2023/24 onwards
12. Details of the Transformation savings being assumed for 2024/25 onwards are separately identified and laid out as part of detailed savings and efficiency schedule included as Appendix 5a to the February 2024 budget report for 2024/25. This includes savings assumed in respect of the service specific transformation programmes in Children's and Adult Services.
13. Currently, the programme is focused on the final piece of work with the council's strategic investment partner, KPMG, in respect of the Customer Relationship Management technological platform. This investment will help move us to further forward with the implementation of the Target Operating Model and put us in a position to make further headway with service redesign and benefit realisation. The next step will be the ongoing support to services specific transformation investment programmes and to ensure the fulfilment of the programme's objectives.
14. Transformation Programme Managers have worked closely with heads of service and directors throughout the vision and validate activity. Care has been taken to ensure the correct categorisation of the 2024/25 savings and to avoid duplication or double counting.
15. Work at this point, having not yet completed all the system and process changes has not identified any further savings over and above everything already set out in the MTFP, indeed the transformation work already done to date helps to make those savings easier to achieve. The Voluntary Redundancy scheme headcount reductions have been made easier to translate into deliverable savings by the council

making the most of the new systems for financial management, customer relationship management, data analysis and artificial intelligence.

Flexible Use of Capital Receipts (FUCR)

16. 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, for a further three years to 31 March 2025 in April 2022, and for a further 5 years to 31 March 2030 as part of the 2024/25 local government finance settlement.
17. 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 (pre-2016) 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
18. 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.
19. For 2022/23 the Council has funded the £15.61m of revenue expenditure on its transformation programme via the FUCR set out as follows.

(£5.069m)	31.3.22 Brought Forward Capital Receipts
(£19.039m)	In-year capital receipts (excluding those from vehicle sales)
£0.136m	Costs of disposal
£15.610m	Transformation Investment Programme expenditure
(£8.362m)	31.3.23 Capital Receipts carried forward.

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

20. For 2023/24 the Council has funded £11.558m of revenue expenditure on its transformation programme via the FUCR set out as follows.

(£8.362m)	31.3.23 Brought Forward Capital Receipts
(£4.545m)	In-year capital receipts.
£0.029m	Costs of disposal
£10.473m	Transformation Investment Programme expenditure
£0.656m	Children's Services service specific transformation expenditure
£0.429m	Adult Social Care service specific transformation programme
(£1.320m)	31.3.24 Capital Receipts carried forward.

Capital receipts delivered included the councils share of the Bargates site, 35 Willis Way Fleet Industrial Park Poole and 3 of the remaining units previously owned by the council on the Airfield Industrial Park in Christchurch.

21. In relation to 2024/25 the Council is planning to spend £17.553m of revenue expenditure on its transformation programme funded via the FUCR as follows.

(£1.320m)	31.3.24 Forecast Brought Forward Capital Receipts
(£16.384)	Forecast in-year capital receipts.
£0.057m	Costs of disposal
£14.610m	Transformation Investment Programme expenditure
£1.050m	Children's Services service specific transformation expenditure
£1.893m	Adult Social Care service specific transformation programme
(£0.094m)	31.3.25 potential capital receipts to be carried forward

Capital receipts currently forecast in 2024/25 include those from Southbourne Crossroads, the former deport site in Cambridge Road, the Christchurch By-pass car park, the south part of Beach Road Car Park, Christchurch Civic Centre, Wessex Fields, and the former private car park at Upper Terrace Road. Proposals to generate a healthy pipeline of capital receipts to support the council's future financial health and sustainability continues and this may include the disposal of Poole Civic Centre and any asset no longer identified as suitable for either its current, or a potentially alternative, service delivery.

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Appendix B - Earmarked Reserves for 31 March 2024

Detail	31/03/23 Actual Balances £000's	Actual movement £000's	31/03/24 Actual Balances £000's
Financial Resilience Reserves	(31,715)	31,715	0
Transition and Transformation Reserves	(185)	(2,017)	(2,202)
Insurance Reserve	(5,000)	(115)	(5,115)
Held in Partnership for External Organisations	(3,133)	23	(3,110)
Required by Statute or Legislation	(883)	120	(763)
Planning Related	(510)	(118)	(628)
Government Grants	(18,197)	2,078	(16,120)
Maintenance	(1,500)	(47)	(1,547)
ICT Development & Improvement	(1,570)	(1,310)	(2,880)
Corporate Priorities & Improvements	(5,800)	(875)	(6,675)
Total Earmarked Reserve Balance	(68,493)	29,454	(39,039)

Financial Resilience Reserves

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Designed to provide the Council with the ability to manage any emerging issues. Includes reserves to enable the management of the MTFP.			
Cost of Living Mitigation reserves from 2021/22	(14,190)	14,190	0
Redirected Earmarked Reserves	(5,298)	5,298	0
Assumed Surplus 2022/23	(10,582)	10,582	0
Other Reserves	(1,645)	1,645	0
Financial Resilience Reserves	(31,715)	31,715	0

Transition and Transformation Reserves

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Resources set aside to support the one-off change costs of associated with creating the new council and meeting the Councils costs associated with the transformation programme			
BCP Programme Resources Pay & Reward Strategy	(185)	0	(185)
Redundancy - Non Transformation Funded	0	(2,017)	(2,017)
Transition and Transformation Reserves	(185)	(2,017)	(2,202)

Insurance Reserve

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.			
Insurance Reserve	(5,000)	(115)	(5,115)

Held in Partnership for External Organisations

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.			
Dorset Adult Learning Service	(984)	307	(678)
Dorset Adult Learning Service (Specific Bequeath)	(99)	0	(99)
ICS Emotional Wellbeing and Mental Health	(78)	0	(78)
Flippers Nursery	(247)	107	(140)
Adult Safeguarding Board	(143)	(65)	(208)
Dorset Combined Youth Offending Service Partnership	(621)	113	(508)
Music and Arts Education Partnership	(488)	(56)	(544)
Youth Programme	(50)	(62)	(112)
Local Safeguarding Partnership Board	(33)	33	0
Bournemouth 2026West Howe Bid	(45)	45	0
Russell Cotes revenue grant	0	(399)	(399)
UP2U	(74)	0	(74)
Domestic Homicide Reviews	(10)	0	(10)
Better Care Fund	(261)	0	(261)
Held in Partnership for External Organisations	(3,133)	23	(3,110)

Required by Statute or Legislation

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.			
Building Regulation Account	(139)	70	(69)
Bournemouth Library Private Finance Initiative (PFI)	(783)	22	(761)
Carbon Trust	39	28	67
Required by Statute or Legislation	(883)	120	(763)

Planning Related

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.			
Local Development Plan Reserve	(369)	147	(222)
Other Planning Related Reserves	(141)	(265)	(406)
Planning Related	(510)	(118)	(628)

Government Grants

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.			
Government Grants	(17,279)	1,393	(15,887)
COVID 19 Government Grants	(918)	685	(233)
Total Unspent Grants	(18,197)	2,078	(16,120)

Maintenance

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.			
Corporate Maintenance Fund	(251)	123	(128)
Other Maintenance Related Reserves	(1,249)	(170)	(1,419)
Maintenance	(1,500)	(47)	(1,547)

ICT Development & Improvement

	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Resources set aside to meet various ICT improvement projects			
ICT Development & Improvement	(1,570)	(1,310)	(2,880)

Corporate Priorities & Improvements

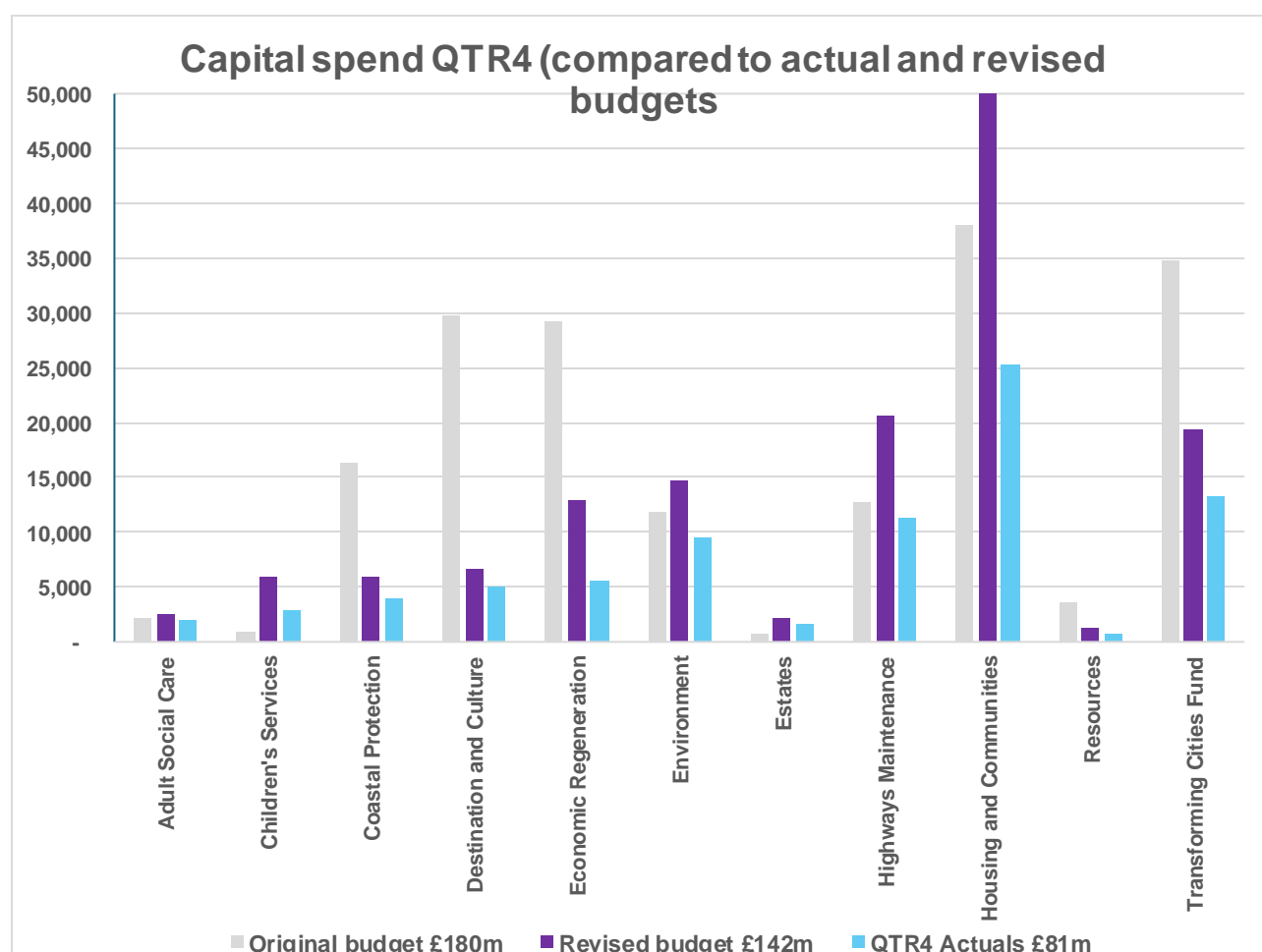
	31/03/23 Actual £000's	Actual Movement £000's	31/03/24 Actual £000's
Purpose: Amounts set aside to deliver various priorities, some of which will be of a historical nature inherited from the predecessor authorities.			
Other Service Priority reserves	(2,435)	(2,201)	(4,636)
Local Elections Reserve	(697)	498	(199)
Revenue & Benefits Reserve	(1,958)	557	(1,401)
Covid recovery resources	(710)	272	(438)
Corporate Priorities & Improvements	(5,800)	(875)	(6,675)

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2023/24 Capital Outturn

Capital budget monitoring

1. This appendix covers the council's budgeted capital investment programme (CIP) for general fund capital expenditure only. Housing revenue account (HRA) related capital spend is included separately in Appendix D.
2. The capital investment programme includes only approved capital schemes that are supported by robust business cases. It does not include pipeline projects that are awaiting business case development and subsequent approval. It also excludes capital funding that, whilst approved, has not yet been allocated to capital projects.
3. In February 2023 Council approved a general fund capital investment programme budget of £180 million for 2023/24. This budget evolved, to include new schemes, slippage from 2022/23 and the effect of reprofiling expenditure forward into future years. These all received appropriate approval in line with BCP financial regulations and led to a revised capital programme by quarter 4 of £142 million. The chart below reflects final spend against this revised programme.
4. As at 31 March 2024, £81 million (57%) of the revised full year capital budget had been spent.
5. Figure 1 below summarises capital spend by directorate.



6. The legacy of Covid-19 and Brexit cost increases continued to be an issue during 2023/24 impacting on delivery of the capital programme as did the relatively high cost of borrowing.

Capital programme financing 2023/24

7. Figure 2 below summarises the capital funding sources applied to 2023/24 capital spend:

	2023/24 £'000
Government grant	45,540
Third party receipts	1,607
S106 & Community Infrastructure Levy	2,723
External Funding	49,870
General fund reserves	1,943
Futures Fund	540
Prudential borrowing	29,078
BCP funding	31,561
Capital investment programme funding	81,431

8. External sources funded 61% of 2023/24 capital expenditure. This included government grants, third party receipts, s106 developer contributions and community infrastructure levy (CIL). Most of the remaining capital expenditure was funded from prudential borrowing.
9. The use of BCP reserves to fund capital spend is restricted to expenditure for which no other sources of capital funding can be identified. Examples include feasibility studies for potential future capital projects and earmarked reserves built up in partnership with third parties.

Capital budget virements and acceptance of capital grants

10. 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.

11. The following capital virement to accept new grant requires Cabinet approval:

Directorate: Operations

Purpose: Accept £0.157 million grant from Sport England

The Sport England Swimming Pool Support Fund grant will be used to install Photo Voltaic (PV) Panels at Two Riversmeet Leisure Centre.

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2023-24 Full-year HRA Financial Report

1. The Housing Revenue Account (HRA) is a separate account within the council that ring-fences the income and expenditure associated with the council's housing stock. The HRA does not therefore directly impact on the council's wider general fund budget. Within the HRA the Council manages 9,590 tenanted properties.
2. The 2023-24 HRA budget was approved by Council in February 2023. It budgeted for total income of £51.5 million for the year and a net surplus of £6.6 million.

Full-year Revenue account monitoring

	2023-24 Budget £000	Full year Actuals £000	Variance £000
Income			
Dwelling rents	(48,153)	(47,610)	543
Non-dwelling rents	(261)	(319)	(58)
Charges for services and facilities	(2,583)	(2,965)	(382)
Contributions to expenditure	(479)	(382)	97
Total income	(51,476)	(51,276)	200
Expenditure			
Repairs and Maintenance	11,550	12,481	931
Supervision and Management	15,198	14,145	(1,053)
Rent, rates, taxes and other charges	535	537	2
Bad or doubtful debts	400	404	4
Total expenditure	27,683	27,567	(116)
Net operating (surplus) / deficit	(23,793)	(23,709)	84
Capital charges			
Debt management costs	191	191	0
Depreciation	11,787	14,796	3,009
Net interest payable	5,163	4,193	(970)
Total capital charges	17,141	19,180	2,039
Exceptional item			
PHP Ltd surplus	0	(1,873)	(1,873)
Net (surplus) / deficit	(6,652)	(6,402)	250
Appropriations			
Transfer to HRA reserve	6,652	6,402	(250)
Total appropriations	6,652	6,402	(250)

Commentary on variances

3. Dwelling rents: Total rental income of £47.6m was £0.5m adverse to budget. Rental income benefitted from lower levels of voids and right-to-buy sales. However, a year-end review of rental income control accounts identified some over-recognition of income had taken place over a number of years which has now been corrected.
4. Charges for services and facilities: Service charge income of £3.0m was £0.4m favourable to budget. This was due to higher service charges for communal heating and electricity because of higher underlying costs.
5. Other income: The actual outturn for all other lines of income were broadly in line with budget.

6. Repairs & Maintenance: Full-year costs of £12.5m were £0.9m adverse to variance. However, this was an improvement on the £1.7m variance forecast at quarter three. Response repair costs were in line with budget, but there were overspends of £0.4m for both planned repairs and voids.
7. Supervision and Management: Full-year costs of £14.1m were £1.1m favourable to budget, consistent with the quarter three forecast. The variance was primarily due to (a) higher than expected staff vacancies resulting in lower staff costs; and (b) no need to utilise any of the contingency budget.
8. Depreciation: The depreciation charge was £3.0m adverse to budget. This was due to a change to the methodology used to calculate the Poole neighbourhood depreciation charge so that it is now consistent with the methodology used by Bournemouth neighbourhood. The depreciation charge is a non-cash charge which is recycled each year through the major repairs reserve to provide funding for the HRA's planned maintenance capital programme. As such, variations to the charge have no impact on the overall financial position of the HRA.
9. Net interest payable: The £1.0m favourable variance is due higher than expected interest earned by the HRA on its reserve balances because of higher interest rates than were forecast.
10. Exceptional item: The management agreement with Poole Housing Partnership Ltd was terminated on 30 June 2022. Since then, work has been undertaken to make the company dormant, ensure that all its creditors have been paid and ensure that all tax compliance requirements have been met in order that the company can be struck off from the Companies House register. This work was completed in quarter three and PHP's retained surplus of £1.9m was returned to the HRA. Companies House have recently confirmed that the company has been struck off and dissolved.
11. Net surplus: The various favourable and adverse variances detailed above broadly offset each other and resulted in a net operating surplus for the year of £23.7m, just £0.1m adverse to budget. The variances to depreciation, net interest payable and the PHP exceptional item resulted in an overall net surplus of £6.4m, £0.3m adverse to budget.

Capital programme

12. The 2023/24 HRA budget paper set out a capital programme of £46.5m. This included £30.5m investment in major projects, including those delivered as part of the council newbuild housing & acquisitions strategy (CNHAS) and £16.0m in planned maintenance.

	Budget	Full year Actuals	Variance
	£000	£000	£000
New-build projects	25,540	7,840	(17,700)
Other major projects (Admiral, Sterte cladding)	1,991	1,751	(240)
Purchase of existing houses	3,000	323	(2,677)
Planned maintenance	15,989	14,503	(1,486)
Total capital expenditure	46,520	24,417	(22,103)

13. New-build projects: The underspend vs budget of £17.7m is due to the rescheduling of projects since the budget was finalised.
14. During the year the following projects were completed:
 - i. Alice Gardens/Cynthia House (22 units)
 - ii. Herbert Avenue temporary accommodation (24 units)

- iii. Wilkinson Drive (11 units)
 - iv. Godshill Close (1 unit)
15. Purchase of existing houses: Only two properties have been acquired this year. Whilst the HRA receives right-of-first-refusal to repurchase ex-local authority properties, current high borrowing costs mean that repurchases are not financially viable at present.
16. Planned maintenance programme: This covers capital maintenance such as kitchen, bathroom and boiler replacements. Expenditure of £14.5m was £1.5m less than budget. The £0.5m contingency budget was not spent, as was the case with the £1m budget for net-zero carbon initiatives, where work is still at the planning stage.

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2023-24 Company Outturns

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

Bournemouth Building & Maintenance Ltd (BBML)

2. The trading activities of BBML consist of programmed works for the council's housing revenue account, such as disabled adaptations, and building works for other council owned property.
3. Turnover for the financial year was £10.6m compared with budget of £9.1m. Provisional net profit for the year is £0.37m compared with budgeted net profit of £0.33m. Broadly speaking BBML generates around 3.8% net profit on its annual turnover.
4. BBML is budgeted to pay the council an annual dividend of £0.1m. An additional dividend payment was made to the council in 2023/24 of £0.2m.
5. Retained profit reserves of £0.93 million (after payment of annual £0.1m and additional one-off £0.2m dividend) have accumulated over time. Retained profit reserves are earmarked to fund potential future BBML cost pressures.
6. Due to the materiality level for the council's statement of accounts, BBML is not consolidated into the group accounts.

Seascope Group Ltd

7. Seascope Group Limited owns two subsidiaries, Seascope South Limited and Seascope Homes and Property Limited.
8. The core activities of Seascope South Limited (SSL) are undertaking adaptations and conversions to non-council owned property. These are funded through disabled facility grants (DFG). Building maintenance and construction services are also provided, utilising the council's internal Construction Works Team (CWT).
9. Turnover for the financial year for SSL was £1.3m, compared with a budget of £0.9m. Provisional profit before tax is £0.16m compared with a budget of £0.03m.
10. Retained profit reserves of £0.32m are estimated as at 31 March 2024. A dividend of £0.08m was paid to Seascope Group in 2023/24.
11. Seascope Homes and Property Limited (SHPL) provides housing solutions through the grant of assured short-hold tenancies to a variety of clients, including the homeless. SHPL leases properties purchased by the council to provide this housing.
12. Turnover for the financial year for SHPL was £2.2m, compared with a budget of £2.1m. Provisional profit before tax of £0.07m is expected, compared with a budget of £0.03m.
13. The results of the subsidiaries are combined to form the results of Seascope Group Limited (SGL). The provisional turnover for SGL was therefore £3.5m (budget £3.0m). Provisional profit before tax of £0.23m compared with a budget of £0.06m.
14. Due to the materiality level for the council's statement of accounts, Seascope Group will not be consolidated into the group accounts.

BCP FuturePlaces Ltd

15. BCP FuturePlaces Ltd is a wholly owned subsidiary of the Council. It was set up to provide development advice to the council regarding its strategic regeneration schemes across the three towns.
16. In September 2023 the company's only shareholder, BCP Council resolved to bring all activities in-house with the staff joining the councils regeneration and housing options teams to form the new directorate for Investment and Development. Subsequently, on 31 October 2023 all the business assets and employees of the company were transferred to the council and the company is expected to cease trading in 2024. The company financial statements for 2023/24 have, therefore, been prepared on a basis other than going concern.
17. The company sales for the year (all to the council) were £3.3m with a gross profit of £2.3m. After administrative expenses of £1.2m and interest and other costs of £0.3m the net profit achieved was £0.8m. This amount reduces the company accumulated deficit brought forward from March 2023 of £3.2m to £2.4m. This deficit is backed by a loan from the council which is now irrecoverable. The council set aside a £4m provision against company losses leaving £1.6m available to fund the additional revenue costs picked up by the council for regeneration activity in 2023/24
18. Due to the materiality level for the council's statement of accounts, FuturePlaces activities will not be consolidated into the group accounts, but the financial outcome as described above will be reflected in the council's overall general fund position.

Charities

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

The Bournemouth Development Company LLP

21. Bournemouth Development Company LLP ("BDC") is a joint venture between the Council and Muse Places a wholly owned subsidiary of Morgan Sindall Group plc.
22. BDC is an active development partner and regeneration catalyst for the delivery of the Bournemouth Town Centre Vision.
23. BDC has a different year end to the council, consequently the figures incorporated in the council's group accounts rely on an amalgamation of the pro rata amount from the joint venture's 31 December 2023 year-end figures and from the quarter 1 management account information to 31 March 2024. Figures are not available to include in this report due to differing financial reporting years.

Tricuro

24. Tricuro is a group of two companies established under local authority trading company principles to undertake a range of adult social care services on behalf of BCP after Dorset Council moved their care contract to another provider on 3rd October 2022.
25. It is structured as a care company (Tricuro Limited) and a company providing support services (Tricuro Support Limited), with management through a joint Board. Tricuro Support Limited holds the contractual relationships with BCP, as well as the property leases and support services agreements.

- 26. Dorset Council still holds one ordinary share in Tricuro Support Limited as does BCP, which in turn owns 100% of the equity of Tricuro Limited. Dorset Council separation from Tricuro is in progress.
- 27. The turnover for Tricuro in 2023/24 was £21.2. Tricuro accounts have not been audited yet, however this turnover is unlikely to change.
- 28. Due to the materiality level for BCP Council statement of accounts of Tricuro will not be consolidated into BCP Council's group accounts as the operating assets have remained with the council.

29. Aspire Adoption

- 30. Aspire Adoption is a partnership between BCP and Dorset Council.
- 31. Aspire worked in partnership with Families for Children during the 23/24 financial year, a local voluntary adoption agency. This work has been brought in-house for 2024/25 with staff transferring to the council.
- 32. The purpose is to provide services for children and families through enabling and supporting the adoption and special guardianship process.
- 33. BCP contribution for 2023/24 to the partnership is £1.4m with Dorset Council contributing £0.9m.
- 34. A review of the work undertaken by Aspire has taken place with special guardianship order activities returning to each council with a budget reduction for the partnership in 2024/25.

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CABINET



Report subject	Medium Term Financial Plan (MTFP) Update
Meeting date	17 July 2024
Status	Public Report
Executive summary	<p>This report:</p> <ul style="list-style-type: none"> • Aims to ensure the council continues to maintain a balanced 2025/26 budget forecast by considering the impact that various assumptions would have on the underlying approved position. • Proposes a financial strategy to support the delivery of a robust and financially sustainable budget for 2025/26. • Proposes a budget planning process and timeline for key financial reports. • Presents the outcome of the CIPFA Financial Resilience Review undertaken in the summer/autumn of 2023 and finalised in the spring of 2024. • Presents a letter submitted by the Director of Finance to DLUHC and CIPFA outlining concerns regarding the impact the deficit on the Dedicated Schools Grant is having on the financial sustainability of the Council. This recognises that due to the forecast £92m accumulated deficit on the 31 March 2025 the council will be technically insolvent (a situation where the deficit on the DSG is greater than the total reserves held by the council with a negative overall general fund position) when the current statutory override finishes on 31 March 2026. This letter also highlighted the difficulties the council will have in setting a legally balanced budget for 2025/26 when it has exhausted its ability to cover the cost of the DSG deficit from its temporary short term treasury management cashflow headroom.
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> a) Approve the budget timetable and process as set out in Appendix A b) Endorse the scenario planning exercise that guides the potential level of activity that may now be needed to present a legally balance budget for

	<p>2025/26.</p> <p>c) Approve the financial strategy designed to support the ongoing delivery of a balanced 2025/26 Budget and MTFP as set out in Appendix B.</p> <p>d) Note the outcome of the CIPFA Financial Resilience Review and associated action plan.</p> <p>e) Note the letter submitted by the Director of Finance to DLUHC and CIPFA outlining the challenge that the deficit on the Dedicated Schools Grant presents to the financial sustainability of BCP Council.</p>
Reason for recommendations	<p>To comply with accounting codes of practice and best practice which requires councils to have a rolling multi-year medium term financial plan.</p> <p>To provide Cabinet with the latest high-level overview of the medium-term financial plan.</p> <p>To present a proposed financial strategy to support the ongoing delivery of a balanced budget for 2025/26.</p> <p>To present the CIPFA Financial Resilience Review.</p> <p>To present the letter submitted to DLUHC and CIPFA in regard to the difficulties presented by the accumulating DSG deficit.</p>
Portfolio Holder(s):	Cllr. Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Adam Richens, Director of Finance and Chief Finance Officer adam.richens@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision

Background

1. Council in February 2024 approved a budget for 2024/25 and Medium-Term Financial Plan (MTFP) with the following key features.
 - a) A balanced MTFP over the 4-year period to 31 March 2028 based on conventional local government financial management processes and revenue sources.
 - b) Addressed the inherited £30m structural deficit due to the previous use of reserves in balancing the 2023/24 budget.

- c) Addressed issues associated with the level of savings assumed in building the 2023/24 budget, particularly those associated with the transformation investment programme.
 - d) Recognised financial challenges from the ongoing cost-of-living and service demand pressures not dissimilar to those faced by all other local authorities.
 - e) A 4.99% council tax increase for 2024/25 with a financial planning assumption of the same increase in each of the following years consistent with the projections from the Office Budget Responsibility.
 - f) Assumed delivery of £38m in annual savings, efficiencies, and additional resources to balance the 2024/25 budget as itemised and supported with individual delivery plans.
 - g) Utilised a one-off business rates collection fund surplus to improve the council's financial resilience.
 - h) Adopted a revised approach regarding the mandatory statutory provision required for the annual repayment of debt with flexibility for voluntary provision.
 - i) A target of £30m in capital receipts from the disposal of assets to fund the council's transformation investment programme over the 2-year period 2023/24 and 2024/25.
2. The approved budget for 2024/25 also contained numerous risks the principle amongst which is the continual threat to the council's ongoing financial health and sustainability caused by the accumulated deficit on the Dedicated Schools Grant (DSG). The assumption being that government funding would be forthcoming to support the 31 March 2024 £64m deficit on the DSG and the currently statutory override, that allows the council to ignore the deficit in respect of an assessment of its overall solvency, would continue beyond its current end date of the 31 March 2026.

Financial Outturn 2023/24

- 3. Another key assumption was that the council would deliver a financial outturn for 2023/24 which would mean the council could reduce the drawdown on reserves to £27.2m which was £2.8m less than assumed in the February 2023 approved budget for 2023/24. In addition, the expectation was that the financial outturn for 2023/24 would show a further improvement due to the application of the expenditure freeze covering the entirety of the final quarter of the financial year as well as specific issues such as the release of previous accruals relating to the Dolphin Shopping Centre following the February report to Cabinet and Council.
- 4. A detailed report of the financial outturn for 2023/24 is presented as a separate item on the July Cabinet agenda. This highlights that the attempts to improve the financial health and sustainability of the authority have to date been successful with the drawdown on reserves in 2023/24 reduced to £23m. The outturn position for 2023/34 will also assist in helping to manage any variations in the delivery of the £38m of budgeted 2024/25 savings and in the delivery of a legally balanced budget for 2025/26 as the intention is to undertake a fundamental rebase of the 2024/25 budget to reflect any ongoing variations that occurred in the final quarter.
- 5. The current summary reserves position is set out in Figure 1 below. This highlights that action associated with the 2024/25 Budget and 2023/24 financial outturn processes has

enabled the council to improve its financial sustainability by increasing its unearmarked reserves to 7.7% of Net Revenue Expenditure. Based on benchmarking as of 31 March 2023 this would have placed the council in the second quartile compared to other Unitary Authorities.

