

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
OVERVIEW AND SCRUTINY BOARD

Minutes of the Meeting held on 03 February 2025 at 6.00 pm

Present:-

Cllr S Bartlett – Chairman

Cllr S Aitkenhead – Vice-Chairman

Present: Cllr P Broadhead, Cllr J Beesley, Cllr L Dedman, Cllr C Goodall,
Cllr S Mackrow, Cllr L Northover, Cllr K Salmon, Cllr T Trent,
Cllr C Weight and Cllr M Le Poidevin (In place of Cllr O Walters)

Also in attendance: Cllr R Burton, Cllr M Cox, Cllr J Hanna, Cllr R Herrett, Cllr S Moore,
Cllr K Wilson and Cllr A Hadley

100. Apologies

Apologies were received from Cllr O Walters.

101. Substitute Members

Cllr M LePoidevan substituted for Cllr O Walters.

102. Declarations of Interests

There were no declarations of interest made on this occasion.

103. Confirmation of Minutes

The minutes of the meetings held on 6 January and 13 January 2025 were approved as a correct record subject to an amendment to correct the word 'statutory' to 'Strategic' in the second paragraph of clause 90 in the 6 January minutes.

103.1 **Action Sheet**

The Chair introduced the action sheet and the following was noted:

Minute number 28 was included on the agenda for this meeting and could be removed as an action.

Minute number 69 was fully addressed by the agenda for this meeting and could be removed as an action.

Minute number 79 had been completed in part the Chair proposed that it be removed but that he would follow up on outstanding issues with the Portfolio Holder.

Minutes number 98 – An item would be added to the work plan on regeneration and the action could be removed.

104. Public Issues

There were none on this occasion.

105. Responses of the Cabinet on reports of the Overview and Scrutiny Board

The responses received from the Cabinet on queries raised by the O&S Board were noted.

106. Council Budget Monitoring 2024/25 at Quarter Three

At the request of the Chair the Portfolio Holder for Finance presented both the Council Budget Monitoring 2024/25 at Quarter Three report and the Budget 2025/26 and Medium Term Financial Plan, copies of which had been circulated to each Member and copies of which appear as Appendices 'A' and 'B' to these Minutes in the Minute Book.

Prior to the Portfolio Holder's presentation, the Chief Finance Officer advised of two updates following the receipt of the final Local Government Finance Settlement which was received the afternoon of the meeting. The meeting was advised that there had been an £80k increase to the Children's Social Care Prevention grant from £966,000 to £1,046,000. This grant was ringfenced for this specific purpose. The Council had estimated that the Employers National Insurance Contribution Grant would be £3.3m, leaving a shortfall on the £5.2m cost of the increase. However, the final figure received was only £3.152m which would lead to a reduction in the contingency from that outlined in the paper. The meeting was also advised that the ability to go over the Council tax increase threshold of 5 percent, was issued by government to just 6 local authorities.

The Board was informed that the monitoring report provided the quarter three projected financial outturn information for the general fund, housing revenue account (HRA) and capital programme. The quarter three overall revenue projected outturn was for a balanced position to be achieved based on the latest assumptions, including that the expenditure control mechanisms remain in place for the remainder of the year. A small contingency remained unused for any unexpected costs over the final quarter. The Board was advised that the Budget report set out the proposed 2025/26 budget and council tax based on.

- Increasing council tax by 4.99% in 2025/26 in line with the government's annual referendum threshold which can be broken down into a 2.99% basic increase and a 2% uplift by way of the Adult Social Care (ASC) precept.
- Implementation of the approved financial strategy.
- Implementation of £7.8m of further savings, efficiencies, and additional income generation required to set a legally balanced budget and support the basis of a more financially sustainable council moving forward.
- Borrowing to fund the Special Educational Needs and Disability services revenue expenditure above the level of the Dedicated Schools Grant (DSG) High Needs grant. It will also be considered with government if it

would be prudent to obtain a capitalisation direction associated with the 2024/25 and 2025/26 interest costs on the accumulated DSG deficit.

- Recognise that the government must come up with a permanent solution to return the SEND system both locally and nationally to financial sustainability.
- Recognition that the council is technically insolvent from the 1 April 2025 onwards as the accumulated deficit on the DSG will be greater than the total reserves held by the council, with a negative overall general fund position and is only protected by the statutory override.

