

Notice of Cabinet

Date: Wednesday, 11 February 2026 at 2.30 pm

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



Membership:

Chairman:

Cllr M Earl

Vice Chairman:

Cllr M Cox

Cllr D Brown
Cllr R Burton
Cllr A Hadley

Cllr J Hanna
Cllr R Herrett
Cllr A Martin

Cllr S Moore
Cllr K Wilson

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

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

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=6659>

If you would like any further information on the items to be considered at the meeting please contact: Sarah Culwick (01202 817615) on 01202 096660 or email 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

AIDAN DUNN
CHIEF EXECUTIVE

3 February 2026

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

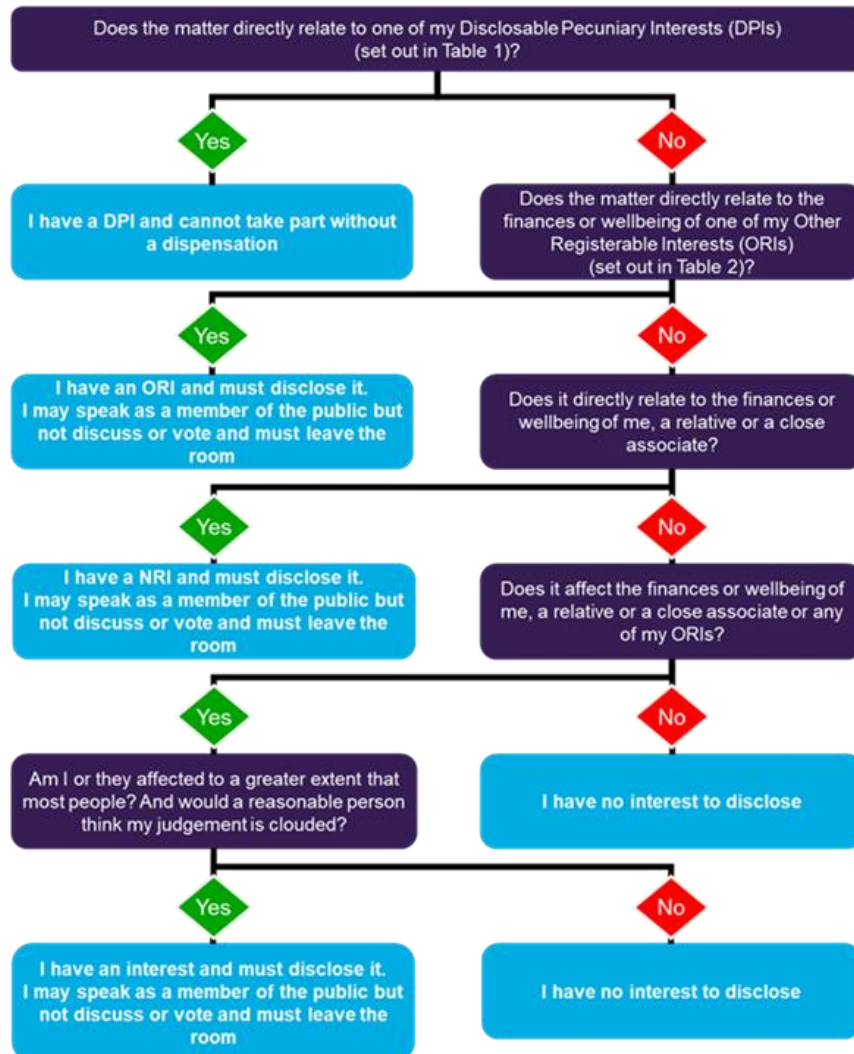


Maintaining and promoting high standards of conduct

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

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Declarations of Interests

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

Declarations received will be reported at the meeting.

3. Confirmation of Minutes

To confirm and sign as a correct record the minutes of the Meeting held on 4 February 2026.

To Follow

4. Public Issues

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

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

The deadline for the submission of public questions is mid-day on Thursday 5 February 2026 [mid-day 3 clear working days before the meeting].

The deadline for the submission of a statement is mid-day on Tuesday 10 February 2026 [mid-day the working day before the meeting].

The deadline for the submission of a petition is Tuesday 27 January 2026 [10 working days before the meeting].

5. Recommendations from the Overview and Scrutiny Committees

To consider recommendations from the Overview and Scrutiny committees on items not otherwise included on the Cabinet Agenda.

ITEMS OF BUSINESS

6. Budget 2026/27 and Medium-Term Financial Plan

7 - 248

To set out for Cabinet's consideration and recommendation to Council the proposed 2026/27 budget and council tax based on.

- Increasing council tax by 4.99% in 2026/27 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 including £14m of further savings, efficiencies, and additional income generation.
- Borrowing a further £95.7m to fund the Special Educational Needs and

Disability services revenue expenditure above the level of the Dedicated Schools Grant (DSG) High Needs grant.

- Recognition that the council has technically been insolvent from the 1 April 2025 onwards as the accumulated deficit on the DSG is now greater than the total reserves held by the council, with a negative overall general fund position and is only protected by the legislative statutory override that allows the council to ignore this issue to 31 March 2028.

This report also provides the latest Medium Term Financial Plan (MTFP) covering the 3-year period to 31 March 2029.

It is also important to recognise that in the absence of government support for historic and accruing DSG deficits, the proposed 2026/27 budget has been drawn up based on the use of £4.8m of previously unearmarked reserves to present a legally balanced budget. This reduces unearmarked to be around 6% which is still above 5% which is widely regarded as a statutory minimum. The Council's Director of Finance advises that although the estimates used for the purposes of this budget are robust, subject to the list assumptions, the reserves should be considered inadequate based on the level of the DSG deficit and the ongoing risks faced by the council. His advice is to apply any resources announced by government as part of the final 2026/27 local government finance settlement to improve the financial health and sustainability of the council. Specifically, this may or may not include any of the following matters all designed to support the councils forecast £379m DSG deficit on the 31 March 2028.

- In response to a 6 January 2026 application by the Council for Exceptional Financial Support from the government.
 - Government permission to increase council tax by more than the 4.99% threshold limit.
 - Government permission to capitalise the £10.5m cost of borrowing to finance the DSG deficit in 2026/27.
- Any government support for historic or accruing DSG deficits.

7. Pokesdown Railway Station

249 - 258

On 11 January 2022, the Council approved a contribution of up to £2.6m towards the Pokesdown Railway Station Improvement Project.

The original scope was expected to include replacement, or upgrade of the station building, a new forecourt with interchange facilities, CCTV and help point improvements, seating and shelter improvements in addition to converting the existing lift shafts to passenger use and repairing and painting the footbridge and canopies (all subject to available budget).

The project has not been delivered, detailed timescales and costs are undetermined, and the expected scope has been reduced to the lifts and canopies over the platforms only. At the same time, the cost of borrowing has increased.

In consideration of the above a recommendation is sought from Cabinet regarding the council commitment to the project.

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

The Chief Executive to report on any decisions taken under urgency provisions in accordance with the Constitution.

9. Cabinet Forward Plan

To consider the latest version of the Cabinet Forward Plan for approval.

To Follow

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.

This page is intentionally left blank



Report subject	Budget 2026/27 and Medium-Term Financial Plan
Meeting date	11 February 2026
Status	Public Report
Executive summary	<p>To set out for Cabinet's consideration and recommendation to Council the proposed 2026/27 budget and council tax based on.</p> <ul style="list-style-type: none"> Increasing council tax by 4.99% in 2026/27 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 including £14m of further savings, efficiencies, and additional income generation. Borrowing a further £95.7m to fund the Special Educational Needs and Disability services revenue expenditure above the level of the Dedicated Schools Grant (DSG) High Needs grant. Recognition that the council has technically been insolvent from the 1 April 2025 onwards as the accumulated deficit on the DSG is now greater than the total reserves held by the council, with a negative overall general fund position and is only protected by the legislative statutory override that allows the council to ignore this issue to 31 March 2028. <p>This report also provides the latest Medium Term Financial Plan (MTFP) covering the 3-year period to 31 March 2029.</p> <p>It is also important to recognise that in the absence of government support for historic and accruing DSG deficits, the proposed 2026/27 budget has been drawn up based on the use of £4.8m of previously unearmarked reserves to present a legally balanced budget. This reduces unearmarked to be around 6% which is still above 5% which is widely regarded as a statutory minimum. The Council's Director of Finance advises that although the estimates used for the purposes of this budget are robust, subject to the list assumptions, the reserves should be considered inadequate based on the level of the DSG deficit and the ongoing risks faced by the council. His advice is to apply any resources announced by government as part of the final 2026/27 local government finance settlement to improve the financial health and sustainability of the council. Specifically, this may or may not include any of the following matters all designed to support the councils forecast £379m DSG deficit on the 31 March 2028.</p> <ul style="list-style-type: none"> In response to a 6 January 2026 application by the Council for Exceptional Financial Support from the government. <ul style="list-style-type: none"> Government permission to increase council tax by more than the 4.99% threshold limit. Government permission to capitalise the £10.5m cost of borrowing to finance the DSG deficit in 2026/27. Any government support for historic or accruing DSG deficits.

<p>Recommendations</p>	<p>It is RECOMMENDED that Cabinet recommends that Council:</p> <ul style="list-style-type: none"> a) Undertakes a recorded vote in relation to the following items as required by the Local Authorities (Standing Orders) (England) (Amendments) Regulations 2014. <ul style="list-style-type: none"> i) Agrees that a net budget requirement of £452m, resulting in a total council tax requirement of £297.033m, is set for 2026/27 based on the draft local government financial settlement figures published by government in December 2025. ii) Agrees an increase in council tax of 2.99% for 2026/27 in respect of the basic annual threshold and the collection of the additional social care precept of 2%. iii) Confirms the key assumptions and provisions made in the budget as proposed and as set out in Appendix 3. iv) Agrees the allocations to service areas in the budget as set out in Appendix 5. v) Agrees the implementation of £14m of savings as set out in Appendix 5a. vi) Approve that the current Council Tax discount for Beach Chalets on Mudeford Sandspit and Hengistbury Head is removed from 1 April 2026 onwards see appendix 5b. vii) Approves the flexible use of capital receipts efficiency strategy as the mechanism for funding the council's transformation related and invest to save expenditure as set out in Appendix 6 and potentially a capitalisation direction from government to cover the 2026/27 DSG borrowing costs should it be granted. viii) Approves the capital investment programme (CIP) as set out in paragraphs 66 to 82 and Appendix 7. ix) Approves the asset management plan as set out in Appendix 8. x) Agrees the treasury management strategy (TMS) and prudential indicators as set out in paragraphs 84 to 87 and Appendix 9. xi) Accepts and supports the formal advice of the chief finance officer on the robustness of the budget and the adequacy of the reserves as set out in paragraphs 102 to 109 and Appendix 10. b) Agree to borrow £95.7m to fund the 2026/27 excess Special Educational Needs and Disability (SEND) High Needs DSG revenue expenditure above the government grant being made available. This is also based on previous assurance from government that the council can exceed its borrowing thresholds temporarily based on their commitment to return the SEND system to financial sustainability. c) Delegate to the Chief Executive, in consultation with the Director of Finance, Leader, and Portfolio Holder for Finance, the allocation of any additional resources that become available through the final 2026/27 local government finance settlement or any other means. d) Approves the chief officers' pay policy statement 2026/2027 for consideration and approval by the council in accordance with the provisions of the Localism Act 2011 as set out in paragraphs 111 to 113 and Appendix 12. e) Note amendments to the Council's Shared Vision (Appendix 1b), updated to reflect changes to political and officer leadership, the list of milestones to reflect progress made in the last two years and
-------------------------------	--

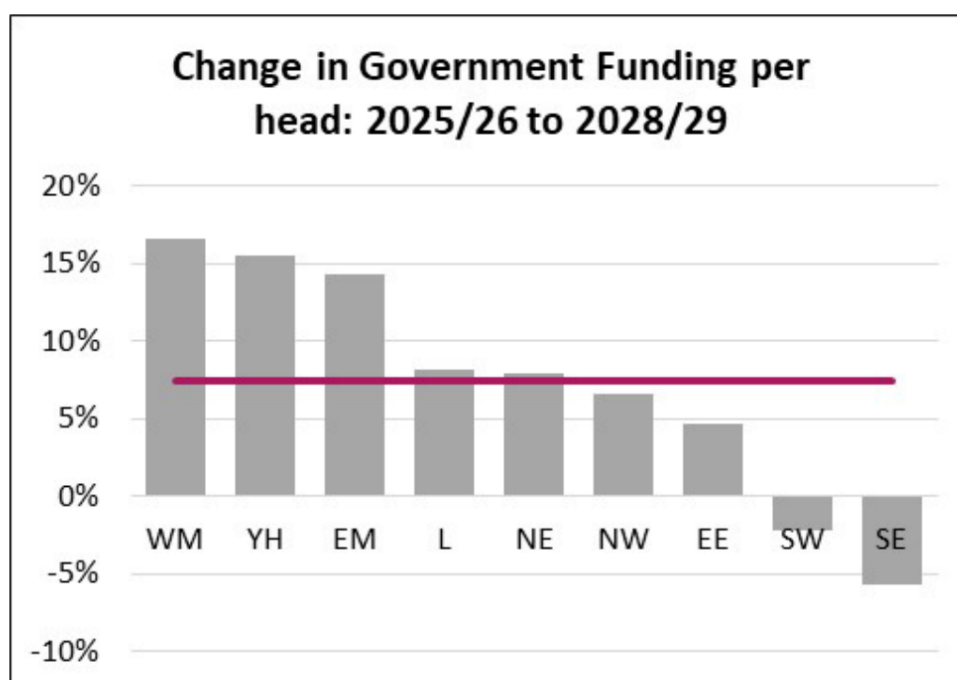
	areas of focus for 2025 to 27. The vision, ambitions and priorities remain unchanged.
Reason for recommendations	The council is required to set an annual balanced budget presenting how its financial resources, both income and expenditure, are to be allocated and utilised.
Portfolio Holder(s):	Cllr. Mike Cox, Portfolio Holder for Finance
Report Authors	Adam Richens, Director of Finance adam.richens@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Recommendation

Overview of the proposed 2026/27 budget

1. The establishment of a legally balanced budget for 2026/27 has been a turbulent process. The introduction of the governments Fair Funding Formula has caused significant uncertainty which recognises that it was the biggest change in the funding formula for 25 years and also coincided with a full business rates reset. The enormity of the challenge was made more acute by the critical changes introduced in the November Local Government Finance Policy Statement. These followed the resignation of the previous Secretary of State for Housing, Communities and Local Government and lead to a less severe impact on London authorities and a reinstatement of the £600m 2025/26 Recovery Grant which the government claim is supporting those authorities most impacted by austerity and from which BCP Council receives a zero allocation. Ultimately when the provisional local government finance settlement was received on the 17 December 2025, the day before the parliamentary Christmas break, it set out that the council will receive less cash resources in each of the next three years than it actual received in 2025/26 as set out below. On the basis that it would have been fair to assume the 2025/26 funding would have increased by at least the government's 2% inflationary target the indication is the council will be losing around £15m annually by the 3rd year (2028/29) of the settlement.
2. **Figure 1.** Comparison of the 3-year provisional LG Finance Settlement to 2025/26

Comparison of 3-year Provisional 2026/27 Local Government Finance Settlement to 2025/26							
	Actual 2025/26 £m	Provisional 2026/27 £m	% Variance from 2025/26	Provisional 2027/28 £m	% Variance from 2025/26	Provisional 2028/29 £m	% Variance from 2025/26
Business Rates (including section 31 grants in 25/26)	60.075	62.117	3.4%	63.542	5.8%	64.824	7.9%
Business Rates - Section 31 Grants - rolled into RSG	10.061	0.000	-100.0%	0.000	-100.0%	0.000	-100.0%
Revenue Support Grant (Unringfenced grants)	4.416	65.308	1378.9%	77.997	1666.2%	74.682	1591.2%
Local Authority Better Care Fund	16.579	16.579	0.0%				
Social Care Grants	39.573						
ASC Market Sustainability & Improvement Fund	7.656						
Employers National Insurance Contribution Grant	3.152						
New Homes Bonus	0.246						
Grants rolled in to RSG	3.679						
Rebated Revenue Support Grant	75.301	81.887	8.7%	77.997	3.6%	74.682	-0.8%
Rebated Settlement Funding Assessment (SFA)	145.437	144.003	-1.0%	141.539	-2.7%	139.505	-4.1%

3. This reduction in resources can then be considered in a national context which highlights that authorities in the Southeast and Southwest have fared particularly badly under the new “Fair” funding formula.
4. **Figure 2.** Changes in government funding per head 2025/26 to 2028/29



5. However perhaps even more important to the council financial health is the accumulated and growing deficit on the Dedicated Schools Grant (DSG) as pertaining to our expenditure on Special Educational Needs and Disability (SEND). In setting the 2025/26 budget the council was promised that the government would return the SEND system to financial sustainability in 2025. Anxiety on this matter has grown throughout the year and it was not until the Chancellors 26 November 2025 Budget announcement that it was set out that the government will take over the responsibility for day-to-day funding of SEND from 1 April 2028 onwards which is when they also propose to end the current statutory override, which is the mechanism which allows BCP to ignore the accumulated deficit as part of its test of solvency. They also set out that the current accumulated deficit and any further increase in the deficit between now and the 31 March 2028 will be retained by BCP Council and that support for historic and accruing deficits would be announced as part of the December 2025 provisional local government finance settlement for 2026/27. This did not happen, instead the provisional settlement was accompanied with a further statement that further details, and the conditions for accessing such support would be provided later in the settlement process. That said it became clear that any such support would be linked to the submission and quality of a Local SEND Reform Plan to be completed within the 2 months after the release of the school's white paper early in 2026 and based on five principles.
 - **Early.** Children should receive the support they need as soon as possible. Intervening upstream, including earlier in children's lives when this can have most impact, will start to break the cycle of needs going unmet and getting worse.
 - **Local.** Children and young people with SEND should be able to learn at a school or college close to their home, alongside their peers, rather than travelling long distances from their family and community. Special schools should continue to play a vital role supporting those with the most complex needs.
 - **Fair.** Every school education setting should be resourced and able to meet common and predictable needs, including as they change over time, without parents having to fight to get support for their children. Where specialist provision is needed for children and young people in mainstream, special or alternative provision, the government will ensure it is there, with clear legal requirements and safeguards for children and parents.