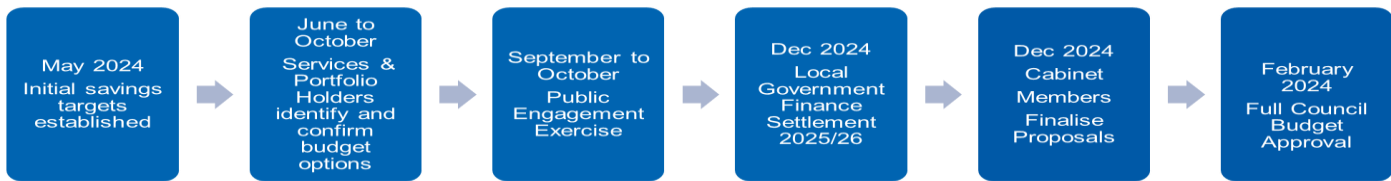
Figure 1: Current Summary Reserves Position

Balance 31-Mar-23 £m		Balance 31-Mar-24 £m	Estimate 31-Mar-25 £m	Estimate 31-Mar-26 £m
17.9	Unearmarked Reserves	26.1	26.1	26.1
68.5	Earmarked Reserves	39.0	37.6	27.4
86.4	Total Reserves	65.1	63.7	53.5
-35.8	Accumulated DSG Deficit	-63.5	-91.8	-116.5
50.6	Net Position	1.6	-28.1	-63.0

2025/26 Budget Planning Process

6. The budget for 2025/26 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.
7. As a relatively new council, setting the budgets in the first six years has been a challenge due to the lack of historic data and trend information for the council as a single entity. Stability around this position has been and will continue to be impacted by the ongoing uncertainty around the legacy and long-term consequences of the Covid-19 pandemic alongside that caused by the recent cost-of-living crisis.
8. Full details of the budget planning process and timetable to support the 2025/26 budget are set out in **Appendix A** attached. Key features include.
 - Public participation in the budget via an engagement process in September/October 2024.
 - Two budget workshops, one in November 2024 and then one in January 2025 setting out the final budget proposals.
 - Cabinet members working with Corporate Management Board colleagues to shape the proposals via bi-weekly Strategy Planning sessions throughout 2024/25.
9. A high-level summary can be shown as set out in Figure 2 below.

Figure 2: High level summary of the budget planning process



Currently Approved and Balanced MTFP

10. Figure 3 below sets out the current balanced MTFP to 2028. As a reminder to councillors, the table sets out changes in the revenue budgets, on an annual basis, either positive numbers which represent additional costs to be met, or negative numbers which represent forecast cost reductions or additional income. The variances are shown in the year in which they are expected to be first seen and are then assumed to recur on an ongoing basis in each of the following years. One-off changes will be seen as an entry in one year and will then be reversed out in a following year. For example, there is currently a £0.5m pressure in 2025/26 presented as a Children's Services savings as there was a one-off saving to this value in those approved for 2024/25.

11. **Figure 3:** February 2024 Council approved MTFP position

Service Pressures (net of any specific grant changes)	Budget 2024/25 £m	February 2024 Approved MTFP			
		25/26 £m	26/27 £m	27/28 £m	Total £m
Wellbeing Directorate	130.1	5.5	5.5	5.8	16.8
Children's Directorate	85.3	5.0	5.3	5.3	15.6
Operations Directorate	60.8	2.8	1.7	1.5	6.0
Resources Directorate	39.3	0.6	0.7	0.4	1.7
	315.6	14.0	13.2	12.9	40.1
Wellbeing Directorate		0.0	(0.9)	(0.8)	(1.7)
Children's Directorate		0.5	0.0	0.0	0.5
Operations Directorate		(0.6)	(2.2)	(2.0)	(4.8)
Resources Directorate		(0.4)	(0.2)	(0.1)	(0.7)
Transformation		(3.1)	(0.7)	(0.1)	(3.8)
Savings, Efficiencies, Fees & Charges		(3.6)	(4.0)	(3.0)	(10.5)
Corporate Items - Cost Pressures	27.4	8.8	2.2	6.5	17.6
Funding - Changes					
Council Tax	(261.6)	(16.9)	(15.3)	(15.5)	(47.8)
Business Rates	(91.2)	(1.1)	(1.2)	(1.2)	(3.5)
Unringfenced Government Funding	(4.6)	0.5	(0.0)	(0.0)	0.4
Reserve Movements	14.4	0.0	0.0	0.0	0.0
Funding - Changes	(343.0)	(17.6)	(16.5)	(16.7)	(50.8)
Annual – Net Funding Gap	(0.0)	1.6	(5.1)	(0.2)	(3.7)
Application of one-off business rates resources to MTFP	0.0	(1.6)	5.1	0.2	3.7
Annual – Net Funding Gap	(0.0)	(0.0)	0.0	0.0	0.0
Cumulative MTFP – Net Funding Gap		(0.0)	0.0	0.0	

12. The position as set out above is underpinned by several key assumptions which have been informed by many factors such as government announcements, economic forecasts or targets, and professional judgements. The key assumptions used in building the February 2024 Council approved 2024/25 Budget and MTFP can be listed as follows.

13. **Figure 4: 2024/25 Approved Budget and MTFP - Key assumptions**

	2024/25	2025/26	2026/27	2027/28
Council Tax: Core	2.99%	2.99%	2.99%	2.99%
Council Tax: Social Care Precept	2.00%	2.00%	2.00%	2.00%
Pay Award	4.5%	2%	2%	2%
Increase in Fees and Charges	5%	2%	2%	2%
National Living Wage (NLW) <i>% Increase in the National Living Wage</i>	9.8%	2%	2%	2%
	Dec-23	Dec-24	Dec-25	Dec-26
Bank of England - Base Rate	5.25%	4.25%	3.00%	3.00%

Financial Strategy to support maintaining a balance budget for 2025/26.

14. A financial strategy designed to ensure the council continues to maintain a balanced 2025/26 budget forecast is attached in **Appendix B**. This focuses on a prudent approach to the council's financial management by considering the actions that need to be developed and potentially implemented should any of the current underlying assumptions change. The approach continues to be one focused on conventional local government financial management processes and revenue sources. Developed by Cabinet working with Senior Officers, the strategy is focused on the following summarised workstreams which are detailed in the relevant appendix.

- a) Focus on delivering the February 2024 approved MTFP.
- b) Dedicated Schools Grant.
- c) Financial Outturn 2023/24.
- d) Accommodation Strategy.
- e) Corporate Landlord Model.
- f) Pipeline of Capital Receipts from Asset Disposals.
- g) Capital Programme.
- h) Transformation Investment Programme.
- i) Fees and Charges.
- j) Service Rationalisations.
- k) Procurement & Commissioning.
- l) Harmonisations of Services.

- m) Review of the Business Rates Collection Fund.
 - n) An Enabling Council – Strength Based Approach.
 - o) Explore Alternative structures for service delivery.
 - p) Resident Cards.
 - q) Integrated Care System.
 - r) Housing Revenue Account/Companies.
 - s) Review of Balance Sheet.
 - t) Government Reforms.
15. In addition, and in support of the ongoing financial strategy, Council agreed as part of the February 2024 Budget report for 2024/25 to implement a freeze on all non-essential expenditure from 1 April 2024. The intention is that this freeze continues to be implemented until such time as the Corporate Management Board have provided Cabinet Members with assurance that all the £38m of 2024/25 budget savings have been delivered.
16. In essence, the financial strategy continues to be designed to improve the overall financial resilience of the council, to provide more overall financial stability, and to ensure that the Council can set a legally balanced budget for 2025/26.

Scenario Planning: Potential Variations

17. In support of the financial planning approach to maintain a balanced budget for 2025/26 the council has considered the level of uncertainty and therefore risk that will apply to the current key assumptions. In line with good practice these assumptions have been tested via a process of sensitivity analysis and several different models developed that highlight their impact. At the extremes they indicate there could be an improvement in the position or alternatively a deterioration which would lead to a funding gap. These models consider the impact of various changes such as.
- Lower threshold increases in council tax levels.
 - Lower or higher levels of change to the council's tax base.
 - Lower levels of resources generated from the second homes premium.
 - Lower or higher levels of base government grant funding.
 - Lower or higher annual pay awards.
 - Additional interest costs should the council be given government permission to be able to borrow to finance the DSG deficit.
 - Changes to service demands.

These changes also reflect the fact the councils have now been given one-year settlements for the last six years in a row which impede accurate long-term financial planning. They also reflect economic uncertainty and unforeseen changes in levels of service demand. No tolerance however has been made in respect of the currently assumed 2024/25 savings as services are expected to ensure their delivery.

18. **Figure 5:** Sensitivity Analysis 2025/26 Budget Models.

	Budget	Approved	Better	Slightly Different	Worse
	2024/25	25/26	25/26	25/26	25/26
	£m	£m	£m	£m	£m
Service Pressures (net of any specific grant changes)	315.6	14.0	0.3	3.3	5.8
Savings, Efficiencies, Fees & Charges		(3.6)	0.0	0.0	0.0
Corporate Items - Cost Pressures	27.4	8.8	(2.1)	1.9	8.5
Funding - Changes	(343.0)	(17.6)	(6.2)	4.7	9.8
Annual – Net Funding Gap	(0.0)	1.6	(8.0)	9.9	24.0
Application of one-off business rates resources to MTFP	0.0	(1.6)	0.0	0.0	0.0
Annual – Net Funding Gap	(0.0)	(0.0)	(8.0)	9.9	24.0
Cumulative MTFP – Net Funding Gap		(0.0)			

19. To ensure the council has considered and planned for this eventuality the intent is for service to produce savings plans based initially on the £24m upper and £9.9m lower limits. However, these have been adjusted to take account of the following.

- £2.9m assumed fundamental rebase of the base revenue budget following the financial outturn for 2023/24.
- £1.0m additional savings and efficiencies for 2025/26 identified as part of the Adult Social Care Transformation Business Case presented as a separate item on the July Cabinet agenda.
- £0.7m Target from review of recharges and balance sheet items.
- £0.5m Target for Third Party Spend savings captured via Procurement Decision Records.

20. Therefore, services have been asked to develop savings proposals in the £4.8m lower to £18.9m upper range.

21. Working with their Portfolio Holders, Corporate Directors, Service Directors, and Budget Holders will have until the 20 September 2024 to prepare these potential additional proposals for balancing the 2025/26 budget should they be required. These will then be considered at the Bi-weekly Cabinet/Corporate Management Board meeting for further consideration as to whether they should be taken forward.

CIPFA Financial Resilience Review

22. On 3 August 2023 the council was issued with a non-statutory Best Value Notice from DLUHC in response to concerns highlighted in an external assurance review it had commissioned because of the non-traditional approach taken by the previous administration. This external assurance review, which is an independent review into the council's governance arrangements, was undertaken by Leslie Seary the former Chief Executive of the London Borough of Islington and built on an Assurance Review carried out by the Councils Chief Executive.

23. A Best Value Notice is issued to “facilitate engagement with that authority and to obtain assurance of the steps it is taking to secure compliance with the Best Value Duty, as required by the Local Government Act 1999”.
24. As an exercise in continuous improvement, the council welcomed both the external assurance review and Best Value Notice. In response, an action plan was developed and is regularly being reviewed by DLUHC and Cabinet. This monitoring report also picks up on the actions of the council’s Chief Executive’s internal assurance review carried out over a similar timescale.
25. One of the actions was for the council to commission a CIPFA financial resilience review. Such reviews can be requested in tandem to the one for external assurance of governance however, due to the assessment of our issues being particularly governance-related, the CIPFA review was only requested following the outcome of the governance review.
26. CIPFA undertook the necessary detailed work in September 2023, however their final report was significantly delayed due to their resource constraints and other priorities taking precedence. Appendix C presents their report. It is important to highlight that although not received until March 2024 it significantly relates to the evidence base gathered in September 2023 with a cursory review of any following key documents.
27. Their findings highlight that BCP Council has taken positive steps to improve its financial resilience since the BV Notice was issued and there were no critical recommendations. An action plan in respect of the recommendations they did make in support of our normal improvement best value journey is attached at Appendix D.

Dedicated Schools Grant (DSG) – Accumulating Deficit

28. Cabinet and Council has previously and consistently been made aware of the impact the accumulating deficit on the Dedicated Schools Grant, as pertaining to the High Needs Block, is having on the financial sustainability and health of the Council. The SEND Progress Update re SEND Improvement Plan and Safety Valve report to Cabinet on the 22 May 2024 was the latest report to cover this issue.
29. Appendix E attached presents a copy of a letter sent on the 22 May 2024 to Nico Heslop the Director of Local Government Finance at the Department for Levelling Up, Housing and Communities (DLUHC). The essence of the letter is to seek government advice and guidance as to how the council can set a legally balanced budget for 2025/26. This is on the basis that it is currently being forecast that the council will have exhausted all its temporary short term treasury management and cashflow borrowing flexibility, which is currently providing the cover for spending circa £30m more annually on the special educational needs and disability service than the government grant being provided. In essence the council does not have the cash resources to support the deficit which by the 31 March 2026 is estimated to be £116m as set out in Figure 3 below.

30. Figure 6: Accumulated deficit on the Dedicated Schools Grant

Actual 31-Mar-19 £m	Actual 31-Mar-20 £m	Actual 31-Mar-21 £m	Actual 31-Mar-22 £m	Actual 31-Mar-23 £m	Actual 31-Mar-24 £m	Estimate 31-Mar-25 £m	Estimate 31-Mar-26 £m
-3.6	-4.6	-7.9	-20.3	-35.8	-63.5	-91.6	-116.3

31. This letter from the Director of Finance was additional to the letters the Council Leader has sent in response to Council motions to the Secretaries of State for the DLUHC, and Department for Education (DfE), and the Local Government Association. The response from DLUHC and DfE and the advice, guidance they provide, hopefully underpinned by financial support, will be critical in shaping the total level of service provision affordable across the council in 2025/26 as part of the process of delivering a legally balanced budget.

Options Appraisal

32. Ultimately the budget process results in a consideration of alternative savings, efficiency, income generation and service rationalisation proposals. This may include consideration of alternative council tax strategies.

Summary of financial implications

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

Summary of legal implications

34. The council has a fiduciary duty to its taxpayers to be prudent in the administration of the funds on their behalf and an equal duty to consider the interests of the community which benefit from the services it provides.
35. 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.
36. As a billing authority, failure to set a legal budget by 11 March each year may lead to intervention from the Secretary of State under section 15 of the Local Government Act 1999. It should however be noted that the deadline is, in reality, the 1 March each year to allow sufficient time for the council tax direct debit process to be adhered to.

Summary of human resources implications

37. There are no direct human resources implications associated with this report. However, the 2025/26 budget is likely to have a direct impact on the level of services delivered by the council, the mechanism by which those services are delivered and the associated staffing establishment.

Summary of sustainability impact

38. The 2024/25 approved budget protected the staffing resources associated with climate change and ecological emergency activity. In respect of support to projects £452k was specifically set aside in 2024/25 to increase the earmarked reserve which when combined with the £787k balance on the 31 March 2024 brings the overall resource available to £1.239m.

Summary of public health implications

39. The Department of Health and Social Care have announced the public health grant allocations for 2024/25. Nationally the grant will be £3.603 billion a rise of 2.1% in

cash terms. Locally public health is delivered via a pan Dorset service arrangement in partnership with Dorset Council. The local increase was as follows:

- BCP Council £21.77m (£21.29m 2023/24) 2.3% increase
- Dorset Council £15.44m (£15.09m 2023/24) 2.3% increase

40. There is an additional package of investment Nationally from 2024/25 of £70 million per year to support local authority led smoking services in support of delivering smoke free generation. (BCP allocation for 2024/25 is £422,313)

Summary of equality implications

41. Officers are expected to deliver the services they are responsible for with due regard to the equality's implications. A full equalities impact assessment will be undertaken as part of the final February 2025 report to members as part of the annual budget process.

Summary of risk assessment

42. The risks inherent in the 2024/25 budget were clearly set out in the February 2024 Council budget report. These key risks include.

- **Uncertainty.** High levels of financial planning uncertainty at this time caused principally by the ongoing implications of cost-of-living crisis. For example, the 2024/25 budget assumed the Bank of England base rate would fall to 4.25% by December. To date the rate continues to be held at 5.25%.
- **Accumulating DSG Deficit.** Expenditure by BCP Council of c£30m more annually than the government grant available to fund the Special Educational Needs and Disability service is not sustainable. The accumulating deficit is predicted to mean the council will technically be insolvent as of 31 March 2025.
- **Best Value Notice.** Requirement to provide assurance that Council is taking steps to address concerns raised in an external assurance review by the former Chief Executive of the London Borough of Islington on behalf of DLUHC.
- **Intervention.** Children Services is on a journey of improvement since the inadequate Ofsted judgement in February 2022. Additionally, the external auditor concluded as part of their latest annual report that the council does not have adequate arrangements for securing Value for Money (financial sustainability in addition to issues associated with governance and children's services).
- **Children's Services.** Ongoing costs and demands on the service including the delivery of approved savings at a time when they are focused on their improvement journey.
- **Wellbeing Services.** Ongoing costs and demands on the service including the capacity in the care market at affordable rates and the sharp rise in homelessness.
- **Delivery £38m in savings, efficiencies, and additional income generation.** Considerable challenge and exacerbated by having a reduced head count to deliver 20% more savings etc. than the amount budgeted in

2023/24 (which was almost equal to the total saving delivered in the prevailing 3-years). Mitigation was put in place via Council agreement to an expenditure freeze implemented until delivery of the savings has been assured.

- **Pay award.** A 4.5% provision for the pay award has been made as part of the approved budget for 2024/25. Unison sought views from its members in respect of a 2024 pay claim of 10% or £3,000 whichever is greater. Every 1% variation is estimated to cost the council £1.9m. On the 16 May 2024 the National Employers Organisation offered £1,290 on all grades up to spinal column point 43 and 2.5% over this amount. This would mean a 5.77% increase for the lowest paid within the council.
- **New Pay and Grading Structure.** Including ongoing negotiations with the Trade Unions seeking to agree the arrangements for a new single pay and grading structure and terms and conditions.
- **Realisation of capital receipts to fund the council's transformation programme.** £17.5m of capital receipts from the disposal of assets need to be delivered in 2024/25 to fund the estimated spend on the transformation programme. Receipts to this value have been approved and are in the process of being delivered via work on a pipeline of asset disposals. Further work on the pipeline will enable funding of future years transformation expenditure, any backlog investment in assets, and potentially towards helping to create community hubs.
- **Carters Quay.** Payments of £15.3m have been made towards the development of the agreed 161 new homes with ancillary ground floor amenity and commercial space scheme. Inland Partnership the contractor entered administration late in 2023. Officers continue to work with the administrator on the way forward and to try to ensure the councils investment is protected.
- **New Enterprise Resource Planning (ERP) System.** A new Microsoft Enterprise Resource Planning system was implemented as part of the transformation programme in April 2023. This is leading to demonstrable improvements in the financial management and human resource information systems but there will always be glitches and a period of learning before the council is making best use of such technology.
- **Legal Claims.** Covering various matters such as planning, highway, car parking, social care, or staffing, numerous legal claims have been logged against the council.
- **Loss or disruption to IT systems and Networks from a cyber-attack.** Such actions can incapacitate essential networks by encrypting or destroying data on which vital service depend. Financial loss is common through both direct loss of funds as well as recovery costs and reputational damage. Recent ransomware attacks are reports to have cost councils between £10m and £12m in damage. The industry adage is when, not if, an attack will happen.
- **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

43. February 2024 Budget and Medium-Term Financial Plan 2024/25

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=5386&Version=4>

Appendices

- Appendix A Budget Planning process and timetable.
- Appendix B Financial strategy supporting the delivery of the 2024/25 budget.
- Appendix C CIPFA Financial Resilience Review
- Appendix D CIPFA Financial Resilience Review (Action Plan)
- Appendix E Letter to Nico Heslop DLUHC

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2025/26 Budget Timetable and Budget Process

1. The budget for 2025/26 and the MTFP should be seen in the context of a rolling, evolving process structured to enable the ongoing proactive management and prioritisation of the council's resources.
2. Setting the budgets in the first six years has been a challenge due to the lack of complete historic data and trend information for the council as a single entity. Stability around this position has been impacted by the consequences of both Covid-19 and the cost-of-living crisis.
3. The key dates in the 2025/26 budget setting process can be set out as follows.

17 July 2024	Cabinet – Quarter 4 / Financial Outturn 2023/24.
17 July 2024	Cabinet - MTFP update report (including financial strategy).
4 September 2024	Cabinet - Quarter 1 - 2024/25 budget monitoring.
9 September 2024	Budget Engagement Exercise opens.
4 October 2024	Budget Engagement Exercise closes.
30 October 2024	Cabinet - MTFP update report.
8 November 2024	Budget Workshop (1) (all councillor presentations).
18 December 2024	Cabinet - Quarter 2 - 2024/25 budget monitoring.
18 December 2024	Cabinet – MTFP update report.
15 January 2025	Cabinet (Council Tax – 2025/26 tax-base report).
16 January 2025	Audit & Governance (Treasury Management Strategy 2025/26).
22 January 2025	Budget Workshop (2) (all councillor presentation).
31 January 2025	Presentation to representatives from Commerce & Industry.
5 February 2025	Cabinet - Quarter 4 - 2024/25 budget monitoring.
5 February 2025	Cabinet – 2025/26 proposed budget & MTFP update.
25 February 2025	Council – 2025/26 proposed budget and council tax setting.

BCP Council - Budget Process 2025/26

Month		Decisions	Cabinet	Public Engagement	Budget Holders	Finance	Strategic Planning Cycle
Feb	Scrutiny	Council Budget Meeting					Budget 24/25 approved + MTFP to 31 March 2028
March							
April							
May			Based on a proposed scenario Portfolio Holders engagement with budget holders to develop proposals for balancing the 2025/26 budget. Conversations part of the Bi-weekly informal Corporate Management Board/Cabinet strategic planning session meetings		Services prepare savings, efficiency, additional income and service rationalisation proposals to enable the 2025/26 budget to be balanced	Calculate initial savings targets	Police and Crime Commissioner Elections Bi-Election
June						Draft progress update report	
June							
July	Scrutiny	Cabinet MTFP Update Report		Budget Public Engagement Exercise - 6 weeks		Fundamental refresh of the MTFP baseline	
Aug						Refine savings targets	
Sept							
Oct	Scrutiny	Cabinet MTFP Update Report			Services present proposals to Bi-weekly CMB/Cabinet strategic planning meetings	Draft Cabinet report on savings proposals	
Nov	Budget Workshop					Draft progress update report	
Dec	Scrutiny	Cabinet MTFP Update Report	Cabinet members finalise 2025/26 budget proposals		Service refine budget proposals in light of outcomes of public engagement exercise	Update MTFP and draft Cabinet report on final budget proposals	Finalisation of budget proposal for 2025/26 and MTFP for Cabinet and Council consideration
Jan	Budget Workshop						
Feb	Scrutiny	Council Budget Meeting		Statutory Consultation Commerce & Industry			Budget 25/26 approved + MTFP to 31 March 2028

Key Financial Reports & Events - 24/25 Budget Monitoring & 25/26 Budget Timeline

Date	Event	Report Title / Action	Detail
June to September 2024	Budget Proposals	Corporate Directors, Service Directors and Budget Holders working with Portfolio Holders	Period for preparation of proposals for maintaining a balanced 2025/26 budget.
17 July 2024	Cabinet	Medium Term Financial Plan (Update)	To include. <ul style="list-style-type: none"> • Update on MTFP. • Proposed financial strategy. • Budget process. • CIPFA Financial Resilience Review.
17 July 2024	Cabinet	Financial Outturn Report 2023/24	Summary report covering the financial outturn for 2023/24.
31 August 2024	Budget Refresh	Corporate Directors & Service Directors	Deadline to produce a refresh of the MTFP baseline financial resource requirements for each service for the three-year period to the 31 March 2028
4 September 2024	Cabinet	Quarter One 2024/25 Budget Monitoring Report	First quarter (April to June) budget monitoring for 2024/25.
9 September 2024	Budget Proposals	Budget Engagement Exercise	4 or 6-week consultation opens
20 September 2024	Budget Proposals	Corporate Directors, Service Directors and Budget Holders working with Portfolio Holders	Deadline of period for preparation of potential additional proposals for maintaining a balanced the 2025/26 Budget.

Date	Event	Report Title / Action	Detail
September 2024	Audit & Governance	2023/24 Statement of Accounts	Report presents the 2023/24 statement of accounts for BCP Council including the Annual Governance Statement.
9 October 2024	Budget Proposals	Budget Engagement Exercise	Consultation closes (assuming 4 week) 18 October if 6 weeks exercise.
30 October 2024	Cabinet	Medium Term Financial Plan (Update)	To include. <ul style="list-style-type: none"> fundamental refresh of the MTFP. progress towards delivering a balanced budget for 2025/26
8 November 2024	Budget Proposals	Budget Workshop	All Councillor Seminar
18 December 2024	Cabinet	Quarter Two 2024/25 Budget Monitoring Report	Second quarter (July to September) in-year budget monitoring for 2024/25
18 December 2024	Cabinet	Medium Term Financial Plan (Update)	Progress towards delivering a balanced budget for 2025/26
15 January 2025	Cabinet	Council Tax - Taxbase Report	2025/26 Council Tax Taxbase

Date	Event	Report Title / Action	Detail
16 January 2025	Audit & Governance	Treasury Management Strategy 2025/26	Seek approval for 2025/26 treasury management strategy
22 January 2025	Budget Proposals	Budget Workshop	All Councillor Seminar
31 January 2025	Budget Proposals	Presentation to representatives from Commerce & Industry	Statutory consultation on 2025/26 Budget & MTFP
5 February 2025	Cabinet	Quarter Three 2024/25 Budget Monitoring	Third quarter (October to December) budget monitoring for 2024/25.
5 February 2025	Cabinet	2025/26 Budget & MTFP Update	To include. <ul style="list-style-type: none"> • 2025/26 Provisional Local Government Finance Settlement. • 2025/26 Budget Proposal. • 2025/26 Council Tax Resolution.
5 February 2025	Cabinet	Housing Revenue Account (HRA) 2025/26 Budget Setting	Seeks approval for the Housing Revenue Account (HRA) which is the separate account that ring-fences the income and expenditure associated with BCP Council's housing stock. Includes rents, service charges and other charges to tenants.

Date	Event	Report Title / Action	Detail
5 February 2025	Cabinet	Dedicated Schools Grant (DSG) and Early Years Funding Formula 2025/26	Setting the 2025/26 funding formulae for early education and childcare for eligible 2-year-olds and all 3- and 4-years olds, mainstream schools for pupils in reception to year 11.
25 February 2025	Council	2025/26 Budget & MTFP Update Report	Formal approval of the following. <ul style="list-style-type: none"> • General fund 2025/26 budget and council tax. • Education and childcare funding formula. • Housing Revenue Account 2026/26 budget and tenant charges.
March 2025	n/a	n/a	Publish 2025/26 Budget Book
June 2025	Cabinet	2024/25 Financial Outturn Report	Summary report covering the financial outturn for the financial year 2024/25.

Subject to determination

- Specific arrangements have been made to enhance the scrutiny of the budget process which commences for 2025/26 with independent training for all members on the 29 July 2024.
- Dates of the precept meetings for the Town, Parish and Neighbourhood Councils in Christchurch and the Chartered Trustees in both Bournemouth & Poole

2025/25 Budget - Financial Strategy

Supporting the 2025/26 Budget & Medium-Term Financial Plan (MTFP)

With a continuing focus on traditional local government financial management processes and revenue sources the Cabinet working with Senior Officers has developed the following financial strategy to support maintaining a balanced 2025/26 Budget and Medium-Term Financial Plan.

Focus on delivery of the February 2024 approved Medium Term Financial Plan

Action by Portfolio Holders, Corporate Directors, and all Budget Holders to deliver the assumptions as set out in the February 2024 report to Council. The emphasis will be on the delivery of the assumed, savings, efficiencies, additional fees and charges, or service adjustments.

Dedicated Schools Grant (DSG)

Implement the 15-year DSG recovery plan. Continue to explore with the Department for Education (DfE) and the Department for Levelling Up, Housing and Communities (DLUHC) the significant accumulated deficit on the Dedicated Schools Grant (DSG) and solution as to how this will be funded. This will include continuing the Safety Valve conversation with government.

Financial Outturn

Review of the 2023/24 Financial Outturn to consider extent to which the base revenue budget needs to be rebased to reflect income and expenditure patterns in the period since the 2024/25 budget was set. Care will need to be taken to consider the impact of the spend control that operated during the whole of the last financial year.

Accommodation Strategy

Ongoing review of underutilised and unused buildings with a view to rationalising the corporate estate and further consolidating the staff in the civic centre. To include consideration of future options for owned buildings and the potential to pass back leasehold properties to their freeholder as soon as practical.

Corporate Landlord Model

Continue the work to develop and implement a virtual Corporate Landlord Model supported by a full Asset Management Plan.

Pipeline of Capital Receipts from Asset Disposals

Continue with the development of an ongoing programme of sales from assets no longer needed for service or strategic reasons.

The use of these receipts to be considered in support of.

- The extension of the Flexible Use of Capital Receipts legislation to the 31 March 2030 including any yet to be announced amendments to its parameters. This may facilitate a second more service specific transformation programme.
- Debt repayment.
- Improvements to Civic Hubs.
- Capital investment in assets.

Capital Programme

Minimise new capital requirements/bids by only considering fully externally funded schemes or those where there is a legal requirement (such as critical condition schemes to manage health and safety or manage operations). In addition, consideration will be given to robust self-financing business cases that use the council's ability to borrow to invest in capital infrastructure and which additionally drive down operational costs or avoid demand pressures.

Transformation Investment Programme

Continue the delivery of the transformation business case with particular focus on the already programmed savings and the underlying need to resize the authority with the resultant reduction in the head count of the authority. Ongoing consideration is being given to the possibility of supporting this process with a Voluntary Redundancy process during the summer/autumn of 2024 to ensure delivery for the saving for 1 April 2025 onwards. In support of this process, it is proposed to use the following updated value for money criteria after consideration of the models adopted by other local authorities.

