

Notice of Budget Council



Date: Tuesday, 11 February 2025 at 7.00 pm

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

Chairman:

Cllr L Dedman

Vice Chairman:

Cllr S Bull

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

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

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

All Members of the Council are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to attend or view the live stream of this meeting at the following link: <https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MId=6294>

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

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email.press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

GRAHAM FARRANT
CHIEF EXECUTIVE

3 February 2025

**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. Declarations of Interests

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

Declarations received will be reported at the meeting.

3. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meetings held on 10 December 2024 and 15 January 2025.

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4. Announcements and Introductions from the Chairman

To receive any announcements from the Chairman.

5. Public Issues

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

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

The deadline for the submission of public questions is mid-day Wednesday 5 February 2025 (12 noon, 3 clear working days before the meeting).

The deadline for the submission of a statement is mid-day Monday 10 February 2025 (mid-day the working day before the meeting).

The deadline for the submission of a petition is Tuesday 28 January 2025 (10 working days before the meeting).

[PLEASE NOTE: In accordance with the Constitution public issues submitted to the Budget Council meeting must address the business on the agenda in so far as it may relate to the setting of the budget for the coming financial year.]

ITEMS OF BUSINESS

Recommendations from the Cabinet and Committees

Please refer to the recommendations detailed in items 6 to 8 below.

6. Cabinet 15 January 2025 - Minute No. 101 - Council Tax - Tax base 2025/26

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RECOMMENDED that: -

- (a) **Cabinet approves the report for the calculation of the council's tax base for the year 2025/26 and recommends the tax base to Full Council.**

	<p>(b) Pursuant to the report, and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, the amount calculated as the council tax base for Bournemouth, Christchurch and Poole Council for 2025/26 is 151,574.2.</p>	
<p>7.</p>	<p>Audit and Governance Committee 27 January 2025 - Minute No. 63 - Treasury Management Monitoring report for the period April to December 2024 and Treasury Management Strategy 2025/26</p> <p>RECOMMENDED that Council:-</p> <p>2) Approve the Treasury Management Strategy 2025/26 (Appendix 1)</p> <p>3) Approve Treasury Management Practices and Policies 2025/26 (Appendix 2)</p> <p>Note – resolution (1) was a resolved matter by the Committee</p>	<p>43 - 110</p>
<p>8.</p>	<p>Recommendations from the Cabinet - 5 February 2025</p> <p>To consider the budget recommendations arising from the Cabinet meeting scheduled for 5 February 2025. The recommendations will be circulated as soon as practicably possible following the meeting of the Cabinet. A copy of the reports and appendices to the Cabinet have been published and are available on the Council's website on the following link: https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6058&Ver=4</p>	<p>To follow</p>
<p>9.</p>	<p>2025/26 Council Tax Resolution</p> <p>Under the Local Government Finance Act 1992 the council as the billing authority must calculate a council tax requirement and basic amount of council tax for the following year.</p> <p>If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,855.41 from 1 April 2025.</p>	<p>111 - 118</p>

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
COUNCIL

Minutes of the Meeting held on 10 December 2024 at 7.00 pm

Present:-

Cllr L Dedman – Chairman

Cllr S Bull – Vice-Chairman

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

40. Apologies

Apologies for absence were received from Councillors H Allen, J Beesley, J Challinor, G Farquhar, D Farr and A Filer.

41. Declarations of Interests

Councillors Sara Armstrong, Paul Slade and Vikki Slade declared interests in Minute No. 48 (Linwood Special School SEND Post 16 Provision at Ted Webster) and left the room for the discussion and voting thereon.

42. Confirmation of Minutes

The Minutes of the Council meeting held on 15 October 2024, reconvened on 4 November 2024 were confirmed as a correct record.

43. Announcements and Introductions from the Chairman

The Chairman reported the sad passing of former Councillor and Mayor Ron Parker who was elected to Poole Borough Council in 1988, was Mayor of Poole from 2001-2002 and a serving Poole Councillor until 2019.

Councillor Karen Rampton relayed personal experiences of Ron Parker following which Councillors stood in silent tribute.

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

- Launch Christchurch living advent calendar
- Poppy appeal launch Bovington tank museum
- Dorset legal service, attended by High Sheriff
- Health science university launch attended by HRH Princess Anne
- Bournemouth University graduation event
- Remembrance 2-minute silence
- Nurturing by nature, Poole, celebration event
- Alpine lodge Christmas launch
- Lunch meeting and introduction to BCP for Lord Lieutenant
- Indian soldiers' plaque unveiling, attended by Lord Lieutenant
- Upton house celebration of success, attended by lottery fund representative
- Bournemouth Arts University and soroptimists event and prize giving

The Vice-Chairman advised that he had attended: -

- Lord Lieutenants awards evening
- Remembrance Parade in Christchurch followed by the service at the Christchurch Priory

44. Public Issues

The public questions and statements set out in the minutes below are printed as per the wording used within the submissions made in accordance with the constitution.

As a number of the public statements submitted were identical the statement was read once referencing all those who had submitted the statement.

Public Question from Sue Hobbs

In view of the current housing shortage, what are the Council's plans to ensure that homes, including the significant proportion of social housing included in the original plans, are built on the Poole Power Station site as quickly as possible?

Are the Council pursuing grants and funds to pay for the clean up?

Does the Council have any plans to sell all or part of this land?

Response by the Leader of the Council, Councillor Millie Earl

The Council has developed a 5-year plan to deliver homes across numerous sites which includes the former Holes Bay power station site. We are working with the National Government Agency, Homes England to develop our proposals for the former Power Station site, which includes maximising much needed affordable housing. This includes interventions such as grant to mitigate the flood risk, remediate the site for development and establishing partnerships for planning and building out the homes. We are exploring a range of options for how we can bring the site forward at pace.

With us, Homes England is fully committed to working in partnership with BCP Council to explore and unlock the regeneration potential of the significant landholding at Holes Bay. Recognising the complexity of the site we believe our collaborative approach can help deliver a landmark housing-led, mixed-use development that aligns with both local and national objectives.

Public Question from Alex McKinstry

On 18 January 2024, the Planning Committee voted *not* to enter exempt session to discuss some legal advice; whereupon the monitoring officer stated that the advice remained exempt (under Schedule 12A LGA 1972) and could not be discussed openly. Had the Committee thought on its feet, and tabled a motion that *the public interest in the advice outweighed the case for exemption* - and had such a motion been carried - would the Committee, then, have been able to discuss the advice openly? In short, can committees overrule officers regarding whether documents are exempt?

I ask this, apprehensive that any reports into the FuturePlaces investigation might be withheld from public view or heavily redacted - as happened with the Bayside report. I note however that Pembrokeshire Council voted to debate an alleged fraud case in open session in March 2024, thereby overruling their statutory officers.

Response by the Portfolio Holder for Transformation, Councillor Jeff Hanna

Thank you for the question. I am always wary of responding to hypothetical questions, but I have taken advice from the Monitoring Officer and will do my best.

The exemption applied to the report in question was under s5 Schedule 12A Local Government Act 1972 “Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.”

Had the Committee tabled the motion that Mr McKinstry suggests, the Monitoring Officer, prior to any vote being taken, would have advised the Committee about the need to safeguard the Council's legal position and this may have resulted in an adjournment of the meeting to enable further advice on the implications of any such motion to be provided to the Committee.

The Monitoring Officer's strong legal advice is that the council should not take steps to waive legal professional privilege as to do this on any one matter has huge consequences for the safety of the legal advice across all areas of the council i.e. all legal advice provided would not be protected by legal privilege and therefore prejudice the council in any future hearings/meetings, court proceedings or whatever.

As a council we employ our Monitoring Officer to give us professional advice to safeguard the interests of the council and our residents, and my advice as portfolio holder for governance is to act on her advice.

Public Question from Alex Harman

I would like to inquire about the progress made since the Environment and Places O&S Committee meeting held on 11th September. Specifically, I'm interested in understanding the reasons behind the council's decision not to endorse the Plant-Based Treaty yet.

Given the committee's comments regarding ambitious targets, and the urgent need for environmental action, I believe endorsing the treaty would be a significant step towards demonstrating your commitment to positive change within our community.

Therefore, with proposals such as:

- Endorsing the Plant-Based Treaty as a symbol of the council's intent to prioritise sustainability.
- Mandating at least 50% plant-based options in council-controlled food services.
- Implementing measures to limit unsustainable advertising.
- and launching public education campaigns to promote plant-based diets and sustainable living.

What is preventing the council from implementing these actions?

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

Alex, Thank you for your question.

The topic of the Plant Based Treaty has been raised and thoroughly discussed by the Place and Environment Overview and Scrutiny committee.

From a Commercial operations perspective, the mandating of 50% plant based options is being considered, but it needs to be brought forward carefully in line with procurement, and the operations teams capacity.

Changes in menu can impact competitiveness and viability in the market place, and with the council's financial position, change must be carefully balanced. Ensuring Plant Based options are prominent is being taken forward by the Portfolio Holder and Commercial operations director to examine how we can lift our vegan options whilst maintaining our commercial position.

The Council is developing a strategy for advertising in spaces that it controls, and we anticipate this will aim to limit unsustainable advertising.

This Council is also seeking to create positive change by working with the community to educate and support moves towards plant-based diets and sustainable living, but we need to work with the public on this.

Public Statement from Daniel Glennon

The heart-breaking floods that hit Valencia and Barcelona in Spain a few weeks ago, killing 250 people and causing thousands to lose their homes and livelihoods, are a stark reminder that climate breakdown is here, now. It's not a problem for future generations to deal with or that will only affect far-off continents. As the planet continues to warm, such disasters will

become more frequent, more devastating and more widespread. The need to reduce CO2 and other greenhouse gases could not be more urgent.

The council has an opportunity to show real climate leadership by considering becoming a Plant-Based Council. Food accounts for one third of greenhouse gas emissions, more than our whole transport system. Studies have shown that vegan diets produce 75% less emissions; transitioning to a plant-based food system would also reduce land use by 75%, freeing up land for rewilding and carbon sequestration.

Public Statement from Suhaila Simmonds read by the Chief Executive

As a BCP resident I do NOT support being twinned with a town in an apartheid state and one that is actively carrying out a genocide, and that this twinning arrangement must end now. I was not asked to vote for this twinning in the first instance and deem it very strange that it would have been actioned without residents being involved.

Note: Similar statements were also submitted by Ian Simmonds, Ula Simmonds, Najla Hayden and Elizabeth Elwick

Public Statement from Tammy Sullivan and Torin Van Breda

I'm Tammy, Assistant Music Leader of the Bournemouth National Open Youth Orchestra Ensemble (NOYO for short) run by Bournemouth Symphony Orchestra here in BCP. I'm Torin and I play the French Horn in NOYO.

NOYO is an inclusive orchestra for young disabled and non-disabled musicians. It allows musicians to perform together playing both traditional and new music. What makes NOYO different is it brings together old and new instruments like Clarion which you play with eye or head movement.

It provides a platform to start making music and then get involved in other things. I'm doing a Silver Arts Award and helping organise the next concert. NOYO has given me loads of opportunities and has opened new doors and I recently joined a brass band.

NOYO is one of many unique initiatives made possible by BSO because of BCP cultural funding, and we want to thank you for this support.

Public Statement from Nick Greenwood read by the Chief Executive

In July 2019, the BCP Council joined two-thirds of UK Councils in declaring a climate emergency. However, history reminds us that majority consensus does not always equate to a correct stance. As Councilors, do you possess the scientific expertise necessary to evaluate whether your advisors are genuinely independent from the influences of political ideology and nepotism that often positions climate change as an undisputed scientific fact? I urge you to consider the courage it would take to establish a Scrutiny Committee that revisits the critical questions, engaging independent expert climate scientists either in person or through virtual platforms. This committee could facilitate discussions on the expansion of NET ZERO, which carries significant financial implications. Any gaps in knowledge may lead to decisions made without a solid evidence base, ultimately risking the

misallocation of public funds. Let us ensure that our approach to this pressing issue is both informed and judicious.

Public Statement from Nicola Harris

I stood here in July, inviting this council to join dozens of cities endorsing the Plant Based Treaty to address one-third of greenhouse gas emissions from the food system. Since then, 4 new cities have endorsed it, and I urge BCP to be bold and next. An open letter in your inboxes, signed by Dr Jane Goodall, Chris Packham, Neil Duncan-Jordan, MP for Poole, and the Bournemouth University Sustainability Team, urges you to assess the impact of endorsing the treaty. Let me remind you that recent weeks have brought us flooding, fallen trees, and a cliff fall. Achieving the Paris Agreement's 1.5C target is only possible by lowering food emissions. Please let 2025 be the year that BCP shows leadership by expressing support for a global Plant Based Treaty and creates an action-plan like other supporting cities, including Edinburgh, Amsterdam and West Hollywood. Our future is in your hands.

Public Statement from Felicity Porter

I am Felicity Porter and I am Chair of the Mudeford Wood Preschool.

We are being evicted from Mudeford Wood Community Centre in July next year, our home of over 30 years.

It is a BCP building leased to the Mudeford Wood Community Trust, you we rent us our space.

We are a successful pre-school, currently serving 70 local families, a waiting list and 18 staff. My 2 eldest sons attended the setting and both thrived.

I am gravely concerned about the loss of the pre-school in Mudeford, both for local families but also for all the dedicated staff who are set to lose their jobs.

We are working incredibly hard to find a solution for this valuable community resource. We are asking for your support as councillors to help us find a way forward and secure its future for the benefit of our community.

45. Licensing Committee 19 September 2024 - Minute No. 18 - Approval of Statement of Licensing Principles- Gambling Act Policy 2025 - 2028

The Chair of the Licensing Committee, Councillor David Flagg presented the report on the Statement of Licensing Principles – Gambling Act Policy 2025-2028 and outlined the recommendations as set out on the agenda.

RESOLVED that the Statement of Licensing Principles – Gambling Act Policy 2025 – 2028 be approved.

Voting: Agreed with no dissent

46. Cabinet 30 October 2024 - Minute No. 72 - Westbourne Plus

The Portfolio Holder for Finance, Councillor Mike Cox presented the report on Westbourne Plus and outlined the recommendations as set out on the agenda.

In proposing the recommendations, the Portfolio Holder for Finance proposed an amendment to recommendation (b) so that recommendation (b) read as follows: -

- (b) ~~**Subject to a viable alternative being confirmed before the Council meeting on the 10 December 2024, approve the disposal on an open market basis of the former Westbourne Plus site including St Ambrose Cottage on such terms to be approved by the Director of Finance, also acting in his capacity as Corporate Property Officer, in consultation with the Portfolio Holder for Finance.**~~

This was seconded by Councillor David Brown and debated as the substantive motion.

It is RESOLVED that Council: -

- (a) **note the confidential draft minutes and the recommendations of the Cross-Party Asset Disposal Working Group meeting held on the 4 October 2024; and**
- (b) **approve the disposal on an open market basis of the former Westbourne Plus site including St Ambrose Cottage on such terms to be approved by the Director of Finance, also acting in his capacity as Corporate Property Officer, in consultation with the Portfolio Holder for Finance.**

Voting: For:55, Against:1, Abstentions:9

The meeting adjourned at 7.43pm and reconvened at 7.50pm.

47. Audit and Governance Committee 28 November 2024 - Minute No. 54 - Review of the Council's Constitution - Recommendations of the Constitution Review Working Group

The Chair of the Audit and Governance Committee, Councillor Marcus Andrews presented the report on the Review of the Council's Constitution – Recommendations of the Constitution Review Working Group and outlined the recommendations as set out on the agenda.

Councillor Kieron Wilson highlighted an omission in relation to Appendix 1, paragraph 4.3.2 whereby an additional item should be included prior to 6 to 'agree the budget'.

In addition Councillor Wilson highlighted a grammatical error at Appendix 1, paragraph 4.3.2 point number 5(i) where it should read (i) Revenue budget (including ~~d~~fees and charges...).

Council was advised that any grammatical errors would be picked up as set out in recommendation e.

RESOLVED that: -

- (a) in relation to Issue 1 (Article 4 – The Full Council) the proposed amendments to Part 2, Article 4 (The Full Council), as set out in Appendix 1 to the report, be approved;**
- (b) that the Council meeting scheduled for Tuesday, 25 February 2025 be designated as the Annual Budget Council Meeting and that an additional ordinary meeting of Council be scheduled for Tuesday, 11 February 2025 at 7.00pm;**
- (c) in relation to Issue 2 (Part 3A Responsibility for Functions – Planning Committee) the proposed amendments to Part 3A (Responsibility for Functions), as set out in Appendix 2 to the report, be approved, subject to the addition of the words ‘part or all of’ in section 2.3.7 (a) to read:**
- (d) “in the opinion of the Councillor making the request, the application raises material planning issues that affect part or all of their ward or would affect the wider public interest that would warrant debate and consideration by a planning committee; and”**
- (e) any necessary and consequential technical and formatting related updates and revisions to the Constitution be delegated to the Monitoring Officer.**

Voting: Agreed with no dissent

48. Recommendations from the Cabinet - 10 December 2024

Council was advised that there were three items from the Cabinet meeting earlier that day with recommendations to Council.

Minute No. 87 – BCP Council Plan for Play

The Portfolio Holder for Communities and Partnerships, Councillor Sandra Moore presented the report on BCP Council Plan for Play and outlined the recommendations as set out in the supplementary agenda papers.

Council debated the item and whilst members were supportive of the paper the following aspects were raised: -

- Would have liked more information on strategic CIL
- There is no mention of paddling pools and in particular the Redhill paddling pool

RESOLVED that Council approved: -

- (c) the allocation of £548,047 of capital funds from various planning obligations and reserves to the Improvement Plan;**
- (d) the allocation of £3,390,609 from Strategic Community Infrastructure Levy to the Improvement Plan; and**
- (e) both (c) and (d) are subject to receiving the subsequent endorsement of the Director of Finance based on the availability of the necessary cash.**

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

Voting: Unanimous

Minute No. 93 – Linwood Special School SEND Post 16 Provision at Ted Webster

The Portfolio Holder for Children, Young People, Education and Skills, Councillor Richard Burton presented the report on the Linwood Special School SEND Post 16 Provisions at Ted Webster and outlined the recommendations as set out in the supplementary agenda papers.

RECOMMENDED that Cabinet recommends approval of the scheme by Council to develop a satellite of Linwood Special School at the former Ted Webster Children's Centre providing a total of 60 Post 16 places requiring a capital budget of £1.55m to develop the scheme. The scheme is fully funded from the council's grant allocation of High Needs Provision Capital and will progress in line with the project programme set out at paragraph 12.

Voting: Unanimous

(Councillors Sara Armstong, Paul Slade and Vikki Slade declared interests in this item and left the meeting for the discussion and voting thereon).

Councillor Julie Bagwell joined the meeting at 8.20pm part way through the debate on this item and therefore did not participate in the vote.

Minute No. 94 Transforming Urgent and Emergency Care Services

The Portfolio Holder for Health and Wellbeing, Councillor David Brown presented the report on Transforming Urgent and Emergency Care Services and outlined the recommendations as set out in the supplementary agenda papers.

Comprehensive discussion took place on the item with some members raising concerns with regards to the associated risks.

RESOLVED that Council: -

- (a) notes the summary of the diagnostic review, including improved outcomes for residents and financial benefits for the Council;**
- (b) notes that anticipated benefits are significantly in excess of costs to the Council; and**
- (c) delegates to the Corporate Director for Wellbeing, in consultation with the Portfolio Holder for Health and Wellbeing, the Director of Law and Governance and the Director of Finance, authority to finalise and enter into the Partnership Agreement to undertake the proposed transformation programme.**

Voting: For:58, Against:6, Abstentions:2

Councillor Bobbie Dove joined the meeting at 8.24pm part way through the Portfolio Holders introduction.

Councillor Vikki Slade left the meeting at 8.41pm

49. Review of the political balance of the Council, the allocation of seats on Committees to each political group and the appointment of Councillors to Committees and Outside Bodies

The Leader of the Council, Councillor Millie Earl presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

Council was requested to consider and approve the review of the political balance of the Council, the allocation of seats on Committees to each political group, the appointment of Councillors on Committees and the appointments to outside bodies following the result of the by-election in the Muscliff and Strouden Park Ward on 24 October 2024.

RESOLVED that: -

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

Voting: Agreed with no dissent

50. Members Allowances Scheme

Council was advised that further to the interim report shared with Council in July that the Independent Remuneration Panel had now submitted its report for consideration, 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.

In addition, Council was made aware of a typo on page 141 whereby the recommended allowance to the leader should read £40,000.

Council was advised that the submitted report had come directly to council and had not been shared prior to this meeting with any councillor.

Further to this Council was advised that the report sought Council's approval of the Scheme of Allowances for 2025-2026 Municipal Year and incorporated the recommendations of the Independent Remuneration Panel (IRP) on their review of the Members' Scheme of Allowances for 2025/26.

The Leader spoke against the recommendations contained within the report stressing that the report should be rejected on the basis that the Council is already experiencing significant budget pressures and that it wasn't the appropriate time to consider any potential changes to the members allowances which would result in additional expenditure.

Comprehensive discussion took place with the following aspects being raised: -

- The importance of the Independent Panel to review allowances
- The complex and large amounts of time councillors put into their duties
- Concern that the report didn't address the difference in effort put in by individual councillors – allowances should be reflective of the time and effort people put in
- Councillors should be remunerated in a way which doesn't just mean someone has to take a pay cut or give up work.
- Being a councillor is hard work and deserves to be rewarded
- Are there ways in which councillors could deal with queries and issues more efficiently by having easy points of contact and matters resolved more swiftly.
- Concern that the way in which the allowances are distributed is wrong, there is an imbalance

Councillor Chris Rigby proposed that the report be deferred until such time as the pay and reward matters had been resolved. This proposal was seconded by Councillor David Flagg.

RESOLVED that the report be deferred until such time as pay and reward has been finalised.

Voting: For:51, Against:15, Abstentions:1

The meeting adjourned at 9.14pm and reconvened at 9.37pm

Councillors Julie Bagwell, Brian Hitchcock and Pete Miles left the meeting at 9.14pm

51. Non-compliance with Standards Complaints Process - Determination

The Chair of the Standards Committee 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.

Council was advised that the report was for information and provided the Council with details of a complaint where the subject councillor had failed to

comply with a determination requesting that an apology be made following the informal resolution stage of the complaints process.

RESOLVED that the report was noted.

Voting: For:55, Against:0, Abstentions:9

52. Hurn Neighbourhood Plan

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

Council was advised that the Hurn Neighbourhood Plan was subject to independent examination May to August 2024, and that the examiner's report received on 9 August 2024, concluded that subject to modifications, the neighbourhood plan meets basic and legal conditions.