- **Effective.** Reforms should be grounded in evidence, ensuring all education settings know where to go to find effective practice that has excellent long-term outcomes for children and young people.
 - **Shared.** Education, health and care services should work in partnership with local government, families, teachers, experts and representative bodies to deliver better experiences and outcomes for all our children and young people
6. The council will be supported in its development of Local SEND Reform Plans by SEND and financial advisers in a similar vein as to the support received from the Department for Education DfE as part the Delivery Better Value in SEND programme (DBV in SEND) and as part of its subsequent SEND Safety conversation.
 7. Reflecting on the consequences of the provisional local government finance settlement, it increased the 2026/27 funding gap even further than the £8.9m assumed in the December Medium Term Financial Plan Update report to the 16 December Cabinet. Therefore to enable a balanced budget to be set the council had draw on the last outstanding elements of its financial strategy including.
 - The application of the 2024/25 collection fund surplus (business rates surplus net of a council tax deficit). It should though be noted that this support would have been higher had the council not had to also apply it to cover the £4.6m 2025/26 in-year deficit based on a quarter three forecast.
 - Future savings including those from transformation and invest to save programmes. Also includes additional efficiencies, income generation and service rationalisation.
 - Challenge of the Dorset County Pension Funds initial future contribution rates following the April 2025 tri-annual revaluation.
 - Confirmation of the amount the council will actually be able to retain from the reset of business rates, rather than the amount assumed in the governments LG finance settlement.
 8. Recognising the above were insufficient, the council has then had to drawdown £4.8m in reserves which takes the councils unearmarked reserves down to around 6% of Net Revenue Expenditure which is still above the 5% which is widely regarded as the statutory minimum.
 9. It is important to contextualize the councils position in respect of the overall national position. The UK's national debt has almost tripled between 2005 and 2025 and now stands around £2.9 trillion. Over £100 billion a year is being spent nationally on interest payments. The rate of increase in the debt burden is faster than any other advanced economy with only the US and Spain coming close. The extent to which UK debt has increased is part of the cause of high UK gilt yields which in turn significant influences the rate the council is required to pay to fund its debt including the significant and growing DSG debt.
 10. The readers of this report should be under no illusions. The council is in a perilous financial position due principally from both the historic and accruing DSG deficit alongside the government's diversion of resources away from southern local authorities. Additionally, this budget has had to recognise the acute pressures caused by previous years of austerity on this council, inflation uncertainty, current high borrowing rates and the exceptional demand pressures faced by all local authorities, and other public services, at this time. Setting these statements to one-side, the general approach being taken as part of the 2026/27 budget and medium-term financial plan is one of an ongoing commitment to value for money and adopting traditional and conventional approach to local government finance.
 11. In respect of the proposed 2026/27 budget, other key additional salient points include.
 - a) In line with the government thresholds, to increase council tax by 2.99% for the basic element and 2% for the social care precept.
 - b) A £22m direct investment into services even before consideration of the pay related costs including.
 - a. Provision of £9.2m (8.2%) in extra resources to cover demand and inflationary pressures in the council's highest priority area, Children's Services.

- b. Provision of £11.5m (6.5%) in extra resources to cover demand and inflationary pressures to the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services.
- c. Provision of £1.3m (2.1%) in extra resources to cover demand and inflationary pressures within the councils Operations directorate including £0.3m to harmonise food waste collections services across the conurbation with the provision of a service to Poole residents.
- d. Assumes the delivery of £14m in savings, efficiencies, and additional resources for 2026/27 with each services holding delivery plans for their implementation.

Corporate Strategy

- 12. Consideration of the development of the 2026/27 budget for BCP Council will be within the context of the Council having been formed in 2019 as the most complex piece of Local Government Reorganisation in a generation. It will also be in the context of a unitary authority which is currently in its seventh year of existence, with annual gross turnover of around £766m, and an annual net revenue budget which for 2026/27 is £452m. Consideration should also be given to the legacy impact on the organisation's financial and non-financial resources of the global Covid-19 public health emergency, the cost of living crisis, and a financial environment which saw the council enter the governments Exceptional Financial Support programme in 2022.
- 13. In setting the budget for 2026/27, it is also critical that consideration is given to the vision and ambitions of the council, ensuring that the organisation commits its limited resources in accordance with its stated priorities.
- 14. In support of this, a new BCP Corporate Strategy was developed following a change in administration after local elections in May 2023. This was adopted by the Council in January 2024. This 'A Shared Vision for Bournemouth, Christchurch and Poole' replaced the Big Plan and previous Corporate Strategy and provides a simplified strategic framework, establishing a single set of key priorities and ambitions for the area.
- 15. The Shared Vision creates a vital component for policy development, service planning and performance management, enhancing good governance and transparency in decision-making.
- 16. As set out in this corporate strategy, the vision for the area is **"where people, nature, coast and towns come together in sustainable, safe and healthy communities"** with two key priorities and a set of ambitions for each:
 - a) Our People and Communities – everyone leads a fulfilled life, maximising opportunity for all.
 - b) Our Place and Environment – vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment.
- 17. These priorities are underpinned by our approach as a council, to be "an open, transparent and accountable council, putting our people at the heart of our services" with a set of guiding principles by which the council will work. This is shown in figure 3 below and the full version in Appendix 1a.

Figure 3: : A Shared Vision for Bournemouth, Christchurch and Poole



18. The Shared Vision is supported by delivery plans which set out high level actions and SMART objectives to work towards the ambitions. Key performance indicators, published in a delivery plan, will help the council to monitor progress and identify trends.
19. Despite facing a persistently challenging economic climate, the council has advanced key priorities aimed at positively impacting residents, businesses and the local area. For instance:
 - We have transformed Children's Services from 'Inadequate' to 'Good' in just three years when rated by Ofsted, keeping children safe and supported.
 - The council continues efforts to reduce the number of families temporarily housed in Bed and Breakfasts (B&Bs). The number of children in B&Bs over Christmas was reduced by 90% compared with last year, thanks to Bournemouth, Christchurch and Poole (BCP) Council's partnership efforts to address homelessness and the need for emergency accommodation. Additionally, despite an increase in demand, the council is on track to meet end-of-year targets.
 - Targeted initiatives continue to focus on reducing the number of people rough sleeping across Bournemouth, Christchurch and Poole, with particular attention given to those who have been living on the streets long-term.
 - Support remains consistent for individuals with learning disabilities and mental health conditions to ensure they are able to live independently, and where possible, are supported into employment. The Supported Employment Review has been recognised as one of six priorities in the co-produced Day Opportunities Strategy. Furthermore, the BCP Council-led Shared Lives scheme, which matches adults and young people with care and support needs

with skilled carers to become part of their home and local community, was rated as 'Good' by the Care Quality Commission (CQC).

- The council has also collaborated with partners to deliver a new vision to support carers, outlining a commitment to improving the future for nearly 69,000 unpaid carers across Dorset, coordinated by the Pan Dorset Carers Steering Group. This group includes BCP Council, Dorset Council, carers across Dorset, and NHS Dorset.
- The council's School Attendance Team has been working closely with all schools across Bournemouth, Christchurch and Poole to identify priority pupils who are missing out on education.
- The council continues to invite the input of communities on local matters, seeking views from neighbourhood groups, community organisations, and individuals as part of a Community Governance Review. This review supports the establishment of elected parish and town councils, which can make decisions about their own communities, invest in facilities, manage local assets such as recreation grounds, play parks, and community buildings, and organise events and festivals.
- The council was also given a clean bill of health by the Government in August 2024 following the removal of the 'Best Value Notice' meaning it had met all standards for delivering best value for residents. The Ministry of Housing, Communities and Local Government noted the council's work since the notice was given to update its transformation plan, work to improve its budget position, provide direction by delivering a corporate strategy, strengthen its leadership team and undertake governance reviews of subsidiary companies.
- The council also continues to prioritise its commitment to improve local highstreets and town centres, becoming one of only four areas across the UK to trial the High Street Rental Auctions scheme, leading the way and setting an example for other local authorities in filling empty shops.
- The unique heritage of Bournemouth, Christchurch and Poole has been a focus, with the restored Scaplen's Court and Garden, and renovated and reopened Poole Museum, preserving culture and history in Poole Town Centre and providing residents and visitors with a free destination. Upton Country Park has successfully completed the first phase of a £2.3 million Discovery Project, which celebrates the heritage of Upton Country Park by restoring, conserving, and interpreting its historical features and landscapes. This initiative has been made possible by the Parks for People Programme supported by The National Lottery Heritage Fund and The National Lottery Community Fund, alongside additional funding from BCP Council and the Friends of Upton Country Park. It aims to create a more accessible, sustainable, and vibrant attraction that will engage visitors through opportunities for learning, participation, and inclusive interpretation. Public access to the historic Hamworthy Lake Pier was also returned, securing its future towards its 100th year.
- Work to protect the areas coastline from erosion and flooding continues, with upgrades to the Hengistbury Head Long Groyne completed in October 2024, protecting up to 6,000 homes and providing new and improved habitats for our local wildlife.
- 2024/5 saw an acceleration in our reduction in the council's carbon emissions, achieving an overall 21% reduction in CO2 emissions since declaring a Climate Emergency in 2019, with 14% in 2024/25.

20. An updated Shared Vision is attached at Appendix 1b. The foreword has been updated to reflect the new political and officer leadership, and the list of milestones has been updated to reflect progress made in the last two years. The vision, ambitions and priorities remain unchanged.

Financial Strategy

21. A financial strategy designed to support the setting of a legal and robust budget for 2026/27 focused on a prudent approach to the council's financial management was approved by Cabinet in May 2025. Developed by Senior Officers working with Cabinet Members, the strategy was focused on the following summarised workstreams.

a) Delivery of the February 2025 approved Medium Term Financial Plan

Emphasis on delivering the £7.9m of transformation and service specific savings proposals assumed for 2026/27 as part of the February 2025 Council approved budget for 2025/26 and MTFP.

b) Special Educational Needs & Disability (SEND) & Dedicated Schools Grant

Encouraging government to honour its commitment to return the SEND system to financial sustainability and set out how any such expenditure is to be funded moving forward.

c) Financial outturn 2024/25

Was the council able to deliver its 2024/25 financial outturn within the parameters of the February 2024 Council approved budget for 2024/25.

d) Savings plans based on cash limited budget targets for 2026/27

Working with Portfolio Holders services were requested to develop saving plans based on a cash limited budget for 2026/27 which also recognises savings already committed to. The following activities will be considered in support of this approach.

- a. Invest to save proposals*
- b. Use of AI technology*
- c. Level of fees and charges*
- d. Service harmonisation*
- e. Service rationalisations*
- f. Market analysis*
- g. Voluntary redundancy programme*

e) Deliver a pipeline of capital receipts from asset disposals

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

f) Generation of additional resources

Develop and consider any proposals which would be able to increase the permanent or temporary resource base of the council.

g) Minimise capital programme requirements

Limit new capital requirements/bids by only considering fully externally funded schemes or those where there is a legal requirement. Additionally, consideration will be given to robust self-financing business cases that use the council's ability to borrow to invest in capital infrastructure which in turn drives down operational costs or avoids demand pressures.

h) Government policy reforms

Ongoing monitoring of the impact of various government proposals which will have a direct impact on either the cost base or income sources available to the council.

i) Review of the council's balance sheet

To include a fundamental review of Earmarked Reserves and to benchmark items such as bad debts provisions to compare with the levels and policies of other local authorities

j) Comparisons with other local authorities

Reflecting on best practice and the responses of other local authorities to the overall financial challenge and specifically any learning that BCP Council might want to consider implementing.

22. In essence, the financial strategy has been designed to improve the overall financial resilience of the council, to provide more overall financial stability, and to ensure that the Council can set a balanced budget and manage the medium-term financial strategy, and to avoid what is referred to as a s114 report being issued. A brief explanation of a s114 report is provided in Appendix 1c.

Public Consultation

23. In support of the process for setting a budget for 2026/27, and as part of its commitment to being open and transparent, the council undertook a consultation asking residents and stakeholders for their views on the importance of council services, the level of council tax increase and priorities for spending. An open consultation document was produced and available online and in paper format. The consultation was widely promoted through a press release and social media channels. The consultation was sent to residents and stakeholders signed up to the council's consultation register. The consultation ran from 18 November through to 14 December 2025.
24. In total we received 869 responses to the consultation survey. A summary of the consultation and sample survey findings and the full analysis report can be found in Appendix 1d.

Key Issue: Quarter 3 Budget Monitoring Report – 2025/26

25. The December projection for the current 2025/26 financial year is that the council is currently forecasting that it will overspend its 2025/26 approved budget by £4.6m (1.3% of its net service budget) after the release of the budgeted contingencies. Overall, the position has deteriorated by £0.4m compared to the quarter two reported position and reflects the ongoing challenges facing local government from children's social care.
26. As the overspend has grown through the year Cabinet implemented a freeze on all non-essential expenditure and vacancies (Quarter One, October) and requested the council's senior leadership team and portfolio holders to consider what further action can be taken including the extent to which any previously agreed savings for 2026/27 can be brought forward (Quarter Two, November). It should be borne in mind that no officer has approval to incur expenditure outside the approved budget framework for 2025/26.
27. It is intended to fund this forecast overspend from the one-off additional business rates resources being made available in 2026/27 following the fundamental review of councils collection funds in accordance with the approved financial strategy. This approach also recognises that some of the previously assumed use of these funds are now profiled into 2026/27 later years.
28. As a matter of principle should any improvement be delivered in the final quarter then consideration will be given to.
- a. Further supporting unearmarked reserves and improving the financial health of the council which has been impeded by the 2025/26 forecast overspend.
 - b. Ensuring that the council can continue to fund its regeneration service after 31 March 2027.
 - c. As recognised in the Treasury Management Strategy, to the voluntary repayment of debt.
29. Full details of the quarter three Budget Monitoring report and latest forecast for 2025/26 were presented as a separate report to Cabinet as part of its 4 February 2026 agenda.

Key Issue: Provisional Local Government Finance Settlement for 2026/27

30. On 17 December 2025, Alison McGovern, the Minister of State for Local Government and Homelessness, announced the 2026/27 provisional local government finance settlement. Alongside the information for 2026/27 illustrations were provided for 2027/28 and 2028/29 which is the first time in a decade the government have provided multiple years information and should assist future financial planning and commissioning although it should be emphasised that future year's allocations will be subject to change as part of the annual process. The main headlines of the provisional settlement can be set out as follows.

a. Introduction of the new fair funding formula.

The overall enormity of the change in approach cannot be understated with the impact on BCP Council of the new formula is set out in figure 1 above. It should also be borne in mind that the first time the council saw its formal funding allocation from MHCLG was a little over 5 weeks before it was due to issue the budget report, and this huge uncertainty has caused

significant issues in formally balancing the 2026/27 budget. In regard to the position as presented to Cabinet in December 2025 the funding gap for 2026/27 which was £8.9m, was worsened as a result of the settlement by a further £2.5m, in year 2 (2027/28) it was marginally unchanged, and in year 3 (2028/29) there was an improvement.

b. Introduction of a complete business rates reset, revaluations and multiplier reforms.

Includes a calculation of the minimum amount of business rates the council will be able to retain.

c. Council tax

A referendum limit for unitary councils in each of the next 3-years will be 4.99% made up of a 2% basic increase plus 2% as a social care authority. There will continue to be no referendum limit for Town and Parish councils. The Government also confirmed it will consider local requests for council tax flexibility where a local authority is facing significant financial difficulty and views council tax increases as critical to managing financial risk. In considering these requests the Government will consider a local authority's specific circumstances and will take account of an authority's Band D council tax level in relation to the average council tax levels. The Government will "not agree to requests for additional flexibilities from authorities where council taxpayers are already paying more than average which they believe will be £2,060 in 2026/27. BCP Councils average council tax with a 4.99% increase will be £1,947.99 in 2026/27, 5.4% below the assumed national average.

d. Adult social care funding

All funding for social care authorities has been redistributed as unringfenced funding under the fair funding formula. The Department of Health and Social Care will though publish "notional" adult social care amounts which will be their expectation of how much council funding should be spent on adult social care. It is unclear how this approach reconciles with the unringfenced nature of the revenue support grant and what level of pressure they will apply to any disparities.

e. Consolidation grants

Four new consolidated grant streams have been created to simplify funding from a range of previous funding streams.

- Homelessness, Rough Sleeping and Domestic Abuse Grant

Homelessness prevention grant, rough sleeping funding, DA safe accommodation grant

- Children, Families and Youth Grant

Children's social care prevention grant, supporting families funding within the Children's and families grant, holiday activities and food grant, transformation funding, pupil premium plus post-16 grant

- Public Health Grant

Main public health grant, drug and alcohol treatment and recovery improvement grant, local stop smoking service and support grant, swap to stop scheme funding.

- Crisis and Resilience Fund

Household support fund and discretionary housing payments

31. In presenting the provisional settlement government reference was made to providing for a 23% increase in "spending power" which is an extra £93.4m in the years leading up to 2029. This indicator captures the main streams of government funding to local authorities but can be confusing as it also includes.