- a. No individual will be made redundant unless the payback in savings from their post is less than 2 years.
- b. Exceptions to these principles will be permitted due to operational and service delivery needs however any such proposals will need the approval of the following Senior Officers, Chief Executive, Director of Finance, and the Head of Human Resources. The authorisation of these three officers will also be required for any proposal in which the total exit cost is more than £95,000.
- c. The expectation is that individuals will be required to work their notice periods and take any outstanding annual leave entitlements.

Fees and Charges

Ensure all fees and charges are increased in line with the impact of inflation on the service including the impact of the pay award and the pay & reward workstream. In doing so services should continue to ensure application of the Full Cost Recovery principle which requires all fees and charges are set at level to guarantee that all costs both revenue and capital, direct and indirect are fully recovered.

Service Rationalisations

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

Procurement and Commissioning

Following the creation of an Officer Procurement and Contracts board, consider the extent to which improved contract management arrangements can drive better value for money arrangements.

Harmonisation of Services

The intent is to harmonise all services across the conurbation following the 2019 Local Government Reorganisation. Good progress has been made however all outstanding areas of harmonisation will be reviewed to eliminate any areas of difference. This action is underpinned by the assumption of the harmonisation of systems used to underpin the delivery of services.

Review of the Business Rates Collection Fund

Ongoing review of the Business Rates Collection Fund following the fundamental review undertaken with independent expert advice in support of the 2024/25 budget process. Included consideration of top up and tariff arrangements, appeals and bad debts. The purpose is to monitor if the impact is in line with that predicted.

An Enabling Council – Strength Based Approach

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

Explore Alternative structures for the delivery of services.

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

Resident Cards

To potentially be introduced from April 2025 with potential differential charging approach between residents and non-residents.

Integrated Care System

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

Housing Revenue Account/Companies

Update the 30-year HRA business plan following the creation of BCP Homes. This should be facilitated by a complete a review of all recharges between the General Fund and both the Housing Revenue Account and Companies, and vice versa, to ensure in line with latest best practice.

Review of Balance Sheet

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

Government Reforms

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

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Bournemouth, Christchurch and Poole Council

Independent Financial Review

Final - February 2024

A Report by:
The Chartered Institute of Public Finance and Accountancy
February 2024

CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance. CIPFA shows the way in public finance globally, standing up for sound public financial management and good governance around the world as the leading commentator on managing and accounting for public money.

Further information about CIPFA can be obtained at www.cipfa.org

Any questions arising from this submission should be directed to:

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1 Executive Summary

Summary of Findings, Issues, Evidence and Analysis

Overall summary

The purpose of this review is to assess the financial resilience of Bournemouth, Christchurch and Poole (BCP) council in the light of the financial risks and pressures faces and the recommendation set out in the Best Value Notice. The review seeks to assess BCP's financial position and arrangements and determine whether the council is taking all reasonable steps to address the position and identify what more needs to be done as part of its budget setting process and development of its Medium Term Financial Plan (MTFP).

BCP has taken positive steps to improve financial resilience since the Best Value Notice was issued and it looks increasingly likely that BCP will manage its spending effectively within budget for 2023/24 and set a balanced budget for 2024/25 with a projected balanced MTFP covering the four year period to 31 March 2028. The council compares well with its nearest neighbour group when it comes to debt as a percentage of income and reserves. Its capital spend as a proportion of net revenue spend is also relatively low and the council holds reserves that provide some albeit it limited resilience in the face of increased borrowing costs and increasing service pressures. Financial management arrangements are now improving but there is still work to do to improve processes and capacity in some areas and further develop financial reporting. Overall, Member and Officer understanding is clearer with a commitment from the new political leadership to prioritise financial resilience. There is greater focus on the financial reality BCP is facing. BCP is in an improved position to meet the challenges it faces but has still got some work to do to move thinking beyond the historic transformation programme and ensure it has the commitment across the council to make some difficult decisions in key service areas including Adults, Childrens and Cultural services to balance future budgets.

There is more work to do to ensure BCP has the people, process and systems capacity and capability to deliver sustained savings. This includes the need to continue to develop the new financial system and the capability of budget holders and access transparent, timely financial information. It is also important that it develops its detailed 2025/26 budget plans and the medium term financial plan early on next year. Strategies need to be developed to support plans in place. Officer and Political leadership's approach to addressing this collectively is maturing. Medium-term financial projections are developing but more work is needed to build confidence in the process and financial management understanding across BCP but more particularly in Childrens and especially Adults Services. BCP needs to ensure its leadership team deliver on the common narrative and joint commitment to delivering the balanced 2024/25 budget, and its underpinning savings, and in delivering against the medium term projections. This will need to strike the right balance between prudence but with financial support and willingness to exploit opportunities and accept some considered risk. This includes determining the right operating model going forward and assessing what a 'right sized' council looks like.

Recommendations

There are some key recommendations set out below that the council needs to act on if it to build on the progress made so far and address the very real challenges it still faces in the future. These are not critical at present in the context of the most recently reported financial position but the key ones to prioritise are:

1. The council should develop its modelling in building its MTFP alongside agreement with members and senior officers of the frequency of any refreshed MTFP.
2. The council should act quickly to maximise the opportunity to identify potential asset sales and explore the full range of savings opportunities.
3. The council should ensure that members are upskilled and engaged with a commitment to both financial and non-financial learning and development through the available LGA training opportunities.
4. Members and senior officers should agree collectively on the best way to deliver sustainable improvements in the quality of financial, forecasting and performance information and ensure it has the right approach in driving out sustainable change that delivers savings.
5. The council should deliver the agreed finance target operating model. It should further develop its approach to business partnering and service level agreements with Service Managers to ensure it is equipped to manage service and budget pressures.
6. The council should undertake a capability assessment of its finance function and budget managers to identify and gaps in skills and experience and the need for any succession planning.
7. The council should be disciplined in ensuring savings are baselined in service budgets to ensure they are sustainable to address MTFP pressures.

The following recommendations should also be considered:

8. The council should identify the areas where it may need further external support, particularly in demand led services. This should include an assessment of the impact of additional resources in minimising risk or delivering savings or improvements
9. The council should fully explore all savings opportunities and model upper and lower savings limits. Proposals should be considered in the context of the impact on risk and vulnerability in the community through a 'One Council' approach.
10. The council should ensure the ERP system is delivering the desired benefits, address any workarounds and ensure the ERP system is used in the first instance. It should consider how further phases support the integration of risk, service, and financial reporting through dashboards to ensure resources are focussed in the right areas.
11. The council should ensure legacy issues from reorganisation with different systems, policies and process are addressed and look to achieve a standardised approach unless there is an overriding reason not to.
12. The council should ensure it starts its budget consideration early and receives early reports on the progress against its plans in the new financial year to give it the best possible chance of delivering all the required savings.
13. The council should ensure a clear focus on risk and vulnerability as part of a clear framework for Childrens and Adults services decision making but recognise some proportionate risks will need to be accepted and managed collectively by the council.
14. The council should continue with its process to develop its strategic capital programme framework and its implementation to ensure the capital programme is affordable and sustainable.

15. The council should address the inadequacies of its existing property IT systems if it is to maximise the opportunities to optimise the use of its estate and develop its asset management plans.
16. The council should ensure it maintains its capacity and skills to match those found in the remaining companies to ensure effective client side monitoring.
17. The council should consider developing a risk based assessment of reserves and the appropriate target balances.

2 Introduction

2.1 Background

Bournemouth, Christchurch and Poole Council (BCP) was formed in April 2019 following a complex local government reorganisation (LGR), bringing together district and county level services from across four preceding Councils. In August 2023 the Council was subject to a Best Value Notice on account of the findings of the External Assurance Review that identified among other things that the Authority's Medium Term Financial Plan (MTFP) and budget as they were then agreed (February 2023) were unrealistic.

BCP commissioned this financial review partly in response to a recommendation of the External Assurance review that the Council commission an external financial resilience review to inform the MTFP and budget setting.

The purpose of this review is to assess the financial resilience of BCP Council in the light of the financial risks and pressures it is currently facing.

2.2 Requirement

The review seeks to consider assurance over BCP's financial position and determine whether the Council is taking all reasonable steps to address the position and what more needs to be done.

The core objective of the review is to assess the financial resilience of BCP Council in the light of the financial risks and pressures it is currently facing. The key questions to satisfy the review include:

- Is there overall assurance of the BCP Council's financial position?
- Is BCP Council taking all reasonable steps to address the position and what more needs to be done?

We undertook our review using the themes of a DLUHC financial resilience review but focused on those areas which had been identified by previous reviews and by the Best Value Notice as potential areas of risk and on which the authority sought assurance of their progress.

This review focusses on the financial sustainability of the council and does not comment on the appropriateness of or adherence to accounting policies or any on-going external audit work which is a matter for the external auditors.

Context

The review is limited in some areas by the lack of up to date financial and information on the capital programme and uses the latest publicly available information, supplemented by member briefings as part of the 2024/25 budget process where appropriate in forming our conclusions. Updates were made to the report, where appropriate, to reflect the latest information available in finalising the report in February 2024 but the report cannot comment on the validity or detailed assumptions made in respect of the February 2024 MTFP. Some of the progress made since the fieldwork against recommendations may not be fully reflected in the report.

Our work also follows up on any overlapping areas where appropriate to assess progress against the published best value action plan. The following areas have been covered.

- **Financial Management and Sustainability** – focusing on how well the Council was addressing financial pressures, the deliverability of savings plans, the efficiency in delivering services and whether the Council was on course to present conventional balanced budgets in the near future (2023/24 & 2024/25) and had an appropriate MTFP.
- **Financial Governance and Decision Making - Financial *governance and decision making*:** an assessment of a council's financial governance/management processes, leadership, operational culture, whether it has the appropriate financial governance procedures in place, and the capability and capacity to make any necessary transformation.
- **Capital programme/companies:** an assessment of the council's capital programme and management of related risks including arrangements with Local Authority Owned Companies
- **Commercial assets/debt:** an assessment of the council's assets and investments including dependence on commercial income, debt costs and other risks.

2.3 Methodology

Our approach comprised the following elements:

Desktop analysis

BCP made a number of documents available for our examination. These included relevant policy papers and strategies, minutes of meetings and progress reports. We reviewed the material and made supplementary document requests as appropriate to the council.

Specialised inputs

Some comparative data analyses were conducted on issues such as revenue spend and indebtedness using CIPFA's Financial Resilience Index and the Office for Local Government. Where relevant they are included in the report.

Interviews

The bulk of the fieldwork comprised interviews conducted in October and November 2023. We triangulated different oral evidence as well as oral against written evidence. Council officers and members were invited to give views and respond to queries provoked by documentary evidence. We would like to thank everyone involved for their courtesy and constructiveness.

Report drafting, feedback and fact-checking

The above inputs were then analysed and subjected to our professional and expert judgement. The result is this report. Initial feedback on themes and key findings was provided to officers in advance of setting the 2024/25 budget to inform any discussions.

This report was fact checked as far as possible and is based on the fieldwork completed within the time frame for the review. It was not a comprehensive audit of the Council's finances. As a consequence, the conclusions do not constitute an opinion on the status of the Council's financial accounts.

CIPFA's review team consisted of two experienced consultants with relevant backgrounds in all areas of the review's scope. CIPFA would like to take this opportunity to thank the council for being so amenable and open to meeting with the review team and for the

considerable effort that has been expended in collating and sharing key documents with CIPFA. We also thank everyone involved for their openness, tact, and honesty.

3 Areas Reviewed

Review Area 1 - FINANCIAL MANAGEMENT / SUSTAINABILITY

An assessment of the Local Authority's financial management and management of risk, financial pressures, deliverability of savings plans and efficiency in delivering services.

Progress has been made with a projected sustainable MTFP (Medium Term Financial Plan)

The draft 2024/25 Budget does present a balanced 4-year MTFP on paper including £52m of savings, efficiencies, and additional income generation proposals for the period to March 2028 to assist in addressing the inherited £30m structural deficit and managing forecast service pressures over that timeframe. However, the delivery of this remains challenging. The assumptions regarding inflation, demand pressures and service evolution appear reasonable but will need continual modelling. One-off resources created from a fundamental review of business rates (with LG Futures) have been used to support timing differences in the MTFP and to improve the financial health of the council including increasing unearmarked reserves and establishing an exceptional one-off contingency to mitigation any delays in delivering the planned savings.

Pressures in 2024/25 and 2025/26 increase and savings set out in the MTFP are assumed to be permanent. Council members recognise some of the improvements being made and the focus on delivering practical savings. More detailed savings plans are in place for 2024/25 which are being developed into practical actions. These will need further development over the four-year period and more strategic thinking to re-engineer services across the range of everything the council does. Challenges remain in respect of an accumulating deficit on Dedicated Schools Grant (DSG) Funding. Although the governments statutory override currently protects the council, if it was withdrawn the scale of the deficit would push the council into an unsustainable financial position. This has been clearly highlighted in updates to the council as part of the Medium Term Financial Plan update and the draft budget report.

Needing to strike the right balance in updating the Medium-Term Financial Plan and budget assumptions.

The level of required savings is still challenging but progress has been made in reviewing the debt position, applying an expenditure freeze, closure of the BCP Future Placed Ltd Company and application of a voluntary redundancy process. These are considered later in the report. BCP has undertaken some modelling on assumptions. The updated MTFP considers the wider implications and strategies for reserves, treasury management and council tax. The MTFP includes some key elements required of a financial strategy, identifying pressures, funding changes including proposed council tax increases. These are further developed in the budget report, however.

The council formally reviews its four-year Medium Term Financial Plan (MTFP) on an annual basis and updates the council, as required, through its reporting against the budget. Budget preparation meetings have been regular and comprehensive and have been more inclusive and focussed in their approach to ensure a balanced budget. The latest MTFP covers 2024/25 to 2027/28.

However, Finance needs to provide some certainty on the continuing financial position and the council should consider how often and on what basis it updates its medium term financial plan projections. It is important to strike the right balance between keeping the leadership team and members updated on a regular basis but also providing confidence that it can act on the information provided without fear of significant changes. There is still significant work needed to deliver the projected balanced budget and MTFP.

Maintaining an appropriate level of reserves but pressures remain

The council recognises the need to hold a prudent level of reserves and forecasts to maintain unearmarked reserves of 6% (£21.9m) as of 31 March 2024 of the 2024/25 net budget which it considers to be slightly above the absolute minimum requirement. The council is forecasting to maintain this position over the next four years. Total reserves stood at £86.4 million at 31 March 2023, projected to decrease to £42 million at the end of March 2024 and then rise to £47.5m by the end of 2025. The council does identify, however, the projected growing Dedicated Schools Grant deficit from £35.8m in 2023 to £92m in 2025. The plan to increase its reserves is prudent in light of the pressures facing the council. The council is clear that the use of reserves is not a sustainable approach to address structural budget issues but these might still be needed to offset short-term pressures and one-off costs if savings plans don't deliver.

Improving financial management arrangements but more work needed to embed processes and systems.

We have seen evidence that the council is improving the arrangements and overall processes in place with a more prudent approach to savings now in place in line with local government accounting principles. There is a budget working group involving members and officers. Members and officers alike are aware that there are challenges and a need to develop more of a corporate, challenging, and transparent approach from Directors on budget management. The areas for improvement set out in the auditor's report are consistent with our findings. Some key improvements are still required, however, to improve processes and systems in particular and the skills needed in departments to ensure effective budgetary control. Some of these have been identified in the council's action plan and some progress is being made in providing transparency over loss making areas which is consistent with our findings as part of our review. However, there are still challenges in resolving historic systems issues and the timeliness of some reporting and budget preparation which is not helped by a lack of SLAs to promote financial responsibility across the Council. Members expressed concerns, particularly on access to self-service information on the position against budget.

There is regular assessment against the CIPFA Financial Management Code and requirements.

The council has assessed itself against the CIPFA Financial Management Code and updates it every year. However, there are some gaps in the action plan based on our findings which will need reflecting in an updated action plan for the Audit and Governance Committee. These will also need to be reflected in the Annual Governance Statement.

These identified improvements are considered, where required, in the relevant section of the report. We do, however, also identify some further areas that the council should consider.

Financial, risk and performance information is reviewed by the Leadership team. There are improvements that could be made to integrate service and financial planning reports. This could help the council and the Leadership to fully assess and understand the implications of service and spending trends and also support the focus on business partnering. Full

realisation of the benefits from the ERP system across the council might provide a further opportunity to do that.

When setting the budget, Section 25 of the Local Government Finance Act 2003 requires the Section 151 Officer to report to members on the robustness of budget estimates and the adequacy of proposed financial reserves. These requirements are met.

The Council's assurance action plan, drawn up in response to the external governance review and Best Value notice, included an action to improve budget management providing a greater emphasis on the skills being held by service managers. This relies on the provision of accurate budget monitoring information to services.

Ensuring the new ERP system delivers

As part of the council's "Transformation Programme" BCP invested in a new comprehensive Microsoft based Enterprise Resource Planning (ERP) system with the intention of giving a more comprehensive and intuitive system bringing together finance and HR and allowing a greater degree of self-service by budget holders. The new system was operational by August 2023.

Service budget holders told us they recognised the potential of the improvements that had been introduced in the budgetary information made available to individual budget holders. Information was more granular, and more information was more up to date and provided for more self-service and less reliance on Finance spreadsheets. It was pointed out to us that many of the improvements that had come about were because of a new reporting module and interface rather than the change in the underlying enterprise system.

There were challenges principally associated with establishing and programming a significant service restructure for the Operations Directorate at the same time of implementing the new system and closing the previous financial years accounts. This led to some loss of confidence in some individuals. The Finance team have made efforts to improve the accuracy and recognition of the budgetary information within the system. Nevertheless, the functionality of the new ERP still depends on a great deal of workaround (invoicing, permissions, and some human resources functions in particular).

We recognise that it is inevitable when new systems are introduced that there are bound to be teething problems. The Microsoft based system is not common within local authorities but it is important that there is sufficient senior management attention brought to bear to ensuring benefits of new systems are realised and that the greater efficiencies and effectiveness promised do come about. Some finance and human resources staff told us they did not think senior management sufficiently appreciated the efforts and workarounds that were being made to make the system work.

Raising the profile of risk management and understanding risk appetite

The council approved its Council Plan for four years alongside the MTFP. This alignment ensures that the MTFP reflects the financial consequences of emerging issues and demands. The council, however, doesn't consider the risk register at Cabinet and there is no real discussion amongst members on risk appetite or mitigation. The council does articulate associated medium-term capital and revenue budget pressures in its four-year forecasts, however.

The council has a Risk Management policy. However, there is a view that this is not actively applied and consideration of risk is not routinely embedded in decision making. It is not taken as seriously at Director level for decision-making as it should be. There is a discussion to be had on what is the shared corporate risk appetite. Perhaps understandably, there appear to be different risk appetites across the council and whilst it is reassuring to see that

the budget proposals developed for 2024/25 are based on a more prudent approach to delivering savings, it is important that the council doesn't rule out different delivery models when looking at how it delivers much needed service changes in some areas, particularly in Childrens and Adults and Services. Specific financial risks are considered in respect of the budget, in particular, the withdrawal of government statutory override in respect of Dedicated Schools Grant (DSG) but there is more scope to develop the modelling and scenarios associated with the different aspects of the financial strategy. This discussion needs to happen beyond finance and across the council.

More scope for savings and ensuring deliverability.

There is still a challenge to review the provision of some non-statutory services to assess if they can be delivered differently. This includes financial support to cultural activities and events which are held dear by the Council. There is a view that some savings weren't always captured and 'banked' as part of the 2022/23 budget process. It is important that there is clear understanding of the process for dealing with underspends going forward and the need to instil a 'One Council' approach based on risk and vulnerability when making difficult decisions.

It is important that projected savings include minimum and maximum forecasts by directorate. It is too early to say whether these are deliverable and appropriate until the plans are in progress and can demonstrate they are properly resourced.

The continued modelling and risk assessment of achievability of the savings plans will be essential, in particular, how quickly they can be enacted if the council is to achieve its savings targets. It will also determine whether the council can stick to its position of only applying reserves to fund one off cost and short-term pressures. The latest reserve position does provide the council with some resilience but the ability to apply reserves to meet new one-off pressures and meet any increased borrowing costs is very limited in the future.

One off savings on tight expenditure and vacancy control gave the council confidence that they could balance the budget in 2022/23. This was also supported by asset disposals (c.£20m in 2022/23) which have also sustained the council in the short term. There are further opportunities to make further savings as a large number of contracts are expiring over the next two years. The council has now established a Procurement & Contracts Board to supplement the internal control system put in place since the freeze on non-essential expenditure was implemented in September 2023. Further improvements in procurement including a new contract register, improved pipeline management, and training are in train. These are considered later on in the report.

Moving beyond the historic transformation programme.

Historic savings from the transformation programme have been disappointing. However, As of the 31 March 2024 the council is forecasting that it will be delivering annual ongoing transformation savings of £14.7m based on a cumulative investment of £38.2m. This is forecast increases to annual ongoing savings of £28.5m for a cumulative investment of £52.1m by 31 March 2025. This is ambitious and will need careful monitoring by the council with clear resourcing plans. So far, the programmed savings so far have not been forced through and benefits realisation has not been sufficiently focused and granular. There has also not been sufficient attention to process improvement through programme management with unrealistic expectations on the time needed to embed transformation. This reflects the desire to have new systems in place before the resource is taken out in some areas.

Terming savings from transformation as unidentified but including them within budgets has, in the past, been a method of helping to fill the funding gap rather than being transparent about the programme. This approach has been removed as part of the 2024/25 Budget. Consensus through interviews confirmed the savings associated with the previous

transformation change had not been identified with sufficient granularity and that benefits management was not sufficiently robust. Others told us that replacement of some of the legacy processes and systems (such as MOSAIC and the continued existence of three different legacy planning systems) which would have led to greater efficiency were not covered by the transformation programme or budget.

The council does appear to be moving beyond the thinking that views transformation as having been done. There is a need to deliver structural reform across the council and its individual services. Transformation needs to be on-going.

The Transformation Investment Programme (including the flexible use of capital receipts) which supported the 2024/25 Budget sets out that by 2027/28 the plan is to increase the annual ongoing savings to £32.3m of annual savings for the one-off £52.1m of investments but this will be very challenging as highlighted earlier. Only identified savings are currently included in the new MTFP but plans will still need clear detail and very careful monitoring and scrutiny.

There is more work to do in Children's and Adults services and further transformation in these areas is important as reflected in the high risk associated with the Social Care ratio in the CIPFA Financial Resilience Index. A service-based transformation investment in Children's Services has been approved through a full business case in December 2023.

We would make the following recommendations based on our review:

- The council should develop its modelling in building its MTFP alongside agreement with members and senior officers of the frequency of any refreshed MTFP.
- The council should further develop its approach to business partnering and service level agreements with Service Managers to ensure it is equipped to manage service and budget pressures.
- The council should be disciplined in ensuring savings are baselined in service budgets to ensure they are sustainable to address MTFP pressures.
- The council should fully explore all savings opportunities and model upper and lower savings limits. Proposals should be considered in the context of the impact on risk and vulnerability in the community through a 'One Council' approach.
- The council should ensure the ERP system is delivering the desired benefits, address any workarounds. It should consider how further phases support the integration or risk, service, and financial reporting through dashboards to ensure resources are focussed in the right areas.

The Local Authority's capability and capacity to drive any changes that need to be made in this area.

The need to improve financial skills, knowledge and understanding across the Council.

There are some experienced finance staff at middle management levels but the council is very reliant on key finance staff for HRA and technical accounting, although the council does make use of interim staff where appropriate. It is important that the council considers appropriate succession plans and conducts a capability assessment of its finance function to identify any skills gaps. There is also an increased focus on managing the capital programme due to concerns about slippage with specific support identified. There is an acceptance, as indicated earlier, that business partnering is underdeveloped, and plans are

being developed to address that. The new Finance system will shift initial budget management responsibility on to cost centre managers and if successful, should lead to a new and more constructive relationship with finance business partners.

Budget holders meet regularly with the business partners and management accountants, but the council recognises it can do more to develop understanding and ownership amongst budget holders. It still needs to develop more specific improvement actions to develop that and to map out what a new modernised finance function will look like and how it will behave. Concern was expressed as part of our work that service leads historically appear to have received approval for additional expenditure in some key demand services through their Business Partners without it necessarily being referred up to the Director of Finance. This links to the previous recommendation to instil discipline in financial management.

Ensuring the right financial information and financial skills are available.

The new reporting module in the new ERP system has made the budgets of the individual departments more transparent across the organisation. Before much of the budget creation and monitoring was on informal Finance controlled spreadsheets. Now budget holders can create their own dashboards but confidence and understanding of what is possible can still be improved. Members acknowledged that the reporting from the new system, whilst still developing, made them aware collectively of information on spending including expensive child placements.

The general quality of the finance team is considered to be good. However, there is a view that under transformation the savings from reducing the number of posts had to precede any benefits from new ways of working and this has impacted on the quality of financial reporting throughout the organisation. Others believe that savings should be driven out earlier on the back of transformation changes. From the evidence gathered as part of our review, we believe there are some priority actions still needed to get the new ERP system to where it needs to be which require a corporate focus, senior finance involvement and specialist ERP knowledge which is not currently being provided by existing arrangements. These will be essential in maintaining the commitment and continuing to build the confidence of those using the system.

We would make the following recommendations based on our review:

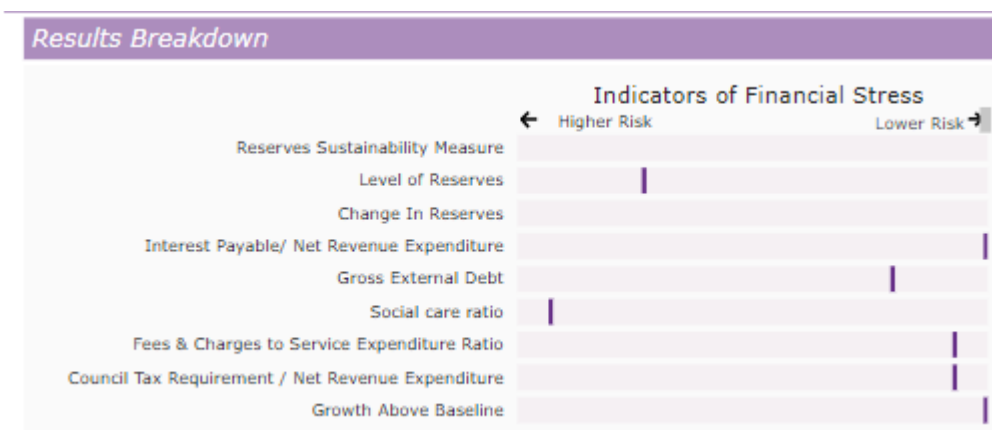
1. The council should undertake a capability assessment of its finance function to identify and gaps in skills and experience and the need for any succession planning.
2. Members and senior officers should agree collectively on the best way to deliver sustainable improvements in the quality of financial, forecasting and performance information and ensure it has the right approach in driving out sustainable change that delivers savings.

The efficiency of service delivery, including against comparator Local Authorities, sector metrics and wider public sector metrics.

In assessing the efficiency of service delivery, including against other councils, we have used benchmarking information derived from CIPFA statistics and the Financial Resilience Index (FRI). Some of the data should be treated with caution and there will probably be particular circumstances relevant to the council that need to be considered. However, these may warrant further investigation by the council. Figure 1 shows a high-level summary of

the position, using the resilience index and appropriate analysis follows for other indicators. It uses nearest neighbour analysis where appropriate¹.

Figure 1. CIPFA Financial Resilience Index - Financial stress indicators



It is important to consider this material in the context of the council's wider performance, service effectiveness, inspection ratings and its established medium term financial strategy. The council has identified the need to demonstrate further benchmarking of performance in its assessment against the financial management code. The council may want to consider how it uses some of this comparative information to inform future budget reports and savings opportunities, including 'what if?' modelling in key service areas. Further analysis is also available in published CIPFA Value for Money (VFM) toolkits.

Net revenue and service expenditure

- BCP's net revenue expenditure came in just above the 75th percentile of its nearest neighbours' group in 2021-22. Only Durham, Cheshire West and Wirral had a higher net revenue expenditure. Although it decreased between 2019-20 and 2020-21, it has been at this level for the last 3 years since it came into being.
- On a per head basis, however, BCP's total service expenditure was the lowest in the group last year and was 18% below the group average. Only one authority has spent less on services per head during any of the last three years.
- Almost a third of the council's expenditure on services is allocated to Adult Social Care on which BCP spent 54% more than the group average. Only Durham spent more to provide this service.
- Per person, compared to the group average, BCP spends an extra £1 for every £10 spent to provide Adult Social Care and Planning and Development services to its citizens.
- On the other hand, the authority spends significantly less per head than average on 4 services: Education (-45%), Highways & Transport (-43%), Public Health (-16%) and Central Services (-15%).

¹ The nearest neighbour analysis features 40 metrics that use a wide range of social-economic indicators. The tool is designed to interpret results and assess how the statistical distance between other authorities arises. It allows authorities to see how the statistical relationship between a council and its statistical relevant neighbours has changed

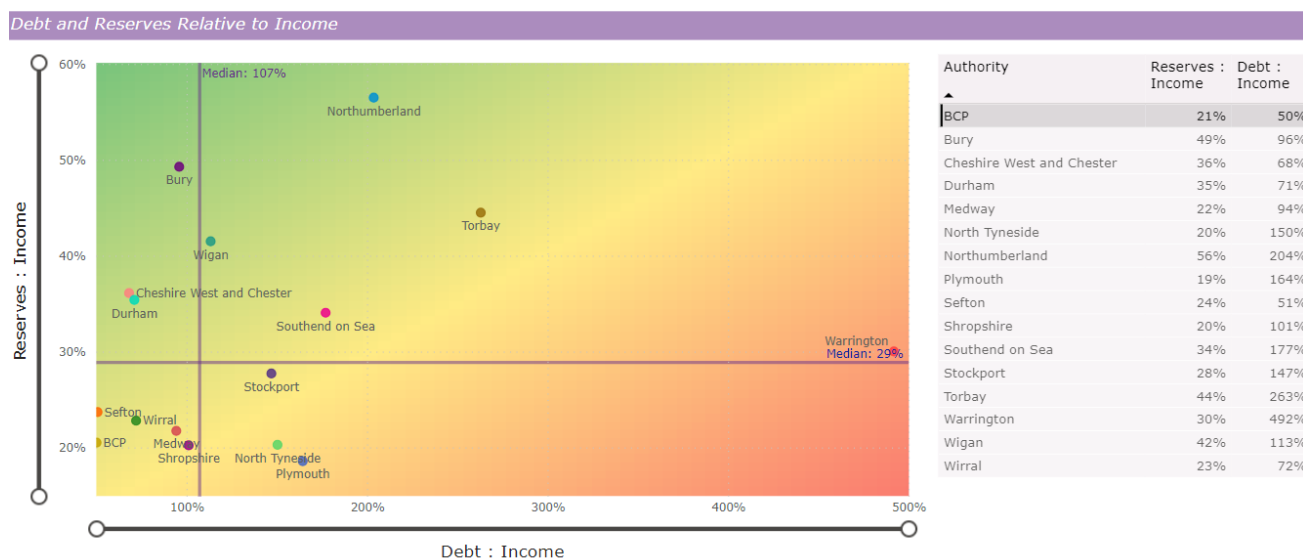
- When combined, Education (26%), Adult (31%) and Children's Social Care (17%) account for 74% of the council's total service expenditure.