Further to this Council was informed that Cabinet on 4 September 2024 agreed the examiner's modifications, together with the council's decision statement and approved the modified plan for referendum, and that the referendum had taken place on 24 October 2024 within the Hurn area.

In relation to this Council was advised that the referendum question asked:

'Do you want BCP Council to use the Neighbourhood Plan for Hurn to help it decide planning applications in the neighbourhood area?'

As a result of this Council was informed that since the result of the referendum was positive, with more than 50% of those voting, agreeing with the above question, the council must now bring the plan into force so that it forms part of the statutory development plan, it will also be used alongside the Local Plan to determine planning applications in the Hurn Neighbourhood area.

Thanks were expressed to the Lead Member for Local Plan Delivery, Councillor Margaret Phipps for all her hard work.

RESOLVED that Council: -

- (a) **noted the results of the Hurn Neighbourhood Plan referendum held on 24 October 2024 (Declaration of Result of Poll - Appendix 1);**
- (b) **agreed to make the Hurn Neighbourhood Plan (Appendix 2), that was subject to referendum on 24 October 2024, part of BCP Council's statutory development plan so that it can be used alongside the Local Plan to determine planning applications in the Hurn neighbourhood area; and**
- (c) **approved the Local Planning Authority's Decision Statement (Appendix 3) and delegate publication and circulation of the Decision Statement to the Director of Planning and Transport in consultation with the Portfolio Holder for Dynamic Places.**

Voting: Unanimous

53. Notices of Motions in accordance with Procedure Rule 10

Council was advised that four motions had been received on this occasion.

Housing Targets

The following motion was submitted in accordance with Procedure Rule 9 of the Meeting Procedure Rules and was moved by Councillor Philip Broadhead and seconded by Councillor Toby Slade.

This Council therefore:

Argues strongly that housing targets should remain decided locally and not dictated by Government.

Asks the Lead Member for Local Plan Delivery to write to the Secretary of State Angela Raynor to:

- **ask her to think again on these plans to remove the ability for local areas to decide their own housing figures**
- **inform her that we strongly oppose the new centrally imposed figure of 2962 new homes per annum being forced to be built in the BCP Council Area**
- **tell her that we want our Green Belt protected and not redefined as Grey Belt**

We also ask the Council to publicly publish its formal response to the Government's Consultation to the proposed revised NPPF for transparency purposes.

Councillor Marcus Andrews proposed an amendment to the motion with the addition of a fourth bullet point to read: -

- ***tell her to take urgent action to consider the number of empty homes in an area in calculating local housing numbers and to outline plans to bring such homes back into use***

This amendment was seconded by Councillor Kieran Wilson.

The proposer and seconder of the original motion advised that they accepted the amendment. Council agreement was sought to confirm the amendment as the substantive motion which was subsequently carried without dissent.

Comprehensive discussion took place on the motion with members expressing concern with regards to what was deemed to be unrealistic housing targets.

This Council therefore:

Argues strongly that housing targets should remain decided locally and not dictated by Government.

Asks the Lead Member for Local Plan Delivery to write to the Secretary of State Angela Raynor to:

- **ask her to think again on these plans to remove the ability for local areas to decide their own housing figures**

- **inform her that we strongly oppose the new centrally imposed figure of 2962 new homes per annum being forced to be built in the BCP Council Area**
- **tell her that we want our Green Belt protected and not redefined as Grey Belt**
- **tell her to take urgent action to consider the number of empty homes in an area in calculating local housing numbers and to outline plans to bring such homes back into use**

We also ask the Council to publicly publish its formal response to the Government's Consultation to the proposed revised NPPF for transparency purposes.

Voting: For:48, Against:10, Abstentions:6

Councillor Judes Butt left the meeting at 10.20pm

Remote Attendance and Proxy Voting

The following motion was submitted in accordance with Procedure Rule 9 of the Meeting Procedure Rules and was moved by Councillor Philip Broadhead and seconded by Councillor Cameron Adams.

This Council believes:

- **While there are benefits to virtual and/or hybrid meetings, especially for informal meetings and training sessions, the current regulations which require a physical presence for Councillors to vote at formal meetings are sufficient.**
- **It is important, for formal Council meetings, for the public to see their Elected Members coming together to debate, discuss and vote on the issues in person, with the benefit of all of the information being received at the same time and in the same way. Our residents expect our physical attendance, and it would erode the accountability and view of Councillors by the public should this requirement be removed.**
- **That the Leader of the Council respond formally to the consultation on behalf of the Council to say that we do not agree with a change in the regulations to enable remote attendance and proxy voting at local authority meetings.**

Comprehensive discussion took place on the motion with Councillors speaking both for and against the motion.

During the debate it was highlighted that Councillors were able to respond to the consultation individually and the Leader of the Council expressed concern with regards to the submission of a collective response which may not fully reflect all members' individual thoughts on the issue.

Following further discussion, Councillor Joe Salmon proposed motion 11.1.13 that the question be now put. Council support was sought and agreed without dissent that the question be now put and following the

summing up by the proposer of the motion the motion was put to the vote and fell with voting as set out below.

Voting: For:14, Against:44, Abstentions:6

The proposed motion fell with the voting set out as above.

Councillors Paul Hilliard and Vanessa Ricketts left the meeting at 10.42pm

Van life – Supporting all communities

The following motion was submitted in accordance with Procedure Rule 9 of the Meeting Procedure Rules and was moved by Councillor Peter Cooper and seconded by Councillor Patrick Canavan.

In moving the motion Council was advised that amended wording had been submitted by Councillor Andy Hadley which amended the motion to read as follows: -

To this end, the Council resolves to: develop a Community Pact, *requesting that the Place and Environment OSC consider the detail*, for all vehicle dwellers that will:

- (a) Outline a clear plan to establish designated safe parking areas with access to basic amenities for van dwellers that will provide both permanent and temporary sites for vehicle dwellers and ensure that they have secure and legal places to stay.**
- (b) Meet anticipated future requirements and facilitate access to essential services such as healthcare, sanitation, and education, ensuring that all residents can live safely and healthily.**
- (c) Set up an ongoing forum for dialogue between local communities and travellers as a safe space in which discussion can take place and issues can be resolved quickly.**
- (d) Promote anti-discrimination policies that protect these communities from harassment and unfair treatment, whether by private individuals or public authorities, alongside the responsibility of all concerned to abide by existing laws and expectations.**

Councillor Cooper advised that the wording had been accepted by himself as the proposer and had also been accepted by the seconder of the motion. Council agreement was sought to confirm the amendment as the substantive motion which was subsequently carried without dissent.

Comprehensive discussion took place on the item following which Councillor Joe Salmon proposed motion 11.1.13 that the question be now put. Council support was sought and agreed without dissent that the question be now put and following the summing up by the proposer of the motion it was:

To this end, the Council resolves to: develop a Community Pact, *requesting that the Place and Environment OSC consider the detail*, for all vehicle dwellers that will:

- (a) Outline a clear plan to establish designated safe parking areas with access to basic amenities for van dwellers that will provide both permanent and temporary sites for vehicle dwellers and ensure that they have secure and legal places to stay.
- (b) Meet anticipated future requirements and facilitate access to essential services such as healthcare, sanitation, and education, ensuring that all residents can live safely and healthily.
- (c) Set up an ongoing forum for dialogue between local communities and travellers as a safe space in which discussion can take place and issues can be resolved quickly.
- (d) Promote anti-discrimination policies that protect these communities from harassment and unfair treatment, whether by private individuals or public authorities, alongside the responsibility of all concerned to abide by existing laws and expectations.

Voting: For:54, Against:0, Abstentions:7

Climate and Nature

The following motion was submitted in accordance with Procedure Rule 9 of the Meeting Procedure Rules and was moved by Councillor Kate Salmon and seconded by Councillor Chris Rigby.

In moving the motion Council was advised that amended wording had been submitted by Councillor Patrick Canavan which amended the motion to read as follows: -

BCP Council therefore resolves to:

1. **Support the Climate and Nature Bill**
2. **Inform residents and local press/media of this decision**
3. **Write to the five MPs who represent our local area to inform them that this motion has been passed and to urge those who have not yet done so to support the Climate & Nature Bill**
4. **Write to Zero Hour, the organisers of the cross party campaign for the Climate & Nature Bill, expressing BCP Council's support**
5. **Pledge to work with our communities and partners to reverse the decline in biodiversity and protect our town from climate related issues, taking this into account in all decision making**
6. ~~**Request that the Environment & Place Overview & Scrutiny Committee sets up a cross party working group on Climate Action to identify our priorities with an emphasis on protecting the most vulnerable in society from the effects of climate change. This should include building officer capacity and expertise to apply for funding for Climate Action, including for developing a conurbation-wide climate action plan involving all major stakeholders by way of a local citizens assembly, forum or similar. This should also include urgently developing a Climate**~~

~~Adaptation plan for the conurbation, which should support and extend the climate adaptation work already going on around flooding and coastal erosion.~~

6. *Request that within the next 12 months the Portfolio Holder for Climate Response, Environment & Energy commission a review of all targets and objectives relating to the climate and nature crises within the BCP Corporate Plan, to ensure a) that they are SMART and b) that all aspects of these two critical issues over which the Council has influence are fully addressed within the Plan. Objectives should include building officer capacity and expertise to apply for funding for Climate Action, including for developing a conurbation-wide climate action plan involving all major stakeholders by way of a local citizens assembly, forum or similar. This should also include urgently developing a Climate Adaptation plan for the conurbation, which should support and extend the climate adaptation work already going on around flooding and coastal erosion*
7. *Request that the Environment & Place Overview & Scrutiny Committee determines a scrutiny process focused on the relevant key priorities within the Corporate Plan, with an emphasis on protecting the most vulnerable in society from the effects of climate change.*

Councillor Salmon advised that the wording had been accepted by herself as the proposer and had also been accepted by the seconder of the motion. Council agreement was sought to confirm the amendment as the substantive motion which was subsequently carried without dissent.

Comprehensive discussion took place following which Councillor Joe Salmon proposed motion 11.1.13 that the question be now put. Council support was sought and agreed without dissent that the question be now put and following the summing up by the proposer of the motion it was:

BCP Council therefore resolves to:

1. **Support the Climate and Nature Bill**
2. **Inform residents and local press/media of this decision**
3. **Write to the five MPs who represent our local area to inform them that this motion has been passed and to urge those who have not yet done so to support the Climate & Nature Bill**
4. **Write to Zero Hour, the organisers of the cross party campaign for the Climate & Nature Bill, expressing BCP Council's support**
5. **Pledge to work with our communities and partners to reverse the decline in biodiversity and protect our town from climate related issues, taking this into account in all decision making**
6. **Request that within the next 12 months the Portfolio Holder for Climate Response, Environment & Energy commission a review of all targets and objectives relating to the climate and nature crises within the BCP Corporate Plan, to ensure a) that they are SMART and b) that all aspects of these two critical issues over**

which the Council has influence are fully addressed within the Plan. Objectives should include building officer capacity and expertise to apply for funding for Climate Action, including for developing a conurbation-wide climate action plan involving all major stakeholders by way of a local citizens assembly, forum or similar. This should also include urgently developing a Climate Adaptation plan for the conurbation, which should support and extend the climate adaptation work already going on around flooding and coastal erosion

7. Request that the Environment & Place Overview & Scrutiny Committee determines a scrutiny process focused on the relevant key priorities within the Corporate Plan, with an emphasis on protecting the most vulnerable in society from the effects of climate change.

Voting: For:59, Against:0, Abstentions:2

Councillors Alasdair Keddie, Chris Rigby and Tony Trent left the meeting at 11.15pm

54. Questions from Councillors

Question from Councillor Duane Farr (at the Chairs discretion the question was read out by Councillor Cameron Adams in Councillor Farris absence)

An elderly resident who requires a Blue Badge card contacted me raising his concerns about the difficulty dealing with BCP Council customer services. After numerous attempts to speak to someone on the telephone and being cut off after a lengthy wait he was informed it could take 12 weeks to receive his new Blue Badge if successful.

12 weeks wait seems excessive. In the private sector to order a new debit card from a bank it usually takes 3 days. Why such a long wait. What can be done to improve on the service for our residents?

Response from the Portfolio Holder for Customer, Communications and Culture, Councillor Andy Martin

Thank you Cllr Farr for your question.

I am very aware as cabinet member for customer services that our Blue Badge Service is not currently where we want it to be. Indeed, I have personally dealt with a number of residents in recent weeks after they have raised their concerns with me and in most cases I have spoken with them at length on the phone - the latest on Sunday morning.

So can I say at the outset as portfolio holder and on behalf of the council I am very sorry for the delays some residents are experiencing and thank them for their patience whilst the workload is progressed.

I know delays can be stressful.

The process of assessing blue badge applications is proscribed by the Department of Transport and requires a range of evidence to be provided in order to determine an applicant's eligibility for a blue badge.

For the majority of cases the same process applies whether an applicant is applying for the first time or if it is a renewal.

The council receives in the region of 1000 applications each month and consequently the workload is significant.

The DoT expects applications to be determined within 12 weeks, hence the advice given to the applicant in this case, but recent increases in demand along with staff sickness has meant that processing has taken as long as 14 or 15 weeks.

The recent introduction of a temporary streamlined assessment process for renewals has brought the turnaround time down to around the 12 week mark and this is expected to reduce further over the next month.

The Blue Badge service was recently discussed at length at Overview and Scrutiny committee and it was agreed I would write to the Secretary of State for Transport to express the council's frustration at the process that is required and the time it can take, when in many cases applicants have life long conditions that will necessitate repeat blue badges.

We recently had a response from the Future Roads Minister and I will share that with Cllr Farr.

The Blue Badge team are working hard to process applications as quickly as possible and are currently prioritising renewals.

The week beginning Nov 19 saw 360 Blue Badges approved, a 63 per cent increase on the previous week.

A further 347 were issued week commencing November 25.

Finally, as an interim measure, badges will remain valid for 3 months following expiry to allow processing times to catch up and limit the impact of delays on the mobility of our customers.

This interim measure however only applies to the BCP Council area and where the council is legally responsible for undertaking parking enforcement.

Question from Councillor Mark Howell

In relationship to the Cabinet decision to remove members from Council company and partnership boards and replace them with officers, the Chief Executive justified the change in policy by saying

“Previous reports over many decades have said that having officers and members on the same board will often inhibit one or the other – normally the officer – from expressing their views because they do not want to be seen to go against the wishes of the elected councillors and therefore they don't act with independence on the board and therefore they do not fulfil the statutory requirement on the board which is acting independently as directors.”

The committee report produced did not reference any such reports. It held out the changes to be best practice according to The Local Partnerships Local Authority Companies Report (LPLAC). However, the LPLAC does not say that officers and members should not be on the same committees and,

indeed, envisages situations where they are. Its emphasis is on diversity of experience and independent decision-making. Council officers generally lack the experience to operate in commercial environments. They also work in a hierarchical structure which obliges them to follow the instructions of more senior officers, so they will not want to be seen to go against the wishes of those officers. The fact that the Chief Executive envisages situations where he would not trust his officers to be capable of independent decisioning on boards should be a reason for not including officers on boards rather than excluding others. By excluding members, the Council will reduce diversity of experience and opinion on boards and make council companies and partnerships less effective.

Please can you specify which of the “previous reports over many decades” referred to by the Chief Executive were used by the author of the report to justify the removal of members from boards, stating the pages where specific references are made.

Response from the Portfolio Holder for Transformation, Resources and Governance, Councillor Jeff Hanna

Thank you Madam Chairman.

I am unsure of the purpose of the question, given that the matter has already been determined by Full Council.

It is also the case that Cllr Howell has received an email from the Chief Executive clarifying his comment.

Given that Full Council has made its decision I do not propose to detail the content of the Chief Executive’s email, or rehearse the considerations, but in response to the specific question, in describing his understanding of the generality of views expressed in historic reports, the Chief Executive did not say that the author of our own reports to Cabinet had drawn on any other historic reports to justify the recommendation.

The January report to Cabinet set out the specific documents referred to in that report, and I would refer Cllr Howell to that report.

Thank you, Madam Chair.

Supplementary Question from Councillor Mark Howell

Don’t you think and doesn’t the Chief Executive think that that is a very serious matter and that in fact the Chief Executive should apologise to Councillors for a report coming to Councillors which reflects his personal opinion and preferences rather than best practice?

Response from the Portfolio Holder for Transformation, Resources and Governance, Councillor Jeff Hanna

I cannot possibly answer for the Chief Executive, and I do not share Councillor Howell’s view on the matter as just stated.

Question From Councillor Peter Cooper

“Given the recent decision by the Dorset and Wiltshire Fire Service to remove one of the remaining two engines at Poole Fire Station, potentially

reducing the service's capacity to protect local residents, can the Council address the following concerns:

What steps will be taken to secure an urgent meeting with the Chief Fire Officer to discuss this decision and its implications for the community, and will councillors have the opportunity to question him directly?

Response from the Leader of the Council, Councillor Millie Earl

BCP Council is constitutionally represented at the Dorset and Wiltshire Fire and Rescue Authority (DWFRA). DWFRA is made up of Councillors from BCP, Dorset, Wiltshire and Swindon in accordance with each council's political balance.

It is only a second wholetime fire appliance removed at Poole, there remains a second on-call appliance.

These details were sent to all BCP Councillors from Cllr Hilliard, who is chair of the BCP local performance and scrutiny committee, on 5 September 2024 about the changes at Poole via email. This can be included in the minutes for this item.

I also met with the Chief fire officer this year to discuss the challenges the service faced.

Scrutiny and engagement is not undertaken directly by the Council but delegated through the Fire Authority. The Fire Authority and the Finance and Audit Committee each meet 4 times a year, and public questions are welcomed. Local Performance and Scrutiny meetings take place three times a year in the BCP area. These are public meetings, and councillors would be welcome to attend any of those meetings and ask questions.

Supplementary Question from Councillor Peter Cooper

So the supplementary question is, can we take this further? Because the workers on the ground don't believe that this management decision based on fiscal reasoning is the right one and I feel we have a responsibility to take it further. For right across the conurbation, not just here.

Response from the Leader of the Council, Councillor Millie Earl

I think in response to your supplementary question, Councillor Cooper, you talk about 'we' and I'm not sure who 'we' is because like I said, we're constitutionally represented by the Fire Authority. We are residents in relation to it, but I would absolutely encourage any member to engage with the Fire Authority.

I had the great privilege of being on it for, I can't remember how long, maybe two years, and really, really enjoyed my work there. And I wish, and I know other members who are on it, we all wish that people would really engage with it. So as much as I think we can look at the community safety issues, we can do that kind of thing as a local authority. We don't have the ability as a council to force the Fire Authority to do XYZ because they are an organisation that have their own constitution and represent us on that basis.

Question from Councillor Kate Salmon

Why hasn't the Transport Advisory Group met since the group's initial training session? How are the issues that TAG is supposed to cover being dealt with in the absence of these meetings?

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

In short, there has been no relevant business.

I am supportive of the concept of a Transport Advisory Group, giving more time to consider Transport issues, including public and officer input, and to advise Cabinet accordingly.

The TROs that have been recently advertised have not required referral to TAG, as there have not been comments or petitions that have met thresholds for reply. Just prior to the formation of TAG there were numerous transport related matters that were approved at Cabinet and Council e.g., Safer Roads Fund, ATF4, 20mph programme and the LTP 2024/25 Capital Programme.

It is worth noting that a cross-party group has been meeting to discuss LTP4, which you are part of.

In the coming months there will be the following items that could be discussed en-route to March 2025 Cabinet:

- LTP Capital Programme 2025/26
- Bus Service Improvement Plan (BSIP) 2025/26
- Active Travel Fund schemes

Upcoming TAG meetings are 22 Jan 2025 and 19 Feb 2025. It is unlikely that there will be any business for Jan TAG but as per above, the Feb TAG could be used to discuss these topics.

Supplementary Question from Kate Salmon

Given that, do we think that the TAG has been set up correctly, or should we perhaps review the way it's been put together to make sure it's actually a useful body?

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

It is difficult because the group hasn't actually met as you've highlighted. I think that's a question that we need to actually have the Transport Advisory Group meet in order to establish how useful it is. I think it should be useful. I would go right back to, in the old Poole Council days we had Transport Advisory Group, and before I was a Councillor, I went along to it and I found it really helpful, as a member of the public, to be able to engage. That was part of the purpose, because when things come to Cabinet, very often the transport items don't get that level of public discussion and exposure that I think they deserve in terms of the public. So I think, for me, the reason is actually to give the public an opportunity to see and comment on schemes and get into that. We haven't had controversial schemes that they've wanted to do that with, so I think that's been our recent challenge. But I do

believe it should have value and I would hope that we will get into that. Thank you.

Question from Councillor Sara Armstrong

Residents living on the East Cliff are expressing their dismay about what appears to be inflexible and inconsistent policy across BCP regarding the management and care of trees, in particular relating to the Holm Oaks along the East Cliff.

Residents are concerned about the growth of such species, the impact they have on light and the natural biodiversity of the area due to their increasing height and large canopies as well as the ongoing care of the existing tree population in the conservation area.

Will BCP undertake to consult with residents who live on the East Cliff regarding trees, review how BCP exercises its statutory discretion in relation to the care of trees on private and public land and update the Cliff Management/Tree Management Strategy for the conservation area, to include the views of residents?

Residents are keen to work in partnership with the council as custodians. They want to see an approach to tree management that respects the local biodiversity and takes into account the views of residents and needs of the area as a whole, in a more responsible, imaginative and friendly manner than they are experiencing currently.

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

Councillor Armstrong, thank you for your question.

The trees on the overcliff are inspected for safety and are managed in accordance with a management plan.

Any requests for tree work are not part of a statutory function and under current spending controls, only essential health and safety work is being undertaken.

We estimate that treework as a result of Storm Bert cost around £50K, and that for Storm Darrah was in excess for £100K.

The Council does not have a legal duty and nor do we manage trees, to maintain sight lines or views.

The future management of trees on the East cliff can be discussed and reviewed with residents to explore and understand any constraints and opportunities.

These can support biodiversity and nature recovery and can be developed in line with the recommendations in the Urban Forest Strategy and Green Infrastructure strategy.

Question from Councillor Mark Howell

“How many people attended each of the five Public Briefing sessions on the Community Governance Review?”

Response from the Leader of the Council, Councillor Millie Earl

The Community Governance Review process provides an opportunity for individuals, groups and organisations to suggest changes to existing arrangements and to propose new arrangements in our unparished areas. BCP Council is seeking views and has sought to promote the project through the establishment of comprehensive web pages which includes details of the project timeline, information documents, survey forms, interactive and downloadable maps, datasets for all areas and other information. We have also made this information available at all libraries and local community hubs where copies of these documents are available for those unable to get online. Promotional posters and postcards are also available at these locations. The web site also includes an explanatory video which has received over 280 views.