- 100% of the extra resources that the council would generate by increasing council tax by the maximum permitted 4.99% in each of the next 3-years 2026/27, 2027/28 and 2028/29.
- 100% of the extra resources that the council generated by increasing council tax by 4.99% in 2025/26.
- 100% of extra resources we will generate by future assumed increases in the number of properties within the BCP area in the 3-years to 2028/29.

- d. 100% of the extra resources that the council generated from extra properties in 2025/26 and the implementation of the 100% second homes premium from 1 April 2025 onwards.

It should be unquestionable therefore that the analysis of the settlement indicates that BCP local council taxpayers' resources is being redistributed and used to fund services in other parts of the country.

Key Issue: Dedicated Schools Grant (DSG)

32. As set out earlier in this report the most significant risk to the council's financial sustainability continues to be the current and growing deficit on the Dedicated Schools Grant (DSG) specifically regarding the annual revenue expenditure on the high needs block which, year on year, is more than the annual grant being made available by the government. The predicted £73.5m annual funding gap for 2025/26 (114%) is forecast to grow to an annual funding gap of £95.7m (148%) in 2026/27.

Figure 4 Forecast High Needs Revenue Expenditure 2024/25 to 2027/28

Revenue	Original Budget	Actual Outturn	Original Budget	Q3 Forecast Estimate	Original Budget	Initial Estimate
Expenditure	2024/25 £m	2024/25 £m	2025/26 £m	2025/26 £m	2026/27 £m	2027/28 £m
DSG - Grant Funded Expenditure	62.3	62.0	65.7	64.5	64.5	64.5
Additional Budgeted Expenditure	28.0	28.0	57.5	57.5	95.7	100.0
Further Additional Expenditure		21.8		16.0		
Total Estimated Expenditure	90.3	111.8	123.2	138.0	160.2	164.5
Dedicated Schools Grant (DSG) Funding	-62.3	-62.0	-65.7	-64.5	-64.5	-64.5
Total DSG Grant Funding	-62.3	-62.0	-65.7	-64.5	-64.5	-64.5
Net Overspend / Unfunded	28.0	49.8	57.5	73.5	95.7	100.0
Prior Year Adjustment non High Needs Related				-1.9		
Other elements of the DSG				-1.3		
Accumulated DSG Deficit						
	31.3.24	31.3.25	31.3.26	31.3.27	31.3.28	
	63.5	113.3	183.6	279.3	379.3	

33. Although government have announced that they will take over the responsibility for day-to-day funding of SEND from 1 April 2028 onwards it is clear the council will retain the current £113.3m deficit (as at the 31/3/25) and the additional £266m estimated deficit that will accumulate over the 3-years to 31 March 2028. It is anticipated that there will be support for these accruing deficits however the only certainty at the time of writing this report is that they will come with strings attached including the production of a Local SEND Reform Plan.
34. Consequentially what is known is that from 31 March 2025 the council was technically insolvent as the DSG deficit was greater than the councils total general fund reserves. Ordinarily any council in this position would be required to issue what is referred to as a s114 report which would put the council into effective administration and in turn lead to government intervention. However, this action is currently not necessary as the government have put in place, to 31 March 2028, a statutory override which enables the council to ignore the DSG deficit for the purposes of a s114 assessment. The issue is what the government intends to happen on 1 April 2028 when the statutory override falls away. As it stands the deficit will remain greater than the councils general fund reserves and a s114 will need to be issued.

35. Previously the council has also acknowledged that despite not having the government grant to fund these SEND bills they still need to be paid, and all councils are prohibited from borrowing to fund the day-to-day operational/revenue expenditure. Currently the council is using what is referred to as its “treasury management headroom” to enable the relevant invoices to be settled. Generally, this headroom is the timing difference between receipts for council tax or business rates arriving and the date when the actual bills they fund are paid, alongside any cash-backed balance sheet items such as reserves and provisions.
36. Forecasting indicates that we will come into close proximity to the threshold in 2026/27, but it is unlikely that it will be fully exhausted until the 2027/28 financial year. Robust management of, and slippage within, the capital programme has deferred this position from the end of the 2025/26 financial year. As part of the original 2025/26 budget process government provided the view that councils can exceed its borrowing limits provided it is only temporary. They were also clear they would advise Ministers that they believed the council would not be breaching the Prudential Code while the government works with councils on a long-term resolution. Council will need to keep this issue on its agenda and reflect as to how it will be impacted by any support for historic and accruing DSG deficits once the government make any announcements on this issue.
37. It should also be recognised that if the council did not have to cover this deficit this cash would be earning interest or would enable a lower level of external debt to be held. Therefore, cash flowing the DSG deficit is estimated to cost the council in the region of £8.1m in 2025/26 increasing to £10.5m in 2026/27, a cost incurred due to mostly external factors beyond the council's control and one that the council has had limited power to tackle. It has consistently been raised with government that the councils general fund bearing these implications does not appear consistent with the spirit and intent of the Children's and Families Act 2014 which introduced the Education, Health and Care Plans (EHCPs).
38. Focusing on the service aspects, the number of Education, Health and Care Plans (EHCPs) continues to rise to 4,921 in November 2025 compared to 4,343 in November 2024 (3,683 in November 2023), representing a percentage increase of 13.3% since November 2024 (17.9% increase from November 2023 to November 2024). This is having an impact on our ability to maintain timeliness and service the annual requirements of the volume of plans in the system due to the available budget. Improvement work continues to focus on the process and pathways in use to streamline processes and make efficiencies where possible.
39. When comparing to the demand in the South West region (95.9) and England nationally (88.1), BCP is slightly above comparators with rates of 99.4 per 10k and new assessment request levels.
40. 20-week timeliness for new assessments (ECHNA) has declined since last year with a year to date performance of 52.8% at the end of November 2025. This remains above the national average of 46.4%, South West region (25.5%) and statistical neighbours (31.0%). The increase in service demand means that there is an increased pressure on timeliness with a risk of further decline. Arrangements will be made to prioritise and protect the most vulnerable children i.e. those with an elective home education or known to social care. It should be noted that the SEND service's caseload is now 13% higher than this point last year. This creates pressure on the ability to manage new requests and service the plans already in the service; this is the case for the SEND assessment and review service and the SEND strategic service area; particularly the educational psychology service and appeals and mediation processes and service area.

Key Issue: Extended Producer Responsibility (EPR)

41. This government policy is designed to help achieve environmental goals such as recycling by making producers responsible for their products along their entire lifecycle including the post-consumer stage. In 2025/26 BCP council were given a guaranteed allocation of £9.447m to help offset costs associated with waste collection and disposal.
42. During November 2025 the Council was notified of a £9.703m allocation for 2026/27 however it is worth stressing that this amount is not guaranteed and therefore there will be a high degree of uncertainty in regard to the final amount eventually receivable. It is clear that the Scheme Administrator (PACK UK) will be required to assess the effectiveness of the council's waste management services via an audit process. If it is deemed that we are not compliant then the council can be fined part of our ERP payment (up to 20% i.e. £1.941m) and also instructed in what we need to do to become efficient and effective. For example, this could involve PACK UK

deciding, at the council's cost, that we should introduce a separate paper/cardboard collection process.

Key Issues: Council Tax

43. In proposing a Council Tax for 2026/27 the Cabinet has reflected on the fact that it is government policy to fund cost pressures in local government principally through the ability to raise council tax, including the social care precept. Recognition has also been made of the need to ensure that every step is being taken to align the council's expenditure with the resources at its disposal.
44. The proposal is to increase council tax by 4.99% in 2026/27. This increase can be broken down into a 2.99% increase in relation to general inflationary pressures and an additional 2% relating to the social care precept.
45. The financial planning assumption for future years continues to be that council tax will be increased by 4.99% per annum in line with the information provided as part of the provisional local government finance settlement for 2026/27 including the illustrations for future year alongside the June 2025 Comprehensive Spending Review which set out the medium-term path for public finances and included departmental settlements to 2028/29.
46. The strategic approach taken by government since the 2015 spending review is that local councils can increase council tax as a mechanism for funding cost and demand pressures in local services. For the last 11 years in a row (since 2016/17), this has included the use of the Adult Social Care council tax precept as a means of asserting national direction on how such resources should be applied. From 2025/26 the social care precept is not shown separately on the actual council tax bills.
47. As a reminder the table below sets out the levels that government legislated for BCP Council to increase its council tax by in comparison to the actual levels of council tax set over the last 6-year period. Note, the 2021/22 Social Care precept was identified as being available to be taken in either 2021/22 or 2022/23. BCP Council chose to defer the full increase to 2022/23.

Figure 5: BCP Actual Council Tax Increases compared to Government Thresholds

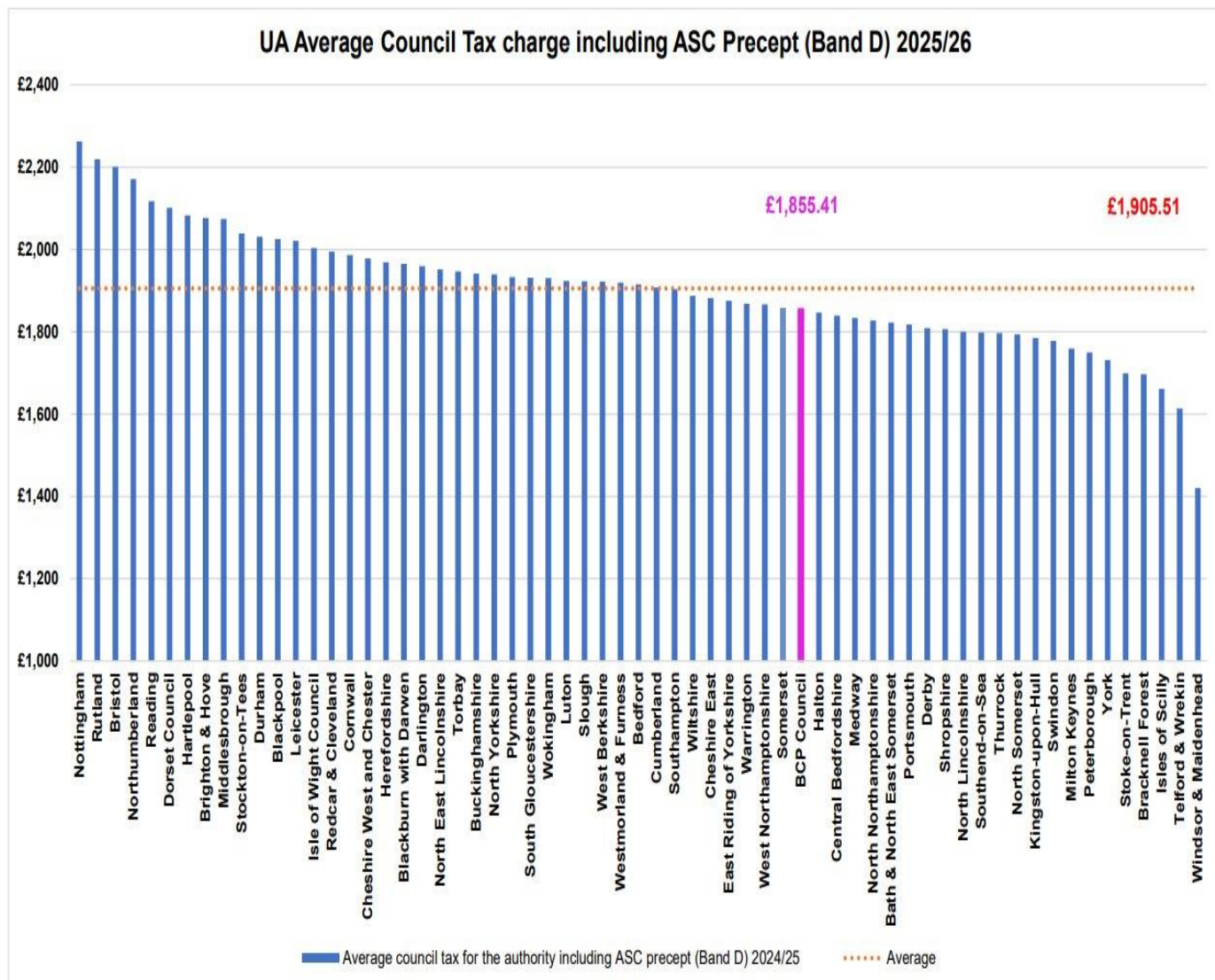
	Government Assumed Increases (thresholds)			BCP Council Actual Increases		
	Basic %	Social Care	Total	Basic %	Social Care	Total
2021/22 Financial Year	1.99%	3.00%	4.99%	1.55%	0.00%	1.55%
2022/23 Financial Year	1.99%	1.00%	2.99%	0.00%	4.00%	4.00%
2023/24 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%
2024/25 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%
2025/26 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%
2026/27 Financial Year	2.99%	2.00%	4.99%	2.99%	2.00%	4.99%

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

48. Previously the council has requested, but not been granted, the flexibility to increase council tax by the additional 2.43% that it could now be charging if it had increased its amounts in line with government policy across the two-year time horizon 2021/22 and 2022/23. If government had sanctioned this adjustment, it means the council would have been able to avoid approximately **£6.9m per annum** of the service reductions that it has otherwise had to put forward over the last few years.
49. As part of the a January 2026 Exceptional Financial Support application designed to support the council with its 2026/27 budget and specially the historic and accruing deficits on its Dedicated Schools Grant, the council has reiterated its desire to be granted the flexibility to increase council tax by the 2.43% it has previously decided not to increase council tax by.
50. The BCP Band D council tax for 2025/26 is £1,855.41. The equivalent council tax for our nearest neighbour Dorset Council was over 13% higher at £2,001.15. This equates to approximately

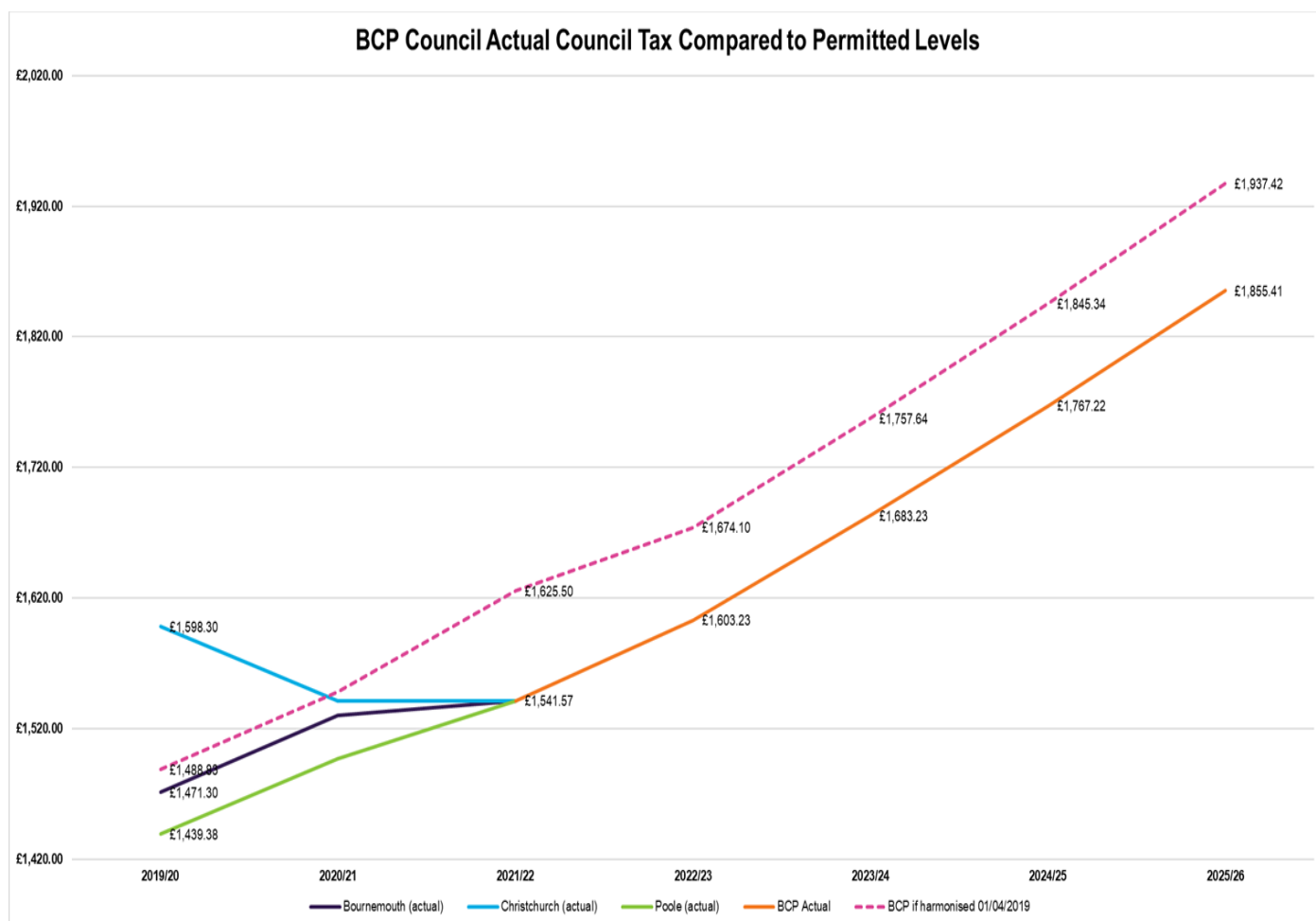
£22m per annum in additional resources BCP Council could be generating based on the BCP 2025/26 tax base (151,574.2) if it had Dorset Council's level of Council Tax. It should be recognised that in comparison to other unitary councils BCP Council has a council tax level which is also below the average and would have still been below the average if it had increased its Council Tax by the 2.43%. For 2025/26 BCP Councils council tax is 2.6% below the average which in resources terms is equivalent to **£7.6m per annum**.