Financial Resilience Indicators

- BCP is judged to be relatively 'Higher Risk' for two of the Index's indicators: Level of Reserves, the ratio of reserves and net revenue expenditure and Social Care Ratio, the ratio of total spend on social care and net revenue expenditure.
- There is only one authority at which spending on social care occupies a larger proportion of net revenue expenditure than at BCP.
- Conversely, the council is deemed to be at 'Lower Risk' for all other indicators and is judged to be least at risk in two: Growth Above the Baseline, calculated as the difference between baseline funding level and retained rates income, over baseline funding level and Interest Payable, the ratio of interest payable and net revenue expenditure.
- An average ranking of 8.25 across all 7 of the indicators there is sufficient data to calculate for BCP, reflects this mixed picture suggesting while the authority shows signs of resilience in some areas, others could be worthy of further scrutiny.

Debt, Borrowing and Capital Expenditure:

- At £264,938k, BCP holds the fourth smallest amount of external debt among its nearest neighbours, and it is comfortably lower than its net revenue expenditure.
- Combined with a relatively high level of income, calculated as council tax requirement and business rates plus sales, fees and charges, this results in the lowest Debt to Income ratio of the group at just 50%, significantly lower than the median 107%.
- That said, it's relatively low level of reserves mean it's Reserves to Debt ratio ranks among the lowest at the group at just 21%. As such, while BCP's debt level is in a relatively healthy position, it's peers typically hold more reserves compared to the scale of their financial operation. This is illustrated in the chart below.



Reserves are calculated as the sum of earmarked and unallocated reserves at 31st March 2022, from the Revenue Summary.

- BCP's capital expenditure to net revenue expenditure ratio has been at around 35% for the least two years which places it alongside the 75th percentile for the group.
- BCP's Prudential Borrowing to Provision for Repayment Ratio is in line with the median of the group at 3% in 2021-22 and was even lower last year signifying the council's borrowing activity is moderate compared to its repayment obligations.

Overall assessment

The analysis does indicate some areas worthy of further review but it is also important in the area of Social Care expenditure relative to comparable authorities that this can be partly explained by the significantly older population profile. However, the analysis confirms the need to maintain a close eye on reserve levels and social care pressures including savings opportunities.

Review Area 2: FINANCIAL GOVERNANCE AND DECISION MAKING

An assessment of the council's financial governance / management processes, leadership, operational culture, whether it has the appropriate financial governance procedures in place, and the capability and capacity to make any necessary transformation

Financial plans are developing alongside the Councils priorities.

The council has an improving process for ensuring its financial plans align to the strategic vision and direction. The council's leadership understand the financial challenges and the more inclusive budget settling process with joint workshops has improved understanding across Members and Officers. The Bi-weekly budget development meetings have taken place since June 2023, particularly into the later stages of the budget.

The Three Towns Alliance has achieved the task of agreeing a new corporate plan supported by a four-year budget. The alignment of the Council Plan with the MTFP is important and ensures council ambitions are not considered without due regard to the financial implications. Consideration of longer-term planning horizons for the council's revenue expenditure and for its capital programme will help, accepting the current challenges with short term settlement announcements.

There is a recognised need to take the tough decisions this year. There is a consensus that there is a need to right size the council for the medium to long term. Four years on and despite transformation there are still areas where the council operates as it did with divisions between the three/four councils that preceded it. There continue to be two planning portals, for example, depending on where you live within the BCP area. There is a view that there is currently goodwill amongst the taxpayers for the council to fix things presents a window of opportunity and a political view that the council needs to maximise opportunities to generate income in a proper way and move on sale of assets as quickly as they can. There is recognition that there are difficult areas where savings could be made, particularly is Culture, Leisure and Wellbeing. There is also an understanding that some of the reasons for living in the BCP area relate to that offer.

Political and Officer leadership is still maturing to ensure ownership, stability, and appropriate expertise.

In the May 2023 election, thirty six new councillors were elected. The political and officer leadership teams are still relatively new with limited influence through portfolio holders at this stage. This provides a challenge in ensuring approaches to the required savings plans are corporate and sustained. Our discussions suggest members and officers want to improve things and do the right thing. However, challenges with the maturity of the political alliance means the focus can often still be focussed on operational matters with work still to do to grasp some of the more strategic issues facing the council. The need for members to build their skills and experience, including in financial matters remains a priority. All members including existing members offered a programme of training through the Local Government Association. Some of the modules have required a mandatory physical presence. The programme does include material on finance, scrutiny, and regulatory services. Although this has been sourced for members, not all members have taken up the opportunity.

The delay in starting the budget process in June 2023, not helped by the local elections in May 2023, meant the management team and council were up against it. However, this has

improved as joint member and officer discussions developed into the more detailed budget considerations. However, there are still key elements of the transitional plan from reorganisation that need to be delivered and a need to provide a focus on key tasks to build confidence in financial and performance information. Education services remain a challenge with limited information available to provide a focus on what needs to be done.

We would make the following recommendations based on our review:

- The council should ensure legacy issues from reorganisation with different systems, policies and process are addressed and look to achieve a standardised approach unless there is an overriding reason not to.
- The council should act quickly to maximise the opportunity to identify potential asset sales and explore the full range of savings opportunities.
- The council should ensure that members are upskilled and engaged with a commitment to learning and development through the available LGA training opportunities.
- The council should ensure it starts its budget considerations and receives early reports on the progress against its plans in the new financial year to give it the best possible chance of delivering all the required savings.

The Local Authority's capacity and capability to improve and transform, including through acknowledgement of problems, openness, and collaboration with sector support.

Governance and transparency is improving.

From our work we recognised a willingness of the politicians to accept advice from officers. The new administration has made a pledge not to allow decisions by individual cabinet portfolio holders without Cabinet discussion. Previously, some decisions had not been documented and had emerged without formal discussion or agreement or challenge. However, there are still major challenges from the new political circumstances. There are eight political groups and two are unaligned on the Council. The Leader of the Council has been clear that transparency and accountability are at the top of her agenda for the Council under her leadership.

The council has taken decisive action to improve the transparency with which the development work formerly undertaken by the separate wholly owned company BCP FuturePlaces Ltd is carried out in the future by closing the company and transferring the regeneration delivery team back to the council. BCP FuturePlaces Ltd transferred all activity to the council with effect from 1 November 2023 and will be closed by 30 June 2024. When the development and regeneration market picks up again, it will be important the authority continues to innovate and consider the risks of flexible approaches to exploiting opportunities to provide income and/or more affordable housing.

There is still a need to make sure the other companies working with the council have the appropriate governance structures and member representation and shareholder interests are adequately protected. The council has recently undertaken a wide-ranging review of governance across these companies and has an agreed programme for now reviewing each of the individual arrangements

The need to ensure savings plans are delivered,

The External Assurance review noted that BCP's 2023/24 budget and MTFP were based on the delivery of an overly ambitious transformation programme both in terms of levels of savings and timescales for delivery. It was the need to fund this transformation programme that led the council to pursue non-traditional financial options in 2022/23 which contributed to the problems that lead to the original external review. Financial sustainability is based on the successful delivery of the transformation programme and delivering the projected savings to the agreed timetable. The financial targets in the transformation programme (and in the 2023/24 budget) were at the highest end of the projected range and that this was highly ambitious carrying significant risk. The review concluded the council needed to review the programme as a matter of urgency which it enacted as part of the 2024/25 Budget.

The need to actively manage risk and ensure effective change management.

The council itself recognises the risks associated with the transformation programme by its inclusion as one of twenty-two key risks on the corporate risk register. It recognises the future efficiency and effectiveness of the council, its reputation as a service provider and its ability to continue to deliver a balanced financial position within the MTFP horizon are fundamentally linked to the delivery of its transformation objectives. It notes that delivering a programme with the complexity, scale and pace would be challenging on a number of levels including effectively engaging the organisation in the vision of the future; committing to the achievement of challenging benefits realisation targets; ensuring the appropriate level of funding to support the resources required to deliver the programme.

We found the actions listed against the risk require further work and clear delivery plans need to be developed from the proposals agreed along with a benefits realisation plan. This work has started.

The risks in programme delivery were also identified by external auditors in their report for 2020/21 and 2022/23. They expressed their concern that the March 2023 risk register did not reflect the true position of the transformation programme given the un-itemised savings and the rapid increase in transformation costs. However, the External Auditors Value for Money (VfM) report that went to the Audit and Governance Committee in September did identify that progress was being made in addressing the financial challenges dispute still including concerns on the going concern position of the council.

There is still a need to reinforce corporate understanding, responsibility, and accountability in some areas.

Despite recent appointments in some key roles, there are still pockets of silo working. Childrens Services performance and failings appears to have created a challenge that has not only necessarily pushed up expenditure but set back fresh thinking about doing things differently and the need to still deliver value for money. Ownership of budgets is still patchy.

Financial understanding is poorer amongst service managers in Adult Social Care and Childrens Services. There is a need for financial training and less reliance on Finance Business Partners if the council is going to deliver the required savings but also ensure the focus on managing within budgets and improve the links between financial and performance information. This needs to be accompanied by frameworks and training to ensure corporate accountability and responsibility so service managers understand their place within the council as a whole and to break down silo thinking.

This will also be vital to ensure managers work closely across with other services to deliver better value for money, for example in providing more in-authority placements which will require joint working across a range of services including housing and the property teams.

Service managers in key functions in the council will have to show a willingness to consider potentially painful budget cuts and accept ongoing savings proposals if it is going to sustain improvements in the council's financial position. A focus on risk and vulnerability as part of a clear framework might help to progress some of these discussions further but some proportionate risks will need to be accepted and managed.

Recognising the importance of Internal Audit and the Audit Committee

Internal Audit is well staffed and meet regularly with the Chair of the Audit Committee. The function was subject to a review by CIPFA in the Summer of 2021 against the Public Sector Internal Audit Standard (PSIAS). The function was found to be broadly compliant, but CIPFA made four suggestions for improvement relating to planning and adherence to the Internal Audit charter. Whilst recognising the required independence of Internal Audit and the Audit Committee, we would expect the Director of Finance to meet regularly with the Chair, along with Internal Audit, to determine the focus and plans for the committee through its work programme.

The Audit Committee was late meeting into the 2023/24 financial year, and it is important that the committee meets regularly. Ongoing training and self-assessment for committee members is needed but it is encouraging that the authority has two independent members now serving on the Committee.

The importance of continuity and resilience in other key functions and services.

There have been five monitoring officers in the last three years with a new Director of Law and Governance (and Monitoring Officer) recently appointed. All legal roles and positions are difficult to fill in the current environment and given the councils location. Call-off arrangements are in place for locums and secondments are being explored but appropriate support from legal services will be key as the council undertakes its broader review of governance and starts implementing many of the savings' proposals developed as part of its 2024/25 budget.

There are continuing challenges for key service areas including recruitment and retention in the light of the Childrens Services assessment. This includes a lack of leadership on the key special educational needs agendas, a continued reliance on agency staff to deliver change and challenges in relations with partners. Consideration of different delivery models and further partnerships will be important in building resilience and feedback suggested that the authority needs to be better at working with the voluntary sector to manage demand. There is a view that there is scope for the voluntary sector to do much more. We do recognise however, that this will take time and is not without risk.

There has been some significant turnover across the council with a number of interim arrangements in place in other key areas including Procurement and Commissioning. Our review suggests there is still room for improvement to ensure there is a corporate grip on procurement and improve the systems to enable this. This is still seen as fragmented which means opportunities to benefit from economies of scale and standardisation across the council are being missed. The council has established a Procurement & Contracts Board to supplement the internal control system that was put in place since the freeze on non-essential expenditure was implemented in September 2023. Further improvements in procurement including a new contract register, improved pipeline management, and training are still in development stages. However, more expertise might be needed to drive out savings, for example, in special educational needs transport and school placements.

These issues of continuity and capacity do cause concern when it comes to the ability to deliver against the savings and change plans that the council is developing. There are some

significant change projects in train with the ERP optimisation, review of company governance and the development of a cross cutting savings programme. The council acknowledges these challenges and understands that it might need wider help to address them.

We would make the following recommendations based on our review:

- The council should ensure a clear focus on risk and vulnerability as part of a clear framework for Childrens and Adults services decision making but recognise some proportionate risks will need to be accepted and managed collectively by the council.
- The council should identify the areas where it may need further external support, particularly in demand led services. This should include an assessment of the impact of additional resources in minimising risk or delivering savings or improvements.

Review Area 3: CAPITAL PROGRAMME

An assessment of the council's capital programme and management of related risks

The Local Authority's governance of its capital programme, including the adequacy of its internal processes, scrutiny of investment decisions, use of sufficient expertise, and adequacy of ongoing monitoring of performance.

Governance arrangements are developing and the capital programme is being reviewed

The council has now established a Capital Infrastructure Board and is reviewing all current capital schemes. Progress against the capital programme remains slow with limited capacity in the team and some continued slippage. The quarter 3 monitoring went to Cabinet in January 2024 with capital monitoring for 2023/24 included for the first time as it had been delayed due to challenges with the reporting in the new system. There has historically been some optimism bias in the delivery programme timescales.

The original capital programme approved in 2023/24 is shown below with an expectation that spending will reduce significantly in 2024/25.

Figure 2: Projected capital expenditure

	2021/22	2022/23	2023/24	2024/25	2025/26
Capital expenditure	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	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

Receipts from sales of assets did play an important role in allowing the council to balance its overall budget in 2022/23. This included £20m from sale of Wessex Trade Centre and £7m from Airfield Industrial Centre. In considering 2023/24 asset sale contributions the council has established a cross-party strategic asset disposals working group which determined a number of principles to guide disposals subsequently endorsed by Cabinet. The working party has also agreed a number of disposal subsequently endorsed by Cabinet and Council. However, nothing has been sold yet so it is still work in progress. There are two former council administrative centres that were previously being considered as sites to develop as hotels or flats. Upon review, the view is that they should now be considered for sale as part of the review of the current capital programme

The council recognises the financial and delivery challenges associated with its capital programme. It has also identified that with its new Council Plan and limited resources, it needs to ensure it has a prioritised, justifiable, and affordable programme.

One area for improvement is on the IT systems needed to support the estate management function. Different systems are in use for Bournemouth and Poole and some files in Christchurch are still paper based. An amalgamation of all data onto TF Cloud (system used by Bournemouth) would deliver real benefits. However, there are no plans or funding in

place presently to support this. This has significantly hampered reporting into members although project managers can now create and maintain their schemes on the system.

We would make the following recommendations based on our review:

- The council should identify the areas where it may need further capacity to support the review and delivery of its capital programme.
- The council should continue with its process to develop its strategic capital programme framework and its implementation to ensure the capital programme is affordable and sustainable.
- The council should address the inadequacies of its existing property IT systems if it is to maximise the opportunities to optimise the use of its estate and develop its asset management plans.

<p>Whether the Local Authority is following best practice regarding arrangements with Local Authority Owned Companies, including ongoing monitoring and scrutiny arrangements.</p>

The need to ensure appropriate governance for companies.

A general review of companies' governance has been completed. There was a mix of governance in place.

BCP has four main separate entities:

- BCP Future Places Ltd. (FP) – for urban regeneration activity
- Bournemouth Development Company (BDC) – for urban development within the former Bournemouth Council area and is a joint venture between the Council and Muse – a wholly owned subsidiary of Morgan Sindall Group.
- Bournemouth Building and Maintenance (BBML) – undertakes programmed works for the council.
- Seascope Group and Subsidiaries (Seascope South and Seascope Homes and Properties) (SG) – undertakes adaptations and conversions to non-council owned property.

The council has conducted a review against best practice.

The [Local Partnerships guidance](#) published by Local Partnerships (a joint venture between HM Treasury, the Local Government Association and the Welsh Government) places emphasis on the importance of ensuring that the strategic fit, risks, benefits, structures, financial and governance arrangements of a Council's entities is subject to rigorous prior consideration and that Councils should review these arrangements on a regular ongoing basis and to ensure that the entities continue to deliver in accordance with the initial business case and subsequent annual business plans. Emphasis is placed on the need to ensure that the entity's objectives and operations remain consistent with the Council's corporate strategy and that they are appropriately taken account of within the Council's oversight, audit, risk management, scrutiny and decision-making arrangements with suitable, sufficient, and timely reporting and escalation of risks and issues.

In late Summer 2023 BCP Internal Audit undertook a self-assessment against the guidance focussing on two different perspectives – the Council's arrangements for overseeing and holding to account its entities and that the entities themselves had effective governance arrangements. The entity perspective check was conducted for all 4 BCP entities. However, the Council perspective checks for BBML and Seascope groups were unable to be completed following the departure of the extant Director of Housing. The assessments at

both BBML and SG were there was an opportunity to increase challenge at the Board through the development of Directors. Development of Directors induction processes were required at both entities. Individual risk registers needed to be developed for each entity and the possibility of recruiting voluntary NEDs was to be pursued.

Good governance practice is generally being followed by the councils' companies.

The self-assessment conducted by the council was positive against the vast majority of guidelines but found in the case of BDC there was a case for reviewing the past partnership business plan which ran to July 2021 due to the stalled pipeline and the Council's budget position.

We were told that conflicts of interest could arise in the case of SG with potential conflicts arising at all levels – between the Council and the Group and between the Group and its subsidiaries. Whilst it might be difficult to avoid such conflicts there needs to be transparent in how they are dealt with.

The Council has two outstanding actions in this area in its action plan in response to the external governance review and Best Value notice. These were:

a) to carry out a governance review of all subsidiary companies. The council acknowledges its need to complete a review of whether each board should be attended by either officers or councillors on the Boards, but not both. This review will also consider the core functions of each company and whether the company structure is required for the longer term.

b) put in place a regular cycle of business plans, mid-year reviews and year-end reviews of all Council companies as part of scrutiny/decision-making processes.

The Corporate Director of Resources lead the review of corporate governance at the Council which covered the entities other than FP. The target date for completion of the review was March 2024 and that was achieved. It will be important that the review addresses the issues identified by internal audit but also considers the viability of the entities in the light of current market conditions. It would also be helpful to apply the learning from the decision to bring staff in-house from BCP Future Places Ltd.

A review of BCP Future Places Ltd. has been completed.

The DHLUC governance review report was published on 3 August 2023 alongside a Best Value Notice to BCP Council. The review recommended that “The Council agrees a business plan for BCP FuturePlaces Ltd by September 2023 which sets the purpose of BCP FuturePlaces Ltd and a portfolio of priority projects with timescales for delivery.”

The governance review reported that:

“some concerns have been expressed to me about the transparency of the governance of BCP Future Places Ltd. The original governance structure did not reflect good practice in terms of governance and elected Members were too involved in the day-to-day operational management of the company and in commissioning activity. BCP Future Places Ltd now has an independent chair and three new non-executive directors. There have also been concerns expressed about mission creep and a lack of clarity around the priority projects. The new Chair and Board of BCP Future Places Ltd recognise this and are committed to working to build positive relationships with Councillors and officers. The Chair (then Sir Bob Kerslake, who sadly passed away, following which this was taken up by the interim Chair Karima Fahmy) has initiated a review of key aspects of the work of BCP Future Places Ltd and has begun the process of developing a Business Plan for agreement with the Council. The Council should review its original purpose for BCP Future Places Ltd

and agree an annual business plan which sets out clear priority projects and timescales for delivery.”

We found that the council had completed a review of BCP FuturePlaces during the summer. The review had been conducted by the entity's non-executive directors.

We note the council's thorough review of BCP FuturePlaces in response to the external governance review and endorse the course of action taken which directly addresses the criticisms made of the lack of transparency of decision making and the lack of direct accountability to the Council as a whole.

The Council has also responded to the external review's questioning of the scale and number of projects in development. It has proposed next steps at each of nineteen projects with priority focused on developing two sites in particular. A number of projects have been referred to the Housing team to review viability. Two of the largest project sites (Poole Civic Campus and Christchurch Civic Offices) are now to be sold with proceeds helping to fund the transformation programme rather than developed.

The Council has brought BCP FuturePlaces staff in-house and is establishing an Investment and Development Advisory Board including independent advisors and chaired by an independent to meet quarterly to provide advice against the priority projects.

We endorse the actions taken by the Council to reprioritise its development programme and provide more focus on more realistic opportunities for development. The actions make particular sense in the current economic and regeneration environment. We suggest the independent board's remit should in the medium term and as the economy recovers also include monitoring the capacity and appropriate skill sets within the Council to ensure it does not fall behind those that might be available to an entity such as BCP Future Places.

Inland Homes

BCP Council signed a £46m deal with the brown field site developer Inland Homes in 2021 to build phases 4, 5 and 6 of the Carters Quays Scheme, scheduled to deliver 161 build-to-rent homes, having constructed three earlier phases. These latter three phases were considered "strategically" important to the Council to enable it to meet its Housing Targets and to support the wider regeneration of Poole."

Material changes to global macroeconomics, predominately caused by the war in Ukraine have impacted nationally on the viability of the majority of regeneration and development projects. As an example, interest rates have increased to approximately double those assumed in the Carters Quay development. Alongside this the cost of materials has increased significantly since 2021. We note that the council had mitigated an element of these risks by prudently entering into a fixed price contract to protect itself from inflationary pressures.

At the time of compiling our report the Council was still considering options for taking the project forward in negotiation with Inland Partnerships and their administrators.

We would make the following recommendation based on our review:

- The council should ensure it maintains its capacity and skills to match those found in the remaining companies to ensure effective client-side monitoring.

Review Area 4: COMMERCIAL ASSETS/DEBT

An assessment of the council's assets and investments including dependence on commercial income, debt costs and other risks

The Local Authority's overall position on borrowing and indebtedness and the impact on its longer-term sustainability, including liability benchmarking.

The Council's Treasury Management strategy for 2023/24 has overall borrowing of £253 million at the end of December 2022. Its estimated borrowing for 2022/23 was £272m. The earlier benchmarking against its nearest neighbours and the financial resilience index shows a reasonable position in terms of borrowing and indebtedness.

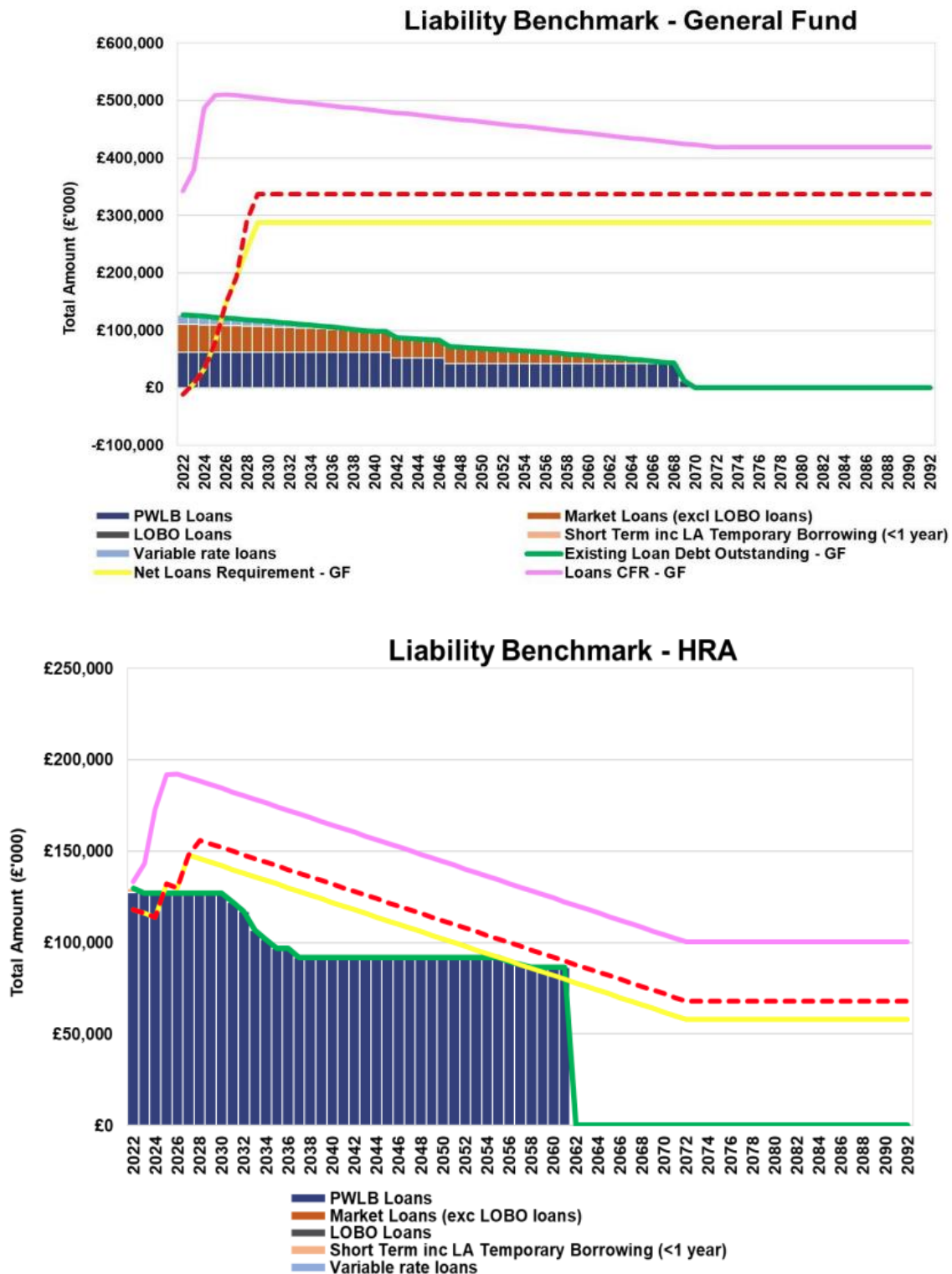
The council is currently maintaining an under-borrowed position, with £193 million of loans. The council is expected to be under borrowed for the next three years (see figure 3).

Figure 3. Borrowing compared to the Capital Financing Requirement

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'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

The gross debt is well within the Capital Financing Requirement. The liability benchmark is shown below. Where external loans are less than the liability benchmark, this indicates a borrowing requirement thus identifying where the council is exposed to interest rate, liquidity, and refinancing risks. The treasury strategy does identify the risks that the council faces with future borrowing and the council is reviewing its capital programme.

Figure 4. The Liability benchmarks



Given the level of earmarked reserves the council holds, this does create a risk and going concern risks have been highlighted by the auditors in their progress report to the Audit Committee in November 2023. The planned improvement in the Medium-Term Financial projections on the back of savings plans developed as part of the 2024/25 budget will be key along with the review of the capital programme but it will be particularly challenging.

The Local Authority's approach to mitigating risk, such as the use of risk reserves or sinking funds to offset fluctuations in commercial income or debt costs.

The council has a clear statement in its Treasury Management Strategy that investment priorities will be security first, portfolio liquidity second and then yield.

The council makes provision in reserves for a financial resilience risk reserve. It draws on this to mitigate pressures and smooth savings delivery. Increased debt costs will be addressed through the reserve. Debt is secured largely through PWLB (Public Works Loan Board) on a fixed rate which mitigates any fluctuations. Debt exposure is considered further below.

Reserves at the end of 2022/23 and projected reserves for 31 March 2024 are listed in figure 5 below and it is also considered earlier against the nearest neighbour group.

Figure 5: Earmarked reserve balances 31 March 2023 and estimated for 31 March 2024
(Source: December 2023 MTFP)

Detail	31/03/23 Actual Balances £000's	Estimated movement £000's	31/03/24 Estimated Balances £000's
Financial Resilience Reserves	(31,715)	31,715	0
Transition and Transformation Reserves	(185)	185	0
Insurance Reserve	(5,000)	225	(4,775)
Held in Partnership for External Organisations	(3,416)	1,287	(2,129)
Required by Statute or Legislation	(883)	(100)	(983)
Planning Related	(510)	510	0
Government Grants	(17,914)	11,082	(6,832)
Maintenance	(1,500)	519	(981)
ICT Development & Improvement	(1,570)	1,220	(350)
Corporate Priorities & Improvements	(5,800)	3,681	(2,119)
Total Earmarked Reserve Balance	(68,493)	50,324	(18,169)

At the financial year end of 2022/23, the council had £31.7 million (or 53%) of their total usable earmarked reserves of £68.5 million available to contribute to mitigate risks plus £17.9 million in the General Fund working balance which the council considers its minimum working reserve.

The council's approach to mitigating risk is adequate to offset fluctuations in commercial and debt costs in the short term. However, a risk-based assessment of reserves and what can be considered an appropriate balance in the context of the risk using impact and likelihood. This would help to demonstrate that reserves are proportionate to risks.

We would make the following recommendation based on our review:

- The council should consider developing a risk-based assessment of reserves and the appropriate target balances.

The Local Authority's exposure to refinancing and other risks as a result of its chosen borrowing strategy.

Projected future borrowing is also shown in 6 below and Figure 3 earlier in the report shows a continued under-borrowed position.