To promote the project, we have sent out emails to those on various mailing lists held by the council, used social media channels with over 58,000 followers and issued a series of press releases. The public events were promoted through each of these communications and we have also offered to attend local events throughout BCP for any groups interested in the review. We ran an all-councillor awareness session on 14 November at which 34 councillors were in attendance and a separate session for all existing parish and town council clerks and members on 21 November at which 29 were in attendance.

With regards to the public events the attendance figures are as follows:

18 November (Bournemouth Civic Centre) – 1

18 November (Poole Guildhall) – 7

20 November (Kings park) – No attendees

21 November (Christchurch Library) – 8

22 November (Kinson Hub) – 1

27 November (Bournemouth Civic Centre) – 2

The number of people attending each event was lower than we had hoped for, given the complexity and importance of the subject, and we therefore decided to hold a LIVE online event on 3 December. This was recorded and is available on the web site. To date this has received 72 views.

In response to the offer to attend local community group meetings, we have had a number of requests which officers have agreed to, including one attended yesterday evening for the Poole Quays Forum which was attended by 69 members.

Supplementary Question from Councillor Mark Howell

A local organisation in Poole received their invitation to their local event two days before the event.

This exercise in community governance has been flagged to us for a year and a half it began on October 16th.

Do you think it is acceptable service to the residents of BCP for the council to give two days' notice of such an important event?

Do you think that that inevitably compromises the consultation to some degree?

Response from the Leader of the Council, Councillor Millie Earl

I think we have to understand that these are public briefing events but there are lots of other ways in which people are engaging with the community governance review. I'm personally someone who doesn't particularly like to go to events, I quite like having a look online, watching YouTube videos, that kind of thing. I think it's to appeal to a certain sector of people who would like to do that kind of in-person engagement. I would also just add that in our community, for example, I've been working with my colleagues, Marion and Tony, and we're putting together an event so that people can engage with this particular topic.

Democratic Services are offering to come to events and basically run a bit of a session with people who wish to go. I believe there was one at Poole Quays Forum yesterday which was attended by 69 members of the community.

There are lots of ways to engage, I think that those were just one of the ways. But if you have anyone who would like to organise a session, or maybe you could, I don't know, organise a session yourself, then I'm sure that Richard Jones would be happy to come along and give the briefing there. Thank you.

Question from Councillor Peter Cooper

Given the ongoing issues with pothole repairs and maintenance across BCP Council, can the Cabinet Member responsible clarify whether these works are primarily carried out by in-house teams or outsourced to private contractors? Furthermore, what quality assurance measures are in place to ensure repairs are completed to a high standard, and how are costs monitored to ensure value for money for residents, especially considering the poor quality of some recent repairs?

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

Thank you Councillor Cooper for your question.

Pothole repairs are either undertaken by our in-house Streetscene team, or by contractors on our behalf, whilst reconstruction work, much less frequent, which requires specialist tools and significant logistics and traffic management is often undertaken by private contractors overseen by our Engineering team.

In some areas of our conurbation, the road surface is very thin, or laid over concrete slabs or compacted sand/gravel base, and subject to increasing wear from heavier vehicles.

Whilst immediate temporary repairs may erode again quite quickly, there is work underway with in-cab technology which will enable crews to enact permanent repairs in a single visit.

Work undertaken on our behalf is overseen by Council Officers and has a defects period, usually 2 years, for any repairs to be undertaken at the expense of the contractor.

Supplementary Question from Councillor Peter Cooper

With that in mind, would it be possible to assess the Poole bridge, the Poole lifting bridge, because the potholes are filled and then the potholes are destroyed over three months. They must have used about 15 tonnes of tarmac, so it would be quite nice to have that assessed, who quality assured it, who carried out the job? And then the other question is, how much money are we spending on outsourcing that work? What support are the in-house people having to do a proper job? Because it is not happening

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

Thank you. Obviously, you're meaning the Poole bridge rather than the Twin Sails Bridge, and I think when there was major repairs done on that, there was a problem with the tarmac sticking to the bridge, because obviously it goes vertical on a very regular basis so it's stressed both by traffic and by the bridge lifts themselves. I'm afraid I'm going to have to go away and find an answer for you on that, but I accept that. I do go across the bridge quite often and I see the holes and I know what you're talking about. Thank you.

Question from Councillor Sara Armstrong

The Household Energy Support Fund for organisations to bid for to provide warm spaces and energy advice for residents at risk of fuel poverty or who can't afford to buy food – although welcomed, it still falls way short to meet our growing need.

Some organisations did not receive the full amount they required to deliver their warm space projects – there was not enough in the pot to meet the demand.

There are now more than 50 'warm spaces' for people experiencing fuel poverty in BCP and food banks are a growth industry. More people who are in work are using foodbanks than ever before - what is BCP doing to address the root causes of poverty? How many children are living in poverty right now in BCP and do we have a strategy to eliminate poverty?

Response from the Lead Member for Homelessness and Cost of Living, Councillor Simon McCormack

The BCP Food and Energy Support Fund is administered by Dorset Community Foundation, funded via the Household Support Fund. Applications for the fund were oversubscribed and there were requests for approx. £355k from a grant pot of £225k. They were all fundable projects and doing some great work to support our communities. As a result, we allocated a further £50,000 to the fund to enable more projects to be funded, but regrettably we could not fund every scheme. Wherever possible we try to signpost groups to alternative funding source such as the BH Coastal Lottery Small Grants Scheme. We also provide a free funding e-newsletter every fortnight detailing funding opportunities alongside a searchable funding platform which groups and individuals can register to use free of charge.

Poverty is a national issue, not just something that is unique to the BCP Council area and it requires a sustained whole system change to tackle the root causes. Whilst some of this therefore needs to take place on a national level, we are working with our partners in the BCP Council area to try and support households to make changes to move away from crisis interventions. Examples of this include the Together We Can Partnership and Access to Food Partnership which works with a wide range of community and voluntary sector partners to address issues relating to food insecurity and debt. Our partners at Citizen's Advice BCP administer grants for households funded through the Household Support Fund, undertaking a fuller review of the household's finances to try and tackle the root causes of their financial hardship and looking at option to reduce costs and ensure they are getting the correct benefits that they are entitled to.

In regards to children, Unfortunately, we don't have precise current data of the number of children living in poverty right now. At a recent Children's services whole staff event the numbers of children living in poverty was one of the subjects under discussion. This was using the latest available data which is for 2023 and was for children living in absolute poverty. The absolute poverty data is data from the Department for Work and Pensions [Poverty in the UK: statistics - House of Commons Library](#). On a BCP level this translates to 10.8% of children (7105 children), which compared to 15.9% nationally. It must be remembered that this means that these children and young people are living in households in absolute poverty, and it is this that needs addressing.

In August, this year, the government announced the Child Poverty Taskforce which is across government and joined Work & Pensions and Education Secretaries to investigate this issue. This will come up with its findings in the spring and we await these findings to help inform our further work around this vital area.

If you'd like to know more, there is an all-councillor session taking place on the 17th December at 5pm for Councillors to find out more about the support that is available residents over the winter period.

Supplementary Question from Councillor Sara Armstrong

I just want to acknowledge the amount of partnership work that is going on to try and address this issue, but I think not knowing exactly what the scope of the issue is across BCP and how it's impacting families still concerns me. But I hope that on 17 December that we can come together and perhaps look at how do we find that out and what else can we be doing about it. Thank you

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

Council was advised that no urgent decisions had been taken by the Chief Executive in accordance with the Constitution since the last meeting of the Council.

The meeting ended at 11.50 pm

CHAIRMAN

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BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
COUNCIL

Minutes of the Meeting held on 15 January 2025 at 7.00 pm

Present:-

Cllr L Dedman – Chairman

Cllr S Bull – Vice-Chairman

Present: Cllr C Adams, Cllr S Aitkenhead, Cllr H Allen, Cllr M Andrews, Cllr S Bartlett, Cllr J Beesley, Cllr P Broadhead, Cllr D Brown, Cllr R Burton, Cllr P Canavan, Cllr A Chapmanlaw, Cllr E Connolly, Cllr P Cooper, Cllr M Cox, Cllr D d'Orton-Gibson, Cllr B Dove, Cllr M Dower, Cllr M Earl, Cllr J Edwards, Cllr G Farquhar, Cllr D Farr, Cllr A Filer, Cllr M Gillett, Cllr C Goodall, Cllr A Hadley, Cllr J Hanna, Cllr E Harman, Cllr R Herrett, Cllr P Hilliard, Cllr B Hitchcock, Cllr A Keddle, Cllr M Le Poidevin, Cllr S Mackrow, Cllr R Pattinson-West, Cllr A Martin, Cllr D Martin, Cllr G Martin, Cllr J Martin, Cllr S McCormack, Cllr P Miles, Cllr S Moore, Cllr A-M Moriarty, Cllr B Nanovo, Cllr L Northover, Cllr M Phipps, Cllr K Rampton, Cllr Dr F Rice, Cllr J Richardson, Cllr V Ricketts, Cllr C Rigby, Cllr K Salmon, Cllr P Sidaway, Cllr P Slade, Cllr T Slade, Cllr O Walters, Cllr C Weight, Cllr L Williams, Cllr K Wilson and Cllr G Wright

56. Apologies

Apologies for absence were received from Councillors S Armstrong, J Bagwell, O Brown, J Butt, S Carr-Brown, J Challinor, B Chick, J Clements, D Flagg, M Howell, C Matthews, J Salmon, V Slade, M Tarling, and T Trent.

57. Declarations of Interests

There were no declarations of interest submitted on this occasion.

58. Devolution

A report and paper containing supplementary information was presented to Council, copies of which had been circulated to each Member and copies of which appears as Appendix 'A' to these Minutes in the Minute Book.

Council was advised that the recommendations within the report would be taken separately with recommendation 1 (whether BCP Council should apply to participate in the Priority Programme) being discussed, debated and voted on prior to moving to recommendation 2 (what the preferred geography should be).

Council was informed that on 16 December 2024 Government had released its [Devolution White Paper](#) which clearly sets out its ambition for universal coverage of Strategic Authorities in England, with or without mayors, "to ensure citizens benefit from devolution and to ensure the effective running of public services."

Council was advised that this will have implications for BCP Council and its residents now and into the future.

Council was informed that Government was seeking urgent responses from Councils as to whether they want to join its Priority Programme, which is a pathway to the creation of Strategic Authorities, with mayoral elections in May 2026, and that Government is giving councils the opportunity to put forward their preferred devolution option either as part of this priority programme or at a later stage.

Further to this Council was advised that it has made it clear that those councils unable to reach a clear decision on devolution that satisfies the terms of the government's white paper within an undefined reasonable time frame will be subject to a ministerial directive.

In relation to this Council was informed that the Council has several options to consider, and that following the recommendation from Overview and Scrutiny Board on 6 January 2024, this report builds on previous reports and presentations to members to provide evidence and data on each option to enable Council to have an informed debate and indicate the preferred way forward on devolution.

In opening the debate the Leader of the Council, Councillor Mille Earl addressed Council highlighting the urgent nature of responding to the government in respect of the priority programme, further to this the Leader advised that the preferred approach would have been for BCP Council to submit a single-authority proposal but that advice from MHCLG was that the government would not support this approach and that the population criteria of 1.5m was clear.

In relation to this, the Leader stressed the importance of being part of the discussions around the strategic authorities at inception and proposed that BCP Council apply to participate in the Priority Programme, this proposal was seconded by Councillor Andy Martin.

Comprehensive discussion and debate then took place both in support and against the proposal with the following areas of discussion being raised: -

- Agreement by some members that the preferred model would have been as a single authority but that clear guidance had been received from government that this wasn't an option.
- Support from some members that staying out of the priority programme was not an option as the government had advised that if a decision isn't made then government may make the decision for the council.
- Importance of deciding today
- Good example of members working together
- Some members spoke against the proposal disagreeing with the whole process
- Concern with regards to the benefit of being first
- Concern with regards to not knowing what residents want
- Importance of having a voice at a regional level

The Leader of the Council summed up the debate acknowledging the comprehensive discussion which had taken place.

RESOLVED that BCP Council applies to participate in the priority programme.

Voting: 51:8 (2 abstentions)

Councillors Stephen Bartlett, Cameron Adams, Duane Farr, Simon McCormack and Pete Miles requested their vote against the recommendation be recorded.

Following the decision being carried for BCP Council to apply to participate in the priority programme being carried as set out above Council then moved onto the discussion and debate relating to the second recommendation contained within the papers in terms of the preferred geography.

In opening the debate the Leader of the Council proposed that the Heart of Wessex be submitted as BCP Councils preferred geography. In doing so the Leader stressed the consideration and time which had been taken to come to this proposed geography and of the benefits of being part of the Heart of Wessex.

This proposal was seconded by Councillor Andy Hadley.

Comprehensive discussion and debate then took place on the proposal with the following areas of discussion being raised: -

- The benefits of being part of the Heart of Wessex, including the scale and influence, current partnerships and shared ambitions.
- All authorities within the Heart of Wessex have been through Local Government Reorganisation whereas some Solent authorities are still to embark on this process.
- The mayor should be based here where the largest population area is.

An amendment was proposed by Councillor Patrick Canavan to remove the words 'Heart of Wessex' from the proposal and insert the words 'Hampshire and Solent' therefore amending the proposed preferred geography of the recommendation currently being debated.

This proposal was seconded by Councillor Sue Aitkenhead.

Comprehensive discussion then took place on the amended recommendation both in support and against the proposal with the following areas of discussion being raised: -

- Support for the Hampshire and Solent proposal stressing the importance of being ambitious.
- Good balance of urban and rural in the Solent proposal
- Advantages of there being two airports, and ports within the Solent proposal
- Concern around other Solent authorities being larger than BCP and therefore BCP priorities being lost in other agendas

The proposed amendment fell with voting 25:33 (2 abstentions)

For: 25

Cllr Cameron Adams	Cllr Bobbie Dove	Cllr Jamie Martin
Cllr Sue Aitkenhead	Cllr Jackie Edwards	Cllr Simon McCormack
Cllr Stephen Bartlett	Cllr George Farquhar	Cllr Anne-Marie Moriarty
Cllr John Beesley	Cllr Duane Farr	Cllr Vanessa Ricketts
Cllr Philip Broadhead	Cllr Anne Filer	Cllr Toby Slade
Cllr Patrick Canavan	Cllr Brian Hitchcock	Cllr Lawrence Williams
Cllr Eleanor Connolly	Cllr Andy Martin	Cllr Gavin Wright
Cllr Peter Cooper	Cllr David Martin	
Cllr Lesley Dedman	Cllr Gillian Martin	

Against: 33

Cllr Marcus Andrews	Cllr Jeff Hanna	Cllr Margaret Phipps
Cllr David Brown	Cllr Emily Harman	Cllr Karen Rampton
Cllr Simon Bull	Cllr Richard Herrett	Cllr Dr Felicity Rice
Cllr Richard Burton	Cllr Paul Hilliard	Cllr Judy Richardson
Cllr Adrian Chapmanlaw	Cllr Alasdair Keddie	Cllr Chris Rigby
Cllr Mike Cox	Cllr Marion Le Poidevin	Cllr Kate Salmon
Cllr David d'Orton-Gibson	Cllr Sandra Mackrow	Cllr Peter Sidaway
Cllr Millie Earl	Cllr Rachel Maidment	Cllr Paul Slade
Cllr Matthew Gillett	Cllr Sandra Moore	Cllr Oliver Walters
Cllr Crispin Goodall	Cllr Bernadette Nanovo	Cllr Clare Weight
Cllr Andy Hadley	Cllr Lisa Northover	Cllr Kieron Wilson

Abstentions: 2

Cllr Hazel Allen	Cllr Michelle Dower	
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Following the vote and the proposed amendment having fallen Councillor Earl summed up the original motion with the preferred geography being Heart of Wessex.

RESOLVED that the Heart of Wessex be submitted as BCP Councils preferred geography.

Voting: 43:12 (4 abstentions)

Councillor Pete Miles left the meeting at 8.22 pm prior to the vote on the amendment being taken.

59. Questions from Councillors

Council was advised that there had been no questions submitted from Councillors on this occasion.

The meeting ended at 9.05 pm

CHAIRMAN

CABINET



Report subject	Council Tax - Tax base 2025/26
Meeting date	15 January 2025
Status	Public Report
Executive summary	This report calculates and presents the proposed council tax base for council tax setting purposes in line with current legislation and guidance.
Recommendations	<p>It is RECOMMENDED that:</p> <p>(a) Cabinet approves the report for the calculation of the council's tax base for the year 2025/26 and recommends the tax base to Full Council.</p> <p>(b) Pursuant to the report, and in accordance with the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, the amount calculated as the council tax base for Bournemouth, Christchurch and Poole Council for 2025/26 is 151,574.2.</p>
Reason for recommendations	The Council is required by the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, to calculate the council tax base for the financial year 2025/26.
Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive Officer
Report Author	Matthew Filmer, Assistant Chief Financial Officer Russell Oakley, Finance Manager - Technical
Wards	Council-wide
Classification	For Recommendation

Background

1. Bournemouth, Christchurch and Poole (BCP) Council is required to calculate its tax base in accordance with the Local Authorities (Calculation of Tax Base) Regulations

1992, as amended, and provide this information to the Dorset Police & Crime Commissioner, the Dorset & Wiltshire Fire & Rescue Authority as well as the relevant parish, town and neighbourhood councils and charter trustees in the BCP Council area.

Calculation of the council tax base

2. Under the Local Government Finance Act 1992 and accompanying regulations, detailed procedures exist for calculating the tax base which will be used for calculating the levels of council tax charged to residents. The tax base for BCP Council is expressed as the number of band D equivalent properties and will be used to calculate BCP Council's element of council tax as well as the council tax charged by other preceptors.
3. The detailed calculation of the BCP Council tax base is provided in Appendix A.
4. The calculations include estimated changes in the Valuation Office's Valuation List that will take place during 2025/26 by reference to the following:
 - a) Provision for successful appeals
 - b) Provision for exempt properties
 - c) Changes in the number of properties (demolitions and new additions)
 - d) Cost of local council tax support scheme (LCTSS)
 - e) Estimated single person and other discounts
 - f) Estimated collection rate
5. The total estimated tax base for BCP Council has increased from 146,342 in 2024/25 to 151,574.2 in 2025/26.
6. The increase is down to the implementation of a second homes premium and additional properties being built in the conurbation. The weighted average collection rate is estimated at 98.5% (98.5% 2024/25).
7. The second homes premium has added an additional 5,110.8 band D equivalents. There has also been a reduction in long term empty properties reducing from 1,444 properties to 826. Although a positive to get more properties back into occupancy this means the premium being charged has reduced.
8. In addition to calculating the tax base for BCP Council, a separate tax base must be calculated for each part of the council's areas to which a special item of expenditure relates. Parish, town and neighbourhood councils and charter trustee precepts are all treated as special items for these purposes and their precepts are charged only over the tax base for the relevant area. This is provided in Appendix B to this report.
9. The council tax requirement for 2025/26, which will be approved by BCP Council in February 2025, will be divided by the calculated tax base to arrive at the charge for a band.

Options Appraisal

10. The council can make differing assumptions regarding the estimated additions, deletions, exempt properties, discounts, cost of LCTSS and the collection rate and their impact on the tax base. However, these have been set at a level based on historical trends and with due regard to the current economic environment in order to ensure as far as possible that a deficit does not occur on the collection fund.

Summary of financial implications

11. As set out in the body of this report.

Summary of legal implications

12. The calculation and approval of the tax base is a crucial step in the council being able to set a legal balanced budget for 2025/26.
13. The council must set its tax base in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, as amended, and inform other preceptors of their relevant tax base.