Figure 6: Unitary Authorities 2025/26 Average Council Tax Levels



51. Figure 7 below demonstrates that if the council tax had been harmonised in April 2019, as the new Dorset Council did, and followed government guidelines and applied the maximum increases since then, then cumulatively our council tax would have been £1,937.42 in 2025/26 which is 4.4% higher than the cumulative £1,855.41 actual rate set. We are therefore clear that this council has locally decided not to generate and therefore forfeit the **£12.4m per annum** extra revenue that we could have been generating. While this is an annual benefit to our local council taxpayers it will have had a direct impact on the level of services the council has been able to provide.

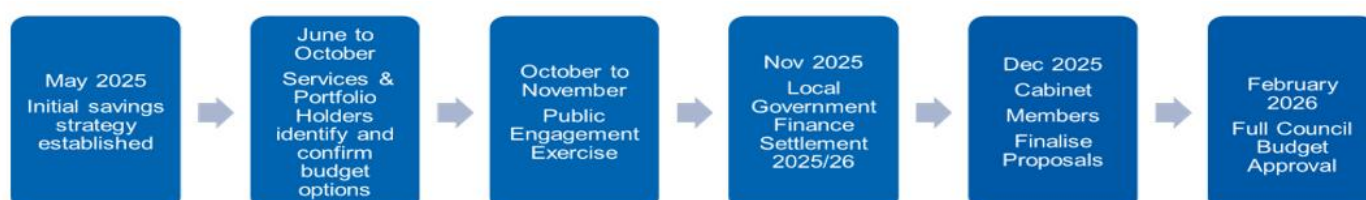
Figure 7: BCP actual council tax levels compared to permitted levels.



2026/27 Proposed Budget

52. Council has a legal responsibility to set an annual balanced budget (Local Government Finance Act 1992) presenting the plan for how its financial resources are to be allocated and utilised. In that context the budget for 2026/27, and the MTFP, it should be seen in the context of a rolling, evolving process structured to enable the ongoing proactive management and prioritisation of the council's resources. It is therefore a developing document which will be constantly changing, and which will require regular monitoring with actions taken to mitigate variations as they occur. As such Cabinet have been clear that work will remain ongoing in relation to efforts to materially improve the council's financial sustainability and resilience.
53. As a sector local authorities have been grappling with sustained financial pressures since 2010. Recently councils have had to become more efficient in navigating the uncertainty and volatility caused by global macro-economic factors, the legacy and long-term consequences of the Covid-19 pandemic, alongside those caused by the recent cost-of-living crisis, and changes in public policy. Stability in financial planning has been impacted by a financial framework historically characterised by one-year local government funding settlements.
54. The budget planning process and timetable in support of the 2026/27 budget were approved by Cabinet in May 2024. A high-level summary can be shown as follows.

Figure 8: High level summary of the budget planning process



55. The key dates in the 2026/27 budget setting process can be set out as follows.
- | | |
|---------------|--|
| May 2025 | Cabinet - MTFP update report (including financial strategy). |
| July 2025 | Cabinet – MTFP update report |
| July 2025 | Cabinet - Quarter 4 / Financial Outturn 2024/25. |
| October 2025 | Cabinet - Quarter 1 - 2025/26 budget monitoring. |
| October 2025 | Cabinet - MTFP update report |
| October 2025 | All Members – Budget Conversations |
| November 2025 | Budget Consultation Exercise Opens |
| November 2025 | Cabinet – Quarter 2 – 2025/26 budget monitoring |
| December 2025 | Budget Consultation Exercise Closes |
| December 2025 | All Members – Draft developing 2026/27 Budget Presentation |
| December 2025 | Cabinet - MTFP update report |
| January 2026 | Cabinet – Council Tax 2026/27 taxbase report |
| January 2026 | Audit & Governance Committee (Treasury Management Strategy) |
| February 2026 | All Member – Final proposed 2026/27 Budget Presentation |
| February 2026 | Presentation to representatives from Commerce and Industry |
| February 2026 | Cabinet – Quarter 3 – 2025/26 budget monitoring |
| February 2026 | Cabinet – 2026/27 proposed budget and MTFP |
| February 2026 | Council – 2026/27 proposed budget and MTFP |
56. In support of the 2026/27 budget process Overview and Scrutiny Board members worked with the Leader and Deputy Leader on a series of budget conversations held on the 17 October 2025 in an attempt to support proactive budget engagement and scrutiny. This event provided the opportunity to discuss key areas of council service in greater depth supported by a pack of relevant budget/financial information made available in advance. The five areas covered by the event were.
- Library Strategy
 - Remaining Play Strategy Phases
 - Enhancing Youth Services
 - Funding to support Regeneration
 - Funding to support and develop a programme of Public Events
57. Feedback from the event was presented by relevant Overview and Scrutiny Chairs to the 29 October Cabinet meeting as follows:
- The Overview and Scrutiny Board recommend to Cabinet that as part of the Budget setting process. consideration be given to utilising receipts from the existing surplus asset disposal programme for 2026/27 to address some of the repairs and maintenance of publicly facing assets.
58. In addition, a meeting of the Overview and Scrutiny Chairs in November highlighted that they would appreciate.
- In support the Overview & Scrutiny Board consideration of the 2026/27 budget a request that the Corporate Directors attend the meeting on the 9 February 2026 to set out the consequences to the community, residents and staff of the key proposals within their areas.
 - In support of the Overview & Scrutiny Boards consideration of the 2027/28 budget a request that the detailed list of savings, efficiencies etc that are being assumed in each of the MTFP Update reports is included which each of those reports.

59. Figure 3 below sets out the current Medium-Term Financial Plan (MTFP) to 2029. As a reminder to Cabinet, the table sets out changes in the revenue budgets on an annual basis, either positive numbers which represent additional costs to be met, or negative numbers which represent forecast cost reductions, savings or additional income. The variances are shown in the year in which they are expected to be first seen and are then assumed to recur on an ongoing basis in each of the following years. One-off changes will be seen as an entry in one year and will then be reversed out in a following year.
60. Key features of the 2026/27 proposed budget as presented include.
- £22m planned increase in council spending across all service areas excluding pay related costs, this includes including.
 - £11.5m (6.5% increase) to cover demand and inflationary cost pressures in wellbeing services including adult social care and homelessness services.
 - £9.2m (8.2% increase) to cover demand and inflationary cost pressures in children's services.
 - £14m of savings, efficiencies, service reductions, and additional fees and charges across services including £4.4m which has been established as transformation and invest to save related.
 - 2.8% assumed pay award for 2026/27.
 - 4.99% increase in council tax for 2026/27 made up off 2.99% for the basic amount and 2% for the social care precept. Please note from April 2025 onwards the social care precept is no longer shown as a separate line on the council tax bills. The financial planning assumption for future years is also 4.99% in line with the assumptions with the governments 3 years local government financial settlement.
 - Continuation of the utilisation of the one-off business rates collection fund surplus as per the 2024/25 approved budget. In 2025/26 these resources are being used to continue to facilitate the delivery of council regeneration activity and the externalisation of the Russell Cotes Museum ambitions, as well as assisting with the one-off costs associated with Pay and Reward, fund the in-year forecast overspend, and steps to improve the robustness of the budget proposal. Additional resources are also being applied to support the 2026/27 budget and MTFP.
 - Drawdown of £4.8m from unearmarked reserves.
 - Significant funding gaps in future financial years amounting to £30m over the two year period 2027/28 and 2028/29. This is after £15m of assumed future savings over this same time period.

Figure 9: Medium Term Financial Plan to 31 March 2029

	Updated Budget 2025/26 £m	February 2026 MTFP Position			
		26/27 £m	27/28 £m	28/29 £m	Total £m
Service Pressures (net of any specific grant changes)					
Wellbeing Directorate	194.6	11.5	7.9	8.2	27.6
Children's Directorate	111.8	9.2	8.2	8.2	25.5
Operations Directorate	60.3	1.3	4.1	5.6	11.0
Resources Directorate	50.2	(0.0)	0.3	1.6	1.9
Service Pressures (net of any specific grant changes)	416.8	22.0	20.5	23.5	66.0
Savings, Efficiencies, Fees & Charges					
Wellbeing Directorate		(3.1)	(1.1)	(0.9)	(5.1)
Children's Directorate		(1.4)	0.0	0.0	(1.4)
Operations Directorate		(4.0)	(2.2)	(1.3)	(7.5)
Resources Directorate		(1.0)	(0.5)	(0.1)	(1.6)
Transformation		(4.4)	(7.5)	(1.2)	(13.1)
Savings, Efficiencies, Fees and Charges		(13.9)	(11.1)	(3.6)	(28.6)
Corporate Items - Cost Pressures	10.6	10.0	4.6	6.6	21.2
Funding - Changes	(432.8)	(16.5)	(4.6)	(16.7)	(37.8)
Debt interest due to accumulated SEND deficit	8.1	2.4	2.5	1.7	6.5
Annual – Net Funding Gap	2.8	4.0	11.8	11.5	27.3
Application of one-off business rates resources to MTFP	(2.8)	(4.0)	6.8	0.0	2.8
Annual – Net Funding Gap	0.0	(0.0)	18.7	11.5	30.1
Cumulative MTFP – Net Funding Gap		(0.0)	18.7	30.1	

61. Full details of the service pressures, corporate costs pressures and funding changes, where not referenced elsewhere in this report, are as set out in Appendix 3. A summary of the key assumptions can be set out as follows.

Figure 10: Key Budget & MTFP Assumptions

	2026/27	2027/28	2028/29
Council Tax (Includes 2% Social Care Precept)	4.99%	4.99%	4.99%
Pay Award	2.8%	2.0%	2.0%
Minimum Increase in Fees & Charges	2%	2%	2%
National Living Wage (NLW) % Increase in the National Living Wage	4.1%	2%	2%
Bank of England - Base Rate	Dec-25 3.75%	Dec-26 3.25%	Dec-27 3.25%

Please note:

a) The increase in fees and charges should be regarded as a minimum increase to those not set by statute. The principle of full cost recovery may mean increases above these levels for example based on the specific cost profile of the service.

Savings and Efficiencies

62. Across the first eight years of BCP Council the savings have flowed from reduced staffing, lower operational costs, from creating common and consistent charging policies or from reduced service levels. A detailed schedule of all the assumed savings supporting the proposed budget for 2026/27 is presented as appendix 5a, which includes those savings previously outlined in in the 2026/27 budget report or the July 2025 Pay and Reward council report. It also includes those savings attributed to the council's various transformation and invest to save programmes.
63. The scale of the ongoing challenge faced by BCP and all other local authorities means that difficult choices concerning service changes must be made by the Council to ensure a legally balanced budget for 2026/27 can be set. Although focused primarily on discretionary services, consideration has also been given to statutory services and reducing service levels towards the statutory minimum.
64. It should also be highlighted that as a matter of policy, the budget assumes that all locally set fees and charges will be increased at least in line with inflation and/or be adjusted to ensure they are set at a level which guarantees full cost recovery including the impact of the National Living Wage increase and any impact from the councils pay and reward project.
65. The table below sets out the level of savings which have been put forward since 2019 as part of the process of balancing the annual budgets. This demonstrates that the savings have been particularly focused on the 2023/24 and 2024/25 financial years as the council strove to manage its way out of the government Exceptional Financial Support programme as well as the Administration's attempt to improve the council's financial health.

Figure 11: Annual Service based savings since 2019 (shown on an incremental basis)

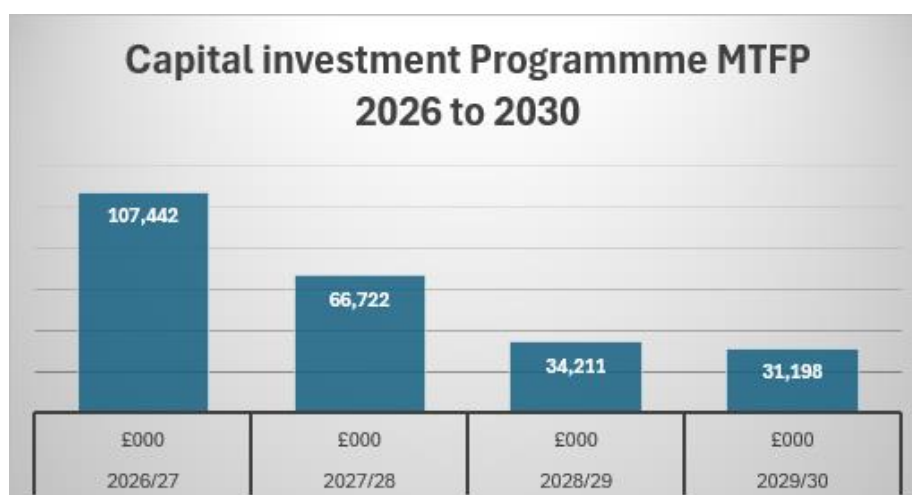
	Budgeted 2019/20 £m	Budgeted 2020/21 £m	Budgeted 2021/22 £m	Budgeted 2022/23 £m	Budgeted 2023/24 £m	Budgeted 2024/25 £m	Budgeted 2025/26 £m	Estimate 2026/27 £m	Total £m
Total	(11.2)	(9.4)	(20.7)	(6.6)	(34.0)	(38.0)	(7.8)	(14.0)	(141.7)

Capital Investment Programme (CIP) - Overview

66. The capital strategy is based on the following core principles:
- Capital projects are supported by appropriate business cases, that clearly identify funding sources and are approved in accordance with the council's financial regulations. No project that relies on government grant, external funding (including third party contributions) or capital receipts can commence until the council has complete assurance the funding will be / has been received or has otherwise explicitly agreed to accept the risk.
67. The use of prudential borrowing for capital projects where no alternative source of funding is identified must comply with published HM Treasury PWLB borrowing restrictions. Business cases must demonstrate the debt is affordable, prudent, and sustainable and that the council is able to meet annual borrowing repayments. The council's overall borrowing capacity is set out in its treasury management strategy.
68. Audit and Governance Committee places an extra layer of governance between Cabinet and Council consideration, to test the robustness of borrowing proposals to ensure that debt repayments can be met.
- Interest rates from the council's invest-to-save framework (which provides a framework through which to recognise an appropriate level of risk for each project) are applied to all business cases that rely on future income streams from which to meet annual borrowing repayment costs. Such business cases are required to show the impact on affordability by reference to the current prevailing and the invest to save interest rates.
 - BCP Council's capital resources (community infrastructure levy (CIL), developer s106 contributions, capital reserves, capital receipts) are prioritised towards:
 - commitments under the council's flexible use of capital receipts strategy (FUCR).

- schemes which require a local contribution to leverage in capital grants or external capital contributions.
 - schemes which enable delivery of the savings assumed within the MTFP.
 - schemes which enable the council to exploit its assets.
 - schemes which protect key infrastructure.
 - schemes considered a corporate priority.
- Capital receipts from the disposal of any of the council's general fund lodges will be earmarked for the provision of additional affordable housing.
 - No resources are earmarked within the capital strategy for the consequential impacts of capital investment on the council's revenue budget (for example programmed maintenance). These must be identified and managed within revenue budgets set as part of the MTFP.
 - Funding earmarked for delivery of the capital strategy (including external government grant and new borrowing facilities) is only recognised within the capital programme as these funds are used / allocated to approved capital projects.
69. Capital receipts, besides the funding of the council's various transformation programmes and invest to saves via the FUCR strategy will also be considered for application as part of the Treasury Management Strategy towards the voluntary repayment of debt.
70. Capital project approved by predecessor authorities or over 5 years old but not yet commenced have been removed from the capital investment programme. New updated business cases should follow the normal investment approval process.
71. Figure 12 below presents a high-level summary capital spend over the next 4 years. It is forecast that £107.5 million will be spent in 2026/27 and a further £132 million in the following 3 years making a total 4-year programme of £239.6 million spend on assets and infrastructure across the conurbation.

Figure 12: Capital investment programme MTFP



72. In line with the Council Financial Regulations which allow capital budgets to be reprofiled between years following activity slippage, £74 million has been reprofiled and carried forward from 2025/26 to 2026/27 based on forecast expenditure in December 2025. Further reprofiling may be necessary at year end depending on actual expenditure incurred to that point. In the event that more expenditure than anticipated is incurred for reprofiled projects, the budget will be taken back to cover the 2025/26 spend in full.
73. The Department for Transport has announced a new local transport funding system for Local Transport Authorities and confirmed the capital funding allocations for the next spending review period (2026/27 to 2029/30). Figure 13 below shows the £77.7 million to be spent on local transport delivery. This represents 32% of the current capital programme over the next 4 years. The funding comes with a new accountability and reporting system. The settlement letter

commissions each local transport authority to produce a local transport delivery plan (LTDP) with details of schemes and interventions or programmes and packages of spend to be submitted in draft by 20 March 2026 with the final LTDP submitted by 18 September 2026.