Figure 6. Projected capital expenditure and borrowing (Source: December 2023 MTFP)

Capital expenditure	Actual £'000	Estimate £'000	Estimate £'000	Estimate £'000	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

This borrowing strategy is prudent as medium and longer dated borrowing rates are expected to fall from current levels once prevailing inflation concerns are addressed by tighter monetary policy. The council is being cautious with borrowing decisions in 2023/24 and 2024/25 and its capital investment programme has some core principles agreed to limit the councils exposure.



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BCP Council Action Plan for CIPFA financial review

March 2024

Introduction

In the summer of 2023 CIPFA carried out a financial resilience review of BCP Council as part of the recommendations from the Best Value Notice issued in August 2023. The review was finalised in March 2024 and looked at four key areas:

- Financial Management and Sustainability.
- Financial Governance and Decision-Making.
- Capital programme/companies.
- Commercial assets/debt.

There were **no critical recommendations** that needed to be addressed urgently in the context of the Best Value Notice.

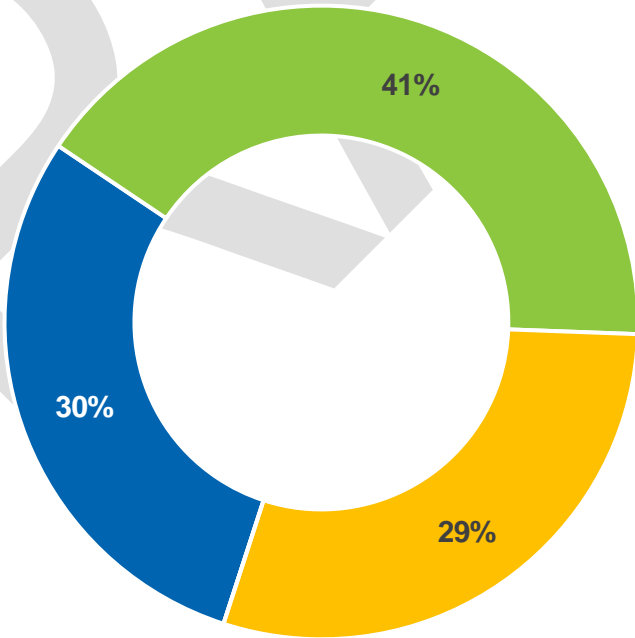
The report made seventeen recommendation which could be considered by the authority as part of its improvement best value duty, the first seven of which CIPFA prioritised over the following ten.

It should be emphasised that although not reported until March 2024 the recommendations flow from evidence gathered in the summer of 2023. Therefore, several of the recommendations will have been addressed as part of the budget process in support of the 2024/25 Budget and Medium-Term Financial Plan approved by Council on the 20 February 2024.

Progress Summary as of April 2024

Progress is good with 71% of the actions either progressing well or complete. The remaining 29% of actions have been started. This is broken down further in the chart below and more detail is given on the following pages.

Key: Progress with actions	
Completed	■
Progressing well	■
Started	■
No movement	■



No.	Action	Target date	Progress to date	Next steps	Action owner
1	Develop modelling for building its Medium-Term Financial Plan (MTFP) alongside agreement with Members and Senior Officers of the frequency of any refreshed MTFP.	February 2024	<p>This is now an annual evolving action in support the budget process which is set out alongside the budget process and timetable included in the first report in the cycle for building the following years budget.</p> <p>The 2024/25 budget process, established from June 2023 onwards, is now a bi-weekly Cabinet and CMB strategy planning session which develops and considers at every meeting the budget model. This meeting format has been continued in support of the 2025/26 Budget process.</p> <p>As a footnote it should be highlighted that Financial Regulation stipulate that MTFP will be produced for periods not less than 3 years and will be subject to constant and ongoing review.</p>	Report to Cabinet in June 2024. Includes proposals for maintaining a balanced budget for 2025/26 should any of the base assumptions and/or priorities change.	Director of Finance
2	Maximise the opportunity to identify potential asset sales and explore the full range of savings opportunities.	February 2024	<p>Council has an Asset and Accommodation workstream focused on reducing the number of administrative centres and releasing assets for sales.</p> <p>Assets identified for disposal by either services or the Asset and Accommodation workstream are first put forward to the Corporate Property Group to consider alternative uses such as to support Special Educational Needs and Disabilities, or homelessness. If an alternative is not identified it is put forward to the Cross-Party Strategic Asset Disposals Working Group to consider disposal.</p> <p>The 2024/25 budget process considered an extensive range of savings opportunities.</p>	<p>Continue regular reporting of the Asset and Accommodation workstream (Senior responsible officer - Matti Raudsepp) to Monthly Transformation Board.</p> <p>Continue to stand up the working party as needed for the identification and development of a pipeline of assets for disposal.</p> <p>Ongoing consideration as to the use of capital receipts in the funding of any transformation requirements and in the opportunity to improve current or create new assets.</p> <p>Further savings opportunities will be identified and developed as part of the process to maintain a balanced budget for 2025/26.</p>	Director of Finance
3	Ensure Members are upskilled and engaged with a commitment to both financial and non-financial learning and development through the available LGA training opportunities	July 2023	<p>Linked to recommendations in the Best Value Notice Action Plan covering an ongoing Member training programme and LGA mentoring.</p> <p>Most if not all cabinet members have attended multiple LGA training and development courses related to their area of responsibility.</p> <p>In house training has been strengthened and reporting of non-attendance at training is being developed</p>	<p>Ongoing, and needs to be monitored as needs evolve.</p> <p>Continue the programme of mentoring and support for Members with the LGA.</p>	Director of Law & Governance

4	Members and senior officers to agree collectively on the best way to deliver sustainable improvements in the quality of financial, forecasting and performance information and ensure the right approach in driving out sustainable change that delivers savings.	September 2024	<p>IT's Data and insights have developed a range of reports which help unlock greater insight into service performance and increase accuracy of forecasting. There are still underlying issues with data from service systems which integrates with finance. This will take time to resolve and requires services to understand the importance of quality data.</p> <p>Continued drive to self-service of the HR and finance system will help unlock efficiencies and allow a more agile organisation.</p> <p>Finance have already improved the quality of the internal journals produced by the finance team, ensuring journals are clearly described and where appropriate robust evidence is electronically attached.</p>	<p>A package of training is being scoped with HR to ensure all budget holders have sufficient financial knowledge to carry out their roles alongside a robust and timely system. This will be rolled out during the autumn of 2024.</p> <p>Review the feedback of the April 2024 senior leadership team on the F&O system and drive action to improve its usability.</p>	Directors of IT, HR and Finance
5	Deliver the agreed finance target operating model and develop an approach to business partnering to ensure we are equipped to manage service and budget pressures	September 2024	The finance team are currently proposing a restructure of the team which will help support it steps towards the full operating model of the Council as well as ensure business partnering roles are strengthened to help service delivery.	Restructure will look to be carried out in the next three months pending a recruitment of several vacancies in the team.	Assistant Chief Financial Officers
6	Undertake a capability assessment of our finance function and budget managers to identify skill and experience gaps and any succession planning needs.	September 2024	<p>We are aware there are several key attributes that budget holders are lacking at all levels of the organisation. A gaps analysis has been carried out which has informed the training package proposed.</p> <p>Finance staff capability gaps are being established through regular one to one conversations and formal performance review processes with training and development plans and remedial actions put in place where necessary.</p>	<p>Linked to recommendation 4.</p> <p>A package of training is being scoped with HR to ensure all budget holders have sufficient financial knowledge to carry out their roles alongside a robust and timely system. This will be rolled out during 2024.</p> <p>A significant number of senior staff in accountancy are due to leave the council by the end of July 2024 due to health, retirement, new job opportunities, or linked to performance. A recruitment drive is underway to fill these positions. However, it must be recognised that filling all these roles with suitably qualified and experienced staff will remain challenging and it is likely that development time will be needed for them to become fully effective in the roles.</p>	Assistant Chief Financial Officers
7	Council should be disciplined in ensuring savings are baselined in service budgets to ensure they are sustainable to address MTFP pressures.	March 2024	<p>Dynamics F&O was updated in March to reflect the approved 2024/25 budgeted pressures, savings and adjustments and configured into the baseline budgets reflected on the system.</p> <p>The public facing Budget Book was made available of the Councils website in March.</p> <p>Budget assurance statements issued in support of the 2024/25 Budgets.</p>	Annual ongoing process Budget assurance statements to be produced from 2025/26 for all service areas with a pilot in Adults and Children's Service for 2024/25.	Assistant Chief Financial Officers

8	Identify the areas where we may need further external support, particularly in demand-led services. To include an assessment of the impact of additional resources in minimising risk or delivering savings or improvements	September 2024	<p>External support has been obtained particularly in respect of the two high spend areas of Children's Services and Adult Social Care.</p> <p>BCP Council requested the LGA to undertake an independent review of its Use of Resources (UoR) in Adult Social Care. The review was led by John Jackson and a final draft report was issued in November 2023 which provided a commentary on the comparative UoR; a commentary on the directorate's approach to developing its MTFP, efficiency and transformation savings; identified area for improvement and suggested strategies to ensure a sustainable budget. John Jackson held workshops with Directors and then with field workers too.</p> <p>BCP Council commissioned external capacity and expertise to support the DCS and Children's Service undertake a significant transformation programme. Commercially Public Ltd was engaged to undertake a diagnostic review and to design and implement a Transformation Programme. An outcome was the approved business case for the full implementation of a new children's service delivery model to meet the strategic and operational requirements of the service and the Council, and to achieve financial efficiencies and savings enabled by the approved investment.</p>	Continue to utilise the learning from these exercises and to review the Value for Money of external support received over the previous 2 years and critically evaluate how it has led to service improvements and efficiencies.	Corporate Directors
9	Fully explore all savings opportunities and model upper and lower savings limits. Consider proposals in the context of the impact on risk and vulnerability in the community through a 'One Council' approach	February 2024	<p>As part of the bi-weekly Cabinet and CMB strategy planning sessions supporting the approved 2024/25 Budget opportunity was taken to consider all savings opportunities facilitated by various processes and the impact on the community.</p> <p>All savings are supported by improved documentation which considers matters such as consultation, Legal, Equalities, and Policy implications.</p>	Any reflections or learning to be documented and incorporated into processes supporting the development of the 2025/26 and future year budget processes.	Corporate Management Board
10	Ensure the ERP system is delivering the desired benefits and address any workarounds to make sure the ERP system is used in the first instance.	February 2025	<p>Having successfully implemented the new ERP system and acknowledging the improvements referenced in the report, weekly meetings have been established.</p> <ul style="list-style-type: none"> • Strategic ERP management (muti-disciplinary meeting chaired by ICT). • Finance system development meeting chaired by the Assistant CFO to drive improvements in the Finance part of the system. <p>The aims include ensuring any workarounds are fully documented, kept to a minimum and that all possible actions being taken to ensure the benefits of the ERP are maximised as well as the use of dashboards etc.</p>	<p>Weekly System, Project and Review meetings are in place to drive improvements in the ERP and ensure its benefits are maximised.</p> <p>All changes and improvements incorporated into on-going staff training and development.</p>	Assistant Chief Financial Officers. Director of People and Culture.

11	Ensure legacy issues from reorganisation with different systems, policies and process are addressed and looked at to achieve a standardised approach unless there is an overriding financial or community-based reason not to.	February 2025	There is an ongoing process to review all outstanding areas of harmonisation to eliminate any differences. Areas that have been held back due to clarification of national policy such as the food waste service will be prioritised.	Ongoing process will be a key component of the work of the Transformation Investment programme and the monthly Transformation Board designed to ensure the use of a single system to underpin each area of service delivery. The quoted example being the planning portal.	Chief Executive
12	Ensure budget considerations are started early and seek to receive early reports on the progress against plans in the new financial year to give the best possible chance of delivering all the required savings.	June 2024	The first report in the 2024/25 budget cycle was delayed until July due to the May 2023 local elections and the change in administration. 2025/26 budget cycle will commence with a report in June 2024 and include the budget cycle, budget timetable and scenario planning to guide savings targets.	Improved budget cycle based on June, October, December, and February Budget and MTFP reports. Each of these reports will not only reflect on progress but also and salient financial risks facing the authority.	Director of Finance
13	Ensure a clear focus on risk and vulnerability as part of a clear framework for Childrens and Adults services decision-making, recognising some proportionate risks will need to be accepted and managed collectively by the Council.	September 2024	It is recognised that Adults and Children make up most of the Council budget and that delivery of the service is demand led which carries inherent risk.	The business partnering of finance will continue to work with the service to ensure prudent decision making continues recognising the ongoing service delivery risks. Annual assessment of the robustness of budget and the adequacy reserves will consider the extent to which specific Adults and Children's risks should be held corporately.	Director of Finance
14	Continue the process to develop a strategic capital programme framework and implementation to ensure the capital programme is affordable and sustainable.	August 2023	Capital Briefing Board, which is an advisory not a decision-making group, is now up and running with regular consideration of progress on major schemes, and the availability of resources for additional investments.	Continue monthly Capital Briefing Board. Reflect as part of the 2025/26 on the affordability and sustainability of any capital investments,	Finance Manger Regeneration and Capital
15	Address the inadequacies of existing property IT systems to maximise opportunities to optimise the use of the estate and to develop asset management plans.	February 2024	A budget growth proposal for investment to enable the Christchurch paper-based files to be transferred into the TF cloud system in an accelerated timeframe was put forward for consideration. In considering the affordability of service investments for 2025/26 Council decided that any additional investment into TF cloud was not affordable at this time.	Position on the possibility of additional investment will be reviewed annually.	N/a

16	Maintain our capacity and skills to match those found in the remaining companies to ensure effective client-side monitoring.	January 2024	The Best Value notice identified several recommendations regarding potential governance improvements in respect of council companies. At the time this included reference to BCP FuturePlaces Ltd which is currently being liquidated. The governance arrangements of the remaining companies have been subject to a review by the interim Director of Resources with numerous improvements implemented and planned.	Continue with the improvements in governance being driven by the new Shareholder's Advisory Board.	Chief Executive.
17	Develop a risk-based assessment of reserves and appropriate target balances.	December 2024	The annual s25 Report for 2024/25 was constructed in line with the best practice guidance issued by CIPFA. CIPFA are in the process of considering examples of local authority risk-based reserve assessments good practice in support of this recommendation.	Identify good practice examples and implement recommendations as necessary.	Director of Finance

Nico Heslop
Director Local Government Finance
Department for Levelling Up, Housing and
Communities

Date: 22 May 2024

Contact: Adam Richens
Email: adam.richens@bcpcouncil.gov.uk
Tel: 01202 123027

Dear Nico,

Re: Bournemouth, Christchurch, and Poole Council – Potential s114 Issue

I am writing to update you from our previous correspondence and conversations with your team, regarding the forecast position on the High Needs Block, funded by DfE, which is causing grave concern within this council.

As you may be aware, after some very difficult decision-making, we have a balanced budget forecast for both our General Fund and Housing Revenue Accounts, but we are becoming increasingly concerned about the council's annual deficit in grant funding from the Department for Education (DfE) to meet the cost of the councils High Needs expenditure. This accumulated deficit was £64m on 31 March 2024, which is almost in line with our total available reserves of £65m and is predicted to rise to £92m by 31 March 2025. This will exceed our forecast reserves of £64m in March 2025, and will continue to increase while our reserves are forecast to reduce, all of which makes the council technically insolvent as soon as the statutory override finishes on 31 March 2026

	Balance 31-Mar-24 £m	Estimate 31-Mar-25 £m	Estimate 31-Mar-26 £m
Unearmarked Reserves	26.1	26.1	26.1
Earmarked Reserves	38.8	37.4	27.2
Total Reserves	64.9	63.5	53.3
Accumulated DSG Deficit	-63.5	-91.8	-116.5
Net Position	1.4	-28.3	-63.2

The council was previously part of the Delivering Better Value in SEND programme and in 2023 started a Safety Valve conversation with DfE. An agreement was not possible earlier this year as the Council's 15-year recovery programme, which was endorsed by the DfE SEND and finance advisors as robust, was not within the normal 5-to-7-year timeframe to enable an agreement to be reached. The Safety Valve conversations appear to have stalled because of the size of our financial challenge.

In addition to this accumulated deficit potentially crystallising from 1 April 2026, we are also facing a severe shortage of cash, which looks likely to create a financial emergency for the council before the statutory override finishes. Our Cabinet has considered the position at its meeting in May (see copy of report attached), but, in summary, from current forecasts, it looks likely that we will not be able to continue to provide enough cash to cashflow the deficit for the 2025/26 financial year. Until Q2 2025/26 the council can make the case that it is using normal treasury management activity, principally in the form of internal cash resources via reserves, balances etc, to avoid the need to externally borrow to finance these costs. However, from Q2 2025/26 the council's external debt will reach its Capital Financing Requirement (CFR) and therefore this flexibility will have been fully exhausted, at which point we will run out of cash. This could be resolved by DfE or DLUHC providing the cash to fund the accumulated deficit until an alternative solution is provided.

I am therefore writing, to draw these figures to your attention and to request that you give urgent consideration to the support that government can give BCP Council to manage this shortfall in funding and to consider solutions that would prevent the cashflow crisis that I have outlined above. Without government support it is currently my judgement that BCP Council will be unable to continue to support either the accumulated or growing annual deficit on its DSG and will be unable to set a legally balanced budget for 2025/26 because of the forecast cash shortage. In such circumstances I am legally required to consider the necessity for statutory intervention.

I am very keen to work with your department and DfE to obtain your advice and guidance on these matters and any potential mitigation strategies. As part of the protocol, I am also copying in Rob Whiteman at CIPFA, and Peter Barber at Grant Thornton who is our External Auditor. In addition, we have ensured that the Local Government Association via correspondence with its Chair, Shaun Davies, is aware of the issue.

I would welcome an urgent opportunity to meet with you to discuss options at your earliest convenience.

For your information I have consulted with BCP Council's Chief Executive and Director of Law and Governance as well as the Council's Cabinet, in drafting this letter.

Yours sincerely

Adam Richens.
Director of Finance
BCP Council

CABINET



Report subject	Pay and Reward: Update on progress in introducing new terms and conditions of employment
Meeting date	17 July 2024
Status	Public Report
Executive summary	<p>Since the merger of the four preceding councils we have been working with the trades unions, to negotiate a new Pay and Reward package which harmonises pay across all colleagues. The report describes the consultation process conducted with the recognised trade unions, GMB and UNISON, who agreed to ballot their members on the proposed pay and reward offer. The report sets out the various communication and engagement activities undertaken to raise awareness and inform colleagues of the offer.</p> <p>Two ballot processes have been undertaken and details of the ballot outcomes are provided. Further discussions are ongoing with the unions with a view to reaching an agreed way forward to implement the new arrangements.</p>
Recommendations	Report is for information only.
Reason for recommendations	N/A

Portfolio Holder(s):	Councillor Jeff Hanna, Portfolio Holder for Transformation and Resources
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Sarah Deane, Director of People and Culture
Wards	Not applicable
Classification	For Information

Background

1. We have been working towards a new Pay and Reward offer, restructuring our basic pay and reward arrangements since the four preceding councils were merged in 2019. The Pay and Reward project will introduce a single pay structure to address any inconsistencies and inequalities in pay across the organisation from the merger of the four preceding councils, ensuring that colleagues are fairly equally compensated for their work. Colleagues doing the same level of work will receive equal pay. A new job evaluation model 'Hay' will be introduced replacing the current Greater London Provincial Council (GLPC) scheme. In addition, a new set of Terms and Conditions and an enhanced Benefits package will also be introduced with the intention of enabling BCP Council to be an attractive employer with a positive offer to our colleagues.
2. Following a prolonged collective bargaining process with the recognised trade unions, GMB and UNISON, the unions reached agreement with management in November 2023, to proceed to ballot their members on the proposed offer.
3. BCP Council believes it has created the best, affordable, offer with positive outcomes for the majority of colleagues. There is a balance that needs to be struck between affordability and the attractiveness of the offer, given that we have colleagues on three different pay grades between those who joined BCP Council from the four preceding councils and those that have joined us since April 2019 who have joined on 'Borough of Poole' terms and conditions. It is calculated that after a period of pay protection, 82% of colleagues will receive either an increase in pay or have no change in pay, whereas approximately 18% will receive a decrease in pay if the originally offered terms were accepted.
4. The trade unions agreed that the proposed offer is the best offer they are likely to achieve, having negotiated, explored and exhausted numerous options. A period of 8 weeks was agreed by the unions in which to ballot their members, which took place from 15 January 2024 and closed on 8 March 2024.
5. The details of the proposed offer were shared with the workforce in November and December 2023. The Pay and Reward team held ten in-person roadshows in different locations in each of the three towns within the conurbation. Trade union representatives also attended these sessions to discuss the offer with colleagues.

6. An online roadshow was also held in order to inform as many colleagues as possible across the organisation, a recorded version was also made available.
7. Approximately 2,000 colleagues registered to attend one of these events out of a total of 5,000+.
8. Workplace visits including to schools have also been undertaken to inform school support colleagues and colleagues working without access to an IT device.
9. One of the Chief Executive's on-line colleague briefing sessions was focused on Pay and Reward to give further opportunity to raise questions and discuss any areas of concern.
10. Five online colleague 'Drop-in' sessions held offered a more informal environment in which to raise questions.
11. A 'Benefits week' for colleagues was hosted in January, where a series of webinars were held with benefits providers informing on current and enhanced offers. Each day was themed by a different topic, a total of 16 sessions were held throughout the week.
12. A library of information in different formats has been created for managers and colleagues: including the Pay and Grading booklet, the 'More than just a Job' brochure, twelve videos 'spotlighting' different topics and an information pack for Managers. In excess of 1000 questions have been received, responses to these are also available via the Pay and Reward hub on the intranet.
13. GMB and UNISON advised the outcome of the ballot process is as follows. They have confirmed that neither union are prepared to release actual numbers

	Turnout	Accept	Reject
GMB	70%	13%	87%
UNISON	71%	57%	43%

14. The two unions are of the view that both unions need to have a majority vote in order for the overall outcome to be accepted and the Council therefore entered a further period of negotiations which resulted in an enhanced offer being made to try and seek resolutions to the specific concerns arising and the feedback received from both unions.

The enhanced offer includes:

- The immediate establishment of a salary supplement panel to review any labour market supplements imminently expiring
- An extension to the pay protection period
- An enhancement to the rate of pay for working on a bank holiday
- An extension to the hours eligible for enhanced rates of pay when working at night

15. As this was an improved offer, the UNISON ballot outcome remained in place and GMB undertook a second ballot process of their membership which ran between 22 April and 31 May 2024.

16. The second ballot outcome is as follows:

	Turnout	Accept	Reject
GMB	67%	29%	71%

17. GMB advised the employer during the ballot process, that they had undertaken work place meetings with their members and they were specifically concerned around the visibility of their individual pay outcomes. They advised that to this end, they would be issuing formal notice of their intention to undertake a separate ballot for industrial action.

18. This took place in respect of only one of the BCP workplace locations and concluded on 29 May 2024. The outcome is as follows:

	Number of votes in favour	Number of votes against
Strike action	66	21
Action short of strike	74	12

19. The number of votes cast in the ballot was at least 50% of the number of individuals entitled to vote in the ballot and GMB therefore have a mandate from their members to pursue one or a combination of both of the options within six months from the date of the outcome.

20. The unions have expressed their continued commitment to engage with the Council on this subject with a view to reaching a collective agreement and industrial action will not be pursued if the Council agrees to release pay outcomes.

21. When the pay and grading structure was shared at the recent colleague roadshows it was explained that there was concern that individuals would vote according to their personal outcomes rather than looking at the overall package and benefits for all.

22. It is acknowledged however, that there could be a perception of a lack of transparency which could be misinterpreted and so we are now working towards releasing job-related pay outcomes in September this year.

23. This will allow time to put in place the practical elements needed to be able to release this volume of information securely and accurately and will also allow time to ensure the right support arrangements are in place and crucially to avoid the school holidays for colleagues employed in schools or on term time only contracts.

24. It is understood that both unions may wish to undertake a further ballot once the pay outcomes have been released.
25. We remain committed to working constructively with both GMB and UNISON and we are continuing our discussions through collective bargaining in accordance with our recognition agreement as part of the next steps in the pay and reward process.
26. The timeline for implementation will be subject to the outcome of the subsequent ballot process.
27. We hope any further ballot will lead to a positive result, but we cannot guarantee a particular outcome, so we are continuing to consider other options alongside the continued negotiations with the unions. We have always said dismissal and reengagement would be a last resort for the Council if negotiations should fail to achieve an agreed outcome, and we still hope to avoid this option through positive and exhaustive negotiation.
28. Our focus and preferred outcome is to reach agreement through further discussions with the unions to get the new terms and conditions and pay structure in place as delivering a fair and transparent pay and reward structure is a key priority for senior management and the Council as a whole.

Summary of financial implications

29. The financial costs of the current offer have been reflected in the Councils MTFP. Any further negotiation required to achieve an accept vote is likely to result in additional financial pressures. The details of this are not yet known.

Summary of legal implications

30. Legal advice is being sought on all possible options so that the associated risks are understood and accepted.

Summary of human resources implications

31. Priority is being given to ensure that our workforce are advised of the ballot outcomes and understand next steps.

Summary of sustainability impact

32. No impact arising from this report.

Summary of public health implications

33. No impact arising from this report.

Summary of equality implications

34. A full EIA has been completed to date but further assessment will be necessary should the position and Councils offer change as a result of the ballot outcome.



CABINET

Report subject	Revised BCP Seafront Strategy
Meeting date	Cabinet Briefing – 24 th June Final Report Deadline – 5 th July Overview and Scrutiny Meeting – 16 th July Cabinet – 17 th July
Status	Public Report
Executive summary	<p>The BCP seafront is highly valued by residents and visitors and provides a diverse range of internationally important natural habitats, geology and archaeology. It also sits at the heart of our local tourism industry and generates significant revenue to the Council, helping to fund wider services for the community.</p> <p>A review of the Seafront Strategy has been undertaken to assess progress to date and refresh priorities in light of significant organisational changes, new pressures and opportunities.</p> <p>This report sets out a revised BCP Seafront Strategy, updating the vision, key objectives, investment criteria and delivery priorities. It builds on the original strategy adopted in April 2022, by reflecting new priorities such as the removal of barriers to community access, wellbeing, and delivering environmental net gains across biodiversity and carbon reduction. It also strengthens the focus on working with commercial operators to enable regeneration and secure external investment in infrastructure.</p> <p>The Strategy provides a framework for investment over the next 20 years, along with priorities for the short to medium term.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ol style="list-style-type: none"> 1. Approves the BCP Seafront Strategy 2024. 2. Delegates authority to the Chief Operations Officer, in consultation with the Portfolio Holder for Connected Communities, to identify specific events zones within the Seafront Strategy character areas (see 4.3)
Reason for recommendations	<p>Supports the Corporate Plan priorities for:</p> <ul style="list-style-type: none"> • Our green spaces flourish and support the wellbeing of both people and nature • Climate change is tackled through sustainable policies and practice • Our communities have pride in our streets, neighbourhoods and public spaces • People and places are connected by sustainable and modern infrastructure • Working together, everyone feels safe and secure

	<ul style="list-style-type: none"> • Our inclusive, vibrant and sustainable economy supports our communities to thrive • Revitalised high streets and regenerated key sites create new opportunities • Employment is available for everyone and helps create value in our communities • Local communities shape the services that matter to them • High quality of life for all, where people can be active, healthy and independent <p>In addition, the Strategy:</p> <ul style="list-style-type: none"> • Provides a clear vision to guide attracting external investment in infrastructure, public spaces, health and well-being, the environment, and places to eat, drink and stay within the context of the Council's limited scope for direct investment • Provides a projects prioritisation framework to support investment to grow and diversify the offer and protect and increase revenue streams • Provides a guide to attract commercial leisure investment • Provides a strategic context for seafront development to support future planning applications
Portfolio Holder(s):	Cllr Millie Earl, Portfolio Holder for Connected Communities Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Glynn Barton, Chief Operating Officer
Report Author	Seafront Service
Wards	Not applicable
Classification	For Adoption

1. Background

- 1.1 BCP Council is responsible for managing the 15 miles of seafront and 26 miles of harbour edge from Hamworthy to Highcliffe as well as Christchurch Harbour itself. This includes a wide range of infrastructure and public facilities ranging from seawalls, cliffs, beaches, piers, promenades and the leisure attractions and facilities situated upon it. Many of these facilities, such as some beach huts, public toilets, piers and pontoons, kiosks, beach lodges, golf attractions, land trains and cliff lifts are currently operated directly by the Council.
- 1.2 Other sites, including the majority of cafes, restaurants, community facilities and attractions on Bournemouth Pier and the Oceanarium, are operated by the private sector under various forms of lease agreement with the Council. Some sites are also freehold owned and operated by external organisations. The majority of the 3700+ beach huts are also privately owned on sites leased by the Council. The seafront attracts a footfall of over 10m people a year from residents and visitors and is critical to under-pinning and sustaining over 12,000 jobs within the local economy.
- 1.3 BCP Council has a legal responsibility to produce a balanced budget and seeks to prioritise protecting the most vulnerable in the community. Facing unprecedented financial challenges driven inflation and rising demand for services, the Council has produced a new Corporate Plan designed to enable and unlock opportunities for the community to invest and support non-statutory council activities, which includes the seafront. This update to the

Seafront Strategy is designed to establish a framework to enable external investment and greater involvement by the community.

- 1.4 In April 2022 BCP Council adopted its first 'whole place' Seafront Strategy together with a 5-year plan to help guide investment in leisure infrastructure and attractions set out in the previous Cabinet Report from April 2022. The Seafront Strategy is designed as a flexible, 'living' document kept under regular review and able to respond to changing priorities whilst holding firmly to key, overarching principles. It also supports other key strategies and policies such as the [Green Infrastructure Strategy](#) and the coastal protection plans including [Poole Bay Beach Management Scheme](#).
- 1.5 The Seafront Strategy was developed from extensive consultation and engagement with over 4,000 members of the public, community, business groups and agencies, via online surveys, group workshops, face-to-face roadshow events and visitor surveys throughout 2021.
- 1.6 The ideas and feedback, alongside a review of existing plans and policies, has helped to identify the remarkable qualities and identity of each section of the seafront. It identifies how they contribute to a wider sense of 'place' and supports the local ecology and environment, delivering the community benefits and adding value to the local economy. This approach is expressed by the 18 'character areas', illustrated in Background Paper 1.
- 1.7 Whilst the strategy is primarily focused on the future of the leisure and visitor offer, it is also cross-cutting across a range of other services, strategies and plans. These are reflected and referenced throughout.