Summary of human resources implications

14. None

Summary of sustainability impact

15. None

Summary of public health implications

16. None

Summary of equality implications

17. None

Summary of risk assessment

18. None

Background papers

None

Appendices

Appendix A – BCP Council tax base 2025/26

Appendix B – Parish, town and neighbourhood council and charter trustee tax bases 2025/26

Appendix A – BCP Council tax base 2025/26

BAND	Disab A	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H	Total
Total Properties	0.0	26,719.0	34,614.0	54,395.0	36,076.0	21,884.0	9,444.0	5,811.0	1,313.0	190,256.0
Exempt Properties	0.0	1,901.0	786.0	1,683.0	1,805.0	403.0	156.0	70.0	27.0	6,831.0
Demolished Dwellings	0.0	6.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	7.0
No. of chargeable dwellings subject to disabled reduction	0.0	19.0	66.0	284.0	180.0	157.0	97.0	48.0	50.0	901.0
No. of dwellings effectively subject to Council Tax for this band by virtue of disabled relief	19.0	66.0	284.0	180.0	157.0	97.0	48.0	50.0	0.0	901.0
No. of dwellings entitled to a 25% discount	9.0	15,825.0	15,388.0	16,652.0	9,672.0	5,215.0	1,943.0	1,038.0	148.0	65,890.0
No. of dwellings entitled to a 25% discount as all but one resident being disregarded for Council Tax purposes	1.0	200.0	352.0	574.0	353.0	236.0	101.0	50.0	2.0	1,869.0
No. of dwellings entitled to a 50% discount due to all residents being disregarded for Council Tax purposes	1.0	43.0	63.0	86.0	64.0	37.0	35.0	56.0	19.0	404.0
No. of dwellings classed as 2nd home with 50% discount	0.0	352.0	3.0	4.0	1.0	3.0	2.0	0.0	0.0	365.0
Second Home Premium @100%	0.0	322.0	468.0	879.0	981.0	812.0	507.0	441.0	155.0	4,565.0
No. of dwellings classed as empty and being charged the Empty Home Premium @100%	0.0	216.0	171.0	200.0	71.0	80.0	51.0	30.0	7.0	826.0
No. of dwellings classed as empty and being charged the Empty Home Premium @200%	0.0	51.0	34.0	21.0	7.0	10.0	8.0	3.0	0.0	134.0
No. of dwellings classed as empty and being charged the Empty Home Premium @300%	0.0	6.0	15.0	8.0	10.0	2.0	5.0	1.0	1.0	48.0
Total number of dwellings receiving a discount	11.0	16,420.0	15,806.0	17,316.0	10,090.0	5,491.0	2,081.0	1,144.0	169.0	68,528.0
Total number of dwellings being charged a premium	0.0	595.0	688.0	1,108.0	1,069.0	904.0	571.0	475.0	163.0	5,573.0
Reduction in taxbase as a result of the Family Annexe discount	0.0	47.8	3.5	1.0	1.0	0.0	0.0	0.0	0.0	53.3
Number of dwellings where there is a liability to pay 100% Council Tax	8.0	7,844.0	17,551.0	34,184.0	23,089.0	15,026.0	6,587.0	4,124.0	904.0	109,317.0
Number of dwellings with reduction under the Local Council Tax Reduction Scheme	4.6	5,501.0	4,875.0	4,202.5	1,271.7	366.7	90.4	23.0	0.0	16,334.9
Total equivalent number of dwellings after discounts, premiums, exemptions and disabled relief	11.4	15,764.5	25,950.6	45,198.0	31,532.5	20,589.5	9,208.1	5,900.0	1,354.0	155,508.6
Estimated number of additions	0.0	31.5	51.9	90.4	63.1	41.2	18.4	11.8	2.7	311.0
Net Total	11.4	15,796.0	26,002.5	45,288.4	31,595.6	20,630.7	9,226.5	5,911.8	1,356.7	155,819.6
Ratio to Band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
Number of Band D equivalents (line 18 ÷ 9) x line 20	6.4	10,530.7	20,224.1	40,256.4	31,595.6	25,215.3	13,327.2	9,853.0	2,713.4	153,722.0
MOD Properties										158.0
Less Losses 1.5%										-2,305.8
Tax Base 2025/26										151,574.2

Appendix B – Parish, town and neighbourhood council and charter trustee tax bases 2025/26

Parish / Town / Charter Trustee	Tax Base
Burton	1,666.2
Hurn	271.8
Christchurch Town Council	12,885.0
Highcliffe and Walkford	6,816.3
Unparished Christchurch	25.7
Throop and Holdenhurst Parish	312.2
Bournemouth Charter Trustee	67,763.4
Poole Charter Trustee	61,833.5
Total	151,574.2

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Audit & Governance Committee



Report Subject	Treasury Management Monitoring report for the period April to December 2024 and Treasury Management Strategy 2025/26
Meeting date	27 January 2025
Status	Public
Executive summary	<p>This report sets out the monitoring of the Council's Treasury Management function for the period 1 April 2024 to 31 December 2024. A deficit of £2.2m is being forecast for the 2024/25 financial year as the Council continues to borrow to fund the accumulating deficit on its Dedicated Schools Grant (DSG) as pertaining to the excess special educational needs and disability service (SEND) revenue expenditure over the DSG High Needs block grant. Borrowing is also at higher-than-expected interest rates due to volatility in current debt costs.</p> <p>This report also presents the Treasury Management Strategy for 2025/26 with the relevant detailed strategy and the associated policies and practices document included as appendices. It should be highlighted the strategy inclusion of an assumption that Council, as part of the 2025/26 Budget setting process, will agree to a £60m SEND capitalisation direction to enable the forecast excess high needs expenditure in 2025/26 to be financed.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <ol style="list-style-type: none"> 1) note the reported activity of the Treasury Management function for the period ending 31 December 2024. <p>It is RECOMMENDED that Audit & Governance Committee recommends that Council.</p> <ol style="list-style-type: none"> 2) Approve the Treasury Management Strategy 2025/26 (Appendix 1) 3) Approve Treasury Management Practices and Policies 2025/26 (Appendix 2)

Reasons for recommendations	It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members.
Portfolio Holder	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Graham Farrant, Chief Executive
Service Director	Adam Richens, Director of Finance
Classification	For information and recommendation
Report author	Matthew Filmer, Assistant Chief Financial Officer Russell Oakley, Finance Manager Technical

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.
2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2022).
3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.
4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments and compliance with prudential indicators.

Economic Background

5. The Bank of England (BoE) in November 2024 decreased interest rates to 4.75% before holding the rates in December 2024. This follows decreases in June and September from a high of 5.25%. The Bank's Monetary Policy Committee (MPC) voted 6-3 in favour of holding the rate in December, with 3 voting for a 0.25% decrease and emphasises the gradual approach to rate reduction.

6. The BoE policymakers are trying to ensure inflation falls back to their targeted 2%. Impacted by the October budget and overseas factors the inflation rate rose to 2.6% in November 2024 before dropping to 2.5% in December 2024. The long-term forecast is that inflation will return to the target rate by the end of 2025.
7. The 10-year gilt yield has also seen a rise from 3.94% in October to 4.57% in December 2024 following the budget announcement. As PWLB rates are closely linked to this market this has resulted in an increase in long term in PWLB borrowing rates, despite the reductions in overall Bank of England base rate.

Interest Rates

8. Table 1 below which is produced by the authority's treasury consultants Link Asset Services. Audit and Governance committee on the 17 October 2024 discussed the increasing cost of government borrowing and how this may play out after the Chancellors first Budget on the 30 October 2024. On the morning of the 30 October a 25 year loan would cost 5.48%, on the morning of 16 January 2025 it was 6.03%.

Table 1: Interest rate projection (Link Asset Services)

Interest Rate Forecasts								
Bank Rate	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26
Link	4.75%	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%
Cap Econ	4.75%	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%
5Y PWLB RATE								
Link	5.00%	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%
Cap Econ	5.20%	5.10%	4.90%	4.80%	4.60%	4.60%	4.50%	4.50%
10Y PWLB RATE								
Link	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%
Cap Econ	5.40%	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.60%
25Y PWLB RATE								
Link	5.60%	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%
Cap Econ	6.00%	5.70%	5.50%	5.30%	5.00%	4.90%	4.90%	4.80%
50Y PWLB RATE								
Link	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%
Cap Econ	5.40%	5.30%	5.20%	5.20%	5.10%	5.00%	4.90%	4.80%

Treasury Management Performance 2024/25

9. Table 2 below shows the overall treasury management position for 2024/25. The current forecast is an overspend of £2.2m, which is an improved position compared to the £2.4m overspend forecasted at Quarter 2.
10. The reason for this decreased forecast is partially as a result of the restructure of long-term debt agreement for our Phenix Life loan but primarily due to higher-than-expected interest received on investments. Borrowing longer term to ensure cash requirements are met into April 2025 means that we have higher balances to invest and have been able to take advantage of the high interest rates being paid within the inter-Local Authority market.

Table 2: Treasury Management Performance 2024/25

	Forecast 2024/25 £'000	Budget 2024/25 £'000	Variance 2024/25 £'000
<u>Expenditure</u>			
Interest Paid on Long Term Borrowings	2,955	3,026	(71)
Interest Paid on Short Term Borrowings	3,000	1,475	1,525
<u>Income</u>			
Investment Interest Received	(1,950)	(2,500)	550
Deductions from general fund	850	645	205
Total	4,855	2,646	2,209

Borrowing

11. Table 3 and 4 below shows the closing level of borrowing for the Council's two loan pools.

Table 3: Council Short Term Borrowings as at 31 December 2024

Initial Loan Value £'000	Interest Rate	Balance as at 31 Dec 2024 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
3,000	4.87%	3,000	13-Jan-2025	3,000	-	- Merseyside Fire and Rescue Service
3,000	4.88%	3,000	13-Jan-2025	3,000	-	- Broxbourne Borough Council
5,000	4.82%	5,000	15-Jan-2025	5,000	-	- Torbay Borough Council
5,000	4.88%	5,000	24-Jan-2025	5,000	-	- The City and County of Swansea Council
3,000	4.90%	3,000	31-Jan-2025	3,000	-	- PCC for Avon and Somerset
10,000	4.85%	10,000	10-Feb-2025	10,000	-	- Cornwall Council
1,500	4.95%	1,500	03-Apr-2025	1,500	-	- North Warwickshire Borough Council
20,000	5.00%	20,000	04-Apr-2025	20,000	-	- London Treasury Liquidity Fund LP
10,000	4.90%	10,000	07-Apr-2025	10,000	-	- PCC for West Midlands
2,000	4.95%	2,000	07-Apr-2025	2,000	-	- Humberside Fire Authority
6,000	4.85%	6,000	14-Apr-2025	6,000	-	- London Borough of Redbridge
10,000	4.95%	10,000	24-Apr-2025	10,000	-	- Liverpool City Region Combined Authority
2,000	4.95%	2,000	30-Apr-2025	2,000	-	- PCC for Avon and Somerset
5,000	5.00%	5,000	30-Apr-2025	5,000	-	- East Riding Yorkshire Council
4,000	4.95%	4,000	01-May-2025	4,000	-	- South Derbyshire District Council
2,000	4.80%	2,000	12-May-2025	2,000	-	- North Hertfordshire District Council
10,000	4.95%	10,000	30-May-2025	10,000	-	- West of England Combined Authority
3,000	4.95%	3,000	30-May-2025	3,000	-	- PCC for Avon and Somerset
104,500		104,500		104,500	-	

Table 5: Council Short Term Borrowings as at 31 December 2024

Initial Loan Value £'000	Interest Rate	Balance as at 31 Dec 2024 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		188,896		62,000	126,896	
22,625	2.26% + RPI Annually	14,116	17-Oct-2039	14,116	-	Prudential Assurance Co
49,000	2.83%	46,652	24-May-2068	46,652	-	Phoenix Life Limited
365,021		354,164		227,268	126,896	

Investments

12. A full list of investments held by the authority as at 31 December 2024 is shown in Table 5 below.

Table 5: Investment Summary as at 31 December 2024

Investments	Maturity Date	Principal Amount £	Interest %
<u>Fixed Term Deposits</u>			
Leeds City Council	15-Jan-2025	5,000,000	5.00%
Surrey County Council	15-Jan-2025	5,000,000	5.00%
Wakefield Council	15-Jan-2025	10,000,000	5.05%
Surrey County Council	20-Jan-2025	4,000,000	5.60%
London Borough of Newham	23-Jan-2025	2,000,000	5.60%
Luton Borough Council	31-Jan-2025	5,000,000	5.05%
Surrey County Council	12-Feb-2025	5,000,000	5.30%
Central Bedfordshire Council	14-Feb-2025	10,000,000	5.35%
Great Yarmouth Borough Council	24-Feb-2025	2,000,000	5.60%
Sub Total		48,000,000	
<u>Call Account</u>			
Aberdeen Standard Liquidity Fund	instant access	850,000	4.78%
Total		48,850,000	

13. The Treasury Management function average returns of 5.11% for the period 1 April 2024 to 31 December 2024 for its combined investments, compared favourably to the average SONIA overnight benchmark rate of 4.93%.

Prudential Indicators

14. The Treasury Management Prudential Code Indicators were set as part of the 2024/25 Treasury Management Strategy as agreed with Council in February 2024. It can be confirmed that all indicators have been complied with during the period 1 April 2024 to 31 December 2024.

Compliance with Policy

15. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial Regulations. The recent internal audit in 2024 rated the Treasury Management function as "Reasonable" assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
16. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2023/24 and the period 1 April 2024 to 31 December 2024.

Treasury Management Strategy 2025/26

17. The Treasury Management Strategy is produced each year in accordance with the CIPFA Code of Practice on Treasury Management. It sets out how the Council's Treasury service will support capital investment decisions, and how the treasury management operates day to day. Its sets out the limitations on treasury management activity through prudential indicators, within which the council's treasury function must operate. The strategy is included as Appendix 1 to the report.

Changes to the Treasury Management Strategy 2025/26

18. The main assumption to highlight in the Treasury Management Strategy 2025/26 is that the government will provide and Council will agree to accept a £60m SEND Capitalisation Directive. This will enable the council to borrow to fund the revenue SEND expenditure in excess of the high needs block grant provided by the Department for Education as part of the DSG. This is necessary as the council will run out of the Treasury Management headroom at the end of the 2024/25 financial year which is the mechanism by which the current deficit is being covered.
19. The formal request to government has been made and includes £57.5m for the estimated deficit in 2025/25 as well as £2.5m to cover associated interest costs. Without the agreement of the capitalisation directive the Treasury Strategy 2025/26 would not, in our professional view, be compliant with CIPFAs 2021 Prudential and Treasury Management Codes as we would be borrowing to fund revenue expenditure.
20. The request for the capitalisation directive is to allow the borrowing to be on a 1-year basis with the belief, that government will have put in place a solution to return the SEND system to financial sustainability nationally by this time next year.

21. It is estimated that the accumulated DSG deficit will have cost the council in the region of £5.4m in 2024/25 and £6.8m in 2025/26.
22. Borrowing limits have been adjusted to ensure sufficient headroom is allowed for the capitalisation directive. Beside the DSG increase the prudential borrowing limit has also been increased to take account for the report that is due to be presented to Cabinet in February 2025 regarding the reprofile of phase 1 and additional phase 2 borrowing to support the fleet replacement strategy.

Summary of Financial/Resource Implications

23. Financial implications are as outlined within the report.

Summary of Legal Implications

24. There are no known legal implications.

Summary of Equalities and Diversity Impact

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

Summary of Risk Assessment

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

Credit Risks

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

Liquidity Risks

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

Re-financing Risks

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

Interest Rate Risks

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

Price Risk

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

Background papers

32. Treasury Management report to Full Council on 20 February 2024
<https://democracy.bcpccouncil.gov.uk/documents/s48214/Appendix%204%20for%20Treasury%20Management%20Monitoring%20report%20for%20the%20period%20April%20to%20December%202023%20and%20Treas.pdf>

Appendices

Appendix 1 - Treasury Management Strategy 2025/26

Appendix 2 - Treasury Management Practices and Policies 2025/26

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Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2025/26

Introduction

Background

- 1 The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.
- 2 The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.
- 3 The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
- 4 CIPFA defines treasury management as:
"The management of the local authority's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 5 Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

Reporting Requirements

Capital Strategy

- 6 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following: -
 - a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed

- the implications for future financial sustainability
- 7 The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.
 - 8 This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset.

Treasury Management Reporting

- 9 The Authority is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.
 - a) **Prudential and treasury indicators and treasury strategy** (this report) -
The first, and most important report is forward looking and covers: -
 - the capital plans, (including prudential indicators)
 - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time)
 - the Treasury Management Strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
 - an Annual Investment Strategy, (the parameters on how investments are to be managed)
 - b) **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition, this Authority will receive quarterly update reports.
 - c) **An annual treasury report** – This is a backward-looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny

- 10 The above reports are required to be adequately scrutinised before being recommended to Full Council. This role is undertaken by the Audit and Governance Committee.
- 11 **Quarterly reports** – In addition to the three major reports detailed above quarterly reporting (end of June/end of December) are also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Audit and Governance Committee. (The reports, specifically, should comprise updated Treasury/Prudential Indicators.)

Treasury Management Strategy for 2025/26

12 The strategy for 2025/26 covers two main areas:

Capital issues

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues

- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

13 These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

Training

- 14 The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.
- 15 Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making.
- 16 The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs. Organisations should consider how to assess whether treasury management staff and board/ council members have the required knowledge and skills to undertake their roles and whether they have been able to maintain those skills and keep them up to date.
- 17 As a minimum, authorities should carry out the following to monitor and review knowledge and skills:
- Record attendance at training and ensure action is taken where poor attendance is identified.
 - Prepare tailored learning plans for treasury management officers and council members.
 - Require treasury management officers and council members to undertake

self-assessment against the required competencies (as set out in the schedule that may be adopted by the organisation).

- Have regular communication with officers and council members, encouraging them to highlight training needs on an ongoing basis.

- 18 In further support of the revised training requirements, CIPFA's Better Governance Forum and Treasury Management Network have produced a 'self-assessment by members responsible for the scrutiny of treasury management', which is available from the CIPFA website to download.
- 19 The following training has been undertaken by members on the 16th June 2022 and further training will be arranged as required.
- 20 The training needs of treasury management officers are periodically reviewed.
- 21 A formal record of the training received by officers central to the Treasury function will be maintained by the Finance Manager - Technical. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by the Finance Manager - Technical.

Treasury management consultants

- 22 The Councils Treasury Management advisors are Link Asset Services.
- 23 The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.
- 24 It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

The Capital Prudential Indicators 2025/26 – 2027/28

- 25 The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure and Financing

- 26 This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund	81,828	122,881	136,388	36,792	37,316
General Fund - SEN Capitalisation	-	-	60,000	-	-
HRA	24,417	34,866	43,004	35,014	27,290
Total	106,245	157,747	239,392	71,806	64,606

- 27 The following tables summarise the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

General Fund Capital Expenditure

Capital expenditure	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
General Fund Total	81,828	122,881	196,388	36,792	37,316
Financed by:					
Capital receipts	-	23	-	-	-
Capital grants & Contributions	49,871	69,614	109,091	22,328	25,468
Revenue, S106 and CIL financing	1,943	4,904	6,045	2,209	518
Prudential Borrowing	30,014	48,340	21,252	12,255	11,330
SEN Capitalisation	-	-	60,000	-	-
Total financing for the year	81,828	122,881	196,388	36,792	37,316

HRA Capital Expenditure

Capital expenditure	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
HRA Total	24,417	34,866	43,004	35,014	27,290
Financed by:					
Capital receipts	2,884	3,143	4,720	4,764	2,888
Capital grants & Contributions	1,222	5,880	6,093	11,733	607
Revenue, S106 and CIL financing	5,515	7,070	5,807	500	500
Major Repairs Allowance	14,796	16,388	17,302	17,202	17,202
Prudential Borrowing	-	2,385	9,082	815	6,093
Total financing for the year	24,417	34,866	43,004	35,014	27,290

The Council's borrowing need (the Capital Financing Requirement)

- 28 The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.
- 29 The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.
- 30 The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes.

31 The Council is asked to approve the CFR projections:

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Capital Financing Requirement					
CFR – General Fund	378,884	415,917	485,352	485,069	482,688
CFR – HRA	131,474	132,859	140,941	140,756	145,849
Total CFR	510,358	548,776	626,293	625,825	628,537
Movement in CFR	19,725	38,418	77,517	(468)	2,712
Movement in CFR represented by					
Net movement in borrowing for the year (above)	30,014	50,725	90,334	13,070	17,423
Less MRP/VRP and other financing movements	(11,013)	(12,307)	(12,817)	(13,538)	(14,711)
Movement in CFR	19,001	38,418	77,517	(468)	2,712

32 A key aspect of the regulatory and professional guidance is that elected members are aware of the size and scope of any borrowing in relation to the authority's overall financial position. The capital expenditure figures and the details above demonstrate the scope of this activity and, by approving these figures, consider the scale proportionate to the Council's remaining activity.

Liability Benchmark

33 The Authority is required to estimate and measure the Liability Benchmark for the forthcoming financial year and the following two financial years, as a minimum.

34 There are four components to the LB: -

- Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
- Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
- Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

35 Appendix 4 to this strategy illustrates the graphical estimate of the liability benchmark for the general fund and HRA separately. It confirms both funds have net loan requirement supported by the internal borrowing capacity of the authority. This benchmark will continually be updated and referred to as new borrowing is considered in the medium term.

Core Funds and Expected Investment Balances

36 The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each

year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Fund balances / reserves	77,020	67,543	56,984	53,503	53,503
Capital receipts	9,295	2,000	2,000	2,000	2,000
Provisions	26,335	15,000	15,000	15,000	15,000
Other	23,018	(85,400)	(85,400)	(145,400)	(205,400)
Total core funds	135,668	(857)	(11,416)	(74,897)	(134,897)
Working Capital*	(146,555)	(146,555)	(146,555)	(146,555)	(146,555)
Under/over borrowing	209,205	132,622	26,138	(122,331)	(267,620)
Expected Internal Investments	62,650	(13,933)	(120,417)	(268,886)	(414,175)

**Working capital balances shown are estimated year-end; these may be higher mid-year*

Minimum Revenue Provision (MRP) policy statement

- 37 The Authority's MRP policy was amended in 2023/24 following a comprehensive review of MRP charges and methodology. This updated policy reflects the new MRP calculation methods to be implemented.
- 38 For supported capital expenditure incurred before 1st April 2008, the Authority will apply the Asset Life Method using an annuity calculation.
- 39 Unsupported borrowing will be subject to MRP under option 3 of the guidance (Asset Life Method). MRP will be based on the estimated life of the assets in accordance with the statutory guidance using the annuity method, calculated on a weighted average basis, where appropriate.
- 40 MRP in respect of unsupported borrowing taken to meet expenditure, which is treated as capital expenditure by virtue of either a capitalisation direction or regulations, will be determined in accordance with the asset lives as recommended by the statutory guidance.
- 41 The interest rate applied to the annuity calculations will reflect the market conditions at the time, and will for the current financial year be based on PWLB annuity rates
- 42 Where applicable, repayments included in annual PFI or finance leases are applied as MRP.
- 43 MRP Overpayments - The MRP Guidance allows that any charges made in excess of the statutory minimum revenue provision (MRP), i.e. voluntary revenue provision or overpayments, can be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. The amount of VRP overpayments up to 31st March 2024 was £7.2m
- 44 MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for asset under construction where the MRP will be deferred until the year after the asset becomes operational.

Borrowing

- 45 The capital expenditure plans set out earlier provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

Current portfolio position

- 46 The overall Treasury Management portfolio as at 31 March 2024 and for the position as at 31 December 2024 are shown below for both borrowing and investments.

	Actual 31/03/2024 £'000	Actual 31/03/2024 %	Current 31/12/2024 £'000	Current 31/12/2024 %
Treasury investments				
Money Market Funds	3,675	13%	850	2%
Bank Deposits	10,000	35%	0	0%
Local Authorities	15,000	52%	48,000	98%
Call Account	0	0%	0	0%
Total Treasury Investments	28,675	100%	48,850	100%
Treasury External Borrowing				
PWLB	188,896	64%	188,896	53%
Local Authorities	43,500	15%	84,500	24%
Private Sector	62,423	21%	80,768	23%
Salix	0	0%	0	0%
Total External Borrowing	294,819	100%	354,164	100%
Net treasury investment / (borrowing)	(266,144)		(305,314)	

- 47 The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
External Debt					
Treasury Debt 1st April	273,221	295,126	410,769	595,412	744,055
PFI and Finance Lease Liability	6,027	5,385	4,743	4,101	3,459
Expected change in Debt	21,905	115,643	184,643	148,643	148,643
Actual gross debt at 31 March	301,153	416,154	600,155	748,156	896,157
The Capital Financing Requirement	510,358	548,776	626,293	625,825	628,537
Under / (over) borrowing	209,205	132,622	26,138	(122,331)	(267,620)

- 48 Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2025/26 and the following two financial years. This allows

some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

- 49 The S151 officer reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.
- 50 It should be highlighted that the Treasury Strategy 2025/26 assumes that the council will be rewarded a capitalisation directive of £60m allowing it to offset the forecast deficit on special education needs for that year only. The hope is the government find a long-term solution to the problem so only a years borrowing has been assumed. If a solution is not forthcoming then a further capitalisation would be required every year thereafter.