The report also included the latest Medium Term Financial Plan (MTFP) covering the 3-year period to 31 March 2028.

The Board placed on record its thanks to the Portfolio Holder for Children's Services, the Director for Children's Services and all involved in the journey towards achieving the 'good' Ofsted rating.

In response to a question, it was confirmed that no request was made by the Council for an increase in Council Tax above the threshold, it was expected that this would have been refused.

The Board sought assurances from the Portfolio Holder for Finance on the robustness of the budget setting process and the Portfolio Holder outlined their views on the process which was viewed as realistic and transparent. The Portfolio Holder also commented on the necessity of retaining the reserves in setting the budget and the need to use these due to the extremely wet summer which did not meet budgetary expectations.

The Board questioned the impact of the budget pressure due to the increase in employers' national insurance contributions and minimum wage. It was noted that a spending review was due to take place in 2025 and the Government was unlikely to make a commitment to anything before this. As a sector, local government was assuming that the same level of grant would be received into the future but as part of the revenue support grant.

A Member commented that the O&S process around the budget had been helpful and the budget briefings had provided a lot of useful information for considering the budget.

High Needs Funding, Dedicated Schools Grant - It was noted that the amount was not taken into account for the purpose of Council solvency. It was noted that the accumulated deficit was expected to be £108m. The cashflow impact of the deficit was calculated to be £4.7m. The Board asked what this could be used for if it wasn't for the deficit. It was noted that the Government have made a firm commitment that in 2025 the SEND system would be returned to financial viability. The situation was not something which would be found in any other accounting situation and therefore it was not known how this would eventually be rectified. It was initially introduced as temporary measure as it was expected that it would settle down. The Board expressed concern regarding the SEND funding issues.

Capitalisation directive - The Chief Finance officer advised that it was intended to issue an addendum to Cabinet which provided further clarity on the two options. The £57.5m could be borrowed through treasury management headroom rather than a formal capitalisation directive because it was only temporary borrowing. The addendum would include a copy of the communication received from Government on this issue. It was suggested that it would be useful to have full risk profiling for a capitalisation direction versus the temporary borrowing option due to the potential outcome from central government and a deeper look at this issue would be welcomed prior to the Council meeting. It was noted that if the capitalisation direction was followed it potentially exposed the Council to a best value notice and government intervention and would formally have to set aside for the required repayment as part of future years, ie MRP payments.

Officers and the Portfolio Holder responded to queries regarding risks outstanding on capital projects and confirmed that the forthcoming regeneration report would be the most appropriate avenue to deal with the risks.

The Board questioned what the impact would be of the bus subsidy reduction on local services and routes. It was hoped to preserve the routes and potentially turn some into commercial routes if possible.

The Board were concerned about the impacts of the Carter's Quay situation and felt that there should be some further action to address this. Following the proposed motion, officers suggested that it would be helpful to be more specific in the suggested recommendation as it may not yield the results expected by the Board. However, it was felt that the Audit and Governance Committee would be best to decide how to move forward with an investigation.

RESOLVED that the O&S Board recommend to the Audit and Governance Committee that it instigate an investigation on the Carters Quay development.

Voting: Unanimous

The recommendations as outlined in both reports noted were noted by the Board.

107. Budget 2025/26 and Medium-Term Financial Plan

This agenda item was dealt with jointly with the preceding item.

108. Work Plan

The Chair introduced the Work Plan a copy of which had been circulated to each Member and a copy of which appear as Appendix 'C' to these Minutes in the Minute Book.

The Board was informed that the Residents Card report for the next meeting had been withdrawn from the Cabinet agenda.

The Board also discussed the timing of the Community Governance Review Report and the associated Task and Finish Group, there was consensus that it was important for the Board to consider this issue.

It was agreed to add an item to the plan with a date to be determined on the Future Leisure Strategy and to add a separate briefing session with BCP Leisure.

The membership of the Consultation Framework working group was discussed and agreed.

It was suggested that it would be useful for the Board members to have a Teams channel to provide collaborative space to contribute to key lines of enquiry.

The meeting ended at 8.12 pm

CHAIRMAN