Figure 13: Local Transport capital consolidated funding settlement

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Active Travel	2,249.7	2,249.7	2,249.7	2,249.7	8,998.8
Highways Maintenance	7,763.0	9,144.0	9,860.0	11,273.0	38,040.0
LA Bus Grant (LABG)	3,018.8	3,079.5	3,140.2	3,200.9	12,439.4
Local transport Grant (LTG)	3,345.9	3,620.3	4,961.2	6,302.0	18,229.4
Total	16,377.4	18,093.5	20,211.1	23,025.6	77,707.6

74. For Children Services the Department for Education has indicated that BCP Council will receive in the region of £9 million over the next 3 years for Special Education Needs and Disabilities (SEND) above the normal annual allocation. Estimating the normal annual allocation is not easy as there is no real trend in prior years allocations. For the purpose of the MTFP we have assumed £4 million SEND grant for the first 3 years and £1million normal annual allocation for 2029/30. The Education capital programme will be updated in the spring when the grants allocations will be announced.
75. The MTFP also includes over £11 million High Needs grant reprofiled from prior years bringing the estimated total funding available for SEND to approximately £25m over the next 4 years. The estimated profile for children services capital expenditure can be seen in Figure 14 below for a total of nearly £33 million including the schools conditions grant. This represents 14% of the capital investment MTFP.
76. Commercial Operations has approximately 18% of the capital programme. Over £27 million is planned to be spent on seafront and flood and coastal erosion activity in 2026/27 and 27/28 mainly on Poole Bay beach management and Poole Bridge to Hunger Hill flood defence funded from environment agency grant, CIL contributions and prudential borrowing. Further £15 million is planned for expenditure on the seafront and cliff management mainly funded from government grant.
77. The IT infrastructure underpinning the council services requires replacement including critical hardware and core wide areas networking equipment which will reach its end of life in 2026/27. Additional funding of £764,000 is required for this equipment. **It is recommended that Cabinet approve the additional £195,000 borrowing per annum over the next 5 years included in the MTFP for this purpose** ahead of a 4-year IT infrastructure replacement plan which will come forward for approval in due course. The MTFP also shows the estimated next 3 year desktop replacement requirement of £3.7 million. Council approval for this investment will also be sought in due course.
78. The 2026/27 totals include grants carried forward from previous years but not yet committed. Services will bring forward strategies to utilise these in due course.

Figure 14: Capital Investment Programme Expenditure profile to 31 March 2030

Capital Investment Programme General Fund	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total 2026/30 £000
OPERATIONS					
Customer Arts and Property (Museums; Engineering: Assets, Road Maintenance, Highway, bridges, TCF*; Estates)	18,333	4,344	1,774	1,591	26,042
Commercial Operations (Flood & coastal erosion risk management, Seafront, Culture, Leisure)	26,964	15,622	-	-	42,586
Environment (Waste & recycling, green spaces & conservation, parks, fleet)	18,923	7,832	410	410	27,575
Investment and Development (Housing Delivery, Regeneration)	3,300	2,697	-	-	5,997
Planning and Transport (Sustainable travel, Network management, Transport Improvement)	18,653	19,651	20,383	23,026	81,713
Total Operations Directorate	86,173	50,146	22,567	25,027	183,913
CHILDREN SERVICES					
Basic needs, schools conditions, Special Education needs and disabilities	14,414	10,895	5,922	1,746	32,977
Total Children Services Direc	14,414	10,895	5,922	1,746	32,977
WELLBEING					
Housing and Community	1,775	1,775	1,775	1,775	7,100
Adults Social Care	2,672	2,684	2,701	2,650	10,707
Total Wellbeing Directorate	4,447	4,459	4,476	4,425	17,807
EXECUTIVE					
IT and Programmes	2,408	1,222	1,246	-	4,876
Total Executive Directorate	2,408	1,222	1,246	-	4,876
	107,442	66,722	34,211	31,198	239,573

* Transforming Cities Fund

79. The capital investment programme (CIP) consists of capital schemes that have either already been approved or that are progressing through the approval process in accordance with the council's financial regulations and governance framework including some rightsizing of schemes funded from the Transforming Cities fund and other transport funding ICT hardware and networking equipment replacement. It also includes expenditure funded from government grants announced or estimated that has yet to be allocated to specific scheme. Service areas will report on specific allocations in their individual capital strategies in due course in line with the financial regulations approval framework. It excludes potential new projects that have not yet progressed to a stage where they have been fully costed. Full details of the Capital Investment Programme are presented in Appendix 7 and 7a.
80. The CIP continues to be funded from a combination of government grant and other external funding sources (s106 contributions, CIL, and third-party contributions) and prudential borrowing. 75% of the funding to support capital expenditure is from Government grants. 16% is funded from prudential borrowing.

Figure 15: Capital Investment Programme Funding profile to 31 March 2030

Capital Investment Programme	2026/27	2027/28	2028/29	2029/30	Total 2025/30
General Fund					
Funding Profile	£000	£000	£000	£000	£000
Prudential Borrowing	(15,960)	(17,682)	(3,022)	(1,543)	(38,207)
Revenue Reserve Funding	(1,291)	(518)	(518)	(518)	(2,845)
Capital Receipts (General Fund)	-	-	-	-	0
Revenue Contribution to Capital	-	-	-	-	0
BCP Funding Requirement	(17,251)	(18,200)	(3,540)	(2,061)	(41,052)
Government Grants	(74,267)	(45,952)	(30,671)	(29,137)	(180,027)
CIL	(13,416)	(2,508)	-	-	(15,924)
Non-government grants	(1,353)	-	-	-	(1,353)
S106	(648)	-	-	-	(648)
Third party contributions	(507)	(62)	-	-	(569)
External Funding Contribution	(90,191)	(48,522)	(30,671)	(29,137)	(198,521)
	(107,442)	(66,722)	(34,211)	(31,198)	(239,573)

81. The main financial risks associated with the CIP are associated with inflation and continuing high interest rates which may affect the assumptions made for the schemes funded from prudential borrowing. Senior Responsible Officers (SROs) for all projects are required to review their projects and assess their viability considering the current cost of material and labour and to allow appropriate contingencies for uncertainty moving forward. As a result, projects such as Canford Cliffs beach huts and pavilion which were approved by a predecessor authority have been removed from the CIP requiring new business cases.
82. The Council has a strategy to replace fuel vehicles with electric vehicles which are more expensive, therefore it will see a further revenue pressure in future years not yet included in the MTFP.

Asset Management Plan (AMP)

83. An asset management plan (AMP) is the foundation to ensuring the council's portfolio of assets is being managed in the most efficient and cost-effective way. It is a time-bound commitment to action that ensures that the council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability. Attached as Appendix 8 is an update on the summary AMP for the council produced as part of previous budget reports. This recognises the documents evolution into a comprehensive and traditional full asset management plan, as advocated by best practice.

Treasury Management Strategy (TMS)

84. The council's Treasury Management Strategy (TMS) is subject to regular review and was last reported to the Audit & Governance Committee for monitoring and update purposes in January 2026. The council is required to set its prudential indicators in the context of the overall strategy on an annual basis. The TMS and prudential indicators for 2026/27 are set out in Appendix 9 for approval by Council.
85. A significant element of the TMS is the council's approach to balancing the risks associated with its need to borrow, namely:
 - a) *Credit Risk*: Which is the risk associated with an institution failing and the council's investment being reduced due to bank bail-in arrangements. An approach to managing this risk is to use internal balances before undertaking external borrowing which will also provide a better return for the council as the cost of borrowing exceeds any value the council could earn on these internal balances
 - b) *Interest Rate Risk*: This is the exposure to interest rate movements on its borrowing and investments. The council is susceptible to upward movements in long term rates given the amount of borrowing still required over the next 5 to 10 years
 - c) *Re-financing Risk*: Focuses on managing the exposure to replacing current financial instruments (borrowings) as and when they mature

d) *Liquidity Risk*: This aims to ensure the council has enough cash available as and when needed.

86. The strategy is significantly influenced by the requirements of the devolved system of council housing (HRA) finance. This includes the operation of a two-pool approach to debt management with the debt of the HRA (council house tenant account) and that of the General Fund (council taxpayers account) separated. All external debt is taken out by reference to the relevant pool although it should be noted that there is still flexibility to transfer debt between the two if required.
87. In order to ensure that the council is compliant with CIPFAs 2021 Prudential and Treasury Management codes the prudential indicators, including the approved borrowing limits, have been amended to incorporate the assumption that £95.75m of additional borrowing will be undertaken in 2026/27 to enable the excess SEND expenditure over the DfE grant to be financed. In addition, the borrowing headroom provided the flexibility to cover a government capitalisation direction (permission the capitalise revenue expenditure) to cover the interest on the SEND borrowing should it had been required. Provision within the borrowing limits has also made for the reprofile of phase 1 and the new phase 2 borrowing to support the vehicle fleet replacement strategy.

Reserves

88. The council holds reserves as part of its approach to maintain a sound financial position and to demonstrate that there are no material uncertainties about the council as a going concern. The requirement for financial reserves is linked to legislation such as the Local Government Act 1992, which requires councils to “have regard” to the level of reserves needed to meet future expenditure when calculating a budget. As part of his formal annual section 25 report the council's Director of Finance is required to report on the adequacy of reserves. This assessment is summarised later in this report.
89. It may be worth emphasising that reserves should not be seen in a short-term context. They should not only be placed in the context of significant uncertainty in respect of the impact on the council of increases in commissioning costs due to the governments national living wage, general inflationary pressures, and the relentless increase in service demands particular social care and homelessness, but also in the context of the future.

In general councils hold two main forms of reserves.

90. **Unearmarked Reserves**

Are set aside to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying risk associated with the operation of the council and the management of service expenditure, income, and the council's funding.

91. The Chartered Institute of Public Finance and Accountancy (CIPFA) previously advised that general or unearmarked reserves should be 5% of net revenue expenditure (NRE) as an absolute minimum. Our nearest unitary neighbour, Dorset Council, has a policy of trying to maintain their unearmarked reserves at 10% of NRE. Benchmarking demonstrates that steps taken up to 31 March 2025 have moved the council into the mid-range compared to other unitary councils.
92. As a reminder the council has taken proactive steps to improve its financial health and sustainability across both 2023/24, 2024/25 and 2025/26 which has included increasing its unearmarked reserves by over 60% to £29.3m. They now represent 8% on a net revenue expenditure basis (RA 2025/26). The 31 March 2026 forecast position includes.
- a. the transfer in of £2m from a previous earmarked reserve to cover transformation related redundancy costs which could not be funded via the flexible use of capital receipts (FUCR). During 2025 the legislation has been changed which means all such costs can now be funded via the FUCR and consequentially the resources can be redirected into unearmarked reserves.
93. The forecast position as of 31 March 2027 is that they will now decrease to 6% based on a 2026/27 net revenue expenditure basis which reflects an increase in this denominator due to the government rolling in over £70m of specific grants into unringfenced revenue support grant. The 31 March 2027 position includes.

- b. the transfer out of £4.8m to support the setting of a legally balanced budget for 2026/27. The intent is that this item is reversed by the extent of any support for historic or accruing DSG deficits which the government are expected to announce in February 2026.

94. **Earmarked Reserves:**

Are set aside to meet identified spending commitments and can only be used for the purpose for which they have been created. These reserves will continually be reviewed, and any resources not needed as intended transferred into unearmarked reserves. They include reserves in support of various partnerships where the council is the accountable body, reserves which represent government grants received in advance of the associated expenditure, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements. The council had earmarked reserves of £55.7m as of 31 March 2025. Details of the councils earmarked reserves are presented at Appendix 10a.

Figure 14: Latest Reserve Forecast

	Balance 31-Mar-23 £m	Balance 31-Mar-24 £m	Balance 31-Mar-25 £m	Q3 Estimate 31-Mar-26 £m	Budget 31-Mar-27 £m
Unearmarked Reserves	17.9	26.1	27.3	29.3	24.5
Earmarked Reserves	68.5	39.0	55.7	32.5	26.3
Total Reserves	86.4	65.1	83.0	61.8	50.8
Dedicated Schools Grant	-35.8	-63.5	-113.4	-183.6	-279.3
Net Position	50.6	1.6	-30.4	-121.8	-228.5

CIPFA Financial Health Indicators

95. In developing the budget strategy for 2026/27, and the medium-term financial plan, the council has been reflective of the outcomes of the annual CIPFA Financial Resilience Index and other financial benchmarking. In determining the strategy, it is essential to ensure the council manages its financial resilience to meet unforeseen demands and pressures on services.
96. The latest CIPFA Financial Resilience Index benchmarking is based on the Revenue Outturn information for 2024/25, and figures submitted for each local authority reflecting their position on 31 March 2025. In respect of BCP and in comparison, to our nearest neighbour grouping, the index was adverse in the areas listed below:

a) Children's Social Care Ratio

b) Adult Social Care Ratio

c) Homelessness Ratio

The proportion of budget spent on these areas is seen as high. They are considered as inflexible costs because it is considered difficult to reduce them in the short term and they impact on the council's ability to respond with agility to changing demands

In addition, the percentage change in unearmarked reserves over the previous three years is seen as an indicator of higher risk and reflects the use of reserves to support the delivery of legally balanced budgets in 2022/23 and 2023/24.

This analysis is less stark when the comparison is made with other Unitary Authorities and there has also been a noticeable improvement in the level of unearmarked reserves which is a credit to the council's financial strategy aimed at rebuilding its financial health.

Sensitivity analysis

97. A key determinate as to the adequacy of reserves is the sensitivity within the budget and how quickly the demands that the council is required to manage, and their associated cost, can change. It continues to be the case that relatively minor changes or shifts in key planning

assumptions can have a significant impact on the council's financial position as highlighted in figure 15 below.

Figure 15: Council sensitivity to potential changes in assumptions

Description	£000s
Children in Care (average high cost - residential) per child per annum	579
Children in Care (average top 10 independent fostering) per child per annum	131
Intensive homecare package for a disabled person (average top ten excluding proportion of Health funding)	314
Vulnerable adult (learning disability - residential <65) (average excluding proportion of Health funding)	114
Vulnerable adult (learning disability - residential <65) (average top ten excluding proportion of Health funding)	246
Older person's supported residential care (average excluding proportion of Health funding)	61
Older person's supported residential care (average of the top ten excluding proportion of Health funding)	133
Increase in adults' cost of care for every 1p increase in the National Living Wage	164
Increase in the £7.75m cost of the concessionary fare scheme (per 1% increase journey numbers)	87
Change in the Pay Award by 1% from 2025/26	2,015
Change in the Revenue Support Grant by 1% from 2025/26	(44)
Change in the level of Council Tax by 1% from 2025/26	(2,812)

98. In being mindful of these key sensitivities, it should be established that the cost of a child in care or vulnerable adult can exceed £1m per year for a single case, which the council is responsible for paying in the first instance. It is only subsequently able to reduce the amount to those shown in figure 15 above once it has negotiated a contribution from National Health Service Dorset. The risk associated with achieving this outcome is held by the council. It is also worth bearing in mind that every £100,000 is equivalent to the council tax generated on 54 homes (2025/26 band D equivalents).
99. Also, of relevance to the sensitivity of the budget is the robustness of the estimates made to underpin the budget. As per the position on reserves the councils Director of Finance is formally required to report on their robustness as part of his formal annual section 25 report.
100. Officers will have factored into their assumptions numerous matters such as government announcements, economic forecasts, trend analysis and professional judgement. Of relevance is the uncertainty at this time due to the inflationary environment and any new programmes, initiatives or approaches being adopted for the first time which inevitably carry a greater level of risk than business as usual activity.
101. As per recommendation (c) of this report it is proposed that any changes between the provisional 2025/26 Local Government Finance settlement, issued in December 2025, and the final settlement due in early February 2026, will be delegated to the Chief Executive in consultation with the Director of Finance, Leader, and Portfolio Holder for Finance to allocate.

Director of Finance advice on the robustness of the budget and adequacy of reserves

102. The Local Government Act 2003 (Section 25) requires the Director of Finance to report on the following matters to members when agreeing its annual budget and council tax levels.
 - the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.

103. Council must have regard to this report when making its decisions around the annual budget and the level of council tax.
104. For members of the Council the Section 25 statement provides critical context for budgetary discussions. The provision of this information is a legal requirement and ensures that all members have regard to the professional advice provided by the authority's Director of Finance when final budget decisions are made being made. To give a level of additional assurance to this report it has also been prepared in consultation with the Chief Executive.
105. It should be emphasised that councils can and do experience significant financial difficulties. Section 114 (s114) of the Local Government Finance Act 1988 requires the S151 Officer, in consultation with the council's Monitoring Officer and Head of Paid Service, to report to all the authority's members if they believe the council is unable to set or maintain a balanced budget, or if unlawful expenditure is identified. Such a notice is only given in the gravest of circumstances and is most likely to be required in a situation in which reserves have become depleted, and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year. In such circumstances a full council meeting must then take place within 21 days to consider the notice and during this period no new agreements involving spending can be entered into, unless approved by the s151 Officer.
106. Since the legislation came into force in 1988, 19 s114 notices have been issued with 14 of these having been issued since 2018. Although they remain rare it is clear they are not as rare as they used to be. Recent high-profile cases include those at Barnet Council, Birmingham Council, Croydon Council, Northamptonshire County Council, Northumberland County Council, Nottingham City Council, Slough Borough Council, Thurrock Council, and Woking Council.
107. The formal s25 report of the s151 Officer is included as Appendix 10 to this report. In conclusion to his report the Director of Finance considers that the estimates used for the purposes of the proposed 2026/27 budget are robust given a clear understanding by members and senior management of the following:
- a) That Corporate Directors, Service Directors and Budget Holder have provided the Chief Executive with direct assurance that they have accepted their budgets and have agreed to deliver their services within its financial parameters including the realisation of approved savings.
 - b) That over the next 3-years the council will receive less Revenue Support Grant than it is receiving in 2025/26. This, alongside the inevitable changes in demand and cost pressures will require the senior leadership team and Cabinet portfolio holders to bring forward further options for reducing the net cost of services, including additional transformation and invest to save programmes. Alongside this Cabinet will need to receive a report in the spring of 2026 providing assurance that the current transformation and invest to save programmes will deliver the level of savings promised when the investment was approved and to the currently approved timescales.
 - c) That the new pay and reward structure implementation was based on a range of financial assumptions including the increase in the annual incremental drift exposure from £1.5m to £4m per annum and the exclusion of any provision for vacant posts, casual employees, apprentices, agency staff or as a result of any future re-mapping outcomes. These are all costs which will need to be managed by the relevant services however the council report recognised that these issues would challenge the ongoing viability of a number of services.
 - The robustness of this statement is on the clear understanding that where Corporate Directors, Service Directors and Budget Holders believe they cannot manage the impact of the additional incremental drift exposure, or the cost of any re-mappings since the 21 April 2025 date which unpinning the Council report, that they will provide the Chief Executive and Portfolio Holder with options for mitigation by 31 March 2026.
 - d) Directors will continue to diligently identify and rigorously apply mitigation strategies for their identified in-year 2025/26 budget pressures.
 - e) Children's Services continue to acknowledge the fiscal consequences of their service decisions around SEND by doing all they can to contain the cost of services within the grant made available by government.