Treasury Indicators: limits to borrowing activity

- 51 **The operational boundary.** This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.
- 52 **The authorised limit for external debt.** A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.
- a This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all Councils' plans, or those of a specific Council, although this power has not yet been exercised.
- b The Audit and Governance Committee is asked to approve the following authorised limit:

	2023/24 Actual £'000	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
Operational Boundary	755	775	800	825	850
Authorised Limit	785	810	835	860	895

Prospects for interest rates

- 53 The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 11.11.24. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 11.11.24													
	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27
BANK RATE	4.75	4.50	4.25	4.00	4.00	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
3 month ave earnings	4.70	4.50	4.30	4.00	4.00	4.00	3.80	3.80	3.80	3.50	3.50	3.50	3.50
6 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
12 month ave earnings	4.70	4.40	4.20	3.90	3.90	3.90	3.80	3.80	3.80	3.50	3.50	3.50	3.50
5 yr PWLB	5.00	4.90	4.80	4.60	4.50	4.50	4.40	4.30	4.20	4.10	4.00	4.00	3.90
10 yr PWLB	5.30	5.10	5.00	4.80	4.80	4.70	4.50	4.50	4.40	4.30	4.20	4.20	4.10
25 yr PWLB	5.60	5.50	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.50
50 yr PWLB	5.40	5.30	5.20	5.10	5.00	4.90	4.80	4.70	4.60	4.50	4.40	4.30	4.30

Additional notes by Link on this forecast table: -

- 54 The latest forecast sets out a view that both short and long-dated interest rates

will start to fall once it is evident that the Bank of England has been successful in squeezing excess inflation out of the economy, despite a backdrop of stubborn inflationary factors and a tight labour market.

55 Following the 30th October Budget, the outcome of the US Presidential election on 6th November, and the 25bps Bank Rate cut undertaken by the Monetary Policy Committee (MPC) on 7th November, we significantly revised our central forecasts for the first time since May. In summary, our Bank Rate forecast is now 50bps – 75bps higher than was previously the case, whilst our PWLB forecasts have been materially lifted to not only reflect our increased concerns around the future path of inflation, but also the increased level of Government borrowing over the term of the current Parliament.

56 If we reflect on the 30th October Budget, our central case is that those policy announcements will be inflationary, at least in the near-term. The Office for Budgetary Responsibility and the Bank of England concur with that view. The latter have the CPI measure of inflation hitting 2.5% y/y by the end of 2024 and staying sticky until at least 2026. The Bank forecasts CPI to be 2.7% y/y (Q4 2025) and 2.2% (Q4 2026) before dropping back in 2027 to 1.8% y/y.

Borrowing strategy

57 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow have been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains elevated through to the second half of 2024.

58 Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.
- if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.

59 Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

60 The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

- 61 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

- 62 Rescheduling of current borrowing in our debt portfolio may be considered whilst premature redemption rates remain elevated but only if there is surplus cash available to facilitate any repayment, or rebalancing of the portfolio to provide more certainty is considered appropriate.
- 63 If rescheduling was done, it will be reported to the Audit and Governance Committee, at the earliest meeting following its action.

Approved Sources of Long- and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
UK Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

Annual Investment Strategy

Investment Policy

- 64 The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).
- 65 The Council’s investment policy has regard to the following: -
- DLUHC’s Guidance on Local Government Investments (“the Guidance”)

- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2021

The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

- 66 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider “laddering” investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.
- 67 The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -
- a) Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
 - b) Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - c) Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - d) This Authority has engaged external consultants, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - e) All investments will be denominated in sterling.
 - f) As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 until 31.3.25)
- 68 However, this Authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

- 69 The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- a It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
 - b It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- 70 The Chief Financial Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to which types of investment instruments that can be used as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 71 Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer-term change) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 72 The criteria for providing a pool of high-quality investment counterparties (both specified and non-specified investments) is:

Sovereign Ratings

- AAA (non-UK)

(Rating Description: AAA = Prime Rating, AA+, AA, AA- = High Grade Rating)

Appendix 2 sets out the current list of countries that the Council can invest funds with.

The UK sovereign rating is currently AA. To ensure that the Treasury Function has capacity to operate effectively no specific minimum UK sovereign rating has been set out.

Selection Criteria

- 73 Banks 1 - the Council will use UK and non-UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard & Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

- 74 Investments will include term deposits, call accounts, notice accounts and Certificate of Deposits.
- a Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
 - b Banks 3 – The Council's own bankers (HSBC, Lloyds and Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
 - c Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
 - d Building societies. The Council will use societies which meet the ratings for Banks 1 outlined above.
 - e Money Market Funds (MMFs) Constant net asset value (CNAV)
 - f Money Market Funds (MMFs) Low-Volatility net asset value (LVNAV)
 - g Money Market Funds (MMFs) Variable net asset value (VNAV)
 - h Ultra-Short Dated Bond Funds with a credit rating of at least 1.25
 - i Ultra-Short Dated Bond Funds with a credit rating of at least 1.50
 - j Cash Plus Funds
 - k UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility (DMADF))
 - l Local authorities, Police and Fire Authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
 - m Pooled Funds

Maximum Time and Monetary Limits applying to Investments

- 75 The maximum amount that can be invested in any one institution at the time of the investment (including call accounts) as a percentage of the total investment portfolio has been reviewed and rationalised. All AA- and above rated institutions have a maximum limit of 25%, all A+, A or A- rated institutions have a maximum limit of 20%. For practical reasons where the average investment balance falls below £10m it may become necessary to increase the percentage limit to 33% at the time of investment (this only applies to call accounts and money market funds).
- 76 The maximum time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months
Banks 2 category – part-nationalised	N/A	20%	2 years
Limit 3 category – Council's banker Barclays	AA-	25%	3 months
DMADF	UK sovereign rating	Unlimited	6 months
Local Authorities	N/A	20%	5 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access
Ultra-Short Dated Bond Funds	N/A	25%	Unlimited

Use of additional information other than credit ratings

77 Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information will be applied to compare the relative security of differing investment counterparties.

Investment strategy

In-house funds

78 Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

Investment returns expectations

79 Bank Rate is forecast to over the next two years reaching 3.5% by December 2026.

- 80 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows: -

Average earnings in each year	
2024/25 (residual)	4.55%
2025/26	3.10%
2026/27	3.00%
2027/28	3.25%
2028/29	3.25%
Years 6 to 10	3.25%
Years 10+	3.25%

Investment treasury limit

- 81 The maximum period for investments will be 5 years.

Ethical Investing

- 82 This is an area of investing that is becoming increasingly considered by financial institutions and customers. Products from financial institutions are growing but still remain limited. To consider investing in sustainable deposits they will still need to meet our counterparty criteria and parameters set out earlier in the strategy. Investment guidance, both statutory and from CIPFA, makes clear that all investing must adopt SLY principles – security, liquidity and yield: ethical issues must play a subordinate role to those priorities. The Treasury team will continue to explore this area and report to members of any further developments.

Treasury Management Policy, Practices and Schedules

- 83 The Treasury Management Policy, Practices and Schedules will be presented alongside this 2025/26 update of the TM Strategy.

Appendices

Appendix 1 - Economic Background

Appendix 2 - Approved Countries for investments

Appendix 3 - The Treasury Management role of the S151 Officer

Appendix 4 - Liability Benchmarking – GF and HRA

Appendix 1: Economic Background (provided by Link Asset Services)

The third quarter of 2024/25 (October to December) saw:

- GDP growth contracting by 0.1% m/m in October following no growth in the quarter ending September;
 - The 3myy rate of average earnings growth increase from 4.4% in September to 5.2% in October;
 - CPI inflation increase to 2.6% in November;
 - Core CPI inflation increase from 3.3% in October to 3.5% in November;
 - The Bank of England cut interest rates from 5.0% to 4.75% in November and hold them steady in December.
 - 10-year gilt yields starting October at 3.94% before finishing up at 4.57% at the end of December (peaking at 4.64%).
- The 0.1% m/m fall in GDP in October was the second such decline in a row and meant that GDP would need to rise by 0.1% m/m or more in November and December, for the economy to grow in Q4 as a whole rather than contract. With on-going concern over the impact of the October budget and drags from higher interest rates and weak activity in the euro zone, our colleagues at Capital Economics have revised down their forecast for GDP growth in 2025 to 1.3% (it was initially 1.8% in the immediate wake of the Budget.)
 - This quarter saw the composite activity Purchasing Manager Index (PMI) dip below the level of 50 that separates expansion from contraction for the first time since October 2023. Although December's composite PMI came in above this level, at 50.5, this was still consistent with the 0% rise in real GDP in Q3 being followed by a flat-lining, or potential contraction, in the final quarter of 2024. However, the economy is unlikely to be quite as weak as that given that the PMIs do not capture rises in government spending, but the data does underline the continued divergence in trends between the manufacturing and services sectors. The manufacturing PMI fell for its fourth consecutive month in December, from 48.0 in November to 47.3. That's consistent with manufacturing output falling by 1.5% q/q in the final quarter of 2024 after flatlining through the summer months. This weakness in the manufacturing sector was offset by a rebound in the services sector. The services PMI rose from 50.8 in November to 51.4 in December, which is consistent with non-retail services output growth increasing from +0.1% q/q to +0.3% for October - December. This suggests that more of the recent slowdown in GDP is being driven by the weakness in activity overseas rather than just domestic factors. Additionally, the services output prices balance rose for the third consecutive month, from 55.4 in November to 56.9, showing signs that price pressures are reaccelerating.
 - After rising by 1.4% q/q in July - September, the retail sector had a difficult final quarter of the year. Indeed, the bigger-than-expected 0.7% m/m fall in retail sales in October (consensus forecast -0.3% m/m) suggested that households' concerns about expected tax rises announced in the Budget on 30th October contributed to weaker retail spending at the start of the quarter. The monthly decline in retail sales volumes in October was reasonably broad based, with sales in five of the seven main sub sectors slipping. However, the potential for seasonally adjusted sales to rise in November - if October's figures were impacted by the timing of the school half term – combined with a rebound in consumer confidence and rising real incomes, points to some promise to the final quarter of 2024

- The Government's October budget outlined plans for a significant £41.5bn (1.2% of GDP) increase in taxes by 2029/30, with £25bn derived from a 1.2% rise in employers' national insurance contributions. The taxes are more than offset by a £47bn (1.4% of GDP) rise in current (day-to-day) spending by 2029/30 and a £24.6bn (0.7% of GDP) rise in public investment, with the latter being more than funded by a £32.5bn (1.0% of GDP) rise in public borrowing. The result is that the Budget loosens fiscal policy relative to the previous government's plans - although fiscal policy is still being tightened over the next five years – and that GDP growth is somewhat stronger over the coming years than had previously been forecasted. By way of comparison, the Bank of England forecasts four-quarter GDP growth to pick up to almost 1¾% through 2025 (previously forecast to be 0.9%) before falling back to just over 1% in 2026.
- December's pay data showed a rebound in wage growth that will likely add to the Bank of England's inflationary concerns. The 3myy rate of average earnings growth increased from 4.4% in September (revised up from 4.3%) to 5.2% in October (consensus forecast 4.6%) and was mainly due to a rebound in private sector pay growth from 4.6% to 5.4%. Excluding bonuses, public sector pay stagnated in October and the 3myy rate fell from 4.7% to 4.3%.
- The number of job vacancies also fell again from 828,000 in the three months to October to 818,000 in the three months to November. This marks the first time it has dropped below its pre-pandemic February 2020 level of 819,000 since May 2021. Despite this, the Bank of England remains concerned about the inflationary influence of high wage settlements as well as the risk of a major slowdown in labour market activity.
- CPI inflation has been on the rise this quarter, with the annual growth rate increasing from 1.7% in September to 2.3% in October, before rising further to 2.6% in November. Although services CPI inflation stayed at 5.0% in November, the Bank had expected a dip to 4.9%, while the timelier three-month annualised rate of services CPI rose from 5.0% to 5.1%. That shows that there currently isn't much downward momentum. Moreover, the wider measure of core CPI inflation rose from 3.3% to 3.5% in November. Both services and core inflation are currently at rates well above those consistent with the 2.0% target and are moving in the wrong direction. Capital Economics forecast that after dipping to 2.5% in December, CPI inflation will rise further in January, perhaps to 2.8%. Although CPI inflation is expected to be back at close to the 2.0% target by the end of 2025, given that a lot of the rise in inflation in the coming months will be due to base effects that won't persist, the potential for a broader set of tariffs to arise from the US as well as the constant threat of geo-political factors to impact energy and food prices suggest risks remain very much to the upside.
- Throughout the quarter gilt yields have risen. The 10-year gilt yield increased from 3.94% at the start of October to 4.57% by the year end (and has subsequently risen to 4.64% early in 2025). As recently as mid-September 10-year gilt yields were at their low for the financial year, but since then, and specifically after the Budget at the end of October, yields have soared. Overall, the reaction to the UK Budget highlights how bond markets are both fragile and highly attentive to news about the fiscal outlook.
- The FTSE 100 started off this quarter at 8,276, before finishing up at 8,121. In particular, UK markets have continued to fall further behind US equities, a trend which has accelerated since Trump's election victory in November, partly due to the

UK stock market being less exposed to AI hype, and it being weighed down by its relatively large exposure to the energy and materials sectors.

MPC meetings: 7th November & 18th December 2024

- On 7 November, Bank Rate was cut by 0.25% to 4.75%. The vote was 8-1 in favour of the cut, but the language used by the MPC emphasised “gradual” reductions would be the way ahead with an emphasis on the inflation and employment data releases, as well as geo-political events.
- At the 18 December meeting, another split vote arose. Members voted 6-3 to keep Bank Rate on hold at 4.75%, but dissenters (Dhingra, Ramsden and Taylor) were keen for rates to be cut further as concerns over the slowing down of the UK economy took root, despite near-term inflation fears remaining.
- The MPC again stated that “a gradual approach” to rate cuts “remains appropriate” and that policy will “remain restrictive for sufficiently long”.

PWLB maturity Certainty Rates 1st April to 31st December 2024

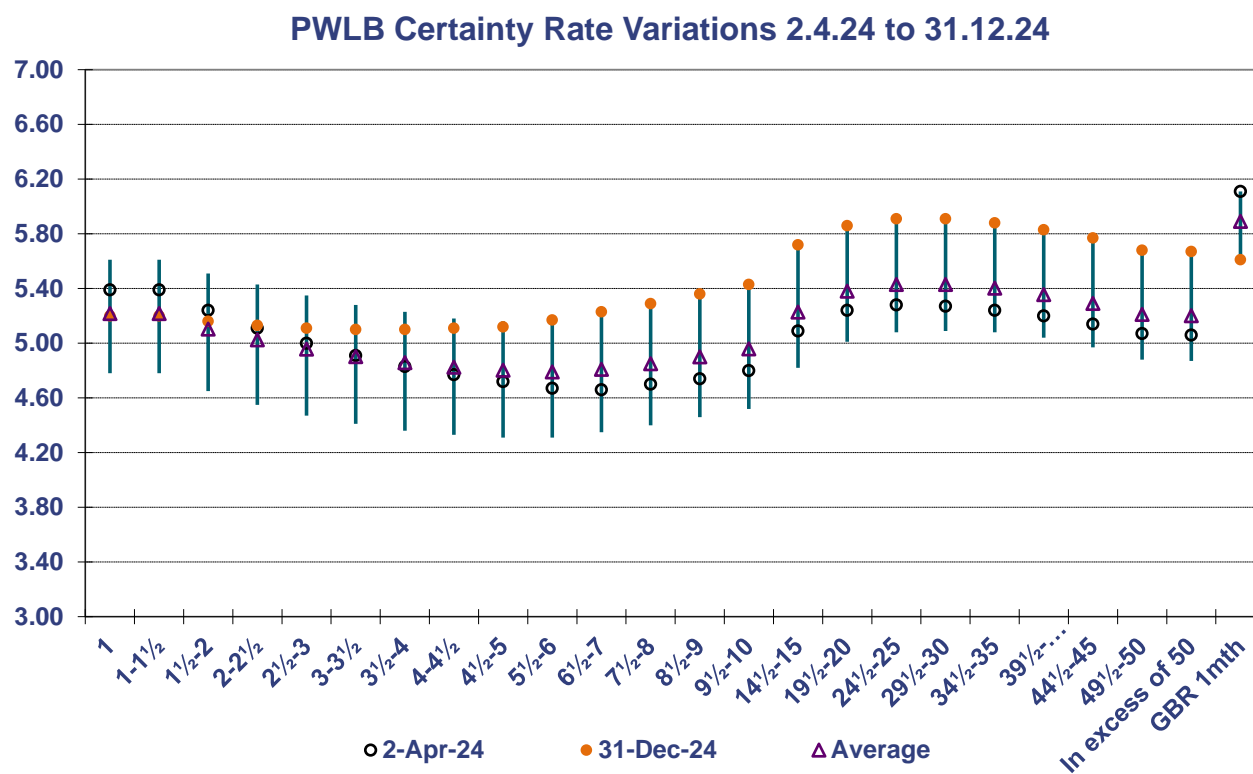
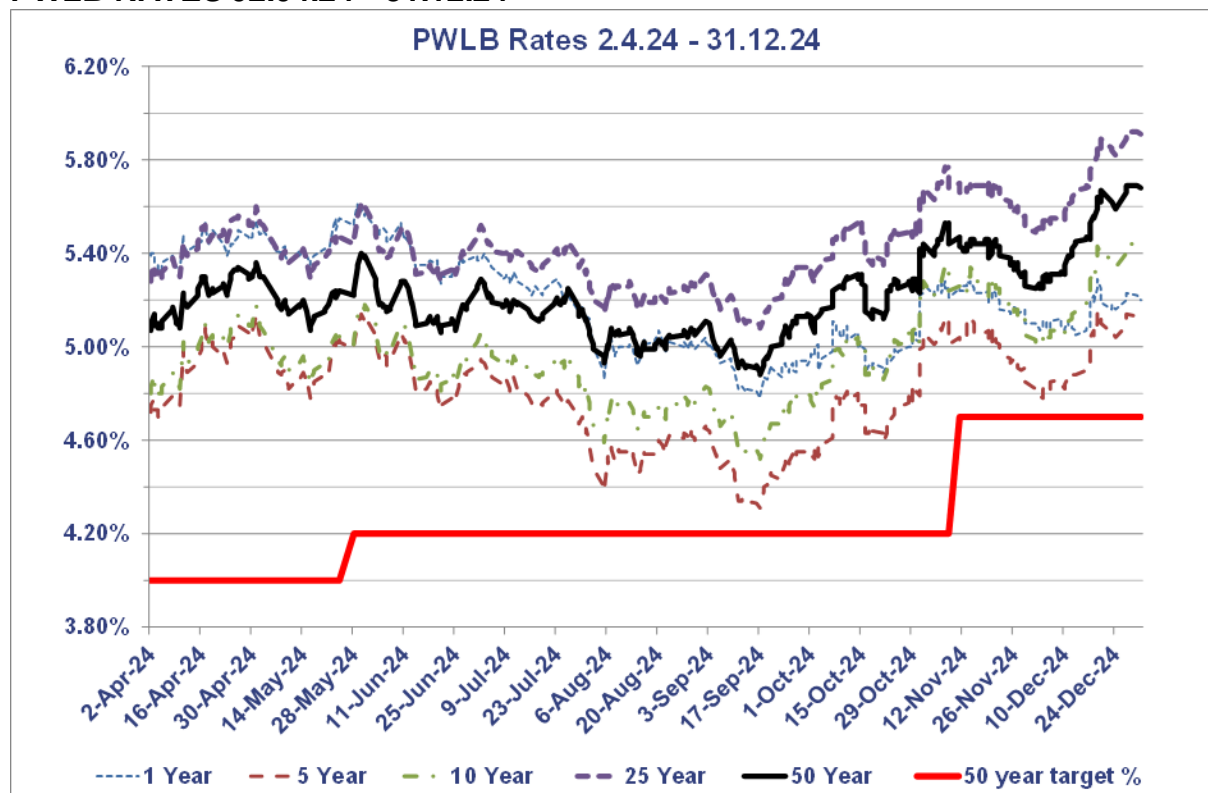
Medium and longer-dated gilt yields, and therein PWLB rates, have moved significantly higher over the course of the financial year, culminating in long-term rates approaching levels last seen in 1998. The rise in medium to long-term yields has arisen because of several factors. Namely, the inflation outlook has become stickier than the market anticipated earlier in the year, with wages remaining somewhat elevated (currently increases are c5% y/y) and the labour market tight (unemployment a little above 4% and job vacancies more than 800,000).

Moreover, the Government has not fully convinced the markets that the UK economy is about to undergo a material increase in productivity and growth. The quarter ending 30th September saw UK GDP stagnate and the prospects for 2025 are somewhat opaque at present. With the UK public finances seemingly under pressure too (as of 7th January, it is estimated that the Chancellor’s October Budget contingency is less than £1bn following the recent rise in gilt yields), and historic buyers of longer-dated gilts – pension funds and insurance companies – targeting shorter-dated maturities of late, it is not that great a surprise that yields have risen in the longer dates even as the Debt Management Office has sought to issue debt with shorter durations than might normally have been the case.

There is also anecdotal evidence that hedge funds, who are not long-term holders of long-dated debt issuance, as a rule, may be more active in this part of the market than has normally been the case. Their presence, arguably, adds volatility to the equation. Consequently, and pulling all these factors together, and it is clear that any signs of public finance weakness could lead to elevated yields from time to time.

Additionally, US Treasury yields have also risen prior to Donald Trump’s inauguration as US President on 20th January. Markets are nervous as to what the effect of deportation, tariff and tax-cutting policies will have on inflation. Given the impact US markets have globally, this is another contributing factor to the near-term rise in UK yields. The hope is that when the “unknowns” become known, markets will behave in a calmer fashion and yields fall back. But that is not certain.