2. Revised Seafront Strategy Vision, Objectives, investment criteria and priority projects (2024 – 2027)

- 2.1 A review of the Seafront Strategy has been undertaken to assess progress to date and refresh priorities in light of significant changes, new pressures and opportunities. A summary of key updates can be seen in 2.5 below.
- 2.2 Recent changes include:
 - a. BCP Council elections in May 2023 and the formation of a new administration and engagement with Members.
 - b. Major pressure on Local Authority budgets, reducing ability to invest in non-statutory services, necessitating a far greater reliance on securing external funding via external investors.
 - c. Revised Corporate Strategy, adopted February 2024.
 - d. Consultations on the new draft BCP Local Plan and adoption of new Local Neighborhood Plans.
 - e. Construction industry inflation, impacting on project affordability.
 - f. The rising cost of living impacting on local communities and visitors.
 - g. The results of the 2023 seafront visitor survey
 - h. Emerging local issues (seafront infrastructure, commercial, environmental and social)
 - i. Project delivery performance to-date and project governance
- 2.3 Arrangements linked to planning and licensing processes for operations across the BCP seafront area have recently been reviewed and work is ongoing to ensure greater clarity and transparency in relation to these elements connected to both internally and externally delivered developments.

2.4 Key challenges and opportunities identified during the review include:

- Significant investment required to support cliff stabilisation.
- Planning review of seasonal commercial beach-based developments.
- Anticipated continued (and potentially expanded) requirements for commercial/ community led events and festivals.
- Rising sea levels and aging coastal defence infrastructure requiring significant future investment.
- Newly introduced bio-diversity net gain planning contributions will shape future seafront leisure schemes and potentially provide a pipeline of investment to improve and grow coastal habitats.
- Identifying and working with partners to maximise environmental awareness and deliver a financially sustainable offer at the Durley Environmental Hub.
- Work with transport teams to improve public transport, cycling and walking access to and across the seafront through wayfinding.
- Embedding the Seafront Strategy into the new BCP Local Plan (currently under consultation). Working with communities to deliver neighbourhood plans impacting on the seafront.
- Complete delivery of Levelling Up Fund seafront infrastructure programme.
- Enabling communities to grow and do more for themselves.
- Bring forward market led opportunities to accelerate investment across key seafront development sites.
- Ensure a more balanced delivery focus across the three towns, necessitating further focus toward opportunities along Christchurch and Poole seafront areas.
- An emphasis on improving accessibility to the beach and prioritising the needs of young people and improving access for deprived local communities.
- Secure greater collaborative partnership working with landowners to accelerate investment proposals coming forward.
- Identify options for more innovative, commercial led investments along the promenade between Bournemouth and Boscombe Piers.
- Review promotion of the seafront to signpost residents and visitors to the best beaches for particular experiences, aligned to the Seafront Strategy Character Areas.

2.5 Key summary of updates to Seafront Strategy 2024:

Adopted Vision Statement 2022	Revised Vision Statement 2024
Establish a World Class Seafront, prioritising the protection of our natural environment, responding to climate emergency and supporting the distinctive identities of our coastline, whilst promoting sensitive inward investment, employment, community use, wellbeing, inclusivity and sustainable tourism.	Enhance our Seafront, prioritising the protection of our natural environment, responding to climate emergency and supporting the distinctive identities of our coastline, whilst enabling sensitive inward investment, employment, community use, wellbeing, and improving access, inclusivity and sustainable tourism to support sustainable, safe and healthy communities.

Strategy Objectives 2022	Revised or new objectives 2024
Conserve and protect biodiversity across the natural coastal environment	Work with partners to identify and deliver a net gain in biodiversity across the natural coastal environment
Achieve carbon neutrality for all Council seafront operations by 2030 and work with partners to ensure all seafront activities become carbon neutral before 2050, in line with the Council's Climate Emergency commitments	Achieve carbon neutrality for all Council seafront operations by 2030 and work with partners to ensure all seafront activities become carbon neutral before 2045, in line with the Council's Climate Emergency commitments
Maintain and enhance the distinctive look, feel and identity of each of the character areas along the seafront.	Maintain and enhance the distinctive identity of the seafront character areas, supporting community pride in our public spaces
Deliver sustainable investment in community-based facilities and infrastructure to support access for all and well-being	Unlock potential to encourage external investment in new leisure attractions to manage growth and year-round footfall in sustainable areas of the seafront
Unlock potential for new leisure attractions to manage growth and year-round footfall in sustainable areas of the seafront	
Maximise income to support Council services benefiting the local community	Maintain income to support Council services enabling local communities to shape the services that matter to them and look for new opportunities for income generation that respect the natural environment and enhance its beauty
Celebrate and encourage increasing diversity of our seafront audience through investment in culture, events, heritage and education	Encourage active, healthy and independent lives by removing barriers for all our communities to access the seafront with a particular focus on young people and those with disabilities. We will also work to enable sports and wellbeing activities through community partnerships

2.6 Key criteria informing investment decisions:

Investment Decision Criteria (2022)	Revised Investment Decision Criteria (2024)
<ul style="list-style-type: none">• Protection of the natural coastline and biodiversity• Leadership in the environmental challenge• Movement towards 'active lives' and inclusivity• Boost for creativity, enterprise and new investment• Deliverable within financial, economic, political, social factors	<ul style="list-style-type: none">• Delivers against Corporate Plan priorities across People & Communities, Place & Environment, Open, transparent & accountable Council• Aligns to the vision, character areas and objectives of the Seafront Strategy• Can be delivered by partners or otherwise funded from external grants• Maintains or unlocks new income generation in support of a balanced Council budget

2.7 Revised investment priorities

Subject to adoption of the Seafront Strategy, a detailed implementation plan will be developed to schedule the following priorities against identified resources and opportunities:

Investment Priorities (2022)	Investment Priorities (from 2024)
<ul style="list-style-type: none"> Environmental Innovation Hub, Durley Chine 	<ul style="list-style-type: none"> Utilise the site to maximise environmental awareness and deliver a financially sustainable offer via educational, cultural, and commercial partnerships.
<ul style="list-style-type: none"> Bournemouth International Centre Poole Quay 	<ul style="list-style-type: none"> Work with partners to deliver improved coastal connectivity' community/leisure and cultural amenities along the Seafront.
<ul style="list-style-type: none"> Southbourne redevelopment (Former Bistro on the Beach) Sandbanks Pavilion Beach House Café, Mudeford Sandspit Canford Cliffs Pavilion 	<ul style="list-style-type: none"> Enable external investment, engaging with local residents & visitors, and the potential operator market, to deliver long-term high-quality facilities at key locations across the seafront.
<ul style="list-style-type: none"> Enabling external partners to re-invest in current leisure sites inc: Happyland, Sandbanks & Branksome cafés plus kiosks, Westbeach restaurant, Harry Ramsdens, Hot Rocks, Bournemouth Lifeguards (Joseph Steps) 	
<ul style="list-style-type: none"> Beach based seasonal food, beverage and leisure developments, between Bournemouth West Cliff and Boscombe Pier 	<ul style="list-style-type: none"> Enable diverse and vibrant seasonal sports, leisure and food & beverage offers that sympathetically enhance the public amenity and open space, with a particular focus between West Cliff and Boscombe Pier.
<ul style="list-style-type: none"> Coast protection beach management, flood defence and salt marsh restoration works 	<ul style="list-style-type: none"> Support coastal protection investment and management plans, preparing for long term adaptation in response to climate change
<ul style="list-style-type: none"> Festival Coast Live! & major event programming 	<ul style="list-style-type: none"> Work with community and commercial groups to enable sustainable investment and delivery of major events and festivals on the coast at Bournemouth, Sandbanks, Poole Quay and Christchurch Quay

<ul style="list-style-type: none"> • Review potential access improvements around, Highcliffe Beaches 	<ul style="list-style-type: none"> • Review and deliver access improvements around Highcliffe Beach and surrounding coastal areas.
<ul style="list-style-type: none"> • Cliff Management Strategy 	<ul style="list-style-type: none"> • Identify and secure funding to invest in a programme of cliff maintenance
	<ul style="list-style-type: none"> • Consult with community to identify further opportunities to improve physical access to shoreline for people with a disability • Work with youth groups to develop proposals to introduce new play facilities across the seafront and identify sustainable funding • Work with community groups, regional funders and commercial operators to increase access to participation in health, sport and wellbeing based activities • Work with Wessex Water, landowners and communities to improve water quality within our harbours and across the seafront • Explore development of a branded Coastal Nature Park to link cliff top green spaces with enhanced wayfinding, interpretation and access between Poole and Christchurch • Deliver the externally funded Levelling Up seafront infrastructure programme to secure the long-term future for Bournemouth Pier, East Cliff, commercial investment, Hamworthy promenade, Holes Bay access to Upton Country Park and public realm promenade safety and access improvements and investment in public toilets • Deliver signage and wayfinding improvements to encourage greater access and discovery of our varied coastline. • Secure additional storage capacity along the seafront to support seafront commercial operations and community group needs as site development opportunities arise. • Invest in existing council income generating services and/or review options to externalise management to maximise surplus in support of critical statutory services. • Keep seafront byelaws and operational management plans under review and implement RNLI safety audit to improve visitor safety, sea safety, access and inclusivity.
<ul style="list-style-type: none"> • Identify options for Hengistbury Head Outdoor Education Centre 	<ul style="list-style-type: none"> • Continue to work with community to secure a future for the Outdoor Education site at Hengistbury Head

3. Summary of financial implications

- 3.1 The criteria informing future investment decisions is presented in 2.6 (above) and assumes external funding via commercial, community or grant sources. Where investment priorities are identified, a full review of ongoing impact to the Council's revenue budgets will be undertaken as part of the project business case.
- 3.2 On-going investment in existing infrastructure will be required to secure current revenue streams particularly where those assets are approaching life-expiry. Replacement of tired facilities will also present opportunities to reduce expenditure via more efficient building design and reductions in energy usage and maintenance burden.

4. Summary of legal and planning implications

- 4.1 The revised BCP Seafront Strategy provides a strategic steer for future investment decisions. It updates and replaces the BCP Seafront Strategy adopted in 2022. It will be used to inform and support new proposals and planning assessments in light of market viability and evolving visitor demands during the life of the strategy and is embedded into the draft BCP Local Plan, currently undergoing consultation.
- 4.2 In January 2024, the Council's Corporate Strategy was agreed with the commitment that "We are an open, transparent and accountable Council, putting our people at the heart of our services". To reflect this the new administration have requested that Planning Committee consider all applications where the council is an applicant or the landowner. It is possible that there would be exemptions related to this, the detail of which is still to be worked through by the constitution working group but an indicative list of what may be considered as exempt could include, prior approvals, certificates of lawfulness, advert consents, tree applications and non-material amendments.
- 4.3 The Commercial Operations Directorate is undertaking a review of previous approaches to planning requirements and make improvements where required. This includes identifying events zones within the Seafront Strategy character areas (see Background Paper 1). This will focus primarily on the larger character areas working closely with Events Team and the Planning Department.
- 4.4 Individual title, lease arrangements, planning approvals and covenants will need to be assessed to determine feasibility as specific projects are brought forward. Resources to undertake searches and provide guidance will need to be built into project feasibility studies.

5. Summary of human resources implications

- 5.1 Following recent changes as part of the Council's transformation programme, delivery of future investments may require additional project management resources. Implications will be costed and set out within individual work programmes and business cases as they are brought forward for consideration. Delivery at pace and scale will also require additional support services from legal, estates, procurement, communications, and project management teams.

6. Summary of equality implications

- 6.1 Most impacts arising from the strategy for protected characteristic groups centre around improvements to access, movement and safety whilst at the seafront. As such, the strategy will have a number of positive outcomes for a wider variety of protected groups, both young and old.
- 6.2 Improving the seafront environment to enable access for all to the beach and promenade will require a focused project to consider mobility friendly facilities, changing spaces, toilets and on-beach accessways, whilst also exploring potential external grant funding for such schemes.

- 6.3 A programme of investment in public toilets and changing facilities is proposed in the seafront strategy. Where development takes place, investment in individual cubicle unisex facilities opening directly out on to the promenades will be encouraged to benefit the widest range of protected characteristic groups as well as ensuring safe spaces for all.
- 6.4 The Strategy aims to encourage investment in the range and quality of the food and drink offer at all price-points, appealing to the widest range of social economic groups, to include provision of a wider range of high-quality seasonal catering outlets between the piers.
- 6.5 Further work will be required to understand social barriers to access to the seafront, particularly by residents who rarely visit or enjoy the facilities on their doorstep. Previous consultations have identified barriers to access to the seafront for some socio-economic groups due to affordability and frequency of public transport, limited leisure time or awareness of benefits rather than a lack of facilities or 'things to do'. As such, collaborative work remains ongoing particularly across transport strategy and education.
- 6.6 The completed Equalities Impact Assessment can be found in Background Paper 2.

7. Summary of sustainability impact

- 7.1 Overall, the Seafront Strategy sets out a wide range of positive contributions to sustainability.
- 7.2 Positive impacts include:
 - a. Proposals to introduce new renewable energy generation projects.
 - b. Reduced carbon emissions and maintenance from highly energy efficient new facilities and infrastructure, including provision of charging points.
 - c. Improvements to waste and sand management.
 - d. Climate adaptive and demountable new facilities.
 - e. Improvements to sustainable transport and access across the seafront including improved cycle storage.
 - f. Improvements to the natural landscape and habitats.
 - g. Promotion of new community facilities, volunteering and education initiatives.
 - h. Investments promoting health and wellbeing ranging from beach sports and water sports, through to yoga, walking trails, interpretation and improved access and seating.

8. Summary of public health implications

- 8.1 A key aim and objective for the strategy is to deliver sustainable investment in community-based facilities and infrastructure to support access for all and well-being.
- 8.2 Support for development of community facilities and the encouragement of walking, cycling, beach and water sports through concessions, community spaces and interpretation trails will have a positive impact on wellness and mental health for residents and visitors.
- 8.3 Community group access will also include ongoing support for and development of charity/ community run beach hut facilities which offer opportunities for further engagement and work with armed forces groups as well as adult and children's services to improve access to leisure at the seafront.

9. Summary of risk assessment

Risks	Level	Mitigations
Council transformation and restructuring could impact capacity to directly facilitate and attract investment or manage the delivery of projects	Medium	An implementation plan to be developed once the strategy is adopted, matching capacity to deliver against available resource.
Stakeholder support for the strategy	High	Ongoing member liaison and review to inform priorities and track progress. Individual projects will be subject to further engagement exercises as they come forward.
Programme delivery: <ul style="list-style-type: none"> • uncertainty around supply / construction inflation • securing consents and permissions • supply/demand for proposed new services and facilities. • Environmental/climate change, cliff fall, erosion, beach loss. 	High	The Strategy takes a flexible approach with investments being subject to individual business cases, that take account of evolving risks and impacts at that time.
Deliverability of investment within context of rising costs, viability and market demand	Medium / High	Strategy takes a flexible approach to market led investment plans
Failure to deliver long term regeneration across key locations, resulting in derelict sites or lower quality short term 'meanwhile' uses	High	Implementation plans to set out short, medium, and long-term strategy, securing appropriate investment that does not limit options through the development cycle for each site. The strategy recognises that securing longer term investment takes time and meanwhile use options can deliver site betterment and support viability to attract investment in major schemes
Capital funded investment in new or improved leisure attractions and infrastructure is not accompanied by on-going revenue budgets to maintain new facilities	Medium / High	All investment proposals / business cases will require identification of resources and approach to maintain infrastructure throughout its lifecycle

Appendices:

- 1 Draft BCP Seafront Strategy 2024

Background papers:

- 1 BCP Seafront Strategy Character Areas – Map & Illustration
- 2 Equalities Impact Assessment (EIA) Panel Outcome Report (April 2024)

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Appendix 1 – DRAFT BCP Seafront Strategy 2024

Welcome

The Seafront Strategy, adopted by BCP Council in April 2022, has been reviewed to update the vision, objectives and key priority areas for attracting future investment and improvement.

The Seafront Strategy is intended as a live and evolving framework – with the flexibility to respond to new pressures, opportunities and proposals as they emerge during its lifespan. By putting people, their wellbeing and the quality of their lives at its heart, we believe it will provide the foundation for building the worldwide renown and reputation our coastline deserves.

The Seafront Strategy was developed from extensive consultation and engagement with over 4,000 members of the public, community and business groups and agencies via online surveys, group workshops, face-to-face roadshow events and visitor surveys throughout 2021.

The strategy is used to identify and prioritise areas for investment by the Council and external partners. It also brings together a range of outcomes identified by overlapping policies, strategies and management plans for the surrounding blue and green spaces at the coast. The Strategy provides material guidance for planning considerations and is aligned to the draft BCP Local Plan.

The Seafront Strategy website (<https://haveyoursay.bcpCouncil.gov.uk/bcp-seafront-strategy>) contains links to consultation results and the many creative suggestions posted by members of the public, expressing their ideas and thoughts for the future of the seafront leisure offer. Many of the consultation comments relate to day-to-day operational issues or the development of regulations and byelaws including cycling, scooters, camping, fires, water sports and littering. A review of these policies will be carried forward through the implementation of the Seafront Strategy.

Further Information

Should you have any further comments or queries, please feel free to contact us via email at:

seafrontprojects@bcpCouncil.gov.uk

Introduction

This Seafront Strategy sets out the Council's ambitions to enhance our Seafront, prioritising the protection of our natural environment, responding to climate emergency and supporting the distinctive identities of our coastline, whilst enabling sensitive inward investment to support sustainable, safe and healthy communities.



Seafront Extent

Delivering on this ambition, the revised Seafront Strategy updates previously adopted plans and to prioritise key areas for attracting investment.

Much of our coastal leisure infrastructure requires significant investment to maintain and meet the needs and expectations of current and future generations of beach users. Our coastline is also highly vulnerable and sensitive to climate change, and we need to be flexible and responsive as we move towards a zero-carbon future.

Our 40 miles of coast and harbour side encompasses a wide range of habitats and densities of development. A one-size fits all approach to investment is not appropriate. The strategy takes a character area approach, recognising the unique communities and landscapes and a sliding scale of approach to intervention that preserves and enhances our natural environment whilst also improving accessibility and access in general to services and leisure facilities.

The seafront provides highly valued community space for 500,000 local residents and a diverse range of internationally important natural habitats, geology and archaeology, and sits at the heart of our £1.1bn GDP local tourism industry. It also generates significant revenue to the Council, helping to fund wider services for the community.

This Strategy is influenced by:

- BCP Corporate Plan
- The emerging BCP Local Plan
- Poole & Christchurch Bay Shoreline Management Plan (2011)
- Poole Bay, Poole Harbour and Wareham FCERM Strategy (2014)
- Poole Bay Beach Management Scheme (ongoing)
- Poole Bridge to Hunger Hill Flood Defence Scheme (ongoing)
- Christchurch Bay & Harbour FCERM Strategy (currently in development)
- BCP Green Infrastructure Strategy
- Poole Harbour Aquatic Management Plan
- Emerging priorities for the Destination Development and Events Strategies

- Local Cycling and Walking Infrastructure Plan (LCWIP) Consultation draft Nov 2021
- BCP Health & Well-being Strategy 2020-2023 (BCP Council, 2020)
- BCP Local Transport Plan (in preparation by BCP Council)
- BCP Rights of Way Improvement Plan 2021 – 2026
- BCP Corporate Strategy
- Dorset Physical Activity Strategy 2018-2033 (in preparation by Active Dorset/PHD)
- MMO South Marine Plan
- BCP Water sports Needs Assessment 2021
- BCP Climate Action Plan 2050 (draft consultation)
- BCP Cultural Compact 2021
- Mudeford Sandbank Management Plan 2014 – 2024
- Hengistbury Head Management Plan 2011
- Sustaining Poole's Seafront SPD 2015
- Bournemouth Seafront Strategy 2013
- BCP Seafront Strategy Statement 2020
- Poole Quays Forum Neighbourhood Plan (2016)
- Sandbanks Peninsular Neighbourhood Plan (draft 2023)
- Highcliffe and Walkford Neighbourhood Plan 2020-2028
- Christchurch Neighbourhood Plan Scoping Survey results (Sept 2021)

Vision

This Strategy aims to:

Enhance our Seafront, prioritising the protection of our natural environment, responding to climate emergency and supporting the distinctive identities of our coastline, whilst enabling sensitive inward investment, employment, community use, wellbeing, and improving access, inclusivity and sustainable tourism to support sustainable, safe and healthy communities.

Aims & Objectives

- Work with partners to identify and deliver a net gain in biodiversity across the natural coastal environment
- Removing barriers for all our communities to access inclusive services and facilities with a particular focus on young people and those with disabilities
- Achieve carbon neutrality for all Council seafront operations by 2030 and work with partners to ensure all seafront activities become carbon neutral before 2045, in line with the Council's Climate Emergency commitments
- Maintain and enhance the distinctive identity of the seafront character areas, supporting community pride in our public spaces
- Unlock potential to encourage external investment in new leisure attractions to manage growth and year-round footfall in sustainable areas of the seafront
- Encourage external investment in new leisure attractions to manage growth, employment and year-round footfall between Bournemouth and Boscombe Piers and in support of town centre revitalisation
- Maintain income to support Council services enabling local communities to shape the services that matter to them and look for new opportunities for income generation that respect the natural environment and enhance its beauty

- Encourage active, healthy and independent lives by removing barriers for all our communities to access the seafront with a particular focus on young people and those with disabilities. We will also work to enable sports and wellbeing activities through community partnerships

Character Areas

Each coastal area is defined through its visual landscape, environmental sensitivity, accessibility, types of leisure use and intensity of development. Leisure activity clusters around hub sites at over 40 principal entry points onto the seafront. We have grouped them into 18 character areas which inform the nature of re-investment and development, appropriate to the scale and identity of each location.

Hamworthy - Turlin Moor

*"Turlin Moor offers a zone for the local community in the heart of this nature reserve.
A living landscape to contemplate, breathe in and call home"*

A residential area at the western boundary of the conurbation, overlooking Lytchett Bay. Poole Harbour's extensive mudflats, salt marshes, reedbeds, sand dunes, heathland and islands are of great importance to wildlife and bird populations, many of which are protected by a raft of national and international conservation designations including Ramsar, SPA and SSSI. There is a wealth of archaeological sites too representing late prehistoric, Iron Age and medieval human occupation.

The Seafront Strategy supports:

- Proposals within the Council's emerging Green Infrastructure Strategy to develop boardwalks, wayfinding and a cycle network connecting Turlin Moor to Sandbanks, via Holes Bay
- A reduction and not intensification of public use so as to reduce the disturbance to shoreline birds

Rockley Park

*"A holiday destination zone for families and young people offering a base to explore
one of the world's greatest natural harbours"*

Located on the edge of Ham Common Local Nature Reserve, Rockley Park is on long-lease to Haven Holidays and offers a range of family leisure facilities, including a caravan and lodge park, public amenities and a dog walking beach.

Rockley Water sports centre overlooks Poole Harbour and has developed strong educational links with local colleges to offer sports related training and qualifications.

The Seafront Strategy supports:

- Park operator-led focus on public safety measures and signage
- The continued importance of the holiday park and the educational benefits for the wider community of the activity centre
- Maintaining and improving public access to the beach
- The park owners are responsible for coastal defences, needed to ensure continued viability of the current leisure assets
- The wider Shoreline Management Plan and the Local Nature Reserve designation at Ham Common
- Investment in public and accessible toilets

Lake Pier & Ham Common

"A nature zone and beauty spot, far from the madding crowd, enjoyed by walkers and water sport enthusiasts"

Lake Pier has heritage value, originally constructed as a refuelling base for passenger flying boats pre and post-World War II, it is in need of significant structural repair. The beach is popular with locals and water sport enthusiasts and offers significant recreational value for local residents. The site features a car park, public toilets, Poole Harbour Canoe Club and access to walking trails across Ham Common Local Nature Reserve. The coastline is subject to natural erosion and the coastal defence policy is to allow for managed re-alignment.

The Seafront Strategy supports:

- Any proposals should be low-key and community focused in recognition that visitor numbers need to be managed at a low level to reduce impacts of erosion on the surrounding Ham Common nature reserve. The site should not be pro-actively promoted as part of the wider visitor offer
- Funding and engineering works are required to save or rebuild the pier structure as a local landmark would be welcomed. Some low-key opportunities exist to celebrate the heritage and biodiversity of this site through interpretation, trails and education
- Improvements to water safety messaging and signage
- Potential to introduce a small-scale seasonal catering kiosk offer and public and accessible toilet improvements to serve the local community
- Exploring options to improve disabled access to the beach
- Support community water sports activities

Hamworthy Beach

"A family zone, especially catering for locals to relax and play overlooking the harbour and islands"

A popular local beach offering panoramic views over the middle of Poole Harbour and off towards the distant Purbecks. The park and beach offers great recreational value and tranquillity away from the town centre and quayside.

Featuring a play park, outdoor exercise equipment, paddling pool, café, beach huts and water sports concession, the site has grown significantly in popularity in recent years and may continue to do so with the planned nearby regeneration of the Holes Bay former power station site creating up to 830 new homes and local employment opportunities.

The Seafront Strategy supports:

- Proposals to restore the sea wall and protect amenities
- Balance public realm improvements to improve access along the water's edge whilst protecting roosting and feeding birds in this sensitive area
- Maintain and develop the beach hut offer
- Wayfinding and cycling route links to the current power station site, Poole Quay and town centre
- Improvements to car park layout
- Development of community events within the park
- Support Green Infrastructure Strategy proposals to improve the outdoor education centre, café, toilet and play facilities
- The provision of quality interpretation and information displays, at this point of high footfall, reflecting the international importance of the ecology and archaeology of Poole Harbour

Poole Port & Quay

"Opportunity to further enhance a creative and cultural zone, home to the largest leisure marina in the country, and a vibrant working port. Where day trippers and holiday makers flock to explore and enjoy the harbour, café culture and heritage"

The ancient commercial heart of Poole, the Quay features a vibrant leisure mix of hospitality, visitor attractions, heritage and culture, harbour cruises, vessel hire and marina. The picturesque Quay also offers a year-round setting for events.

The Port and adjacent facilities support high value marine industry and is a principal transport hub for cruise ships and passenger ferries to France and the Channel Islands.

The Seafront Strategy supports:

- The preparation of a co-ordinated vision and masterplan for the former industrial sites between the two bridges incorporating residential, commercial and cultural development together with waterside public access linking to the Quay as part of the proposed Poole Bridge to Hunger Hill Flood Defence Scheme
- Investment in the marine leisure offer including cruise sector and marina facilities bringing footfall and spend to the town centre
- Infrastructure growth, investment in public toilets and public realm improvements to better support year-round events along the Quay
- Explore viability options for seasonal water-taxi operations linking Poole Quay with Sandbanks and other seafront locations

Holes Bay

"A zone for walkers, runners and cyclists to loop around the intertidal bay. A great space for contemplation, bird watching and fishing activities"

A prime location for bird watching offering a paved walking and cycling route between Poole town centre and Upton Country Park. This landscape of intertidal saltmarsh and mudflats is surrounded by significant areas of grassland and woodland. It is managed in conjunction with Dorset Wildlife Trust as part of the Great Heath Living Landscapes.

The Seafront Strategy supports:

- Improved wayfinding, cycle and walking links around Holes Bay, linking Upton Country Park and future redevelopment of the Power Station site with Poole Quay and the wider shoreline route to Sandbanks, working in conjunction with the Poole Bridge to Hunger Hill Flood Defence Scheme
- Ongoing investment in Upton Country Park, restoring and enhancing historic landscapes and developing new visitor and educational facilities which connects to the unique shoreline setting of the Grade II* Upton House
- No active intervention in the north-west corner of Holes Bay, allowing for the natural evolution of intertidal habitats
- Restoration of salt-marsh habitat in the wider Holes Bay

Harbourside Park

"Opportunity to enhance a highly valued community zone for play, relaxation and promenading along the harbour"

A treasured local community open space close to Poole Park and town centre offering views across to the Purbecks. Harbourside Park comprises Whitecliff and Baiter and offers ample space for play and relaxation.

The Seafront Strategy supports:

- Masterplan development to improve local amenities and benefit wildlife, including improved walking and cycling infrastructure
- Improved sports, catering & toilet facilities
- An improved wildlife information offer together with investment in wardening and positive engagement with visitors to raise awareness and understanding of the natural environment

Evening Hill to Sandbanks

"Opportunity to celebrate a safe all action zone for water sports beginners and the more experienced with fabulous views over Brownsea Island, leading to a gateway to the South West Coast Path and Jurassic Coast"

A connecting route between Lilliput and Sandbanks, Shore Road and Banks Road offer unparalleled views of Poole Harbour and Brownsea Island. The route features good access for cyclists and walkers as well as on-street parking. Concessions operate from the roadside offering a range of paddle boarding, windsurfing and other water sport activities at Whitley Lake.

The Seafront Strategy supports:

- Connectivity, wayfinding and cycle lane improvements to link Sandbanks with Poole Quay and beyond
- Improving management of leisure around Whitley Lake and maintaining a balance between a sensitive marine environment and water sport activities, working closely with the Harbour Commissioners and other stakeholders
- The need for significant investment in the harbour wall and reductions to flood risk
- Facilities for water sports users including exploring potential for new public toilets
- Public realm improvements enhancing connection and access between the harbour and seafront at the junction of Shore Road
- Investment in quality information provision - interpreting the view and highlighting the importance of the wildlife of Poole Harbour

Sandbanks Beach

"Top zone for holiday makers, beach and water sport enthusiasts with its own unique residential community alongside one of Britain's most celebrated beaches"

One of the few UK beaches with an international profile. Sandbanks is rich with character and conservation value and a firm favourite with holiday makers. Featuring a wide, sandy beach and accessible rock groynes, a landscape of dunes and grasses is designated as a SNCI with a presumption against development and intensified use.