- f) Effective governance arrangements will be maintained at Portfolio Holder, Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2026/27 budget.
- g) That the council will steel a march on the process of delivering the necessary savings to enable the 2027/28 budget to be legally balanced including.
 - a. Going back to basics with a review of every item of expenditure to determine if it is absolutely necessary and value for money. This will include a continuation of the current year's expenditure freeze until sufficient savings to balance the £18.7m funding gap for 2027/28 have been identified.
 - b. Ongoing development of invest to save and service specific transformation programmes supported by the ICT Programme Management Team.
 - c. Star Chamber events for each and every service which include the line-by-line analysis of the budget, the detail of every post, the detail of every contract supported by the budget and relevant benchmarking information.
 - d. A presumption will apply that every vacancy triggers a review of the post and its function — whether statutory or non-statutory — to determine whether the role is still required in its current form. This review will include:
 - assessing whether the duties can be re prioritised, absorbed within the existing team, or delivered differently.
 - fully exploring opportunities to use existing technology and capabilities developed through the significant investment in Transformation over recent years.
 - Where appropriate, considering internal recruitment only, where a genuine need for the role remains.

The overarching aim is to improve the productivity of the organisation by managing down the overall headcount and pay bill through natural turnover and redesign, avoiding the need for a large-scale redundancy programme.

108. However, the Director of Finance also concludes that the level of reserves cannot be considered adequate given a clear understanding by members and senior management of the following:
- a) That on 1 April 2025 the council was technically insolvent as it had negative general fund reserves due to the deficit on its DSG as pertaining to expenditure on the Special Educational Needs and Disability service. This DSG deficit is growing by more than £95m per annum which is the amount the expenditure on the High Needs Block continues to be more than the annual government grant being made available. Although government will take responsibility for the day-to-day operational costs of the service from 1 April 2028 onwards the historic and accruing deficits will be retained by the council. Without government support for these retained deficits the council will actually become insolvent from 2028/29 which is when the current statutory instrument that allows them to be ignored, falls away.
 - b) That the use of unearmarked reserves to balance this budget is contrary to the strategy of the Administration to improve the financial health and sustainability of the Council.
 - c) That at around 6%, unearmarked reserves are only just sufficient to cover an unexpected single event such as a cyber-attack or significant in-year overspending. Any such single event would then require drastic action to restore such reserves to the minimum recommended level. They would clearly be insufficient for the realisation of multiple risks.
 - h) Earmarked reserves should be supported by a clear plan held by the service which details the profile of when the resources will be drawn down. Any resources identified as not needed for their original purpose will be redirected into unearmarked reserves.
 - i) That all opportunities will be taken for the level of unearmarked reserves to be enhanced and for the overall financial sustainability of the council to be improved.
109. Councillors should also carefully consider the risks set out in the summary of risk assessment section of this report.

Housing Revenue Account (HRA)

110. A report on the HRA and rent setting is included as a separate item on the agenda for this meeting and should be considered alongside this report to councillors in setting the budget for 2026/27.

Chief Officers' Pay Policy Statement

111. Further to the provisions of the Localism Act 2011, the council is required to publish its local Chief Officers' Pay Policy on an annual basis for consideration by council before 31 March each year.
112. The council's pay policy has been duly prepared by the People and Culture service and is attached as Appendix 12 to this report to ensure the council is able to consider it this year in accordance with the statutory timetable as prescribed by government.
113. For 2026/27 the policy has been updated to reflect changes associated with the implementation of Pay and Reward which took effect on 1 December 2025.

Scheme of councillor allowances

114. The council is required to adopt an annual scheme of councillor allowances as specified under the Local Authorities (Members' Allowances) (England) Regulations 2003.
115. On 22 July 2025, Council approved a revised scheme of members' allowances for 2025/26, which included a provision for allowances to be increased in line with the Employees' National Pay Award when determined, with adjustments backdated to 6 May 2025. The agreed pay award applicable to the scheme of allowances was 4.5% for 2024/25 and 3.2% for 2025/26. The proposed budget for 2026/27 allows for a further pay award-based increase and includes provision for the potential reinstatement of members' pension entitlement.
116. As part of the proposed budget, provision has been made for a total cost of £2.129m in 2026/27

Consultation

117. Under Section 65 of the Local Government Finance Act 1992, councils have a statutory duty to consult with representatives of business rate payers on its proposed expenditure for the following year. Business leaders across Bournemouth, Christchurch and Poole were invited to attend a presentation held on 6 February 2026 on the budget for 2026/27 and Medium-Term Financial Plan from the BCP Council Leader, Chief Executive, and the Director of Finance.
118. The necessary additional resources, savings and efficiencies required to balance the budget over the next three years will each need to be reviewed to determine the extent to which they may require consultation. Consideration will also need to be given to the relevant period, stakeholder groups and method of consultation.

Options Appraisal

119. Numerous alternative permutations are possible around budget savings proposals and council tax strategies for 2026/27. Any alternatives considered will need to be supported by a robust evidence base detailing the sustainable substitute funding strategies. Any alternative will also require the appropriate level of due diligence and the advice of the statutory officers.
120. In respect of alternative savings strategies there would be countless combinations and those proposed will reflect the priorities of the Administration and other political groups may have arrived at a legally balanced budget by alternative preferences. Some examples of items considered but not put forward include.
- Reduce or scale back the support for cultural activities. Over £750k per annum is spent supporting National Portfolio Organisations (NPOs) such as the Lighthouse, Bournemouth Symphony Orchestra and Pavilion Dance.
 - Reduce or scale back the amount of spend on Libraries. For example the council could reduce the number of individual Libraries by say 3 and still be meeting statutory and this would save circa £200k.
 - Increase fees and charges higher than those assumed in the proposed budget as put forward. Most increases reflect current inflationary rates and changes in the cost profile of the service for example those due to the implications of Pay and Reward. However, it is

always possible to increase the charges recognising the potential for variation linked to the elasticity of demand.

- d. Closure of public facilities such as Leisure Centres.
 - e. A range of non-statutory prevention measures for example in Children's and Wellbeing services.
 - f. Increase CCTV savings (£50k): Reduces monitoring capacity, increasing risks to community safety and staff. Weakens partnerships with police and limits proactive operational work.
121. Also, in proposing the budget as put forward there would always be areas where additional investment could have been considered such as the councils arboriculture services, or addressing the backlog maintenance to council owned assets. Another example is that because of the uncertainty around any government support for historic and accruing DSG deficits no provision has been made to utilise receipts from the existing surplus asset disposal programme to address some of the repairs and maintenance of publicly facing assets as per the Overview and Scrutiny Board request.
122. It is not an acceptable alternative not to agree a legally balanced budget for 2026/27, and to advocate a circumstance which leads to a s114 report being issued accompanied by an assumption that commissioners would be appointed to make the necessary difficult decisions.
123. Only a decision to increase council tax by the maximum 4.99% can be considered consistent with government policy for the funding of local government both now and into the future.
124. A decision to increase council tax in line with the maximum will best protect the current and future financial sustainability of council and will best preserve service delivery levels into the future.

Summary of financial implications

125. Any financial implications of the report's recommendations are considered, alongside alternative options, elsewhere within this report.
126. Councillors should consider how effective the 2026/27 proposed budget will be in supporting the financial sustainability of BCP Council.

Summary of legal implications

127. The council is required to set a council tax for 2026/27 before 11 March 2026. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2026, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although the Executive must recommend a budget to Council.
128. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, considering amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.
129. The Council's Director of Finance (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Director of Finance has a statutory duty under section 114 Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
130. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered, and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage.

131. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. Members must have regard to their Public Sector Equality Duties and the impact decisions, if approved, may have on those who fall within the protected characteristics under the Equalities Act 2010. Members must consider the Equalities Impact Assessment prepared in support of this report and the need to eliminate discrimination, to mitigate against negative impacts where these are known and to promote equality when making decisions. A failure to follow these principles could open the Council to judicial review.
132. Members have a fiduciary duty to the council taxpayers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
133. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
134. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer. Members are obliged under the Code of Conduct to have regard to the advice of the s151 Officer and Monitoring Officer. The Council may take decisions which are at variance with their advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts, and future liabilities. In addition, if Members wish to reinstate savings recommended by the Director of Finance in order to balance the budget, they must find equivalent savings elsewhere.
135. The Director of Finance is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.
136. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable, and sustainable.
137. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide, and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.
138. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that that if a party proposes a council tax above the referendum limit, they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

Summary of human resources implications

139. The 2026/27 budget will have a direct impact on the level of services delivered by the council, the mechanism by which those services are delivered and the associated staffing establishment. It is inevitable that the 2026/27 budget proposals we lead to a further reduction in the workforce. Not all these posts will currently be filled. Some will be vacant posts, some will currently be provided via agency staff arrangements, and some will be filled with staff on short term

contracts. Where a redundancy is necessary action has been taken to ensure that they will be a voluntary redundancy in so far as is possible.

140. This report acknowledges that various transformation programmes and the actions necessary to manage future years budgets are also likely to have an impact on future staffing levels.

Summary of sustainability impact

141. Consideration has been given as part of this budget for 2026/27 of ways in which BCP Council could contribute to environmental improvements / targets and by example encourage this approach in those with whom it deals. The budget continues to protect the staffing resources associated with climate change and ecological emergency activity. In addition, as at the 31 March 2025 £0.962m was available in an earmarked reserve to support project activity.
142. The accommodation and business transformation programmes underpinning the MTFP will make the council more environmentally friendly through a reduced estate and different ways of working, including the continued ability for staff to work effectively from home. This will reduce energy consumption and pollution levels as well as produce savings to protect services. The budget as presented also assumes a further investment in greening the council's vehicle fleet as set out in a report to Council in February 2025.
143. An Environment & Place Overview & Scrutiny Budget Working Group in the Autumn of 2024 set out that based on current understanding that £64m may be required to meet the council's net zero targets by 2030 although a proportion of this would be delivered through strategic partnerships and securing external funding. The ongoing challenge to the council will be bridging the gap between the resources needed and the £0.962m available in the earmarked reserve.
144. In addition to the environmental and social impacts of climate change, there is also a risk to BCP Council of significant financial consequences if it fails to meet its declared climate targets. Council has pledged to become carbon neutral by 2030 as an organisation and lead the area to become net zero carbon ahead of the 2045 UK100 target. Based on forecasts from the London School of Economics the council would have to incur costs of over £3m per annum to purchase the necessary offsetting carbon credits to meet the carbon neutral pledge in 2030. Clearly this cost will act as an incentive to the council to prioritise the activity and investment necessary to meet this priority.

Summary of public health implications

145. The Department of Health and Social Care public health grant allocations for 2025/26 was £23.379m for BCP Council which was an increase of 5.87% from the 2024/25 allocation. It has been agreed that £10.988m would be contributed towards shared contracted services with Dorset Council as part of the phased transition away from shared public health service.
146. In addition to the basic allocation, the council also received the following additional allocations.
- £3.023m drug & alcohol treatment and recovery improvement grant (DATRIG)
 - £429.9k for the local stop smoking and support grant (LSSSASG)

Summary of equality implications

147. In this budget the council has sought to maintain appropriate services for the most vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.
148. The impacts of the council budget for 2026/27 have been assessed considering the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and other characteristics including low socio-economic status, carers and care leavers. The Equality and Human Rights Commission's six domains of equality measurement framework have also been considered, identified as the areas of life that are important to people and that enable them to flourish. These are: Education, Work, Living standards, Health, Justice and personal security, and Participation.
149. The cumulative impact of the proposals indicates that low-income households and individuals will be most negatively affected, followed by older age groups and disabled people. However, the investments and mitigating actions aim to support these groups and promote equality within the community.

150. As part of the budget, council tax is being raised to support increased service provision, which will have a positive impact on many residents. Mitigating actions have been identified to support those who would be most negatively affected.
151. Individual equality impact assessments have or will be carried out to support individual savings where a potential negative impact has been identified for service users or the workforce. This will ensure conscious consideration is given to the Public Sector Equality Duty and mitigating actions are put in place to minimise any potential or actual negative impacts.
152. An overarching EIA is included as Appendix 11 to this report.

Summary of risk assessment

153. Throughout this report and the accompanying formal s25 report of the Director of Finance, presented at Appendix 10, reference has been made to several key risks to which the council is currently exposed. Members are reminded that these can be summarised as follows.

- **Financial Outturn 2025/26**

Quarter 3 2025/26 budget monitoring sets out that the council is currently forecasting that it will overspend its 2025/26 approved budget by £4.6m (1.3% of its net budget) after the release of all the budgeted contingencies.

The risk will be that although the Quarter 3 forecast is based on trend analysis and professional judgement it is only based on activity from 75% of the financial year. Predications and estimates can and will change over the remaining 25% of the financial year. Assurance can be taken from the financial performance in previous year's (the outturn has been within budget for each of its first 6 years), from 2025/26 in year monthly service reporting and the fact that it is hoped that the current controls on expenditure will continue to bear down on service expenditure.

The intent is to fund this forecast overspend from the one-off additional business rates resources being made available in 2026/27 following the fundamental review of council's collection funds in accordance with the approved financial strategy. There is however no further flex in these business rates resources so any extra deterioration in the forecast overspend would have to be funded from unearmarked reserves. As a matter of principle should any improvement be delivered in the final quarter then consideration will need to be given to.

- Further supporting unearmarked reserves and improving the financial health of the council which has been impeded by the 2025/26 forecast overspend.
- Ensuring that the council can continue to fund its regeneration service after 31 March 2027.
- As recognised in the Treasury Management Strategy, to the voluntary repayment of debt.

- **Local Government Funding Formula**

Although a 3-year settlement has been announced it should be emphasised that the second and third years 2027/28 and 2028/29 are illustrations only and will only be confirmed as part of the annual local government finance process. It is clear that the current funding formulas do BCP Council no favours.

- **Accumulating Dedicated Schools Grant (DSG) Deficit.**

Special Educations Needs and Disability expenditure by BCP Council of c£96m more annually than the government grant being made available to fund such services is not sustainable. The historic accumulating deficit already means that the council became technically insolvent as of 31 March 2025. The statutory override that allows the council to ignore the accumulated DSG deficit in relation to the assessment of its financial solvency will expire on the 31 March 2028. Without government support for our historic and accruing DSG deficits it is difficult to see how a legally balanced budget for 2028/29 can be set. The government have committed to providing details of such support later in the Local Government finance settlement process.

- **Cashflow Crisis**

BCP Council has been cash flowing the annual payment of SEND invoices in excess of the annual DSG high needs grant by what is referred to as its "treasury management headroom". Generally, this headroom is the timing difference between receipts for council tax or business rates arriving and the date when the actual bills they fund are paid, alongside any cash-backed balance sheet items such as reserves and provisions. The use of this headroom has a direct

impact on services the council can otherwise provide as it means less earned interest or higher external debt costs which in 2026/27 is forecast to be around £10.5m.

Robust management and slippage within the capital programme has deferred the likely date on which the council is likely exceed the threshold on borrowing in financing its DSG deficit until early in the 2027/28 financial year. Council will need to keep this issue on its agenda and reflect as to how it will be impacted by any support for historic and accruing DSG deficits once the government make any announcements on this issue.

- **New Pay and Grading Structure**

A key requirement following the establishment of BCP Council was to create a single new pay and grading structure. This position was resolved when Council on 16 July 2025 agreed to the enhanced Pay and Reward offer post a further ballot of trade union members and agreement to move towards a collective agreement. The report set out the intent to increase the permanent pay bill of the authority by £4.545m (2.44% increase on the pay base). These calculations related to the individual appointments and salaries of staff as they were known as of 21 April 2025 and related to filled paid permanent posts and excluded any provision for vacant posts, casual employees, apprentices, agency staff or as a result of any future re-mapping outcomes. The report also emphasised that the annual incremental drift exposure of the council, which the financial planning assumption, has been and continues to be, that it will be managed by services, has increased from £1.5m to £4m per annum due to the additional head room within grades from the revised structure.

Council has therefore taken a quantum leap forward in 2025 in mitigating the risks associated with not having a single pay and grading. However, the increase in base salary costs implemented via this project and the additional incremental drift will challenge the ongoing viability of numerous council services. The approach will be a particular challenge in managing services which operate on a full cost recovery basis, who cover their costs by fees and charges or third-party contributions, or who recharge their costs to either capital or the Housing Revenue Account. Services partly funded by these mechanisms will only receive corporate resources to reflect the proportion of their service funded directly from a source other than those listed. Additionally, it should be emphasised that no corporate resources were provided to cover any vacant or casual posts or for any service re-mappings after the 21 April 2025.

An emerging risk is associated with how staff were assimilated into the newly approved pay structure which was at the bottom of the grade and market pressures to secure new staff at spinal column points higher up within the pay band. Cabinet working with the Senior Leadership Team will need to keep this issue under constant review.

- **Pay Award**

A 2.8% provision for the 2026/27 pay award has been made as part of the proposed budget. Any deviation from the amount provided will require £2m for every 1% variation. Trade unions tabled a pay claim in December 2025 for 2026/27 which included demands for an increase of at least £3,000 or 10% (whichever is greater) across all spinal column points, a two-hour reduction in the working week and an increase of one day's annual leave. In 2025/26 a 3.2% pay award for local government works was agreed by the National Employers Organisation which can be compared to the 2.8% provided for locally. Government's initial evidence to pay review bodies is for a 2.5% increase in 2026/27. Benchmark comparisons indicate other local authorities across the southwest are assuming around 3% with our nearest neighbour at 3.2%.