PWLB RATES 02.04.24 - 31.12.24



HIGH/LOW/AVERAGE PWLB RATES FOR 02.04.24 – 31.12.24

	1 Year	5 Year	10 Year	25 Year	50 Year
02/04/2024	5.39%	4.72%	4.80%	5.28%	5.07%
31/12/2024	5.20%	5.12%	5.43%	5.91%	5.68%
Low	4.78%	4.31%	4.52%	5.08%	4.88%
Low date	17/09/2024	17/09/2024	17/09/2024	17/09/2024	17/09/2024
High	5.61%	5.16%	5.44%	5.92%	5.69%
High date	29/05/2024	19/12/2024	19/12/2024	19/12/2024	27/12/2024
Average	5.22%	4.80%	4.96%	5.43%	5.21%
Spread	0.83%	0.85%	0.92%	0.84%	0.81%

Appendix 2: Approved countries for investments

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- Qatar

AA-

- Belgium
- France
- **U.K.**

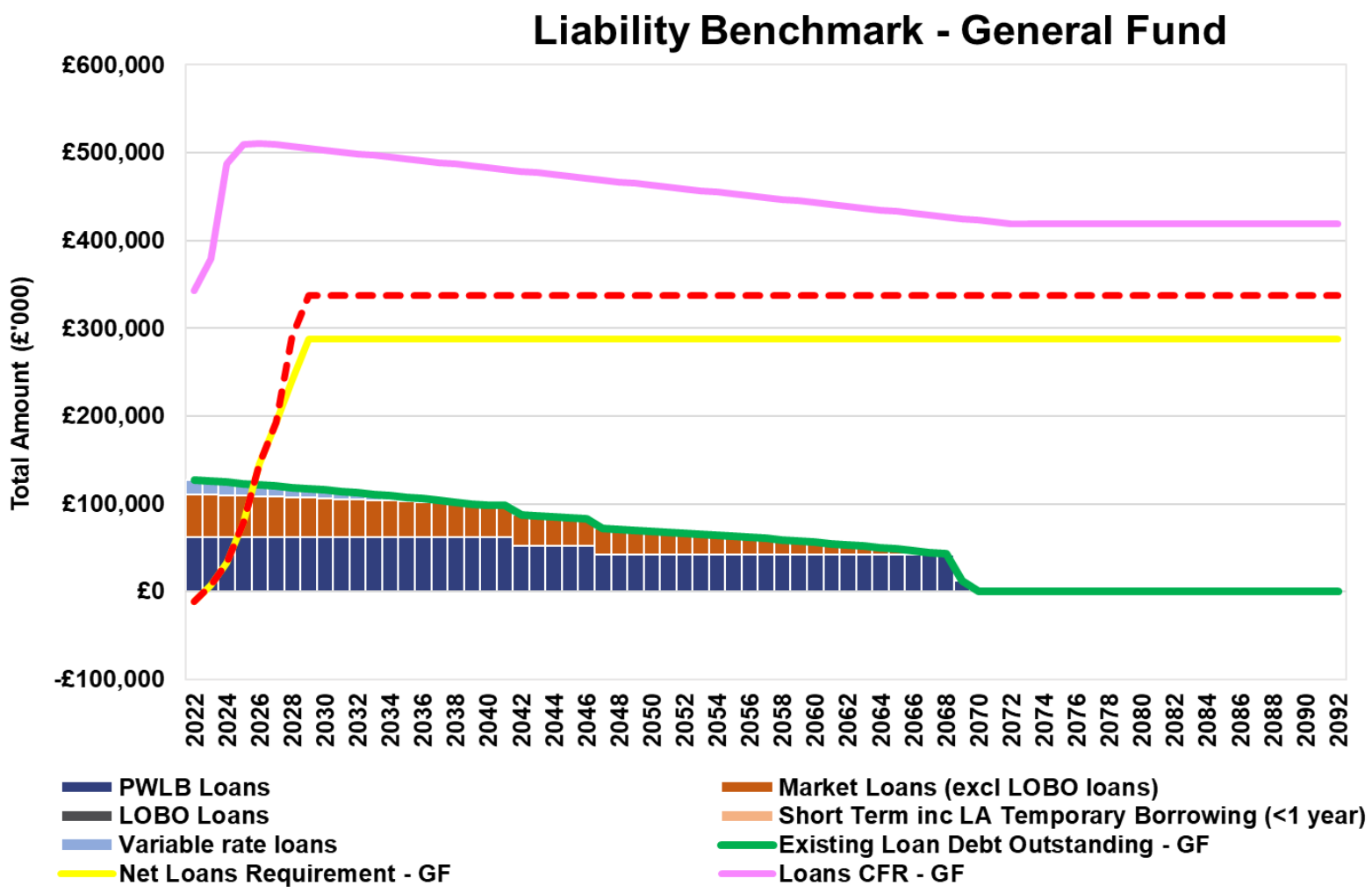
Appendix 3: The Treasury Management role of the section 151 officer

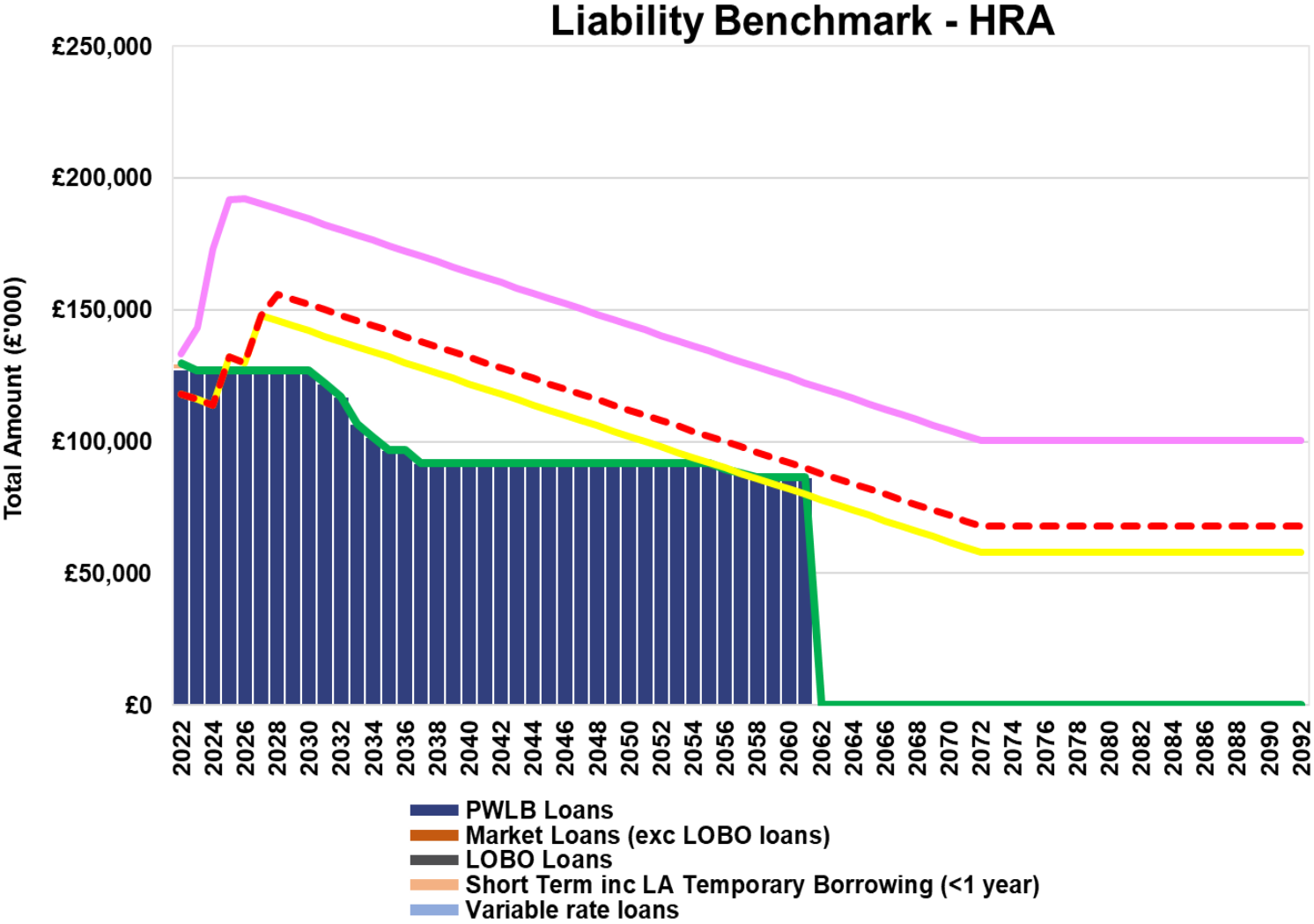
The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe (say 20+ years – *to be determined in accordance with local priorities.*)
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following:-
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 4 – Liability Benchmark – General Fund





Bournemouth, Christchurch and Poole Council

Treasury Management Policy, Practices and Schedules

Treasury Management Practices and Schedules

The Treasury Management Practices (TMPs) and Schedules set out the manner in which the Council will seek to achieve its Treasury Management Policies and objectives and how it will manage and control those activities.

TMP 1 – Treasury Risk Management

TMP 2 – Best Value and Performance Measurement

TMP 3 – Decision-Making and Analysis

TMP 4 - Approved Instruments, Methods and Techniques

TMP 5 - Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

TMP 6 - Reporting Requirements and Management Information Arrangements

TMP 7 - Budgeting, Accounting and Audit Arrangements

TMP 8 - Cash and Cash Flow Management

TMP 9 - Money Laundering

TMP 10 - Staff Training and Qualifications

TMP 11 - Use of External Service Providers

TMP 12 - Corporate Governance

TMP1 Treasury Risk Management

- 1 The S151 Officer will design, implement and monitor all arrangements for the identification, management and control of treasury management risk, will report at least annually on the adequacy/suitability thereof, and will report, as a matter of urgency, the circumstances of any actual or likely difficulty in achieving the organisation's objectives in this respect, all in accordance with the procedures set out in TMP6 Reporting Requirements and Management Information Arrangements. In respect of each of the following risks, the arrangements which seek to ensure compliance with these objectives are set out in the schedule to this document.

Credit and Counterparty Risk Management

Credit and counter-party risk is the risk of failure by a counterparty to meet its contractual obligations to the organisation under an investment, borrowing, capital project or partnership financing, particularly as a result of the counterparty's diminished creditworthiness, and the resulting detrimental effect on the organisation's capital or current (revenue) resources.

- 2 The Council regards a key objective of its treasury management activities to be the security of the principal sums it invests. Accordingly, we will ensure that the counterparty list and limits reflect a prudent attitude towards organisations with which funds may be deposited, and will limit the investment activities to the instruments, methods and techniques referred to in TMP4 Approved Instruments, Methods and Techniques and listed in the schedule to this document. The Council also recognises the need to have, and will therefore maintain, a formal counterparty policy in respect of those organisations from which it may borrow, or with whom it may enter into other financing arrangements.
- 3 The S151 Officer will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to which types of investment instruments that can be used as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.
- 4 The minimum rating criteria uses method of selecting counterparties and applying limits. The Council will use UK and non-UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard and Poor's credit ratings. Credit rating information is supplied by Link Asset Services, our treasury consultants, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.
- 5 The criteria for providing a pool of high quality investment counterparties (both specified and non-specified investments) is:

Sovereign Ratings

- AA (UK)
- AAA (non UK)

(Rating Description – AAA = Prime Rating, AA+, AA, AA- = High Grade Rating)

Selection Criteria

- Banks 1 - the Council will use UK and non UK banks which have, as a minimum at least one of, the following Fitch, Moody's and Standard and Poors credit ratings (where rated):

	Fitch	Moody's	Standard & Poors
Short Term	F1	P1	A-1
Long Term	A-	A3	A-

Investments will include term deposits, call accounts, notice accounts and CD's.

- Banks 2 – Part nationalised UK bank – Royal Bank of Scotland ring-fenced operations. This bank can be included provided it continues to be part nationalised or it meets the ratings in Banks 1 above.
- Banks 3 – The Council's own bankers (HSBC, Lloyds and Barclays) for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimised in both monetary size and time.
- Bank subsidiary and treasury operation - The Council will use these where the parent bank has provided an appropriate guarantee or has the necessary ratings outlined above.
- Building societies. The Council will use societies which meet the ratings for Banks 1 outlined above.
- Money Market Funds (MMFs) Constant net asset value (CNAV)
- Money Market Funds (MMFs) Low-Volatility net asset value (LVNAV)
- Money Market Funds (MMFs) Variable net asset value (VNAV)
- Ultra-Short Dated Bond Funds with a credit rating of at least 1.25
- Ultra-Short Dated Bond Funds with a credit rating of at least 1.50
- Cash Plus Funds
- UK Government (including gilts, Treasury Bills and the Debt Management Account Deposit Facility (DMADF))
- Royal Bournemouth and Christchurch Hospital NHS Foundation trusts
- Local authorities, Police and Fire Authorities, Parish Councils, BCP Council Companies (Subsidiaries) and Partnerships.
- Pooled Funds

Maximum Time and Monetary Limits applying to Investments

- 6 The maximum amount that can be invested in any one institution at the time of the investment (including call accounts) as a percentage of the total investment portfolio has been reviewed and rationalised. All AA- and above rated institutions have a maximum limit of 25%, all A+, A or A- rated institutions have a maximum limit of 20%. For practical reasons where the average investment balance falls below £10m it may become necessary to increase the percentage limit to 33% at the time of investment (this only applies to call accounts and money market funds).
- 7 The maximum time and monetary limits for institutions on the Council's Counterparty List are as follows (these will cover both Specified and Non-Specified Investments):

	Long Term Rating	Money Limit	Time Limit
Banks 1 higher quality	AA-	25%	2 years
Banks 1 medium quality	A	20%	1 year
Banks 1 lower quality	A-	20%	6 months
Banks 2 category – part-nationalised RBS / Nat West	N/A	20%	2 years
Banks 3 category – Council's banker HSBC / Barclays / Lloyds	AA-	25%	3 months
UK Government (including gilts, Treasury Bills and the DMADF)	AAA	25%	6 months
Local Authorities	N/A	20%	5 years
Money Market Funds CNAV	AAA	25%	Instant access
Money Market Funds LVNAV	AAA	25%	Instant access
Money Market Funds VNAV	AAA	25%	Instant access

Ultra-Short Dated Bond Funds	N/A	25%	Unlimited
Cash Plus Funds	AAA	25%	Unlimited
UK Gilts	UK Sovereign Rate	25%	5 years

Approved methodology for changing limits and adding/removing counterparties

- 8 Credit ratings for individual counterparties can change at any time. The S151 Officer is responsible for applying the stated credit rating criteria outlined above for selecting approved counterparties, and will add or delete counterparties as appropriate to / from the approved counterparty list when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers.
- 9 The S151 Officer will also adjust lending limits and periods when there is a change in the credit ratings of individual counterparties or in banking structures e.g. on mergers or takeovers in accordance with the criteria outlined above.

Liquidity Risk Management

- 10 This is the risk that cash will not be available when it is needed, that ineffective management of liquidity creates additional unbudgeted costs, and that the Council's business/service objectives will be thereby compromised.
- 11 The Council will ensure it has adequate though not excessive cash resources, borrowing arrangements, overdraft or standby facilities to enable it at all times to have the level of funds available to it which are necessary for the achievement of its business/service objectives.
- 12 The Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme or to finance future debt maturities.

Cash flow and cash balances

- 13 The Council will aim for effective cash flow forecasting and monitoring of cash balances and will maintain a rolling 12 month cash flow forecast.

The Treasury Management function shall seek to optimise the balance held in the Council's main bank accounts at the close of each working day in order to minimise the amount of bank overdraft interest payable or maximise the amount of interest that can be earned.

In order to achieve the maximum return from investments, a daily cash balance of +/- £50,000 is the normal objective for the Council's bank account. Note - it may not always be possible or practical to achieve this target for various reasons, such as, late or fluctuating receipts after the treasury management activities for the day have been completed.

Short term investments

- 14 Funds are held in overnight accounts, call accounts or money market funds specifically in order to deal with day to day cash flow fluctuations.

Temporary borrowing

- 15 Temporary borrowing up to 364 days through the money market is available should there be a cash flow deficit at any point during the year.

At no time will the outstanding total of temporary and long-term borrowing together with any bank overdraft exceed the Prudential Indicator for the Authorised Borrowing Limit agreed by the Council before the start of each financial year.

Bank Overdraft and standby facilities

- 16 The Council has an authorised overdraft limit with its bankers of up to £100k at an agreed rate of 2.39% over base rate.

Interest Rate Risk Management

- 17 The risk that fluctuations in the levels of interest rates create an unexpected or unbudgeted burden on the Council's finances, against which the Council has failed to protect itself adequately.
- 18 The Council will manage its exposure to fluctuations in interest rates with a view to containing its net interest costs, or securing its interest revenues, in accordance with the amounts provided in its budgetary arrangements as amended in accordance with TMP6 Reporting Requirements and Management Information Arrangements.
- 19 It will achieve these objectives by the prudent use of its approved financing and investment instruments, methods and techniques, primarily to create stability and certainty of costs and revenues, but at the same time retaining a sufficient degree of flexibility to take advantage of unexpected, potentially advantageous changes in the level or structure of interest rates. The above are subject at all times to the consideration and, if required, approval of any policy or budgetary implications.
- 20 The Council's Policy will limit its exposure to interest rate changes by allowing a maximum of 4% of borrowing to be at variable interest and a maximum of 100% to be at fixed rate. In addition, a maximum of 50% of investments can be made at variable interest and a maximum of 100% to be at fixed rate.
- 21 Interest rates will be monitored by the Assistant Chief Financial Officer and information about possible changes in interest rates gathered from market sources.

Policies concerning other instruments for interest rate management.

- 22 Forward dealing - Will only be undertaken where the date of commencement is 3 months (or less) for an investment from the date that funds will be transferred, in order to minimise risk due to uncertainties in the cash flow projections. The maximum length of time permissible for all investments will be 5 years.

Exchange Rate Risk Management

- 23 The risk that fluctuations in foreign exchange rates create an unexpected or unbudgeted burden on the organisation's finances, against which the organisation has failed to protect itself adequately.

Approved criteria for managing changes in exchange rate levels

- i) As a result of the nature of the Council's business, it may have an exposure to exchange rate risk from time to time. This will mainly arise from the receipt of income or the incurring of expenditure in a currency other than sterling. The Council will adopt a full hedging strategy to control and add certainty to the sterling value of these transactions. This will mean that the Council will eliminate all foreign exchange exposures as soon as they are identified.
- ii) Where there is a contractual obligation to receive income or make a payment in a currency other than sterling at a date in the future, forward foreign exchange transactions will be considered, with professional advice, to comply with this full cover hedging policy. Unexpected receipt of foreign currency income will be converted to sterling at the earliest opportunity unless the Council has a contractual obligation to make a payment in the same currency at a date in the future. In this instance, the currency will be held on deposit to meet this expenditure commitment.

Refinancing Risk Management

- 24 The risk that maturing borrowings, capital, project or partnership financings cannot be refinanced on terms that reflect the provisions made by the organisation for those refinancing, both capital and current (revenue), and/or that the terms are inconsistent with prevailing market conditions at the time.
- 25 The Council will ensure that its borrowing, private financing and partnership arrangements are negotiated, structured and documented, and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or refinancing, if required, which are competitive and as favourable to the Council as can reasonably be achieved in the light of market conditions prevailing at the time.
- 26 It will actively manage its relationships with its counterparties in these transactions in such a manner as to secure this objective, and will avoid over-reliance on any one source of funding if this might jeopardise achievement of the above.

Projected capital investment requirements

- 27 3 year projections are in place for capital expenditure and its financing or funding. Financing will be from capital receipts, reserves, any grants or contributions awarded and revenue. Funding will be from internal or external borrowing, as decided.

As required by the Prudential Code, the Council will undertake Options Appraisals to evaluate the best capital expenditure financing route.

The Council's projected long-term borrowing requirement will be linked to the projected Capital Financing Requirement.

Debt profiling, policies and practices

- 28 Any longer term borrowing will be undertaken in accordance with the Prudential Code and will comply with the Council's Prudential Indicators and the Treasury Management Strategy.

The Council will maintain through its various treasury spreadsheets reliable records of the terms and maturities of its borrowings, capital, project and partnership funding and, where appropriate, plan and successfully negotiate terms for its refinancing.

Where the lender to the Council is a commercial body the Council will aim for diversification in order to spread risk and avoid over-reliance on a small number of counterparties.

Policy concerning limits on revenue consequences of capital financings

- 29 The revenue consequences of financing the capital programme are included in cash flow models, annual revenue estimates and medium term forecasts.

Legal and Regulatory Risk Management

- 30 The risk that the organisation itself, or an organisation with which it is dealing in its treasury management activities, fails to act in accordance with its legal powers or regulatory requirements, and that the organisation suffers losses accordingly.
- 31 The Council will ensure that all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in treasury activities. In framing its credit and counterparty policy under TMP1 Treasury Risk Management, it will ensure that there is evidence of counterparties' powers, authority and compliance in respect of the transactions they may affect with the Council, particularly with regard to duty of care and fees charged.
- 32 The Council recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as it is reasonably able to do so, will seek to minimise the risk of these impacting adversely on the Council.
- 33 The Council operates its Treasury Management Practices in accordance with the provisions of the Local Government and Housing Act 1989 and the CIPFA Treasury Code of Practice. The Council's powers are documented in the Treasury Management Policy statement, the Treasury Management Practices and the Schedules.
- 34 Counterparties are included on the lending list where they fully comply with the Credit Rating requirements from Fitch, S&P and Moody's or where they meet the specified exceptional criteria.
- 35 The S151 Officer will review the Legal and Regulatory framework in order to assess the impact of any changes on the Council.

Procedures for evidencing the Council's powers/ authorities to counterparties

- 36 The Council's Financial Regulations contain evidence of the power/ authority to act as required by S151 of the Local Government Act 1972, under the general direction of the Council and Cabinet.

The Council will confirm, if requested to do so by counterparties, the powers and authorities under which the Council effects transactions with them.

Where required, the Council will also establish the powers of those with whom they enter into transactions, including any compliance requirements in respect of a duty of care and best practice.

Required information from counterparties concerning their powers/ authorities

37 Lending shall only be made to institutions on the Council's authorised lending list.

The Council will only undertake borrowing from approved sources such as the Public Works Loans Board (PWLb), organisations such as the European Investment Bank and from commercial banks who are on the Council's list of authorised institutions, thereby minimising legal and regulatory risk. The list of approved sources of borrowing is contained in TMP 4.

Political Risk Management

38 Political risk is managed by:

- i) Adoption of the CIPFA Treasury Management Code of Practice;
- ii) Adherence to Corporate Governance (TMP 12 – Corporate Governance);
- iii) Adherence to the Statement of Professional Practice by the S151 Officer;
- iv) The roles of the Council and Cabinet.

Details of relevant Statutes and regulations

39 The treasury management activities of the Council shall comply fully with legal statute and the regulations of the Council. These are as follows:

- i) CIPFA's Treasury Management Code of Practice and guidance notes;
- ii) CIPFA Guide for Chief Financial Officers on Treasury Management in Local Authorities;
- iii) CIPFA Prudential Code for Capital Finance in Local Authorities and subsequent amendments;
- iv) CIPFA Standard of Professional Practice on Treasury Management
- v) The Local Government Act 2003;
- vi) The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 SI 2003 No 3146, and subsequent amendments;
- vii) Pensions, England and Wales - The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 – SI 2009 No 3093;
- viii) MHCLG Guidance on Minimum Revenue Provision (MRP);
- ix) MHCLG Revised Guidance on Investments Feb 2017
- x) The MHCLG's Guidance on Local Government Investments in England issued March 2004 and subsequent amendments ;

- xi) The Local Authorities (Contracting out of Investment Functions) Order 1996 SI 1996 No 1883;
- xii) LAAP Bulletins;
- xiii) Code of Practice on Local Authority Accounting in the United Kingdom based on International Financial Reporting Standards (from 2010/11 onwards);
- xiv) Accounts and Audit Regulations 2003, as amended together with CLG's Guidance;
- xv) The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets;
- xvi) Council's Constitution including:
 - Standing Orders relating to Contracts;
 - Financial Regulations;
 - Scheme of Delegation.
- xvii) CLG's Self-Financing Policy Documentation and subsequent amendments.