The promenade-based leisure amenities are isolated from the rest of the seafront with beach popularity heavily dependent on car park capacity, which, combined with the Haven ferry, can lead to significant traffic tailbacks during summer. The south-west tip of the peninsula is dominated by high value residential dwellings backing directly onto the public beach. With no promenade, access to Haven Point is limited. The beach offers a premium setting for events such as Beach Polo.

There is significant potential to improve the overall quality, range and ambition for the future leisure offer at Sandbanks including providing exemplar disabled accessible facilities down towards the water line. Currently, though, commercial leisure investment is highly constrained by the Borough of Poole Act 1986 covering Sandbanks Recreation Ground.

The Seafront Strategy supports:

- Development of a wider vision to improve the quality and identity of the destination leisure offer at Sandbanks recreation ground, including a review of the Borough of Poole Act 1986
- New and reconfigured beach hut development including maximising double-fronted views of both beach and harbour
- Development of a replacement high quality building for the life-expired Sandbanks Pavilion including options to contain a community hire space
- Explore within the masterplan the potential for new leisure facilities and catering outlets as part of an expanded village offer opposite the existing parade of shops
- Review sustainable transport, access and parking at Sandbanks recreation ground within the proposed future vision study
- Partial redevelopment of the corporation yard to provide enhanced leisure or beach hut facilities
- New equipped children's play, leisure, water sport attractions and infrastructure to support event activities
- Develop fully disabled accessible beach facilities including improved access to the waterline
- Investment in public toilets and beach showers
- Co-ordinated programme of investment in beach huts, including 'super huts'
- Explore options to connect the Sandbanks Peninsular with a ferry operation from Poole Quay
- Supporting investment to improve the quality of the hotel offer in the surrounding area
- Sustaining and expansion of the dune habitats, and the protection of rare species such as the Sand Lizard and winter bird populations
- Ongoing beach re-nourishment as part of the Poole Bay Beach Management Scheme

Shore Road

"A zone for families and couples, popular for holiday makers and water sports"

The Families Beach, sitting at the foot of the Poole Bay cliffs, Shore Road offers a gateway into the Chines section of the seafront. The beach has an urban feel with recently enhanced hub facilities and beach huts. A popular place to congregate to eat, drink and relax.

The Seafront Strategy supports:

- Supporting investment to improve the quality of the hotel offer in adjacent sites
- Improved connectivity and wayfinding to Sandbanks via Banks Road
- Improvements to public shower facilities

The Chines

*"A series of beach hut villages clustered around steeply wooded chines.
This zone is a firm favourite for families to escape the hustle and bustle"*

The stretch of coastline between Canford Cliffs and Durley Chine is characterised by its distinctive wooded chines spilling out onto the promenade. The Chines offer quiet and seclusion and approaching views of the coast; with connection to residential and urban areas within a backdrop of internationally important habitats (SSSI and SNCI). Durley, Alum and Branksome offer centres of leisure activity with Canford, Flaghead, Branksome Dene and Middle Chine featuring a more laid-back approach. Hugely popular for beach huts, the Chines offer a relaxed, family focused vibe.

The Seafront Strategy supports:

- Continued management of habitats and areas of biodiversity. Celebrating this landscape through improvements to interpretation and wayfinding

- Establishing and managing new sand dune habitats around intersections of the sea wall and groynes to support biodiversity and beach retention
- Improved safety by introducing street lighting but not at the expense of increased light pollution which detrimentally affects migrating birds and bats.
- Upgrade and improve public toilet provision including accessible facilities
- New leisure offer to improve the range and quality on offer at Canford Cliffs Pavilion site,
- Improvement to public realm along the promenade, particularly around the base of the Chine and cliff access points where facilities are clustered, introducing additional public facilities such as seating, cycle hoops, showers, planters, and public art where appropriate
- Improve access to and connections across the promenade
- Co-ordinated investment programme in beach huts including 'super huts' with additional units and improved visual presentation
- Support proposals for reinvestment in the Alum Chine cloister site
- Cliff top wayfinding trails including proposal for a tree top connecting cycle route across Durley & Middle Chine
- Improve vehicle drop off points and accessible parking
- Development and renewal of more low-key natural play facilities within Chine areas and the beach

Central Beaches

"The vibrant and commercial zone at the heart of the seafront. Opportunity to curate the very best in hospitality, culture and eventing the town has to offer, developing the most accessible beach to retain Bournemouth as a leading UK holiday destination of choice"

The emphasis here is on developing a coherent and consistent linear promenade space to create the ultimate vibrant beachfront visitor experience stretching between the West Cliff and Boscombe Pier.

Bournemouth Pier Approach and surrounding leisure sites such as the BIC, Waterfront (current adventure golf site), Bath Road north and south car parks, the Pavilion and Happyland offer significant potential to reinvest in a more coherent year-round leisure offer.

Existing and new development along the promenade will form an active 'street' frontage and elements along the space will have a regular, ordered appearance and layout.

Undercliff Drive and East Cliff lift site present major opportunities to rethink these spaces, providing facilities and infrastructure fit for contemporary and future audiences. Connections through to the Lower Gardens, town centre and hotel clusters on the East and West Cliff also make this space the prime location for major events that showcase the conurbation.

The Central Beaches form a vibrant, fun and colourful place to visit - whatever the time of year.

The Seafront Strategy supports:

- Utilise Durley Environmental Hub to maximise environmental awareness and deliver a financially sustainable offer via educational, cultural and commercial partnerships
- Investment in utilities, public toilets and infrastructure to enable diverse and vibrant seasonal sports, leisure and food & beverage offers that sympathetically enhance the public amenity and open space, with a particular focus between West Cliff and Boscombe Pier.
- Improved access to public spaces along the promenade, particularly around key entry points where facilities are clustered, such as seating, cycle hoops, showers, planters, public art, improved bin presentation and wayfinding
- More prominent entrance building at the top of cliff lift to act as a beacon and aid wayfinding
- Bournemouth Lifeguards re-development of the facilities at the base of West Cliff zig-zag/Joseph Steps into a lifeguard and community sports hub
- Re-investment in Happyland site with commercial, retail and leisure uses including possible hotel accommodation
- Support investment to extend the life of Bournemouth Pier

- Improve links to wider future leisure regeneration of sites adjacent to Pier Approach and Bath Road i.e. the BIC, Court Royal, Waterfront, Bath Road North & South car parks and the Pavilion
- Deliver stabilisation of the East Cliff lift site and seek external investment to reintroduce a cliff lift and supporting leisure to create a new destination offer at promenade level
- Upgrade to East Cliff promenade to establish a coherent Overcliff promenade link between Russell-Cotes and East Cliff lift
- Support development of the commercial leisure offer along the promenade and underutilised beach hut sites between Bournemouth and Boscombe Piers.
- Development of a seasonal cultural/retail offer within the cloister arches below Harry Ramsden's
- New two-storey development opportunities for the former Bournemouth Beach Office with commercial, retail, cultural and leisure use
- Review future of Undercliff Drive car park with a view to retain and enhance disabled accessible parking
- Improved access point to Toft zig-zag with material change at carriageway crossing including development of a beach fitness park facility
- Enable Toft Box Park to provide new start-up opportunities for innovative wellness, sports and cultural businesses
- Invest in the Prom Cafe at Boscombe to refresh the offer and maximise income
- Additional accessible beach huts and exemplar access facilities towards the water line for people with limited mobility
- Development of beach sport facilities and improved disabled access to the shoreline
- Review options to develop a cliff top café around Jon Egging Memorial, public realm and toilet block to west of East Cliff Lift
- Develop options to improve the quality and range of the leisure and cultural offer at Boscombe Pier, supporting reinvestment in the long-term maintenance of the pier structure
- The continued management and protection of the SNCI designations either side of the pier and investment in conservation management to achieve SNCI status on adjacent areas
- A well-resourced campaign to reduce litter / recycling (take your litter home) as part of a cultural and behavioural change locally and nationally

Coastal Nature Park

"A popular zone for locals, ramblers, dog walkers and beach hut families where everyone can find their space, explore and learn about our natural heritage"

The promenade running east of Boscombe Pier features a high concentration of beach huts and is hugely popular with families and locals. It is characterised by three connected landscapes of cliff-top heath, cliff face geology and beach. There are four main visitor hub areas along this stretch clustered around the overnight short stay Bournemouth Beach Lodges at Manor Steps; the 1930's cliff lift at Fisherman's Walk, the soon to be regenerated Bistro on the Beach facility at Southbourne and the Hengistbury Head Visitor Centre.

Much of the cliff-top forms a Local Nature Reserve with extensive internationally important SSSI and Scheduled Ancient Monument at Hengistbury Head. A key move could see the development of branding, interpretation, trails and educational initiatives to create a new identity around a Coastal Nature Reserve Park incorporating the cliff tops to Hengistbury Head and potentially linking to Christchurch Harbour and cliff top to Highcliffe. The Coastal Nature Reserve Park could also extend along the cliff top further to Bournemouth and the Chines beyond.

The Seafront Strategy supports:

- Further investment and habitat enhancement and volunteering activities based upon a coherent and environmental management plan which recognises the international importance of much of this coastal strip.

- A coherent approach to wardening of this Nature Park beyond the promenaded section with an overarching campaign to establish a cultural and behavioural change towards the natural environment and in particular litter and barbeques.
- Development of branding, education, wayfinding and interpretation for Coastal Nature Reserve Park
- Explore potential to establish new sand dune habitats around intersections of the sea wall and groynes to support bio-diversity and beach retention
- Improvements to footpaths, trails and cliff top shelters
- Co-ordinated programme of investment in beach huts, including 'super huts'
- Improvements and upgrades to public toilets
- Low key opportunities to upgrade kiosk at Portman Ravine together with toilet block, incorporating community facilities for environmental learning, sea swimming and other wellness activities
- Improve links to Fisherman's Walk Gardens with new road crossing
- New building at bottom of cliff lift incorporating educational and cultural uses and toilets together with commercial pop-up on the beach. Potential activities might include artist studio or changing / wellness / community space / beach sauna / beach goods shop
- Bistro on the Beach site regeneration introducing a new year-round eco-destination offer incorporating restaurant, kiosk, toilets and overnight rental Beach Lodges
- Seasonal café at Solent Meads car park to support conservation projects and activities.

Mudeford Sandbank

*"A unique and seasonal community with an island feel and an air of self-sufficiency.
A popular destination for day visitors and nature rambles"*

The sand dunes here are protected as a Site of Nature Conservation Interest (SNCI) and as such there is a presumption against further development in planning terms.

Popular with families, the Sandbank has an atmosphere all of its own. Activities include boating and simple outdoor recreation. The site accommodates large numbers of day visitors during the height of the season. Facilities include the café-restaurant, a small shop, and public toilets and shower facilities.

Access is by public ferries (during the season), land-train, by bike, but mostly on foot. There is no motorised vehicle access for the general public, which adds to the feeling of seclusion from the pressures of modern life.

The Seafront Strategy supports:

- Continue to manage the sandbank in a sustainable fashion, maintaining its current character and protecting the sensitive natural environment
- Update and refresh the current beach leisure management plan including a review of beach hut licenses
- Sustainable development of beach huts
- Re-investment in public toilet and shower facilities
- Re-investment in the jetty and public passenger boat services
- Securing a future for the Beach House Cafe site
- Refurbishment of the Blackhouse to improve the quality of the leisure accommodation offer
- A coherent plan for the zoning (fencing) of quiet areas for wildlife and ground nesting shoreline birds
- New and upgraded interpretation panels at the key access points

Christchurch Harbour

"A quiet space for nature to breathe and flourish and a sensitive environment for a range of activities from bird watching, education, walking and gentle water activities"

One of the most ecologically sensitive areas of our coastline, Christchurch Harbour from the confluence of the rivers Avon and Stour through to the 'Run' at Mudeford Quay has a well-developed leisure boating and water sports offer.

The surrounding headland of Hengistbury Head, Stanpit Marsh, Wick Meads and Priory Marsh offer extensive habitat for breeding, migrant and wintering wetland birds and are popular with schools and birdwatchers. The emphasis is on protecting these environments and avoiding over development of leisure activities on land and in the water. The harbour and headland form a Site of Special Scientific Interest (SSSI) and also incorporates the Avon Valley Ramsar Site, Dorset Heaths and River Avon SAC, Christchurch Harbour SPA and Stanpit Marsh Local Nature Reserve. Hengistbury Head is also a Scheduled Ancient Monument with human occupation stretching back some 12,000 years.

Hengistbury Head and its Visitor Centre offer an outstanding and internationally important heritage and cultural experience, attracting one million visitors annually. The Hengistbury Head Outdoor Education Centre has long provided community access to water sports and environmental learning. There is a need for a coherent plan to secure its future alongside the other onsite offers.

The Seafront Strategy supports:

- Improving connectivity and wayfinding around the harbour sites for walkers and cyclists
- Support investment in habitat improvements, biodiversity and environmental education
- Securing the long-term future for the Hengistbury Head Outdoor Education Centre, improving connections to the wider harbour water sports offer
- Continued close working with volunteers who manage and help maintain sites
- Protect historic landfill areas within Stanpit Marsh from erosion
- The established Hengistbury Head Visitor Centre as the key intellectual and physical 'gateway' to the Coastal Nature Reserve Park
- New and upgraded interpretation panels at all the key access points to Hengistbury Head
- The zoning of quiet areas both on land and on water

Mudeford Quay & Gundimore Prom

"The maritime heritage zone"

The Quay is the historic centre of the local fishing industry in Christchurch with its listed buildings on the Quay head, and scenic lobster pots. The ferry to Mudeford Sandbank operates from here and crabbing from the sea wall is a popular pastime for families. Highcliffe Sailing Club, the dinghy park, and the RNLI boathouse all add to the nautical feel. Much of the site is taken up with car parking; a public house, café, and public toilets mean that this site is a popular tourist destination. Part of the area is protected as an SNCI alongside a large area of open greenspace and a children's play area provide opportunities for public events and informal leisure.

Gundimore Promenade connects Mudeford Quay to Avon Beach and provides easy access to the coast for the less able with its long, straight, well surfaced path as well as opportunities for dinghy launching directly into the sea to avoid having to negotiate the fast flowing 'Run'.

The Seafront Strategy supports:

- Investment in public toilets

- Improved connectivity for cyclists and walkers
- Support investment in water sports provision
- Exploring options to introduce local heritage interpretation, exhibition and preservation of historic landscape and highlighting the sensitive nature of the harbour and mudflats particularly to water sport users
- Sensitive improvements to safety and lighting of the Quay, but not at the expense of additional light pollution and seafront promenade together with additional public seating/cycle racks

Avon & Friars Cliff Beaches

"Vibrant family beaches at the heart of Christchurch Bay, a zone for traditional seaside holidays at a more relaxed pace and scale"

Probably the busiest of the Christchurch area beaches, the focus at Avon Beach is the restaurant, shop, and associated facilities. The wide beach is ideal for swimming and the privately leased beach huts give a family feel. The car park provides direct level access to the coast.

The beach and promenade at Friars Cliff are backed by a large number of day huts which are privately owned and well used which helps give this area of the coast a village community feel. The café/restaurant and public toilets are popular with visitors. The Christchurch Lifesaving Club operates successfully from the clubhouse and beach, and the Christchurch Boardsailing Club is based near the car park.

The Seafront Strategy supports:

- Enhancing cycle route connectivity across cliff top to Highcliffe where practical
- Review future management of the leisure operation at Avon Beach
- Investment to improve facility and cleanliness standards in public toilets
- Improve parking arrangements
- Enable investment in beach huts
- Enable more events and community activities at Friars Cliff common open space
- Develop interpretation on former Radome radar site

Highcliffe Beaches

"A rural coastal zone to escape urban living and connect with unspoilt beaches and water sport activities away from the crowds"

The beach at Highcliffe Castle has a more natural and secluded feel as a result of naturally restricted access and a lack of infrastructure. The cliff features provide a setting which is quite different from that of the other beaches and also offers the opportunity for interpretation of the unique geology which makes this area a Site of Special Scientific Interest (SSSI). Access to the cliff-top nature reserve at Steamer Point Woodland, the Grade I listed castle, café/restaurant and public toilets is via steep steps from the beach or via a gentle slope on the recently re-built Highcliffe Castle zig-zag path.

Further east along the coast is Highcliffe Beach which is also more natural in feel than other parts of the coast and the cliffs form part of the SSSI. This section of the coast has access via sloping stone paths and a large car park and public toilets are immediately adjacent. A café/restaurant on the cliff-top provides extensive views over the bay to the Isle of Wight. At beach level there are sufficient natural waves to provide good conditions for surfing, body boarding and swimming.

The Seafront Strategy supports:

- Investment in habitat management, linked wildlife corridors through Steamer Point to Chewton Bunny and interpretation for the Highcliffe undercliff
- Improving access to the beach from Highcliffe Car Park

- Explore options to improve the self-catering holiday facilities at Steam Point
- Explore options to improve accessibility along the beach between Highcliffe Castle zig zag and Friars Cliff
- Maintaining the un-developed nature of this area
- Improving the provision of public toilet and shower facilities adjacent to Highcliffe top car park
- The investigation of a dog free zone and 'Coastal Park Run' route

Further Information

Should you have any further comments or queries, please feel free to contact us via email at:

seafontprojects@bcpcouncil.gov.uk



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EIA Panel Review



EIA being reviewed	Seafront Strategy	
Reference Number	342	
EIA presented by	Gary Foyle	
Date	25 April 2024	
Panel members present	Sam Johnson Leigh Hayler Denise Hewlett Vicky Edmonds	
Aspect	RAG Rating	Comments
Timeliness Is this EIA timely? i.e. considered before any decisions have been made		Yes. Presented to panel before going to Cabinet.
Proportionate Is this EIA proportionate to the decision? i.e. is a full action plan needed?		Yes. A full impact assessment has been written.
Is it clear what is being reviewed?		Yes. Could add in Levelling Up as a driver for improving accessibility along the whole seafront. Some of the equality benefits could be drawn from the Levelling Up application. Just a reminder that the Panel would want to see EIA's for the individual projects mentioned in the Strategy.
Stakeholder Engagement Has engagement/consultation been undertaken with stakeholders? Has this fed into the proposal?		Consultation results – what do the figures mean under the protected groups headings in the table?
Needs and experiences Have all the protected groups been considered?		Benches on the seafront – has consideration been given to rest stops for elderly people? The presentation mentioned a lot more equality impacts than has been captured in the EIA.

		<p>Need to unpick the needs of the protected characteristics. Leigh has offered to work on the next draft.</p> <p>Are there any actions in the strategy to ensure that toilets are kept accessible i.e. some people with disabilities will not access them if they aren't maintained to an appropriate standard to reduce risks associated with conditions which meet the definitions of the disability?</p>
Positive Benefits & Impacts Have all the protected characteristics been considered?		Health benefits – more were mentioned in the presentation than have been captured in the EIA. E.g. breathing in sea air helps those with respiratory illnesses.
Negative Impacts Have all the protected characteristics been considered?		Not applicable as none identified.
Evidence Has evidence been used to draw conclusions?		
Mitigating Actions Where necessary, have reasonable adjustments been proposed?		
Summary Does the summary provide the following? <ul style="list-style-type: none"> • An overview of equality considerations both positive and negative • The rationale for drawing these conclusions • Detail required mitigating actions. 		
Overall rating		Lots of consideration has been given to the Equality impacts of the strategy and these just need to be captured in the EIA.

Please Note: All EIA's will be published on the Website. It is important that revisions are made if you receive an Amber rating, please can you send a copy of your revised EIA to the [Policy Team](#)

For reference

- **Green** – good to go/approved, providing sufficient evidence the public sector equality duty has been met.
- **Amber** – good to go subject to minor changes or mitigating actions being put in place and followed through in the development of the project/service/policy/procedure or practice.
- **Red** – inadequate, needs to be reworked before the decision goes forward, where it is evident the public sector equality duty has not been met or continuing with the project or proposal will lead to direct or indirect unlawful discrimination that cannot legitimately be justified.

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OVERVIEW AND SCRUTINY BOARD



Report subject	Work Plan
Meeting date	16 July 2024
Status	Public Report
Executive summary	The Overview and Scrutiny (O&S) Board is asked to consider and identify work priorities for publication in a Work Plan.
Recommendations	<p>It is RECOMMENDED that:</p> <p>the O&S Board review, update and confirm its Work Plan.</p>
Reason for recommendations	The Council's Constitution requires all Overview and Scrutiny Committees to set out proposed work in a Work Plan which will be published with each agenda

Portfolio Holder(s):	N/A – O&S is a non-executive function
Corporate Director	Graham Farrant, Chief Executive
Report Authors	Lindsay Marshall, Overview and Scrutiny Specialist
Wards	Council-wide
Classification	For Decision

Background –

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. It is good practice for the Work Plan to be kept under regular review by the Board. Between meetings O&S Chairs and Vice Chairs, in consultation with officers, suggest updates to the work plan to ensure proposed topics remain timely, fit for purpose and allow sufficient time for report preparation as appropriate. The Board is now asked to review, update and/ or confirm the latest work plan update. See the Work Plan attached at Appendix B to this report.
3. The current work plan is based on annual work programming activity undertaken by the Board in Winter 2023. Through this work, which was supported by the Centre for Governance and Scrutiny (CfGS), the Board agreed a [framework](#) which outlines how scrutiny work will be selected and approached. This is based on good practice. The framework outlines that scrutiny work will be divided into three categories of:
 - Proactive scrutiny
 - Reactive scrutiny
 - Pre-decision scrutiny.

Information only items should be received in other ways, reserving committee and working group capacity for value-added scrutiny. The Board's current work plan is structured to reflect this.

4. O&S statutory guidance recommends that a 'lens' or key set of priorities be established by O&S committees, to clearly communicate their role and how they will add value to the work of the organisation. The statements also clarify the role of the committee to the public. Through annual work programming activity, the Board agreed the following lens and supporting statement:

The **O&S Board** will approach work through a lens of **RESIDENT IMPACT AND EXPERIENCE**, such as considering:

- benefits that could be brought to residents by **delivering services** in different ways
- how the areas of highest **financial risk** for the council may impact on residents
- the council's **relationship with the public** and work that can be done to strengthen this.

5. Established lenses provide a tool to assist O&S members in work programming, to sift suggestions for work into a realistic annual work programme for each committee and to provide an angle by which to approach scrutiny topics. The lens should be referred to throughout the year as arising suggestions for work are made. The establishment of a lens does not preclude the Board from using the full extent of its scrutiny powers where appropriate.

Principles of Good Scrutiny

6. The Constitution requires that the Work Plan of O&S committees shall consist of work aligned to the principles of the function. The BCP Council O&S function is based upon six principles:
 - Contributes to sound decision making in a timely way by holding decision makers to account as a 'critical friend';
 - 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;
 - Engages in decision making and policy development at an appropriate time to be able to have influence;
 - Contributes to and reflects the vision and priorities of the Council;
 - Agility – able to respond to changing and emerging priorities at the right time with flexible working methods.

Process for agreeing Work Plan items

7. An 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 O&S Committee, and other Councillors who are not on the Committee.
8. 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.
9. Any councillor may request that an item of business be considered by an O&S Committee. Councillors are asked to complete a form outlining the request, which is appended to this report at Appendix C. The same process will apply to requests for scrutiny from members of the public.
10. A copy of the most recent Cabinet Forward Plan will be supplied to O&S Committees at each meeting for reference when determining items of pre-decision scrutiny. The latest version is supplied as Appendix D to this report.

Resources to support O&S work

11. The Constitution requires that the O&S Committees take into account the resources available to support their proposals for O&S work. This includes consideration of councillor availability, officer time and financial resources. Careful and regular assessment of resources will ensure that there is appropriate resource available to support work across the whole O&S function, and that any work established can be carried out in sufficient depth and completed in a timely way to enable effective outcomes.

12. It is good practice for O&S Committees to agree a maximum of two/ three substantive agenda items per meeting. This will provide sufficient time for Committees to take a 'deep dive' approach to scrutiny work, which is likely to provide more valuable outcomes. A large amount of agenda items can lead to a 'light touch' approach to all items of business, and also limit the officer and councillor resource available to plan for effective scrutiny of selected items.
13. O&S Committees are advised to carefully select their working methods to ensure that O&S resource is maximised. A variety of methods are available for O&S Committees to undertake work and are not limited to the receipt of reports at Committee meetings. These may include:
- Working Groups;
 - Sub-Committees;
 - Tak and finish groups;
 - Inquiry Days;
 - Rapporteurs (scrutiny member champions);
 - Consideration of information outside of meetings – including report circulation/ briefing workshops/ briefing notes.

Further detail on O&S working methods are set out in the Constitution and in Appendix A – Terms of Reference for O&S Committees.

Options Appraisal

14. The O&S Board is asked to review, update and confirm its Work Plan, taking account of the supporting documents provided and including the determination of any new requests for scrutiny. This will ensure member ownership of the Work Plan and that reports can be prepared in a timely way. Should the Board not confirm its forthcoming priorities, reports may not be able to be prepared in a timely way and best use of the meeting resource may not be made.

Summary of financial implications

15. There are no direct financial implications associated with this report. The Board should note that when establishing a Work Plan, the Constitution requires that account be taken of the resources available to support proposals for O&S work. Advice on maximising the resource available to O&S Committees is set out in paragraphs 11 to 13 above.

Summary of legal implications

16. The Council's Constitution requires that all O&S bodies set out proposed work in a Work Plan which will be published with each agenda. The recommendation proposed in this report will fulfil this requirement.

Summary of human resources implications

17. There are no human resources implications arising from this report.

Summary of sustainability impact

18. There are no sustainability resources implications arising from this report.

Summary of public health implications

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

Summary of equality implications

20. There are no equality implications arising from this report. Any councillor and any member of the public may make suggestions for overview and scrutiny work. Further detail on this process is included within Part 4 of the Council's Constitution.

Summary of risk assessment

21. There is a risk of challenge to the Council if the Constitutional requirement to establish and publish a Work Plan is not met.

Background papers

None.

Appendices

Appendix A – Overview and Scrutiny Committees Terms of Reference

Appendix B - Current O&S Board Work Plan

Appendix C – Request for consideration of an issue by Overview and Scrutiny

Appendix D – Current Cabinet Forward Plan

Appendix E – O&S Framework

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BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL

OVERVIEW AND SCRUTINY BOARD / COMMITTEES TERMS OF REFERENCE

Overview and Scrutiny (O&S) is a statutory role fulfilled by Councillors who are not members of the Cabinet in an authority operating a Leader and Cabinet model. The role of the Overview and Scrutiny Board and Committees is to help develop policy, to carry out reviews of Council and other local services, and to hold decision makers to account.

PRINCIPLES OF OVERVIEW AND SCRUTINY

The Bournemouth, Christchurch and Poole Overview and Scrutiny 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.
3. Enables the voice and concerns of the public to be heard and reflected in the Council's decision-making process.
4. Engages in decision making and policy development at an appropriate time to be able to have influence.
5. Contributes to and reflects the vision and priorities of the Council.
6. Agile – able to respond to changing and emerging priorities at the right time with flexible working methods.

MEETINGS

There are four Overview and Scrutiny bodies at BCP Council:

- Overview and Scrutiny Board
- Children's Services Overview and Scrutiny Committee
- Health and Adult Social Care Overview and Scrutiny Committee
- Environment and Place Overview and Scrutiny Committee

Each Committee meets 5 times during the municipal year, except for the Overview and Scrutiny Board which meets monthly to enable the Board to make recommendations to Cabinet. The date and time of meetings will be set by full Council and may only be changed by the Chairman of the relevant Committee in consultation with the Monitoring Officer. Members will adhere to the agreed principles of the Council's Code of Conduct.

Decisions shall be taken by consensus. Where it is not possible to reach consensus, a decision will be reached by a simple majority of those present at the meeting. Where there are equal votes the Chair of the meeting will have the casting vote.

MEMBERSHIP

The Overview and Scrutiny Board and Committees are appointed by full Council. Each Committee has 11 members and the Board has 13 members. No member of the Cabinet may be a member of the Overview and Scrutiny Committees or Board, or any group established by them. Lead Members of the Cabinet may not be a member of Overview and Scrutiny Committees or Board. The Chair and Vice-Chair of the Audit and Governance Committee may not be a member of any Overview and Scrutiny Committees or Board.

The quorum of the Overview and Scrutiny Committees and Board shall be one third of the total membership (excluding voting and non-voting co-optees).

No member may be involved in scrutinising a decision in which they been directly involved. If a member is unable to attend a meeting their Group may arrange for a substitute to attend in their place in accordance with the procedures as set out in the Council's Constitution.

Members of the public can be invited to attend and contribute to meetings as required, to provide insight to a matter under discussion. This may include but is not limited to subject experts with relevant specialist knowledge or expertise, representatives of stakeholder groups or service users. Members of the public will not have voting rights.

Children's Services Overview and Scrutiny Committee - The Committee must statutorily include two church and two parent governor representatives as voting members (on matters related to education) in addition to Councillor members. Parent governor membership shall extend to a maximum period of four years and no less than two years. The Committee may also co-opt one representative from the Academy Trusts within the local authority area, to attend meetings and vote on matters relating to education.

The Committee may also co-opt two representatives of The Youth Parliament and, although they will not be entitled to vote, will ensure that their significant contribution to the work of the Committee is recognised and valued.

Environment and Place Overview and Scrutiny Committee - The Committee may co-opt two independent non-voting members. The selection and recruitment process shall be determined by the Environment and Place Overview and Scrutiny Committee.