The adequacy or otherwise of the 2.8% provision presents a clear risk to the budget.

- **Uncertainty.**

High levels of financial planning unpredictability exist at this time caused principally by the ongoing implications of various inflationary factors on the costs of goods and services procured by the council with geopolitical factors continuing to have a particular influence.

- **Delivering savings, efficiencies, and additional income generation.**

Combination of delivering the £14m of additional savings, efficiencies and additional income assumed in presenting the 2026/27 budget with the relentless requirement to identify further potential proposals to support the ongoing need to balance future year budgets.

- **Realisation of capital receipts to fund transformation and invest to save programmes.**
£18.5m of capital receipts from the disposal of assets needs to be delivered across the 4-year period to the 31 March 2029. This is to fund currently approved transformation and invest to save programmes including the service specific programmes in Children's and Adult services alongside a provision for future costs that will need to be put forward to directly reduce the net service expenditure budget of the council and in doing so contribute towards the necessary annual corporately budgeted savings, efficiencies and service reductions. This risk will grow if the council is granted a capitalisation direction to fund the 2026/27 and 2027/28 borrowing costs / lost interest on the DSG deficits via the sale of assets. Currently the risk is mitigated by the fact that as of early January 2026 £11.5m of the £18.5m target has already delivered with a further £5.8m anticipated before the 31 March 2026.

- **Adult Social Care Services.**

Ongoing costs and demands on the service including the impact on the cost of commissioned care due to the announced increase in the national living wage as well as the capacity in the care market, the introduction of a sector wide Fair Pay Agreement in 2028, and guidance that that people should not be paying for services which meet their mental health needs.

For 2026/27 there is the additional risk introduced via the Fair Funding Formula that the Department of Health and Social Care will be publishing "notional" adult social care amounts which will be their expectation of how much council funding should be spent on adult social care. It is unclear how this approach reconciles with the unringfenced nature of the funding and what level of pressure they will apply to any disparities.

- **Adult Social Care Sector – Fair Pay Agreement**

As a result of legislative changes the Fair Pay Agreement (FPA) via Adult Social Care Pay Negotiation Body will set a minimum standard for pay and other terms and conditions in Adult Social Care market. The agreement is aimed to improve the whole care market workforce and ASC workforce pay conditions, staff retention and make the sector more attractive as an employment opportunity. This, however, will limit the ability of funding bodies, local and health authorities, to minimise the impact of sector pay expectations on their own budgets. The FPA consultation runs till mid-winter 2026, but what is understood so far is that the government's plan is to devolve £500 million of grant funding in 2028/29 to local authorities to initiate the FPA. However currently there is no detail as to what the agreement will result in – higher wages, establishing sector pay floors, pay spines, increase in care worker annual leave allowance and subsequent need to employ higher number of employees by care providers.

One of the illustrative potential outcomes suggests an increase in basic pay to care workers by 5.1% in April 2028. For BCP Council such an increase would mean a pressure of £4.9 million in addition to already reported MTFP growth. It needs to be assumed that such additional pressure would be entirely covered from the new external DHSC grant. Whether the grant would be on-going, and whether local authority allocation would equal the additional pressure from pay negotiations, remains unknown at this time.

Additional pressures will emerge from private care sector, with self-funders depleting their own resources faster and accessing local authority funded care much quicker. There are no tools to quantify this impact on the BCP Council budget. FPA could also potentially pose a risk of pay increase disputes where local authority in-house care workers annual pay award, negotiated by National Joint Council, would differ from sector pay increases required by newly formed negotiation body.

- **Adult Social Care – Section 117 (6) Mental Health Act 1983 Accommodation Plus**

Guidance issued by the Local Government and Social Care Ombudsman and legal advice clarified that people should not be paying for services which meet their mental health needs under Section 117, including specialist accommodation/supported living. Where accommodation costs form an intrinsic part of the aftercare arrangement, the Council and/or Integrated Care Board (ICB) should pay for this, and the person should not be expected to claim housing benefit.

This legal position may affect as many as 110 people currently in specialist accommodation in BCP Council who may be entitled up to 6 years back pay. There will be an expectation that NHS Dorset will pay part of the cost identified in line with their agreed contribution to the after-care provision for each individual. BCP potential risk after NHS Dorset contribution could be as high as £2.4m in backpay and over £396,000 as an ongoing net pressure. In 2025/26 financial year

Adult Social Care recorded circa 60 service users with Accommodation Plus needs having impact on the ASC 2025/26 budget position. It is felt legality remains a key factor in potential retrospective claims however the current provision related to Accommodation Plus is recognised to be sufficient (£1.052m). Any further changes to the provision will be a result of ongoing work pertaining to historic cases from the perspective of 6 years liability limitation period.

- **Housing: Temporary Accommodation including Bed and Breakfast**

Ongoing costs and demands on supporting the 3,300 households on the councils housing register and 601 households in temporary accommodation of which 64 are in Bed and Breakfast including 5 families.

- **Children's Services.**

Ongoing costs and demands on the service including the impact on the cost of commissioned care due to the announced increase in the national living wage, alongside the relentless increase in the home to school transport budget for pupils with Special Educational Needs and Disabilities.

- **Extended Producer Responsibility**

This government policy is designed to help achieve environmental goals such as recycling by making producers responsible for their products along their entire lifecycle including the post-consumer stage. In 2025/26 BCP council were given a guaranteed allocation of £9.447m to help offset costs associated with waste collection and disposal. The allocation for 2026/27 is £9.703m however this amount is not guaranteed and there is a high degree of uncertainty in regard to the final amount eventually receivable. It is clear that the Scheme Administrator (PACK UK) will be required to assess the effectiveness of the council's waste management services via an audit process. If it is deemed that we are not compliant then the council can be fined part of our ERP payment (up to 20% i.e. £1.941m) and also instructed in what we need to do to become efficient and effective. For example, this could involve PACK UK deciding, at the council's cost, that we should introduce a separate paper/cardboard collection process.

- **Waste Strategy**

A current significant uncertainty in the context of the council's medium term financial plan is the impact of the national waste strategy and the possible implications of policies such as the plastic film collection (April 2027), and Deposit Return Scheme (October 2027) for each of which there is likely to be an additional recycling cost and savings in the volume of black bin waste. There is then the Emissions Trading Scheme (January 2028) which is likely to lead to a general increase in waste disposal costs. At this stage the MTFP includes estimates of the impact of the waste strategy in 2027/28 and 2028/29 based on work undertaking by industry experts. However the potential impact will need careful monitoring as the level of uncertainty reduces closer to actual implementation dates.

- **Council Owned Companies and Joint Ventures.**

BCP operates several companies and third-party arrangements with these organisations exposed to their own set of financial and operational risks. As such the council would only provide for its share of such risks in circumstances where the risk is likely to materialise.

- **Carters Quay.**

Payments of £15.3m have been made towards the development of the agreed 161 new homes with ancillary ground floor amenity and commercial space scheme. Inland Partnership the contractor entered administration late in 2023. Officers are currently in negotiation with the Administrators for the developers to recover the land at Carters Quay. BCP Council have a registered charge on the land to cover the monies paid but are negotiating a release fee to obtain the freehold title and take possession of the land. Until the current position is resolved with the administrator and the scheme fully developed there is a clear risk the arrangement will cost more than has been allowed for as part of the previously approved business case.

- **Loss or disruption to IT systems and Networks from a cyber-attack.**

Such actions can incapacitate essential networks by encrypting or destroying data on which vital service depend. Financial loss is common through both direct loss of funds as well as recovery costs and reputational damage. Recent ransomware attacks are reported to have cost councils between £10m and £12m in damage. The industry adage is when, not if, an attack will happen.

In January 2024 three councils in Kent, Canterbury City Council, Thanet District Council and Dover District Council were referencing disruption to their services as a result of an attack. In November 2025, three central London councils, Hammersmith and Fulham, Kensington and Chelsea, and Westminster were all citing similar problems. Attacks on Marks & Spencer, Heathrow Airport, Transport for London, Jaguar Land Rover, and the Co-op Group during 2025 emphasise that even the country's largest organisations are at risk and that all companies and councils should do all they can to counter threats and protect themselves.

- **Microsoft Licensing Costs**

Significant pressure associated with the Councils Microsoft licenses specifically related to the human resource arrangements and a requirement to have a full Dynamics license allocation to process timesheets. Work with our licensing reseller, Microsoft, and peers have identified the issue as a bug that it is anticipated will be fixed by an update process in late January 2026.

Should the fix not be successful then the council will have a £1m unavoidable cost exposure which has not been provided for as part of the proposed 2026/27 budget or MTFP and will also be required to fundamentally rework by the 15 April 2026, the date by which these licenses need to be renewed, on how the council operates to avoid even further additional licensing cost exposure

- **Legal Claims.**

Covering various matters such as planning, highway, car parking, social care, or staffing, numerous legal claims have been logged against the council. The risk includes exposure to legal costs in defending the council's position in excess of the normal provision made as part of the legal service budget alongside any settlements or costs awarded against the council.

Background papers

154. February 2025: Budget 2025/26 and Medium-Term Financial Plan report.
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=284&MId=6294&Ver=4>
155. May 2025: Medium Term Financial Plan (MTFP) Update report.
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6062&Ver=4>
156. July 2025 Financial Outturn 2024/25
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6064&Ver=4>
157. July 2025: Medium Term Financial Plan (MTFP) Update report
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6064&Ver=4>
158. October 2025: Quarter One Budget Monitoring Report 2025/26
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6066&Ver=4>
159. October 2025: Medium Term Financial Plan (MTFP) Update report
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6067&Ver=4>
160. November 2025: Quarter Two Budget Monitoring Report 2025/26
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6068&Ver=4>
161. December 2025: Medium Term Financial Plan (MTFP) Update report
December 2025: Dedicated Schools Grant (DSG) High Needs Expenditure Forecast 2025/26
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6069&Ver=4>
162. January 2026: Council Tax - Taxbase report 2026/27
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=285&MId=6070&Ver=4>
163. January 2026: Treasury Management 2025/26 monitoring and strategy 2026/27
<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?CId=287&MId=5985&Ver=4>
164. February 2026: Quarter Three Budget Monitoring Report 2025/26
February 2026: Housing Revenue Account (HRA) budget setting 2026/27
February 2026: Early Years and Mainstream Schools Funding 2026/27

165. The full budget consultation report is available on the council's engagement website

Appendices

- Appendix 1a Corporate Strategy (A4 format)
- Appendix 1b Updated Shared Vision
- Appendix 1c Consideration of s114 report
- Appendix 1d Analysis of Budget Consultation Exercise
- Appendix 2 Schedule of Council Tax Charges 2026/27
- Appendix 3 Key Assumptions
- Appendix 4 Absolute MTFP
- Appendix 5 Budget Summaries
- Appendix 5a Savings Schedule 2026/27 Onwards
- Appendix 5b Beach Chalets discount removal
- Appendix 6 Transformation Investment Programme including Flexible Use of Capital Receipts
- Appendix 7 Capital Investment Programme (CIP) Overview & Narrative
- Appendix 7a CIP Individual Project Listing
- Appendix 8 Asset Management Plan
- Appendix 9 Treasury Management Strategy
- Appendix 10 s25 Report of the CFO (Robustness of the budget adequacy of reserves)
- Appendix 10a Reserves Summary and Detail Statement
- Appendix 10b Reserves Risk Assessment
- Appendix 11 ENIA
- Appendix 12 Chief Officer Pay Policy 2026/27

This page is intentionally left blank

Where people, nature, coast and towns come together in sustainable, safe and healthy communities

Our vision and ambitions

Our place and environment

Vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment

- People and places are connected by sustainable and modern infrastructure
- Our communities have pride in our streets, neighbourhoods and public spaces
- Our inclusive, vibrant and sustainable economy supports our communities to thrive
- Revitalised high streets and regenerated key sites create new opportunities
- Our green spaces flourish and support the wellbeing of both people and nature
- Climate change is tackled through sustainable policies and practice

Our people and communities

Everyone leads a fulfilled life, maximising opportunity for all

- Working together, everyone feels safe and secure
- High quality of life for all, where people can be active, healthy and independent
- Those who need support receive it when and where they need it
- Good quality homes are accessible, sustainable and affordable for all
- Employment is available for everyone and helps create value in our communities
- Skills are continually developed, and people can access lifelong learning
- Local communities shape the services that matter to them

We are an open, transparent and accountable council, putting our people at the heart of our services

- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Providing accessible and inclusive services, showing care in our approach
- Developing a passionate, proud, valued and diverse workforce
- Creating an environment for innovation, learning and leadership
- Using our resources sustainably to support our ambitions

This page is intentionally left blank



A shared vision

for Bournemouth,
Christchurch and Poole

bcpcouncil.gov.uk

2024-28

Contents

- 4 Messages from the Leader and Chief Executive of BCP Council
- 7 Introduction
- 8 Our vision and ambitions
- 10 Our recent successes
- 13 Our place and environment
- 19 Our people and communities
- 25 Our approach
- 30 What we are focusing on over the next two years

50



“”

Together we will work with renewed energy and focus to deliver our vision for Bournemouth, Christchurch and Poole.



Millie Earl

BCP Council Leader



In 2024 we set out a vision for Bournemouth, Christchurch and Poole that described how we would make the most of our three towns’ potential, deliver effective services and champion our residents, businesses and visitors. Over the last two years we have made substantial progress, overcome challenges and been recognised for our achievements.

We have strived to improve services for our most vulnerable residents so they can live fulfilled and happy lives. In January 2025, OFSTED recognised the significant progress made by our Children’s Services and gave us a ‘good’ rating – making BCP Council one of only two local authorities to move straight from ‘inadequate’ to ‘good’. Our efforts to tackle homelessness have been recognised nationally, with more than £9 million of funding secured and Bournemouth selected as a trailblazer by HRH Prince of Wales’ Homewards initiative. And we’ve worked to move families out of unsuitable temporary B&B accommodation.

We’ve listened to our residents who want to see improvements to our town centres and local

highstreets, investing £358,000 to enhance public spaces, upgrade lighting and put on events. Businesses, from national chains to local independents, are opening across our towns and major employers recognise our local talent and potential. We’ve protected and improved our beautiful green spaces and supported our cultural heritage, including renovating Poole Museum.

I’m proud of what we’ve achieved so far and excited about what we are yet to do. While our vision and ambitions remain the same, we have updated the activity plan for the next two years to ensure we maintain momentum and continue to deliver for those we serve.

Aidan Dunn

BCP Council Chief Executive



I had long admired BCP Council’s fierce and energetic commitment to transformation and continuous improvement before I joined as Chief Executive in September 2025, and I am proud to now be part of a trailblazing council.

The commitment to be a modern, forward thinking council set out in this document is becoming a reality. We’ve delivered new systems across HR and Finance, put our council on a stable financial footing and our Senior Leadership Team has been recognised with a national award. We are on the right trajectory.

Our transformation programme has not only introduced efficiencies and saved money, it has also helped us establish a new way of working that is transparent, accountable and anchored by our values of respect, integrity, passion, pride and innovation.

When we introduced this strategy in 2023, we promised to put people at the heart of what we did, seek and listen to feedback and work with partners to make the most of all our strengths. And these remain our priorities now.

The landscape in which we operate remains challenging – demand for our services is increasing while funding is squeezed. But I remain optimistic that, with our clear vision and action plan, we can continue to work with our partners to deliver for our residents, visitors and businesses.





Our vision

Where people, nature,
coast and towns come
together in sustainable,
safe and healthy
communities

52

Introduction

People are at the centre of our vision and ambitions and we recognise that the area's unique geography, natural environment, diverse communities and regeneration aspirations are important parts of creating a thriving place where everyone can reach their full potential.

This strategy is our plan of action focusing in on what we need to do to deliver our ambitions and monitor progress.

It provides a single set of key priorities for the whole council and sets the scene for working with our partners.

Having a clear vision and set of ambitions ensures we are purpose-led and not task-led, giving a focus for delivery. This strategy sets the direction for all our policy and strategy development, service planning, budget setting and service delivery.

Our priorities are:

Our place and environment

Vibrant places, where people and nature flourish, with a thriving economy in a healthy, natural environment

Our people and communities

Everyone leads a fulfilled life, maximising opportunity for all

These priorities are underpinned by our approach, to be open, transparent and accountable, putting our people at the heart of our services, with a set of clear guiding principles by which we will work.

In setting our vision, ambitions, and plan of action, we have ensured the themes of sustainability, inclusion and equality and diversity run through all that we do.

We have mapped our priorities to the UN Sustainable Development Goals, a universal blueprint for all countries to end poverty, protect the planet and ensure prosperity for all.

We have also aligned with the Purpose Goals, a leading UK-based framework for organisations to articulate their purpose and the social impact they are seeking to achieve.

Where people, nature, coast and towns come together in sustainable, safe and healthy communities

Our vision and ambitions

Our place and environment

Vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment

- People and places are connected by sustainable and modern infrastructure
- Our communities have pride in our streets, neighbourhoods and public spaces
- Our inclusive, vibrant and sustainable economy supports our communities to thrive
- Revitalised high streets and regenerated key sites create new opportunities
- Our green spaces flourish and support the wellbeing of both people and nature
- Climate change is tackled through sustainable policies and practice

Our people and communities

Everyone leads a fulfilled life, maximising opportunity for all

- Working together, everyone feels safe and secure
- High quality of life for all, where people can be active, healthy and independent
- Those who need support receive it when and where they need it
- Good quality homes are accessible, sustainable and affordable for all
- Employment is available for everyone and helps create value in our communities
- Skills are continually developed, and people can access lifelong learning
- Local communities shape the services that matter to them

We are an open, transparent and accountable council, putting our people at the heart of our services

- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Providing accessible and inclusive services, showing care in our approach
- Developing a passionate, proud, valued and diverse workforce
- Creating an environment for innovation, learning and leadership
- Using our resources sustainably to support our ambitions

Our recent successes

In this document we outline the key things we are going to focus on for our residents, businesses and communities over the next few years. Below we have set out just some of the achievements of the last year in 2024-2025.