Fraud, Error and Corruption, and Contingency Management

- 40 The risk that an organisation fails to identify the circumstances in which it may be exposed to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings, and fails to employ suitable systems and procedures and maintain effective contingency management arrangements to these ends. It includes the area of risk commonly referred to as operational risk.
- 41 The Council will ensure that it has identified the circumstances which may expose it to the risk of loss through fraud, error, corruption or other eventualities in its treasury management dealings. Accordingly, it will employ suitable systems and procedures, and will maintain effective contingency management arrangements, to these ends.
- 42 In order to mitigate these risks, it is a system requirement that two officers need to be involved in order to facilitate a CHAPS payment via internet banking. The first officer will set up the payment details and the second officer will verify the details and authorise payment. Payments are only to be made on appropriately authorised documentation in line with transaction limits below, which will not apply to any transfers between different BCP bank accounts:

Role	Transaction Limit
Accountant L3	£20m
Finance Manager	£50m

Any payments outside of these limits should only be made after confirmation from the Section 151 Officer or Assistant Chief Finance Officers.

- 43 For payments to investment counterparties and other regular payments (e.g. Inland Revenue, Pensions) the payee name and bank details will be set up as named beneficiaries within the system.

- 44 In all instances of fraud there should be referral to the Council Anti-Fraud and Corruption Policy.

Details of systems and procedures to be followed, including internet services

- 45 The S151 Officer will ensure that all Treasury Management Procedures are fully documented and approved and that they contain adequate levels of internal control. All computer systems or electronic forms of recording or transmitting data will have adequate security and back up provisions.
- 46 The S151 Officer will ensure that the Treasury Management function is subject to regular internal audit, the intention being that this will generally take place once each year with sufficient programmed days to cover all aspects of its activity.

Emergency and contingency planning arrangements

- 47 In the event of treasury management software being unavailable, due to power failure or problems with the system, arrangements for the day-to-day treasury function will be undertaken direct with the Council's bank.

Insurance cover details

- 48 The Treasury Management function is covered under the Council's Fidelity Guarantee Policy.

Market risk management

- 49 The Council will seek to ensure that its stated Treasury Management Policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from the effects of such fluctuations.

Details of approved procedures and limits for controlling exposure to investments whose capital value may fluctuate (GILTS, CDS, etc.)

If the Council makes use of fund managers they may deal in GILTS, Certificates of deposit etc. on behalf of the Council. The limit for these will be the value of the fund, held by the external body at the time. The fund will be able to be liquidated within 7 days.

Policy on environmental, social and governance (ESG) considerations

- 50 The organisation's credit and counterparty policies should set out its policy and practices relating to environmental, social and governance (ESG) investment considerations. This is a developing area, and it is not implied that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.
- 51 ESG is an area that CIPFA is still working on after the 2022 revised codes. In particular, work will be needed to coordinate the priority which needs to be given to issues of security, liquidity and yield (SLY) while also accommodating ESG principles as a fourth priority and principle to apply.
- 52 The assessment and implementation of ESG considerations are better developed in equity and bond markets than for short-term cash deposits, primarily due to the wider scope of potential investment opportunities. Furthermore, there is a diversity

of market approaches to ESG classification, analysis and integration. This means that a consistent and developed approach to ESG for public service organisations, focussed on more typical Treasury-type investments, is currently difficult to achieve. CIPFA, therefore, recommends authorities to consider their credit and counterparty policies in light of ESG information and develop their own ESG investment policies and treasury management practices consistent with their organisation's own relevant policies, such as environmental and climate change policies.

- 53 CIPFA does not expect that the organisation's ESG policy will currently include ESG scoring or other real-time ESG criteria at individual investment level.

TMP2 Best Value and Performance Measurement

- 54 The Council is committed to the pursuit of value for money in its treasury management activities, and to the use of performance methodology in support of that aim, within the framework set out in its Treasury Management Strategy Statement.
- 55 Accordingly, the Treasury Management function will be the subject of ongoing analysis of the value it adds in support of the Council's stated business or service objectives. It will be the subject of regular examination of alternative methods of service delivery, of the availability of fiscal or other grant or subsidy incentives, and of the scope for other potential improvements. The performance of the Treasury Management function will be measured using the criteria set out in this section.

Methodology to be applied for evaluating the impact of Treasury Management decisions

- 56 All treasury management decisions will be recorded by the Treasury Accountant. A monthly report will be produced and any significant decisions notified to the S151 Officer on the monthly report. Rates quoted for investments and borrowing will be recorded and monitored against benchmarks, any benchmarking reports will consider risk as well as the rate of return. Market trends will be compared to expectations. Investments or borrowing which takes place with a maturity of over one month, evidence should be kept to demonstrate that the most favourable interest rate has been achieved.

Policy concerning methods for Testing Value for Money in Treasury Management

Frequency and processes for review

- 57 The Treasury Management function will be included within the Core Service Transformation review of Strategic Finance.

Banking services

- 58 Banking services will be retendered or renegotiated periodically in line with accepted procurement practice to ensure that the level of prices reflect efficiency savings achieved by the supplier and current pricing trends.

Money-broking services

- 59 The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. The Council

will also deal direct with counterparties that appear on the lending lists where it can be shown that the rates achievable by dealing direct are higher than those that could have been achieved by dealing through money-brokers.

An approved list of brokers will be established which takes account of both prices and quality of services. Note that fees are only due when the authority chooses to borrow using money brokers.

Consultants'/advisers' services

- 60 The Council may appoint professional treasury management advisers as and when it is deemed necessary to do so. The performance of these advisors will be monitored on an ongoing basis and be the subject of a tendering process.

Where treasury management advisers are appointed they will be expected to:

- i) Provide creditworthiness advice and updates on credit developments;
- ii) Provide rating watch information and highlight any impact on the Council's lending list;
- iii) Review all treasury management reports and check compliance with the Treasury Management Code of Practice, the Prudential Code and Best Practice;
- iv) Provide suitable economic information including interest rate forecasts;
- v) Offer suitable training and seminars to support for Members and officers;
- vi) Provide technical advice help and support as required.

External Fund Managers

- 61 The Council may appoint full-time cash/external investment fund managers and will comply with the Local Authorities (Contracting Out of Investment Functions) Order 1996 [SI 1996 No 1883].

The fund Manager will undertake all activity in accordance with the provisions set out in this document.

The delegation of investment management to external managers will entail the following:

- i) Agreement of a formal contractual agreement and documentation;
- ii) Agreement on terms for early termination of the contract;
- iii) Setting of a benchmark of [SONIA] and a performance target of exceeding the benchmark;
- iv) Setting of investment counterparty constraints;
- v) Quarterly reporting of performance;
- vi) At least annual meetings with investment managers;
- vii) Setting of other constraints/parameters/conditions.

The Council's treasury management advisors will assist in monitoring the performance of the fund managers.

Methods to be employed for measuring the performance of the Council's Treasury Management activities

- 62 Performance will be measured against the benchmark figures agreed. Performance will also be monitored by comparing expected levels of interest to the interest budgets set in the Budget setting process.

Benchmarks and calculation methodology:

a Debt management

Average rate on all external debt
Average rate on external debt borrowed in previous financial year
Average rate on internal borrowing
Average period to maturity of external debt
Average period to maturity of new loans in previous year

b Investment

The performance of investment earnings will be measured against the following benchmarks:

- i) In house investments - SONIA
- ii) Cash fund manager - SONIA

It is recognised that these benchmarks must be assessed in the overall context of security and liquidity being more important than yield.

TMP3 Decision-Making and Analysis

- 63 The Council will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps were taken to ensure that all issues relevant to those decisions were taken into account at the time. The issues to be addressed and processes and practices to be pursued in reaching decisions are detailed below.
- 64 Whilst the Council will take advice from external consultants as and when required it is recognised that the final decision for all treasury management activity lies with the Council.

Funding, Borrowing, Lending, and new instruments / techniques

Records to be kept

- 65 Details of all rates achieved on new investments and borrowing will be kept by the S151 Officer, along with rates requested from other sources that were rejected. This is to show that the S151 Officer consulted different areas of the market place to support the decision made. All documentation to support investment / borrowing decisions will be available for inspection by internal audit.

Processes to be pursued

- 66 When investment decisions are to be made for one month or more, the Treasury Accountant with responsibility for treasury management will seek rates from at

least two brokers or counterparties that deal direct, and a comparison will be made with indicative rates quoted by brokers on the day. These rates, together with the reason for the chosen rate (not always the highest rate quoted), will be recorded on the deal ticket or electronically and will be made available for inspection. Since the start of the credit crisis and the nominal rates achieved on investments the Treasury Management function have concentrated their efforts firmly on capital protection and risk management. In practice the Council has a very restricted lending list and there is often little or no choice where to place investments.

Borrowing decisions will be made by the S151 Officer in the light of the Council's medium term budgetary requirement. The interest rate type, period of the loan and reason for the need to borrow will be recorded by the Group Accountant with responsibility for treasury management.

Issues to be addressed

67 In respect of every decision made the Council will:

- a Above all be clear about the nature and extent of the risks to which the Council may become exposed;
- b Be certain about the legality of the decision reached and the nature of the transaction, and that all approvals to proceed have been obtained;
- c Be content that the documentation is adequate both to deliver the Council's objectives and protect its interests, and to deliver good housekeeping;
- d Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded;
- e Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

68 In respect of borrowing and other funding decisions, the Council will:

- a Evaluate the economic and market factors that might influence the manner and timing of any decision to fund;
- b Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships;
- c Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets.

69 In respect of investment decisions, the Council will:

- a Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital.

TMP4 Approved Instruments, Methods and Techniques

- 70 The Council will undertake its treasury management activities by employing only those instruments, methods and techniques detailed below and within the limits and parameters defined in TMP1 Risk Management.
- 71 Where the Council intends to use derivative instruments for the management of risks, these will be limited to those set out in its Treasury Management Strategy. The Council will seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

Approved activities of the Treasury Management function

- a Borrowing
- b Lending
- c Debt repayment and rescheduling
- d Consideration, approval and use of new financial instruments and treasury management techniques
- e Managing the underlying risk associated with the Council's capital financing and surplus funds activities
- f Managing cash flow
- g Banking activities
- h Leasing
- i The use of external fund managers

Approved instruments for investment

- 72 In accordance with The Local Authorities (Capital Finance) (Approved Investments) Regulations 1990 and subsequent amendments, the instruments approved for investment and commonly used by local authorities are:
- a UK Government (including gilts, Treasury Bills and Debt Management Account Deposit Facility)
 - b Deposits with banks, building societies or local authorities (and certain other bodies) for up to five years;
 - c Certificates of deposits with banks or building societies for up to five years;
 - d Corporate bonds and bonds issued by Multilateral Development Banks;
 - e Euro-sterling issues by certain Supra-national bodies listed on the London and Dublin Stock Exchanges;
 - f Money Market Funds;
 - g Pooled funds, i.e. collective investment schemes as defined in SI 2004 No 534.

Approved techniques

- a Forward dealing up to five years
- b Callable deposits up to five years

Approved methods and sources of raising Capital Finance

- 73 Finance will only be raised in accordance with the Local Government and Housing Act, 1989, and within this limit the Council has a number of approved methods and sources of raising capital finance.
- 74 These forms of funding will be considered based on the prevailing economic climate, regulations and local considerations. The S151 Officer has delegated powers through this Policy and the Strategy to take the most appropriate form of borrowing from the approved sources.

On Balance Sheet	Fixed	Variable
PWLB	●	●
Community municipal bonds	●	●
Municipal bond agency	●	●
Local authorities	●	●
Banks	●	●
Pension funds	●	●
Insurance companies	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Local authority bills	●	●
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Finance leases	●	●

TMP5 Organisation, Clarity and Segregation of Responsibilities, and Dealing Arrangements

- 75 The Council considers it essential, for the purposes of the effective control and monitoring of its treasury management activities, and for the reduction of the risk of fraud or error, and for the pursuit of optimum performance, that these activities are structured and managed in a fully integrated manner, and that there is at all times a clarity of treasury management responsibilities.
- 76 The principles on which this will be based is a clear distinction between those charged with setting Treasury Management Policies and those charged with implementing and controlling these policies, particularly with regard to the execution and transmission of funds, the recording and administering of treasury management decisions, and the audit and review of the Treasury Management function.
- 77 If and when the Council intends, as a result of lack of resources or other circumstances, to depart from these principles, the responsible officer will ensure that the reasons are properly reported in accordance with TMP6 Reporting Requirements and Management Information Arrangements, and the implications properly considered and evaluated.
- 78 The S151 Officer will ensure that there are clear written statements of the responsibilities for each post engaged in treasury management, and the arrangement for absence cover. The present arrangements are detailed in the schedule in this section.
- 79 The S151 Officer will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds. The present arrangements are detailed in this section.
- 80 The delegations to the S151 Officer in respect of treasury management are set out in this section. The S151 Officer will fulfil all such responsibilities in accordance with the Council's policy statement and TMPs and, if a CIPFA member, the Standard of Professional Practice on Treasury Management.

81 Limits to responsibilities/discretion at Committee/Executive levels

Full Council

- receiving and reviewing the annual Treasury Management Strategy Statement and a report on Treasury Management Policy, Practices and Schedules;
- budget consideration and approval;
- receiving a summary annual report on performance during the previous financial year.

Cabinet

- receiving and reviewing the annual Treasury Management Strategy Statement and a report on Treasury Management Policy, Practices and Schedules;
- budget consideration and approval;
- receiving a summary annual report on performance during the previous financial year;
- approval of investments where minimum lending criteria are not met.

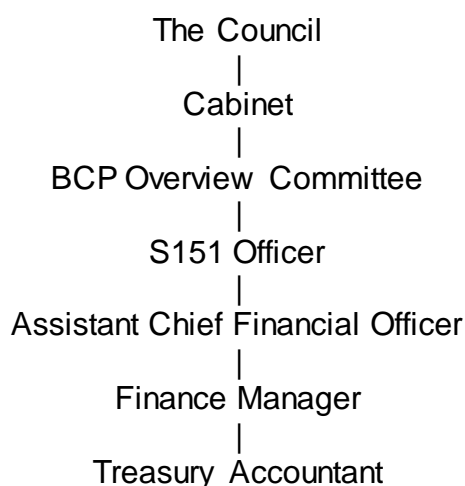
BCP Committee

- approval of amendments to the Council's adopted clauses, Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules;
- performance monitoring;
- receiving and reviewing external audit reports and acting on recommendations;
- approving the selection of external fund managers and agreeing terms of appointment;
- receiving a detailed annual report;
- scrutinise the Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules;
- receive reports of any non-compliance with the Council Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules.

82 Principles and practices concerning segregation of duties

The S151 Officer will ensure that there is proper segregation of duties in place for Treasury Management.

83 Treasury Management organisation chart



84 Statement of Duties/Responsibilities of each Treasury Post

a S151 Officer

i) The S151 Officer will:

- execute and administer treasury management decisions in accordance with the Treasury Management Strategy and the Treasury Management Policies, Practices and Schedules;
- recommend all arrangements for the identification, management and control of all treasury management risk and report on such;

- design, recommend and implement the annual Treasury Management Strategy and Treasury Management Policies, Practices and Schedules for approval, reviewing and monitoring compliance;
 - adhere and monitor performance against the approved prudential indicators;
 - construct the Council's lending list and formulating suitable criteria for assessing and monitoring the credit risk of investment counterparties;
 - submit regular treasury management policy reports;
 - submit budgets and budget variations;
 - ensure that all Treasury Management Policies, Practices and Schedules are fully documented and approved, and contain adequate levels of internal control;
 - receive and review management information reports;
 - review the performance of the Treasury Management function and promote value for money reviews;
 - ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the Treasury Management function;
 - ensure all Members and treasury management staff receive training to ensure all responsibilities are carried out appropriately;
 - recommend investments where the minimum lending criteria are met;
 - ensure the adequacy of internal audit, and liaising with external audit;
 - ensure that the most appropriate form of borrowing is taken from the approved sources;
 - review the legal and regulatory framework in order to assess the impact of any changes on the Council;
 - monitor the Governance arrangements of the treasury management function;
 - recommend the appointment of external service providers.
- ii) The S151 Officer has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to take the most appropriate form of investments in approved instruments.
 - iii) Only officers approved by the S151 Officer or the Assistant Chief Finance Officer will conduct dealing transactions.
 - iv) The S151 Officer will ensure that the Policy is adhered to, and if not will bring the matter to the attention of elected Members as soon as possible.
 - v) Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the S151 Officer to be satisfied, by reference to the Monitoring Officer, the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's financial Regulations.
 - vi) It is also the responsibility of the S151 Officer to ensure that the Council complies with the requirements of The Non Investment Products Code

(formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

b Assistant Chief Financial Officer / Finance Manager

i) The responsibilities of these posts will be:

- planning, organising, directing and monitoring the Treasury Management function;
- ensuring compliance with the policy, practices and schedules;
- regularly reporting to the S151 Officer regarding performance of the function;
- ensuring the treasury management function is adequately covered during normal business hours;
- monitoring market conditions and interest rates and advising the S151 Officer regarding its impact on the Council's strategy.

c Finance Manager / Treasury Accountant

i) The responsibilities of this post will be:

- execution of transactions;
- adherence to agreed policies and practices on a day-to-day basis;
- maintaining relationships with third parties and external service providers;
- supervising treasury management staff;
- monitoring performance on a day-to-day basis;
- submitting management information reports to the Assistant Chief Finance Officer;
- preparation of cash flow statements;
- recording all treasury management decisions;
- maintain the counterparty list in line with the approvals made;
- identifying and recommending opportunities for improved practices.

d Treasury Accountant

- carry out day to day banking activities ensuring the treasury function meets its objectives
- recording all treasury management decisions;
- maintain the counterparty list in line with the approvals made;
- preparation of cash flow statements;

e Head of the Paid Service

i) The responsibilities of this post will be:

- ensuring that the system is specified and implemented;
- ensuring that the S151 Officer reports regularly to the Council, Cabinet and BCP Committee on treasury management policy, activity and performance as appropriate.

f Monitoring Officer

i) The responsibilities of this post will be:

- ensuring compliance by the S151 Officer with the Treasury Management Strategy Statement and Treasury Management Policies, Practices and Schedules and that they comply with the law;
- being satisfied that any proposal to vary treasury management policy or practice complies with law or any code of practice;
- giving advice to the S151 Officer when advice is sought.

g Internal Audit

i) The responsibilities of Internal Audit will be:

- reviewing compliance with approved policy and procedures;
- reviewing division of duties and operational practice;
- assessing value for money from treasury management activities;
- undertaking audits to provide assurance over the probity of the Treasury Management function.

Absence cover arrangements

85 The Finance Manager with responsibility for the treasury function will ensure that the Treasury Management function is adequately covered during normal business hours.

Dealing limits

86 The Finance Manager and Assistant Chief Finance officer with responsibility for treasury management is permitted to place deals in accordance with the Counterparty Lists, Limits below and approved Treasury Management Practices.

Daily limits for authorisation of long term investments and borrowing.

Role	Daily Authorisation Limit	Deal Duration
Finance Manager	£20m	One to twelve months
Deputy chief finance officer	£50m	One to twelve months
Section 151 Officer	Unlimited	

Due to the short-term nature of investments or withdrawals to Call Accounts, used to control the daily cash balances held in our main bank accounts, no limits are applicable.

List of approved brokers

- Tradition Brokers
- Sterling International Brokers division of BGC Brokers LP
- Martin Brokers division of BGC Brokers LP
- Tullett Prebon (Europe) Limited
- Imperial Treasury
- Link Asset Services

- 87 Treasury management staff are also authorised to deal direct with any of the counterparties on the approved lending list, where it can be shown that better rates of interest can be achieved than would otherwise be available through Brokers.

Policy on Brokers' services

- 88 The Authority aims to achieve a spread of brokers, together with the use of direct dealing counterparties in order to secure suitable deals.

Policy on taping of conversations

- 89 The Authority does not currently tape telephone calls made to brokers. It is understood that the broker firms used do tape all telephone conversations and deals are always confirmed by email by the broker and the body receiving or paying over the money, these documents will be retained.

Direct dealing practices

- 90 The Authority aims to achieve a spread of counterparties in order to secure suitable deals.

Settlement Transmission Procedures

- 91 On maturity of an investment or loan the broker / counterparty involved will always be contacted by the treasury management staff to confirm what the Authority's intentions are with regard to the maturity and whether it is to be repaid.

Documentation requirements

- 92 Copies of all correspondence with brokers will be kept and made available for inspection.

Arrangements Concerning the Management of Third-Party Funds

- 93 The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP6 Reporting Requirements and Management Information Arrangements

- 94 The Council will ensure that regular reports are prepared and considered on the implementation of its Treasury Management Policies; on the effects of decisions taken and the transactions executed in pursuit of those policies; on the implications of changes, particularly budgetary, resulting from regulatory, economic, market or other factors affecting its treasury management activities; and on the performance of the Treasury Management function.

Annual Programme of reporting

- 95 As a minimum, the Council will receive:
- a An annual report on the strategy and plan to be pursued in the coming year;
 - b A summary annual report on the performance of the Treasury Management function.

- 96 It is recognised that BCP Committee are responsible for ensuring effective scrutiny of the Treasury Management Strategy Statement and activities and as such they will receive:
- a A copy of the annual report on the strategy and plan to be pursued in the coming year together with the treasury management prudential indicators;
 - b A full annual report on the performance of the Treasury Management function, on the effects of the decisions taken and the transactions executed in the year to date, and on any circumstances of non-compliance with the Council's Treasury Management Strategy Statement and TMPs.
 - c Quarterly Monitoring Reports

Annual Treasury Management Strategy Statement

- 97 The Treasury Management Strategy Statement sets out the specific expected treasury management activities for the forthcoming financial year. This Strategy will be submitted to Cabinet and Full Council for approval before the commencement of each financial year.
- 98 The formulation of the Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter-term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.
- 99 The Treasury Management Strategy Statement is concerned with the following elements:
- a The prospects for interest rates;
 - b The limits placed by the Council on treasury activities;
 - c The expected borrowing strategy;
 - d The expected temporary investment strategy (including the appointment of fund managers);
 - e Other issues.