FUNCTIONS OF THE O&S COMMITTEES AND O&S BOARD

Each Overview and Scrutiny Committee (including the Overview and Scrutiny Board) has responsibility for:

- Scrutinising decisions of the Cabinet, offering advice or making recommendations
- Offering any views or advice to the Cabinet or Council in relation to any matter referred to the Committee for consideration
- General policy reviews, and making recommendations to the Council or the Cabinet to assist in the development of future policies and strategies
- Assisting the Council in the development of the Budget and Policy Framework by in-depth analysis of policy issues
- Monitoring the implementation of decisions to examine their effect and outcomes
- Referring to full Council, the Cabinet or appropriate Committee/Sub-Committee any matter which, following scrutiny a Committee determines should be brought to the attention of the Council, Cabinet or other appropriate Committee
- Preparation, review and monitoring of a work programme
- Establishing such commissioned work as appropriate after taking into account the availability of resources, the work programme and the matter under review

In addition, the Overview and Scrutiny Board has responsibility for:

- Considering decisions that have been called-in
- Undertaking scrutiny of the Council's budget processes
- Carrying out the Council's scrutiny functions relating to crime and disorder, and discharging any other statutory duty for which the O&S function is responsible, other than those that relate to Flood Risk Management, Health, Adult Social Care, Children's Services and Education
- Overseeing the Council's overall O&S function including oversight of the work plans and use of resource across all O&S bodies
- Keeping the O&S function under review, suggesting changes as appropriate to ensure that it remains fit for purpose
- Reporting annually to Full Council on the output of the O&S function
- Maintaining oversight of the training needs of the whole O&S function.

Figure 1 below provides an outline of the responsibilities of each Committee.

The remit of the Overview and Scrutiny Board and Committees is based on the division of Portfolio Holder responsibilities. Portfolio Holders may report to more than one Overview and Scrutiny body.

Portfolio Holder responsibilities are changeable and from time to time it may be necessary to modify the designation of functions across the four Overview and Scrutiny bodies.

Figure One –Overview and Scrutiny Structure



COMMISSIONED WORK

In addition to Committee meetings, the Overview and Scrutiny Board and Committees may commission work to be undertaken as they consider necessary after taking into account the availability of resources, the work programme and the matter under review.

Each O&S body is limited to one commission at a time to ensure availability of resources.

a) **Working Groups** – a small group of Councillors and Officers gathered to consider a specific issue and report back to the full Board/ Committee, or make recommendations to Cabinet or Council within a limited timescale. Working Groups usually meet once or twice, and are often non-public;

b) **Sub-Committees** – a group of Councillors delegated a specific aspect of the main Board/ Committee's work for ongoing, in-depth monitoring. May be time limited or be required as a long-standing Committee. Sub-Committees are often well suited to considering performance-based matters that require scrutiny oversight. Sub-Committees usually meet in public;

c) **Task and finish groups** – a small group of Councillors tasked with investigating a particular issue and making recommendations on this issue, with the aim of influencing wider Council policy. The area of investigation will be carefully scoped and will culminate in a final report, usually with recommendations to Cabinet or Council. Task and finish groups may work over the course of a number of months and take account of a wide variety of evidence, which can be resource intensive. For this reason, the number of these groups must be carefully prioritised by scrutiny members to ensure the work can progress at an appropriate pace for the final outcome to have influence;

d) **Inquiry Days** – with a similar purpose to task and finish groups, inquiry days seek to understand and make recommendations on an issue by talking to a wide range of stakeholders and considering evidence relating to that issue, within one or two days. Inquiry days have similarities to the work of Government Select Committees. Inquiry days are highly resource intensive but can lead to swift, meaningful outcomes and recommendations that can make a difference to Council policy; and

e) **Rapporteurs or scrutiny member champions** - individual Councillors or pairs of Councillors tasked with investigating or maintaining oversight of a particular issue and reporting back to the main Board/ Committee on its findings. A main Committee can use these reports to facilitate its work prioritisation. Rapporteurs will undertake informal work to understand an issue – such as discussions with Officers and Portfolio Holders, research and data analysis. Rapporteur work enables scrutiny members to collectively stay informed of a wide range of Council activity. This approach to the provision of information to scrutiny members also avoids valuable

Committee time being taken up with briefings in favour of more outcome-based scrutiny taking place at Committee.

These terms of reference should be read in conjunction with the Overview and Scrutiny Procedure Rules outlined in Part 4C of the Council's Constitution.



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BCP Council Overview and Scrutiny Board – Work Plan. Updated 01.07.24

Guidance notes:

- 2/3 items per committee meeting is the recommended maximum for effective scrutiny.
- The O&S Board will approach work through a lens of **RESIDENT IMPACT AND EXPERIENCE**
- Items requiring further scoping are identified and should be scoped using the Key Lines of Enquiry tool.

	Subject and background	How will the scrutiny be done?	Lead Officer/Portfolio Holder	Report Information
Meeting Date: 16 July 2024				
1.	Seafront Strategy Cabinet Report	Scrutiny of Cabinet report prior to Cabinet consideration	Director of Commercial Operations Portfolio Holder for Connected Communities	Pre-decision Scrutiny
2.	MTFP Cabinet Report	Pre-Decision review of Cabinet report in order to make recommendations for Cabinet consideration	Director of Finance Portfolio Holder for Finance	Pre-decision Scrutiny
3.	Financial Outturn 2023/24	Scrutiny of Cabinet report prior to Cabinet consideration	Director of Finance Portfolio Holder for Finance	Pre-decision Scrutiny
4.	Pay and Reward: Update on progress in introducing new terms and conditions of employment	Pre-Decision review of Cabinet report in order to make recommendations for Cabinet consideration	Director of People and Culture	Pre-decision Scrutiny

Key:  Pre-Decision Scrutiny  Pro-active Scrutiny

Meeting Date: 27 August 2024				
1	Reserved for pre-decision or reactive scrutiny decision or reactive scrutiny (awaiting Cabinet FP update)	Scrutiny of Cabinet report prior to Cabinet consideration	TBC	TBC
2	BCP Council Assurance Review Briefing report to Committee to provide assurance that all outcomes from the review have been addressed	Committee Report	Chief Executive Leader of the Council	Officer report requested
Meeting Date: 23 September 2024				
	Reserved for pre-decision or reactive scrutiny decision or reactive scrutiny (awaiting Cabinet FP update)	Scrutiny of Cabinet report prior to Cabinet consideration	TBC	TBC
	Directorate Budget Awareness To receive a presentation on the budget, pressures and assumed savings	Presentation and Question and Answer session	Chief Financial Officer, Chief Operations Officer and Chief Executive	Presentation
	Overview and Scrutiny Annual Report The Overview and Scrutiny Function is required to produce an annual report	Committee Report	Scrutiny Specialist	Requirement for O&S to produce an annual report to full Council - all O&S Committee Chairs to be invited
	Production and Effectiveness of Public Consultations (2)	Committee Report – Initial update on current situation with potential for working group	Director of Marketing, Comms and Policy Portfolio Holder	This issue will be suited to a working group – further scoping required – KLOE document

Key: Pre-Decision Scrutiny Pro-active Scrutiny

	Meeting Date reserved for potential Joint Scrutiny Enquiry Meeting	Enquiry Day	Portfolio Holder for Housing and Regulatory Services Director of Housing and Communities	This issue requires further scoping.
Meeting Date: 21 October 2024				
	Transformation Report	Scrutiny of Cabinet report prior to Cabinet consideration		
	Transformation and the centralised handling of complaints Report requested through the work planning workshops	Report to Committee	Director of Marketing, Comms and Policy	This requires further scoping – KLOE document
	Performance of the Council Data, and performance of directorates and staff (25)	Informal investigation report by O&S Board		This requires further scoping – KLOE document Will be suited to a working group –
	Blue Badges For the O&S Board to receive an update on this issue from officers following the work the Board carried out last year	Committee Report	Director of Customer, Arts and Property	Officer report requested
Meeting Date: 18 November				
1.	Reserved for pre-decision or reactive scrutiny decision or reactive scrutiny (awaiting Cabinet FP update)	Dedicated budget scrutiny – all groups to feedback to O&S Board		

Key: Pre-Decision Scrutiny Pro-active Scrutiny

2.	Working more collectively across BCP geographical areas / Locality Governance – Substantive item	Committee Report		This requires further scoping – KLOE document
3.	Budget Working Groups To consider feedback and recommendations from the established budget working groups	Dedicated budget scrutiny – all groups to feedback to O&S Board	TBC	TBC – All O&S members to be invited
Meeting Date: 9 December 2024				
1.	Reserved for pre-decision or reactive scrutiny decision or reactive scrutiny (awaiting Cabinet FP update)			
2.	Crime and Disorder Scrutiny of Community Safety Partnership	Annual Report	Portfolio Holder for Housing and Regulatory Director of Housing and Communities	This requires further scoping – KLOE document
3.	Item to be selected from Pro-Active Scrutiny topic list			
Meeting Date: 6 January 2025				
1.	Reserved for pre-decision or reactive scrutiny decision or reactive scrutiny (awaiting Cabinet FP update)			
2.	Item to be selected from Pro-Active Scrutiny topic list			
3.	Item to be selected from Pro-Active Scrutiny topic list			

Key: Pre-Decision Scrutiny Pro-active Scrutiny

Meeting Date: NEW DATE 3 February 2025				
1.	Budget Scrutiny Scrutiny of the 2025/26 budget proposals, consideration of the Cabinet report and any recommendations to be made to Cabinet.	Cabinet Budget report	Adam Richens, Chief Finance Officer Mike Cox, PH Finance and	
2		Updates from Budget T&F groups if required	Adam Richens, Chief Finance Officer Mike Cox, PH Finance and	
Items with Dates to be allocated				
	Local Transport Plan	Committee Report	Portfolio Holder for	Board have requested to see this at an early stage and not as a pre-decision Scrutiny item.
	Accounting for Social Value in decision making	Committee Report		Item requires further scoping - KLOE document
	Arts, Culture and Leisure Funding Item requested through work planning workshops	Committee Report	Portfolio Holder for Connected Communities and Portfolio Holder for Customer, Communication and Culture	Item from Pro-Active Scrutiny List (including funding for BSO and Lighthouse) This requires further scoping – KLOE document
Working Groups				
	Budget Working Group – Suggested areas: Operations Directorate: Resident Card, Income forecasts, Fees and charges	Working group to meet in October	TBC – dependent upon the areas chosen for further scrutiny consideration	It is suggested that the Board consider establishing the working group at its September meeting TBC

Key: Pre-Decision Scrutiny Pro-active Scrutiny

	Resources Directorate: Transformation Budget, Licensing costs, Revenue & Benefits,			
	POTENTIAL WORKING GROUP - Public Consultations	TBC	TBC	TBC
	POTENTIAL WORKING GROUP - Performance of the Council	TBC	TBC	TBC
Item suggestions for Briefing Sessions				
	Coastal / Town Centre Business Improvement Districts – Building a Sense of Place	Presentation and Discussion Item in Committee	Portfolio Holder for Dynamic Places Portfolio Holder for Connected communities	No formal report / item for discussion.

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
<https://democracy.bcpCouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&Info=1&bcr=1>

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

CABINET FORWARD PLAN – 1 JULY 2024 TO 31 OCTOBER 2024

(PUBLICATION DATE – 18 June 2024)



What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Financial Outturn 2023/24	To provide the financial outturn for 2023/24	No	Cabinet 17 Jul 2024 Council 23 Jul 2024	All Wards	n/a	n/a	Adam Richens	Open
Medium Term Financial Plan (MTFP) Update	Present the latest medium-term financial plan (MTFP) of the council	No	Cabinet 17 Jul 2024	All Wards			Adam Richens	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
BCP Council Productivity Plan	The Government is reviewing productivity across all public services and requires councils to produce productivity plans outlining efforts to improve productivity in recent years, current plans for transformation, and how the effects of these changes will be measured.	No	Cabinet 17 Jul 2024	All Wards			Sophie Bradfield	Open
Pay and Reward: Update on progress in introducing new terms and conditions of employment		No	Overview and Scrutiny Board 16 Jul 2024 Cabinet 17 Jul 2024				Sarah Deane	

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Arndale House and 1-17 Kingland Road Poole (AKA Kingland House)	To seek Cabinet approval for the surrender of the existing head lease and regrant of a new long lease to facilitate a mixed use development on the site of circa 128 homes, nine ground floor commercial units and car and cycle parking.	Yes	Cabinet 17 Jul 2024	Poole Town	Ward Councillors & Portfolio holder	Briefing	Irene Ferns	Open with exempt appendices
South Part of Beach Road Car park	Approval to appropriate for Planning Purposes and dispose of the site	Yes	Cabinet 17 July 2024 Council 23 Jul 2024	Canford Cliffs	Ward Councillors and Portfolio Holder	Ongoing Briefings	Irene Ferns, Adam Richens	Open with exempt appendices

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
BCP Seafront Strategy progress review and refresh	The BCP Seafront Strategy was adopted by Cabinet in April 2022. This report will update Cabinet on progress against this strategy and provide recommendations to refresh it in line with the new Corporate Strategy.	No	Overview and Scrutiny Board 16 Jul 2024 Cabinet 17 Jul 2024				Amanda Barrie, Andrew Emery, Gary Foyle, Anthony Rogers	Open
BCP Urban Forest Strategy	To present to cabinet, for adoption, the BCP Urban Forest Strategy	No	Cabinet 17 Jul 2024	All Wards	Public consultation is taking place pre Christmas 2023, leading in tot his decision; and follows extensive workshops and cross-service development of the strategy.	As above	Martin Whitchurch	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Christchurch Bay and Harbour FCERM Strategy	Bournemouth, Christchurch and Poole Council (BCP) and New Forest District Council (NFDC) are working together with the Environment Agency to produce a new strategy to protect coastal communities from tidal flooding and erosion risk. It will guide how the frontage from Hengistbury Head to Hurst Spit, encompassing Christchurch Harbour, will be sustainably managed for the next 100 years.	No	Cabinet 17 Jul 2024 Council 23 Jul 2024	Christchurch Town; East Southbourn e & Tuckton; Highcliffe & Walkford; Mudeford, Stanpit & West Highcliffe; Burton & Grange	Landowners, BCP residents, businesses, organisations, BCP services	Several levels of public enegagement and consultation throughout the development of the Strategy between 2021 and 2023.	Catherine Corbin, Alan Frampton, Matt Hosey	Open
Core Gigabit Fibre Network	Due to changes in the economic climate, options are being provided to stop or proceed with this project.	Yes	Cabinet 17 Jul 2024	All Wards			Ruth Spencer	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Commissioning & Procurement Transformation Update	To update members on the history of Strategic Procurement - Current position & future approach	No	Cabinet 17 Jul 2024	All Wards			Jeremy Richardson, Phil Hornsby	Open
Adult Social Care Transformation Business Case	To ask Cabinet to recommend the Adult Social Care transformation business case to Council.	No	Health and Adult Social Care Overview and Scrutiny Committee 15 Jul 2024 Cabinet 17 Jul 2024 Council 23 Jul 2024	All Wards			Jillian Kay	Open
Adult Social Care Charging Policy Additions	To update Cabinet on the recent Adult Social Care Charging Policy Additions.	No	Cabinet 17 Jul 2024	All Wards			Betty Butlin	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Youth Justice Plan 2024/2025	To present the Youth Justice Plan 2024/25 for approval. There is a statutory requirement to publish an annual Youth Justice Plan which must provide specified information about the local provision of youth justice services. This report summarises the Youth Justice Plan for 2024/25, with a copy of the Plan appended.	No	Cabinet 17 Jul 2024 Council 23 Jul 2024	All Wards			David Webb	Open
Housing Strategy - Annual Summary Review		No	Cabinet 2 Oct 2024				Kerry-Marie Ruff	

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Medium Term Financial Plan (MTFP) Update	To provide progress on delivering a legally balanced budget for 2025/26	No	Cabinet 30 Oct 2024	All Wards			Adam Richens	Open
Medium Term Financial Plan (MTFP) Update	Present progress in delivering a legally balance budget for 2025/26	No	Cabinet 18 Dec 2024	All Wards			Adam Richens	Open
Budget 2025/26 and Medium Term Financial Plan	To set out for Cabinet's consideration and recommendation to Council the proposed 2025/26 budget and council tax.	No	Cabinet 5 Feb 2025	All Wards			Adam Richens	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Biodiversity Net Gain	To update Cabinet on the implementation of government's proposed Biodiversity Net Gain and our strategy for achieving net gain from new development	No	Cabinet Date to be confirmed	All Wards				Open
DfE SEND review next steps	To consider the DfE review next steps	No	Cabinet Date to be confirmed				Rachel Gravett, Shirley McGillick, Sharon Muldoon	Fully exempt

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Our Place and Environment - Strategic Transport Scheme Prioritisation	To present the outputs of public engagement on Strategic Transport Schemes and to seek recommendation from Cabinet to Council relating to the progression of the schemes in consideration of the consultation outputs. Noting: this is likely to include some selected schemes being promoted as a priority at the Western Gateway Sub-National Transport Body.	Yes	Cabinet Date to be confirmed	All Wards				Open
Affordable Fairer Broadband for all (Award Contract)	In July 2022 Cabinet approved 'Accelerating Gigabit Fibre' and asked the team to return to Cabinet to award the contract. The purpose of this report is contract award.	No	Cabinet Date to be confirmed	All Wards			Ruth Spencer	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Bournemouth Development Company LLP Business Plan	To seek approval for the Bournemouth Development Company Business Plan, extend some contractual "Option Execution Dates" in relation to specific sites and provide an update in relation to the independent Local Partnerships Review.	No	Cabinet Date to be confirmed	Bournemouth Central			Sarah Longthorpe	Open
Children's Services Early Help Offer	Summary of findings and recommendations from an ongoing review of our current Early Help services	No	Cabinet Date to be confirmed	All Wards			Zafer Yilkan	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Adult Social Care Business Case	Adult Social Care services locally and nationally have faced significant challenges in recent years, and as a result the Council is holding significant risk in relation to the ability of the Council to deliver its statutory responsibilities to adults that require support within the available budget. The nature of these challenges means that long term, sustainable change is needed to ensure that BCP Council Adult Social Care services (ASCS) are modern, fit for the future and affordable. This business case sets out a proposal for initial investment in Adult Social Care transformation that will lead to improved outcomes for adults that draw on support in BCP and support the Council to deliver this within the available financial envelope.	Yes	Cabinet Date to be confirmed	All Wards			Chris McKensie	Open

What is the subject?	What is the purpose of the issue?	Is this a Key Decision?	Decision Maker and Due Date	Wards	Who are the key stakeholders to be consulted before the decision is made?	What is the consultation process and period	Officer writing the report	Is the report likely to be considered in private (i.e., it contains confidential or exempt information)?
Hurn Neighbourhood Plan	To report the findings of a formal public examination by independent examiner and to consider whether any proposed modification to any draft Neighbourhood Plan should be accepted.	No	Cabinet Date to be confirmed	Commons				Open

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1. Development of this framework and its application by O&S Committees

Workshops were held with members of O&S committees across December 2023- February 2024, supported by the Centre for Governance and Scrutiny (CfGS). The aim of the workshops was to develop an approach to work programming at BCP for 2024/25 and beyond that is based on good practice and addresses improvements already identified for O&S as set out in [Assurance Review Action Plan](#) and the [O&S Action Plan](#). One output of this work is the framework set out below.

During 2024, the O&S Board and Environment and Place O&S Committee have been following the principles set out in this framework. The same good practices will be rolled out to all O&S committees in 2024 and used to support future annual work programming.

2. Using a lens to select and approach scrutiny topics

O&S statutory guidance recommends that a 'lens' or key set of priorities be established by O&S committees, to clearly communicate their role and how they will add value to the work of the organisation. The statements also clarify the role of the committee to the public.

Established lenses provide a tool to assist O&S members in work programming, to sift suggestions for work into a realistic annual work programme for each committee and should be referred to throughout the year as arising suggestions for work are made.

O&S Board and Environment and Place O&S Committees agreed lenses in 2024. Children's Services and Health and Adult Social Care O&S Committees have not yet considered the application of lenses to their work. Lenses are set out below. It is suggested that these lenses be reviewed annually to ensure they remain fit for purpose.

The **O&S Board** will approach work through a lens of **RESIDENT IMPACT AND EXPERIENCE**, such as considering:

- benefits that could be brought to residents by **delivering services** in different ways
- how the areas of highest **financial risk** for the council may impact on residents
- the council's **relationship with the public** and work that can be done to strengthen this.

The **Environment & Place O&S Committee** will approach work through a lens of **SUSTAINABILITY**, with a specific focus on the following priorities, drawn from the Corporate Strategy:

- **Climate change** is tackled through sustainable policies and practice
- Our **green spaces flourish** and support the wellbeing of being people and nature
- Our communities have pride in our **streets, neighbourhoods and public spaces**
- **Good quality homes are** accessible, sustainable and affordable for all

The **Children's Services O&S Committee** will approach work through a lens ofTBC

The **Health and Adult Social Care O&S Committee** will approach work through a lens ofTBC

3. Using a framework to structure O&S activity:

A framework for supporting different types of scrutiny work is set out in the table below. Scrutiny is split out into **proactive work**, **reactive work** and **pre-decision scrutiny**. When developing this framework, O&S councillors gave a clear steer that they wish to continue to undertake all these elements of scrutiny through their work programmes.

As with the lenses outlined at 2 above, the scrutiny framework will also be used to communicate the role and intentions of the committees to the wider council and the public. It is suggested that the framework be reviewed annually to ensure it remains fit for purpose.

Proactive Scrutiny

What is it?

- Early policy work - work focused on policy development and exploring options for the future. Also described as 'overview work' in BCP.
- Framed as a series of questions or 'key lines of enquiry', to which O&S seeks answers. These are found through the gathering of evidence, with a view to informing future policy.
- Driven by the O&S committee itself, or may be in response to a suggestion from councillors, community or decision makers.
- Less likely to directly align to another piece of work already underway in the council, eg. a cabinet report.
- Fulfils BCP principles of good scrutiny:

'O&S engages in decision making and policy development at an appropriate time to be able to have influence'

'O&S is a member led and owned function'

'O&S enables the voice and concerns of the public to be heard and reflected in the Council's decision-making process'

Examples

Cllr suggestions based on their understanding of local needs, eg:

- What more can we do to meet local people's housing needs?
- To what extent do we as a council as a community understand the likely challenges of climate change, and what action do we need to take?

Method for undertaking scrutiny:

- Either "in committee", as a whole-meeting challenge session followed up by agreement of recommendations at the next meeting, or a short and sharp working group with a group meeting two or three times between meetings.
- Outcomes are unlikely to be met by an officer report – proactive scrutiny relies on councillors scoping and directing the work and asking for specific data, information and evidence to be brought by relevant stakeholders.
- Recommendations are made, usually to Cabinet or Portfolio Holders. They must respond to these recommendations.

Pros and Cons

- ✓ Potential to add significantly more value than other work by using powers to gather evidence from stakeholders, investigate an issue in depth and find solutions. These may be used to inform policy in a significant and meaningful way.
- ✓ Potential to select and scope topics to have maximum positive impact on the communities of BCP.
- ✓ Can generate a clearer set of recommendations that can be communicated in the council and to the public.
- ✓ Easier for O&S to own the programme of work and not be affected by other factors (eg. movement of decisions on the Cabinet Forward Plan).
- ✗ Resource intensive for officers and councillors.
- ✗ May require committee to work more flexibly to find capacity for the depth of work, eg. swapping committee meetings to undertake working group meetings instead.

Method for selection of proactive scrutiny topics:

- Invite suggestions from councillors annually (through work programming workshops)
- Invite suggestions from decision makers for O&S to contribute to developing policies/ decisions.
- Invite suggestions from the public annually (consider how to incorporate into methodology for 2025 work programming)
- Sift suggestions according to the priorities of lenses as set out above ('resident impact and experience' / 'sustainability')
- Agree, scope and plan topics to add maximum value.
- Plan all proactive work on an annual basis to ensure it can be undertaken by an appropriate time to add value and in within resources available.

Pre-decision Scrutiny

What is it?:

- Scrutiny of a report close to the point of decision making – eg. a Cabinet report.
- Predominantly driven by the Cabinet Forward Plan.
- Sits between 'proactive' and 'reactive' scrutiny. Some councils undertake a minimal level of pre-decision scrutiny in favour of greater levels of deep dive investigations. BCP councillors have said that pre-decision scrutiny is an important part of the scrutiny process which they are keen to see stay in place.
- Fulfils BCP principle of good scrutiny:

'O&S contributes to sound decision making in a timely way by holding decision makers to account as a 'critical friend'.

Examples

Scrutiny of Cabinet reports on:

- BCP Local Plan
- BCP 2024/25 budget scrutiny & MTFP update reports
- Various policies prior to Cabinet/ Council decision

Method for undertaking scrutiny:

- In committee, consideration of a report already written for Cabinet. Report considered approximately 10 working days prior to the Cabinet meeting.
- Any recommendations or comments made on the report are formally passed to the next Cabinet meeting.
- The O&S Chairman will attend the Cabinet meeting to report recommendations and/or give a summary of comments made at O&S.
- Cabinet must consider any **formal recommendations** made and respond.

Pros and Cons

- ✓ Publicly demonstrates that decision makers are held to account.
- ✓ Less resource intensive – reports already written for Cabinet.
- ✗ Reactive – hard to plan agendas and relies on a well populated Cabinet Forward Plan to timetable work.
- ✗ Limited impact vs time spent. O&S is unlikely to be able to have much influence on fully developed policy and decisions.
- ✗ Potential to establish a ‘shadow cabinet’ and for meetings to become political, which must be managed effectively by O&S Chairs.
- ✗ Potential for Cabinet scrutiny to overwhelm agendas - can lead to additional/ long meetings which can limit effectiveness of scrutiny.
- ✗ Potential to duplicate other scrutiny opportunities – eg. full council debate.

Method for selection of pre-decision scrutiny topics:

- Establish a programme of informal, Teams based briefing sessions at a frequency which can be accommodated by O&S members and support officers. Schedule briefings to provide O&S with information on the key aspects of developing decisions. Aim to hold these as early as possible and at least 3 months prior to the decision to be made. Chairs and Vice Chairs take the lead in this, using the Cabinet Forward Plan and informal discussions with decision makers.
- Using the information provided at briefings and the agreed O&S lenses to determine which forthcoming Cabinet decisions will benefit from a councillor maintaining a watching brief and reporting back (rapporteur) or ultimately pre-decision scrutiny at committee.
- Give notice as early as possible of those items required for pre-decision scrutiny, to enable report authors to work to the relevant O&S timescales.
- Provide regular reporting on out of committee activity into a committee meeting via Chair, to maintain transparency of O&S activity.
- Note – this framework for selecting pre-decision scrutiny is expected to significantly reduce the number of Cabinet reports being considered by O&S committees but will require a commitment from decision makers to share information with O&S in a different way that is both open and timely. The proposed format will also provide decision makers with the opportunity to surface issues with the wider membership of the council prior to decision making and to gather informal input to shape direction of policy.

Reactive Scrutiny

What is it?:

- Emerging issues that arise throughout the year and can't easily be planned for in advance.
- Usually a significant issue of concern or risk to the council, residents or external bodies (eg. Ofsted or Government department)
- Fulfils BCP principles of good scrutiny:

*‘O&S contributes to sound decision making in a timely way by holding decision makers to account as a ‘critical friend’;
‘O&S is agile – able to respond to changing and emerging priorities at the right time with flexible working methods’
‘O&S Contributes to and reflects the vision and priorities of the council’;*

Examples

- Targeted scrutiny on council finances at the end of 2022 following concerns about in-year budget
- Safety valve scrutiny at Children’s O&S Committee
- Best Value and Assurance Review reports.
- Decisions ‘called in’ by O&S

Method for undertaking scrutiny

- O&S Councillors review a suite of information regularly outside of the committee space – eg. corporate performance reports, medium term financial plan updates, complaints data or resident surveys.
- ‘Red flags’ are elevated to committee for more formal scrutiny to take place. Usually, a report is requested from officers.
- Any recommendations or comments made on the report are formally passed to the relevant decision maker, usually Cabinet/ Council.
- Cabinet/ Council must consider the recommendations made and respond.
- O&S may ask to receive regular updates outside of committee, to maintain a closer eye on the matter until it is resolved.

Pros and Cons

- ✓ Important governance mechanism to assist the council in resolving issues of concern.
- ✓ Provides public demonstration of scrutiny on issues that may be causing press interest or community concern and gives opportunity for public to engage.
- ✗ Limited impact vs time spent. O&S may ask decision makers to reconsider an issue or make recommendations expressing concerns but cannot change a decision.
- ✗ Can disrupt workplans owing to the need to scrutinise a matter quickly.
- ✗ Potential to duplicate other scrutiny opportunities – eg. full council debate.

Method for selection of reactive scrutiny topics:

- Committee members ‘horizon scan’ by reviewing a suite of information on a regular basis in their own time. These are provided by email or in a designated webspace. Rapporteurs may be established to monitor designated areas of interest, sharing the load across the committee.
- Emerging trends or red flags are raised by committee members informally to the Chair & Vice Chair.
- Chair and Vice Chair take the lead in raising concerns with relevant decision makers and seeking more information. Using this information and the lenses established by committees, they determine which matters warrant elevating to committee.
- In all cases, O&S will prioritise work where it can have the most value and will avoid duplicating efforts underway elsewhere in the council to resolve arising issues. Priority will therefore be given either to those areas of highest concern and which are generating significant public and media attention; where data trends indicate that concerns are at risk of becoming embedded, or where attempts to find solutions by Cabinet or service areas have not worked.

- For these matters, a report is requested to the next available committee meeting for more formal and forensic scrutiny to take place. Work plans may be adjusted to make room for this arising work within existing resources.
- Following formal scrutiny, O&S may ask to receive regular updates outside of committee, to maintain a closer eye on the matter until it is resolved.
- Nb. 'Call-in' decisions will follow a separate process as outlined in the constitution.

4. Next steps

- The O&S Board and Environment and Place O&S Committees have adopted this framework and agreed lenses for their work.
- In 2024, all remaining O&S committees will be asked to adopt this framework and establish lenses or a limited set of high-level priorities.
- The framework will accompany all work programme reports to committee and should be referred to as a structure to underpin ongoing work programming activity.
- The framework will be reviewed annually by O&S Chairs, and lenses reviewed annually by O&S Committees in annual work programming, to ensure they remain fit for purpose.

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