Policy on Interest Rate Exposure

- 100 As required by section 45 of the Local Government and Housing Act, 1989, the Council must approve before the beginning of each financial year the following treasury management limits:
- a The overall borrowing limit;
 - b The amount of the overall borrowing limit which may be outstanding by way of short-term borrowing;
 - c The maximum proportion of interest on borrowing which is subject to variable rate interest.
- 101 The S151 Officer is responsible for incorporating these limits into the Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the S151 Officer shall submit the changes for approval to Cabinet before submission to the Full Council for approval.

Annual Report on Treasury Management activity

- 102 A summary annual report will be presented to Cabinet and Full Council at the earliest practicable meeting after the end of the financial year, but in any case by the end of September. A full annual report will be presented to BCP Committee. This report will include the following:
- a A comprehensive picture for the financial year of all Treasury Management Policy, Practices and Schedules, plans, activities and results;
 - b Transactions executed and their revenue (current) effects;
 - c Report on risk implications of decisions taken and transactions executed;
 - d Monitoring of compliance with approved policy, practices and statutory / regulatory requirements;
 - e Monitoring of compliance with powers delegated to officers;
 - f Degree of compliance with the original strategy and explanation of deviations;
 - g Explanation of future impact of decisions taken by the Council;
 - h Measurements of performance;
 - i Report on compliance with CIPFA Code recommendations.

Management Information Reports

- 103 Management information reports will be prepared every month by the Treasury Accountant and will be presented to the following officers:
- a Finance Manager;
 - b Assistant Chief Financial Officer;
 - c S151 Officer;
- 104 These reports will contain the following information:
- a Summary of the Authority's financial position for the current year;
 - b Details of all current investments / loans;
 - c Details of the Interest Budget and Interest Projections;
 - d All notes relevant to the Treasury Management function, including where applicable the reasons behind and the impact of any decisions made.

Periodic Monitoring Committee Reports

- 105 Interim reports will be prepared where significant matters arise that need to be reported to a BCP Committee.

TMP7 Budgeting, Accounting and Audit Arrangements

- 106 The responsible officer will prepare, and the Council will approve and, if necessary, from time to time amend, an annual budget for treasury management, which will bring together all of the costs involved in running the Treasury Management function, together with associated income. The matter to be included in the budget will at minimum be those required by statute or regulation, together with such information as will demonstrate compliance with TMP1 Risk Management, TMP2 Best Value and Performance Measurement, and TMP4 Approved Instruments, Methods and Techniques. The S151 Officer will exercise

effective controls over this budget, and will report upon and recommend any changes required in accordance with TMP6 Reporting Requirements and Management Information Arrangements.

- 107 The Council will account for its treasury management activities, for decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.
- 108 The Council will ensure that its auditors, and those charged with regulatory review, have access to all information and papers supporting the activities of the Treasury Management function as are necessary for the proper fulfilment of their roles, and that such information and papers demonstrate compliance with external and internal policies and approved practices.

Statutory/Regulatory Requirements

- 109 The treasury management budget and interest budget will be set as part of the Council's main budget setting process as required by the Council. Treasury Management is subject to an annual audit by Internal Auditors and is also audited by External Audit as part of the main financial audit.

TMP8 Cash and Cash Flow Management

- 110 Unless statutory or regulatory requirements demand otherwise, all monies in the hands of the Council will be under the control of the S151 Officer, and will be aggregated for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis, and the S151 Officer will ensure that these are adequate for the purposes of monitoring compliance as per paragraphs 11-13 Liquidity Risk Management. The present arrangements for preparing cash flow projections, and their form, are set out below.

Arrangements for preparing/submitting Cash Flow Statements

- 111 The Finance Manager with responsibility for treasury management will prepare a rolling cash flow forecast which will cover at least 12 months, based on information gathered from within the Council. This cash flow forecast will be continually updated as new information is received. The cash flow forecast will contain information for every day of the year for all bank accounts.

Listing of sources of information

- 112 Information will be provided to the Treasury Management function by other members of Financial Services and the Council in general.

Bank Statements procedures

- 113 Bank statements are received daily and retained. Summary bank statements are also available in electronic format through the use of treasury management software.

TMP9 Money Laundering

Proceeds of Crime Act 2002

- 114 Money laundering has the objective of concealing the origin of money generated through criminal activity. Legislation has given a higher profile to the need to report

suspensions of money laundering. The Proceeds of Crime Act (POCA) 2002 established the main offences relating to money laundering. In summary, these are:

- concealing, disguising, converting, transferring or removing criminal property from England and Wales, from Scotland or from Northern Ireland
- being concerned in an arrangement which a person knows, or suspects facilitates the acquisition, retention, use or control of criminal property
- acquiring, using or possessing criminal property.

115 These apply to all persons in the UK in a personal and professional capacity. Any person involved in any known or suspected money-laundering activity in the UK risks a criminal conviction. Other offences under the POCA include:

- failure to disclose money-laundering offences
- tipping off a suspect, either directly or indirectly
- doing something that might prejudice an investigation – for example, falsifying a document.

The Terrorism Act 2000

116 This act made it an offence of money laundering to become concerned in an arrangement relating to the retention or control of property likely to be used for the purposes of terrorism or resulting from acts of terrorism. All individuals and businesses in the UK have an obligation to report knowledge, reasonable grounds for belief or suspicion about the proceeds from, or finance likely to be used for, terrorism or its laundering, where it relates to information that comes to them in the course of their business or employment

The Money Laundering Regulations 2012, 2015 and 2017

117 Organisations pursuing relevant business (especially those in the financial services industry regulated by the FCA) are required to do the following: -

- identify and assess the risks of money laundering and terrorist financing
- have policies, controls and procedures to mitigate and manage effectively the risks of money laundering and terrorist financing identified through the risk assessments
- appoint a nominated officer
- implement internal reporting procedures
- train relevant staff in the subject
- obtain, verify and maintain evidence and records of the identity of new clients and transactions undertaken
- report their suspicions.

Local authorities

118 Public service organisations and their staff are subject to the full provisions of the Terrorism Act 2000 and subsequent Terrorism Acts and may commit most of the principal offences under the POCA but are not legally obliged to apply the provisions of the Money Laundering Regulations 2012, 2015 and 2017. However, as responsible public bodies, they should employ policies and procedures which reflect the essence of the UK's anti-terrorist financing, and anti-money laundering, regimes. Accordingly, this Council will do the following: -

- a) evaluate the prospect of laundered monies being handled by them
- b) determine the appropriate safeguards to be put in place
- c) require every person engaged in treasury management to make themselves aware of their personal and legal responsibilities for money laundering awareness
- d) make all its staff aware of their responsibilities under POCA
- e) appoint a member of staff to whom they can report any suspicions. This person is the Head of Audit and Management assurance.
- f) in order to ensure compliance is appropriately managed, this Council will require senior management to give appropriate oversight, analysis and assessment of the risks of clients and work/product types, systems for monitoring compliance with procedures and methods of communicating procedures and other information to personnel.
- g) The officer responsible for the creation and monitoring the implementation of a corporate anti money laundering policy and procedures is Head of Audit and Management assurance and it shall be a requirement that all services and departments implement this corporate policy and procedures.

Procedures for establishing identity / authenticity of lenders

119 The Council does not accept loans from individuals. All loans are obtained from the PWLB, Local Authorities or Other Public Bodies or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through their website on www.fsa.gov.uk).

Methodology for identifying sources of deposit

120 These will be arranged through authorised money brokers or by direct dealing.

TMP10 Staff Training and Qualifications

Details of approved training

121 The Council recognises the importance of ensuring that all staff involved in the Treasury Management function are fully equipped to undertake the duties and responsibilities allocated to them. It will therefore seek to appoint individuals who are both capable and experienced and will provide training for staff to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills. The S151 Officer will recommend and implement the necessary arrangements.

- 122 The S151 Officer will ensure that Council Members tasked with treasury management responsibilities, including those responsible for scrutiny, have access to training relevant to their needs and responsibilities.
- 123 Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.
- 124 The treasury management staff have attended training courses provided both by the Council's advisors and other organisations. The Finance Manager with responsibility for treasury management will ensure that a proactive approach is taken to continually keeping abreast of changes within the treasury management field.

Approved Qualifications for Treasury Staff

- S151 Officer ACCA / CPFA
 - Assistant Chief Financial Officer CPFA
 - Finance Manager - Technical CPFA / ACCA / CIMA
 - Treasury Accountant AAT
- 125 The S151 Officer can determine that an approved qualification is not required if the member of staff has appropriate expertise and knowledge to carry out the responsibilities outlined in the Treasury Management Policy, Practices and Schedules.

Statement of Professional Practice (SOPP)

- 126 Where the S151 Officer is a member of CIPFA, there is a professional need for the CFO to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
- Other staff involved in treasury management activities that are CCAB members must also comply with the SOPP.

Member training

- 127 Council Members tasked with treasury management responsibilities should be trained in the areas of their responsibility.
- Those charged with governance must recognise their individual responsibility and ensure that they have the necessary skills to complete their role effectively.

TMP11 Use of External Service Providers

- 128 The Council recognises that responsibility for treasury management decisions remains with the authority at all times.
- It recognises the potential value of employing external providers of treasury management services, in order to acquire access to specialist skills and resources. When it employs such service providers, it will ensure it does so for reasons which will have been submitted to a full evaluation of the costs and benefits. It will also ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review. It will ensure, where feasible and necessary, that a spread of service providers is used, to avoid over reliance on one or a small number of companies. Where services are subject to formal tender or re-tender

arrangements, legislative requirements will always be observed. The monitoring of such arrangements rests with the Service Director, Strategic Finance.

- 129 The terms of appointment of all consultants are assessed and properly agreed and documented.

Details of Contracts with Service Providers, including Bankers, Brokers, Consultants, Advisers

- a Banking services
- b Name of main supplier of service – HSBC / Lloyds / Barclays
- c Contract commenced 1 April 2019
- d Money-broking services - No contract exists
- e Cash/fund management services – No contract exists
- f Consultants'/advisers' services
- g Name of supplier of service – currently under tender
- h Software suppliers – No contract exists
- i Credit rating agencies
- j The Council will make use of any information supplied by Moody's, Standard and Poor's and Fitch
- k Procedures and frequency for tendering services
- l This will be in accordance with the Council's Standing Orders.

TMP12 Corporate Governance

- 130 The Council is committed to the pursuit of proper corporate governance throughout its businesses and services, and to establishing the principles and practices by which this can be achieved. Accordingly, the Treasury Management function and its activities will be undertaken with openness and transparency, honesty, integrity and accountability.
- 131 The Council has adopted and has implemented the key recommendations of the Treasury Management Code of Practice as updated. This, together with the other arrangements detailed below, are considered vital to the achievement of proper corporate governance in treasury management, and the S151 Officer will monitor and, if and when necessary, report upon the effectiveness of these arrangements.

Stewardship responsibilities

- 132 The S151 Officer ensures that systems exist to deliver proper financial administration and control and maintaining a framework for overseeing and reviewing the Treasury Management function.

List of documents to be made available for public inspection

- 133 The following documents are freely available for public inspection:
- Annual Statement of Accounts;
 - Budget Book;

- Medium Term Financial Plan (including Capital);
- Treasury Management Policy, Practices and Schedules;
- Treasury Management Strategy;
- Budget monitoring reports;
- Annual Treasury Report;

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COUNCIL

Report subject	2025/26 Council Tax Resolution
Meeting date	11 February 2025
Status	Public Report
Executive summary	<p>Under the Local Government Finance Act 1992 the council as the billing authority must calculate a council tax requirement and basic amount of council tax for the following year.</p> <p>If the formal council tax resolution at Appendix A is approved the BCP Council Band D council tax will be £1,855.41 from 1 April 2025.</p>
Recommendations	<p>It is RECOMMENDED that Council:</p> <p>a) Approves the council tax resolution as set out in Appendix A;</p>
Reason for recommendations	To enable the council to calculate and approve the council tax requirement and amounts billed by BCP Council in 2025/26, and to make the determination of excessiveness required by legislation.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Report Author	Matthew Filmer - Assistant Chief Finance Officer
Wards	Council-wide
Classification	For Decision

Background

1. This report reflects the Local Government Finance Act 1992 (as amended by the Localism Act 2011 and modified by Part 4 of The Local Government (Structural Changes) (Finance) Regulations 2008), which requires billing authorities to calculate the council tax requirement and amounts to be charged from taxpayers for the coming year.
2. The council tax resolution set out in Appendix A provides a schedule setting out the rate of council tax for each category of dwelling based on the council tax

requirement for BCP Council and the precepts to be levied by other major and local preceptors.

Police and fire preceptors

3. The information from the police and fire precepting bodies is as follows:
 - a. On 5 February 2025 the Dorset Police and Crime Commissioner are expected to set its precept at £46,621,192.44. This results in a Band D council tax of £307.58.
 - b. On 6 February 2025 the Dorset and Wiltshire Fire and Rescue Authority are expected to set its precept at £13,937,247.69. This results in a Band D council tax of £91.95.

Charter trustee, town, and parish precepts

4. The charter trustee, town and parish precepts are detailed in Appendix C and total £1,491,236.63.

Options appraisal

5. The 2025/26 Budget and Medium-Term Financial Plan report submitted to the 5 February 2025 Cabinet meeting sets out the potential options open to the council for council tax.

Summary of financial implications

6. The council tax resolution as presented in the report will generate council tax of £281,232,286.42 for BCP Council. This is in accordance with the budget as set out in the 2025/26 Budget and Medium-Term Financial Plan report submitted to the 5 February 2025 Cabinet meeting.

Summary of legal implications

7. The council is required to set its council tax in accordance with the Local Government Finance Act 1992 and the Local Government (Structural Changes) (Finance) Regulations 2008. The formal council tax resolution at Appendix A complies with these requirements.

Summary of human resources implications

8. There are no direct human resource implications of this report. However, the 2025/26 budget and medium-term financial plan will have a direct impact on the level of services delivered by the council, the mechanisms by which those services are delivered and the associated staffing establishment.

Summary of sustainability impact

9. Consideration has been given as part of the budget for 2025/26 of ways in which BCP Council could be made more environmentally-friendly and how it could act as an environmental ambassador towards others.

Summary of public health implications

10. None specifically related to this report.

Summary of equality implications

11. A full equality impact assessment was carried out as part of the budget process for 2025/26 and submitted to the 5 February 2025 Cabinet meeting.

Summary of risk assessment

12. The council tax resolution presented in this report will provide for the level of council tax income required for the 2025/26 budget as presented to the 5 February 2025 Cabinet meeting.
13. Key risks to this budget include uncertainty around the government's financial planning framework where the core funding made available to local authorities reduces while at the same time the demand for, and cost of, services continue to rise. Changes to base budget assumptions are also possible due to changes in demand or cost factors or the ongoing effects of the national pandemic.

Background papers

14. The 2025/26 Budget and Medium-Term Financial Plan report presented to the 5 February 2025 Cabinet meeting.

Appendices

Appendix A – Council tax resolution 2025/26

Appendix B – Basic council tax

Appendix C – Charter trustee, town, and parish precepts

Appendix D – Council Tax Bands

Council Tax Resolution

The Council is recommended to resolve as follows:

1. It be noted that the council calculated the council tax base 2025/26
 - a. For BCP Council to be 151,574.2 and that this calculation was carried out in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended, made under Section 33(5) of the Local Government Finance Act 1992 (the Act)
 - b. For dwellings in those parts of its area to which a charter trustee, parish and town precept relates as in the attached Appendix C.
2. That the council tax requirement for the council's own purposes for 2025/26 (excluding charter trustee, parish and town precepts) as **£281,232,286.42**.
3. That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the Act:
 - a. **£886,321,485.13** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
 - b. **£603,598,200.00** being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - c. **£282,723,285.13** being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the council in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - d. **£1,865.25** being the amount at 3(c) above (Item R), all divided by the Item T (1(a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of council tax for the year (including parish precepts). Appendix B details basic council tax by council area.
 - e. **£9.84** being the aggregate amount of all special items (charter trustee, parish, and town council precepts) referred to in Section 34(1) of the Act (**£1,491,236.63** as per the attached Appendix C) divided by the tax base **151,574.2** calculated as Item T in the formula in section 31B of the Local Government Finance Act 1992.
 - f. **£1,855.41** being the amount at 3(d) above less the amount at 3(e) above, calculated by the council, in accordance with Section 34(s) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates.
4. To note that the Dorset Police and Crime Commissioner and the Dorset and Wiltshire Fire and Rescue Authority have issued precepts to the council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the council's area as

indicated in the table below. The BCP Council charge includes a precept specifically for Adult Social Care also shown in the table below:

Precepts issued by major precepting authorities:

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Dorset Police and Crime Commissioner	205.05	239.23	273.40	307.58	375.93	444.28	512.63	615.16
Dorset and Wiltshire Fire and Rescue Authority	61.30	71.52	81.73	91.95	112.38	132.82	153.25	183.90
BCP Council	1,236.94	1,443.10	1,649.25	1,855.41	2,267.72	2,680.04	3,092.35	3,710.82

- That it be noted for the year 2025/26 parish and town councils have stated the amount of precept for Band D properties as set out in Appendix C, issued to the Council in accordance with Section 41 of the Act (as amended by the Charter Trustees Regulations 1996 and the Localism Act 2011).
- That the council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of council tax for 2025/26 for each part of its area and for each of the categories of dwellings.

Aggregate amounts of council tax:

Location	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Bournemouth	1,504.78	1,755.59	2,006.37	2,257.18	2,758.77	3,260.38	3,761.96	4,514.36
Bournemouth - Throop and Holdenhurst	1,529.11	1,783.97	2,038.81	2,293.67	2,803.37	3,313.08	3,822.78	4,587.34
Christchurch Town	1,551.52	1,810.12	2,068.69	2,327.29	2,844.46	3,361.65	3,878.81	4,654.58
Burton Parish	1,515.06	1,767.59	2,020.08	2,272.60	2,777.61	3,282.65	3,787.66	4,545.20
Hurn Parish	1,526.55	1,780.99	2,035.39	2,289.83	2,798.67	3,307.54	3,816.38	4,579.66
Highcliffe and Walkford	1,525.20	1,779.41	2,033.59	2,287.80	2,796.19	3,304.60	3,813.00	4,575.60
Unparished	1,503.29	1,753.85	2,004.38	2,254.94	2,756.03	3,257.14	3,758.23	4,509.88
Poole	1,504.72	1,755.51	2,006.28	2,257.08	2,758.65	3,260.23	3,761.80	4,514.16

- The Council's basic amount of council tax for 2025/26 is not excessive in accordance with the principles approved under 52ZB of the Act.

Appendix B

Basic council tax

	Band A £	Band B £	Band C £	Band D £	Band E £	Band F £	Band G £	Band H £
Christchurch Town Council	48.23	56.27	64.31	72.35	88.43	104.51	120.58	144.70
Burton Parish	11.77	13.74	15.70	17.66	21.58	25.51	29.43	35.32
Hurn Parish	23.26	27.14	31.01	34.89	42.64	50.40	58.15	69.78
Highcliffe and Walkford Neighbourhood Council	21.91	25.56	29.21	32.86	40.16	47.46	54.77	65.72
Throop and Holdenhurst	25.82	30.12	34.43	38.73	47.34	55.94	64.55	77.46
Bournemouth Charter Trustee	1.49	1.74	1.99	2.24	2.74	3.24	3.73	4.48
Poole Charter Trustee	1.43	1.66	1.90	2.14	2.62	3.09	3.57	4.28

Charter trustee, town and parish precepts

	2024/25			2025/26		
	Precept £	Tax Base	Band D £	Precept £	Tax Base	Band D £
Christchurch Town	£878,779.19	12,513.2	£70.23	£932,197.56	12,885.0	£72.35
Burton Parish	£28,028.00	1,624.6	£17.25	£29,429.00	1,666.2	£17.66
Hurn Parish	£8,870.36	264.4	£33.55	£9,483.82	271.8	£34.89
Highcliffe and Walkford	£180,000.00	6,554.8	£27.46	£224,000.00	6,816.3	£32.86
Throop and Holdenhurst	£12,090.00	303.7	£39.81	£12,090.00	312.2	£38.73
Bournemouth Charter Trustee	£148,091.00	65,299.4	£2.27	£151,712.50	67,763.4	£2.24
Poole Charter Trustee	£127,684.00	59,762.6	£2.14	£132,323.75	61,833.5	£2.14
Total	£1,383,542.55	146,322.7		£1,491,236.63	151,548.4	

By council tax bands

Christchurch Town Council	48.23	56.27	64.31	72.35	88.42	104.50	120.58	144.70
Burton Parish	11.77	13.74	15.70	17.66	21.59	25.51	29.44	35.32
Hurn Parish	23.26	27.14	31.02	34.89	42.65	50.40	58.15	69.79
Highcliffe and Walkford Neighbourhood Council	21.91	25.56	29.21	32.86	40.17	47.47	54.77	65.72
Throop and Holdenhurst	25.82	30.12	34.42	38.73	47.33	55.94	64.54	77.45
Bournemouth Charter Trustee	1.49	1.74	1.99	2.24	2.74	3.23	3.73	4.48
Poole Charter Trustee	1.43	1.66	1.90	2.14	2.62	3.09	3.57	4.28

Council Tax Bands 2025/26

	Ctax 2024/25 £	Ctax 2025/26 £	Change 2025/26 %
Christchurch Area			
BCP Unitary Charge	£1,767.22	£1,855.41	4.99%
Dorset Police and Crime Commissioner	£293.58	£307.58	4.77%
Dorset and Wiltshire Fire and Rescue Authority	£86.95	£91.95	5.75%
Christchurch Total	£2,048.24	£2,254.94	10.09%
Christchurch Town Council	£70.23	£72.35	3.02%
Burton Parish	£17.25	£17.66	2.39%
Hurn Parish	£33.55	£34.89	4.00%
Highcliffe and Walkford	£22.82	£32.86	44.01%
Bournemouth Area			
BCP Unitary Charge	£1,767.22	£1,855.41	4.99%
Dorset Police and Crime Commissioner	£293.58	£307.58	4.77%
Dorset and Wiltshire Fire and Rescue Authority	£86.95	£91.95	5.75%
Bournemouth Total	£2,048.24	£2,254.94	10.09%
Bournemouth Charter Trustee	£2.27	£2.24	-1.37%
Throop and Holdenhurst	£39.77	£38.73	-2.63%
Poole Area			
BCP Unitary Charge	£1,767.22	£1,855.41	4.99%
Dorset Police and Crime Commissioner	£293.58	£307.58	4.77%
Dorset and Wiltshire Fire and Rescue Authority	£86.95	£91.95	5.75%
Poole Total	£2,048.24	£2,254.94	10.09%
Poole Charter Trustee	£2.14	£2.14	0.00%