54



Transformed Children's Services from 'Inadequate' to '**Good**' in just three years when rated by Ofsted, keeping children safe and supported.



Reduced the number of families and children in B&Bs from 140 households to **zero** and maintained a 'functional zero' for more than nine consecutive months.



Recognised as **White Ribbon Accredited**, highlighting our commitment to creating a safe community for women and girls.



Launched a **new Adult Social Care Strategy**, in which we are supporting people to live fulfilled lives.



Successfully integrated a new **Public Health service** into BCP Council, delivering a BCP-focused service.



Declared the UK's first ever '**Nature Town**', highlighting collaborative working to protect and restore nature.



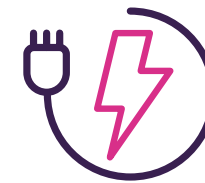
Launched a new **Children and Young People's Partnership Plan**, working with partners to ensure all children and young people have the best possible opportunities in life.



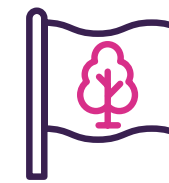
Delivered a more visible Community Safety Accreditation Scheme (CSAS) Officers across our three towns, resulting in an **18% reduction** in anti-social behaviour in the past year.



Published our **Urban Forest Strategy**, paving the way for our towns to support a sustainable urban forest, benefitting people and wildlife in every neighbourhood.



Installed **116 electric vehicle charging points** since March 2024, bringing the total to 220 across the BCP area.



Awarded '**Green Flag**' status recognising the outstanding management and maintenance of Poole Park and Upton Country Park.



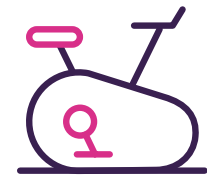
Restored public access to the historic **Hamworthy Lake Pier**, securing its future towards its 100th year.



Completed upgrades to the Hengistbury Head Long Groyne, protecting up to **6,000 homes** and providing new and improved habitats for our local wildlife.



Secured '**Blue Flag**' status for nine of our beaches for their water quality, safety, accessibility nature and sustainable coastal management.



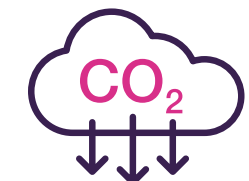
Formed BCP Leisure, bringing management of five leisure centres in-house, to encourage healthy living habits and community sport.



Restored Scaplen's Court and Garden, and renovated and reopened **Poole Museum**, preserving culture and history in Poole Town Centre and providing residents and visitors with a free destination.



Bournemouth town centre accredited with the '**Purple Flag**' award for the 15th year in a row, recognising a safe and vibrant night-time economy, delivered through effective partnership working.



Accelerated our reduction in the council's carbon emissions, achieving an overall **21% reduction in CO2 emissions** since declaring a Climate Emergency in 2019, with 14% in 2024/25.



Harmonised pay and benefits for all staff.



Awarded the Municipal Journal (MJ) Senior Leadership Team of the Year award.



Appointed a new Chief Executive after a rigorous recruitment process.

Our place and environment

Vibrant places where
people and nature flourish,
with a thriving economy
in a healthy, natural
environment.

Our place and environment

Ambitions

People and places are connected by sustainable
and modern infrastructure

Our communities have pride in our streets,
neighbourhoods and public spaces

Our inclusive, vibrant and sustainable economy
supports our communities to thrive

Revitalised high streets and regenerated key sites
create new opportunities

Climate change is tackled through sustainable
policies and practice


Our green spaces flourish and support the wellbeing
of both people and nature



Nature


2,500
hectares of
greenspace (approx)


19
Sites of Special Scientific
Interest (SSSI's)


19%
of the BCP Area is
covered in trees (approx)

Coast


15 miles
of sandy beaches


2nd
largest natural harbour in the world


Towns


15,555
businesses in
the BCP area


47
heritage
conservation areas


10m
visitors annually
spending over **£581m**
with **12,000** tourism jobs

Sustainability


54%
decrease in council CO₂ emissions
between 2005-2020


Signed up to the UK100
Network for ambitious
climate leaders



Focus areas

People and places are connected by sustainable and modern infrastructure

Provide a safe, accessible, sustainable and convenient transport network that meets the needs of all residents.

Improve digital connectivity for residents and businesses.

Our communities have pride in our streets, neighbourhoods and public spaces

Improve the accessibility and appeal of our beaches, parks and public spaces.

Improve the cleanliness of our towns.

Preserve and enhance our local heritage.

Reduce street-based antisocial behaviour (ASB).

Our inclusive, vibrant and sustainable economy supports our communities to thrive

Encourage and increase local and sustainability-minded businesses.

Support local areas to thrive by enabling community-led activities and events across the BCP area.

Revitalised high streets and regenerated key sites create new opportunities

Create vibrant and appealing high streets for shopping, leisure and community and cultural activities.

Explore options for regenerating key sites, creating opportunities for the local area.

Climate change is tackled through sustainable policies and practice

Deliver a carbon neutral council by 2030, area wide by 2045.

De-centralise energy networks by 2028, locating energy production closer to energy demand in our homes and buildings.

Increase the amount of renewable electricity generated across the BCP area.

Mitigate effects of climate change on key sites.

Ensure the BCP area has sufficient fit-for-purpose waste infrastructure to manage all the waste it produces.

Tackle the effects of climate change with our partners.

Our green spaces flourish and support the wellbeing of both people and nature

Develop greenspaces to improve the accessibility and quality of play.

Improve biodiversity across Bournemouth, Christchurch and Poole.

Create a pipeline of greenspace and 'urban greening' improvements to improve biodiversity.

Engage and work with partner organisations to support the quality and care of our greenspaces.





Measures of progress

- Increase the percentage of residents who are satisfied with their local area as a place to live
- Increase the number of businesses in the BCP area
- Increase footfall across our three Town Centres
- Increase the percentage of physically active adults, children and young people
- Reduce the tonnes of greenhouse gas emissions from our vehicles and buildings
- Increase the total number of sustainable passenger trips in the BCP area per year
- Increase the number of publicly available Electric Vehicle (EV) charge points
- Increase the percentage of waste diverted from landfill
- Increase residents' satisfaction with street cleaning
- Increase the number of Fixed Penalty Notices served for fly tipping and littering offences
- Increase the percentage of planning applications determined on time

Baselines, targets and intervention levels have been set for each of these measures. This helps to monitor progress and provides useful insights for service planning and decision-making.

“”

People make the place,
and at BCP Council we
put residents, staff, visitors,
and businesses at the
heart of what
we do.



Our people and communities

Everyone leads
a fulfilled life,
maximising
opportunity
for all.

Our people and communities

Ambitions

High quality of life for all, where people can be active, healthy and independent

Working together, everyone feels safe and secure

Those who need support receive it when and where they need it

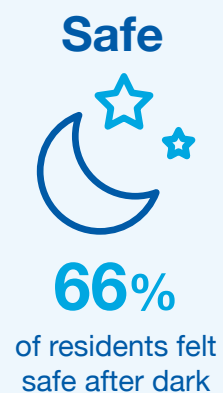
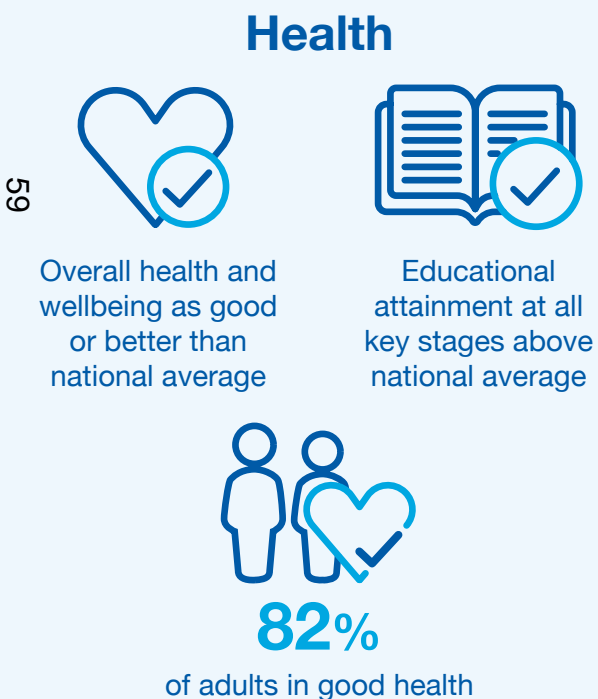
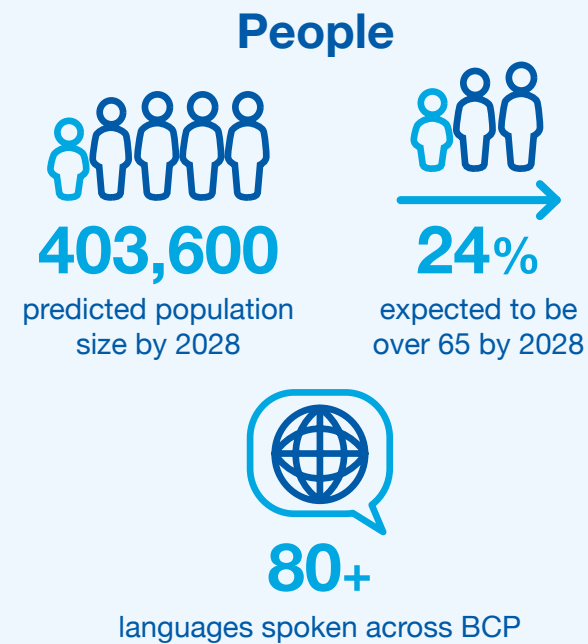
Good quality homes are accessible, sustainable and affordable for all

Local communities shape the services that matter to them

Employment is available for everyone and helps create value in our communities

Skills are continually developed, and people can access lifelong learning






Focus areas

High quality of life for all, where people can be active, healthy and independent

Support people to live independent, fulfilled lives, staying healthier for longer.

Work with partners to improve residents' health and wellbeing outcomes and reduce health inequalities.

Increase physical activity in communities through access to leisure centres, parks and encouraging active travel.

Working together, everyone feels safe and secure

Reduce and tackle incidents of serious violence and domestic abuse.

Work with communities to improve neighbourhood safety.

Keep young people and adults at risk of harm safe from exploitation, including online risks.

Those who need support receive it when and where they need it

Right support at the right time for children and families.

All children and young people have the best opportunities in life and are supported to flourish and grow.

Enhance social care and support arrangements, increasing understanding and reducing inequalities for those receiving care.

Ensure people impacted by homelessness receive the help they need to access a settled home.

Recognise the valuable contribution that carers make to our communities and support their wellbeing.

Continue to work with partners as part of the Access to Food Partnership enabling people to feed themselves and their family nutritious food, all of the time.

Ensure households are supported with information to help with the cost of living situation.

Supporting care experienced young people to transition into adulthood.

Good quality homes are accessible, sustainable and affordable for all

Continue working with partners to end homelessness in BCP by ensuring everyone has a safe place they can call home.

Enhance the support available to those in temporary accommodation.

Continue improving our planning service so it delivers meaningful outcomes for the local area.

More high quality, affordable and sustainable homes to meet residents' needs.

Ensure our 10,000 council homes are of good quality, well managed and our service is resident-led.



Local communities shape the services that matter to them

Use engagement, consultation, co-production and lived experience to help inform the decisions we make.

Develop a council-wide approach to empowering communities to do more for themselves and develop solutions around the things that matter to them.

Employment is available for everyone and helps create value in our communities

Encourage local job creation through links with universities, Bournemouth and Poole College, schools and businesses.

Skills are continually developed, and people can access lifelong learning

All children and young people have access to education, skills and employment opportunities.

Work with families and schools to reduce exclusion.

Develop more opportunities and rewards for inclusive volunteering.

Provide lifelong learning opportunities for people to gain rewarding employment.





Measures of progress

- Increase the percentage of residents who have good life satisfaction
- Increase the percentage of residents who feel safe in their local area
- Reduce the number of children who are missing out on education and excluded from school
- Reduce the attainment gap and improve learning outcomes for vulnerable children and young people at all key stages
- Increase the number of people with a learning or mental health disability living independently
- Increase the uptake of supported employment for those with learning or mental health disabilities
- Increase the number of registrations from people in the most deprived areas accessing health and wellbeing support (LiveWell Dorset)
- Increase the percentage of Education Health Care Plans issued within 20 weeks
- Increase the percentage of adult social care users and carers who are satisfied with the care and support they receive
- Reduce the number of people rough sleeping
- Increase the number of both completed new affordable homes and social rented homes
- Reduce levels of serious violent crime
- Reduce levels of Anti-Social Behaviour, increase enforcement outcomes relating to street-based ASB
- Increase the number of individuals entering drug treatment
- Reduce the number of homeless households in bed and breakfast
- Increase the percentage of residents who feel they can influence decisions affecting their local area
- Increase the percentage of residents who have engaged in civic participation in the last 12 months
- Increase the number of jobs created or safeguarded through Government or other external funding

Baselines, targets and intervention levels have been set for each of these measures. This helps to monitor progress and provides useful insights for service planning and decision-making.



“”

Creating a safe and healthier place, where residents and visitors feel safe and welcome.

Our approach

We are open, transparent and accountable, putting our people at the heart of our services.



Our approach

Principles for how we work

Working closely with partners, removing barriers and empowering others

Providing accessible and inclusive services, showing care in our approach

Using data, insights and feedback to shape services and solutions

Intervening as early as possible to improve outcomes

Developing a passionate, proud, valued and diverse workforce

Creating an environment for innovation, learning and leadership

Using our resources sustainably to support our ambitions

Our values

 We treat everyone with **respect**

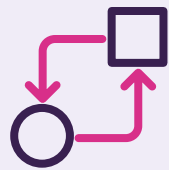
 We are **passionate** about our communities

 We have **integrity**

 We embrace **innovation**

 We take **pride** in what we do

Our council



£54m

in transformation
savings delivered as
of March 2025



76

Councillors
representing
33 wards



5,000+

staff



63%

of staff are female



Focus areas

Working closely with partners, removing barriers and empowering others

Exploring options of a governance model that allows communities to make local decisions and take action.

Implement a model of successful and productive partnerships to deliver shared objectives.

Work in partnership with businesses to generate funds to promote the local area as a destination and encourage tourism.

Work with the Local Government Association (LGA) and other industry partners to set out our key asks to Government.

Providing accessible and inclusive services, showing care in our approach

Provide accessible and inclusive services, putting people at the heart of what we do.

Improve the customer journey so enquiries can be resolved quickly and satisfactorily.

Using data, insights and feedback to shape services and solutions

Put in place systems to create services with improved reporting and response rates.

Continue transforming our services to make improvements and deliver efficiencies.

Intervening as early as possible to improve outcomes

Develop strategies and actions that improve access to early support.

Act early to provide resettlement support and prevent homelessness.

Continue developing a more flexible and responsive approach for children, young people and families who need support.

Developing a passionate, proud, valued and diverse workforce

Be competitive in our total rewards offer with an equitable and harmonised pay structure and set of terms of conditions.

Foster an inclusive work culture where people can be themselves at work, feel included and have a sense of belonging.

Build a reputation for excellence and innovation and take a long-term approach to recruit people with the skills, attitudes, and knowledge we need now and in the future.



Be fair and consistent in how we recognise, value and celebrate success, ensuring that our values and behaviours are of equal importance to skills and experience.

Creating an environment for innovation, learning and leadership

Have an improved and recognised governance structure in place fit for a modern local democracy.

Create a high performance culture that encourages effective and inspiring leaders.

Lobby and influence as innovative sector leaders to advance and improve services.

Using our resources sustainably to support our ambitions

Take tough decisions to ensure the council has a sustainable financial future.

Deliver sufficient asset disposals to finance our transformation investment programme 2024/25.

Implement the dedicated schools grant management plan to ensure high needs expenditure projections are in line with the delivery plan submitted to Government.





Measures of progress

- Increase satisfaction with the way we run things
- Increase levels of trust in the council
- Increase the percentage of residents who think we provide value for money
- Increase the proportion of people who use care services who find it easy to find information about services
- Increase the number of successful candidates from underrepresented groups for council jobs
- Increase the levels of employee engagement
- Increase the number of assets transferred to communities
- Increase the percentage of successful grant applications
- Increase the percentage of equality monitoring data collected from staff
- Increase customer interactions via our digital platforms
- Reduce the number of upheld Ombudsman complaints per 10,000 of the population
- Increase the percentage of business rates collected
- Increase the percentage of council tax collected
- Increase the percentage of staff who feel they are valued for the work they do and feel proud to work for the council

Baselines, targets and intervention levels have been set for each of these measures. This helps to monitor progress and provides useful insights for service planning and decision-making.

“”

We are working to transform our organisation into a modern, accessible, and accountable council for our colleagues and customers.



What we're focusing on 2025-27

Our place and environment

- Investing £4.4million into over 120 play spaces, beginning major works to repair and refurbish existing areas and create improved and inclusive community play spaces.
- Implementing simpler recycling legislation, including new food waste collections to reduce landfill and support sustainable options.
- Improving the seafront for our residents and visitors including upgrades and repairs to Bournemouth Pier to expand its lifespan for another 25 years.
- Through the Bus Service Improvement Plan, upgrading key bus routes, including Bournemouth Bus Station to Bournemouth town centre, to make it easier and more convenient for residents and visitors to reach jobs, enjoy the beach, and leave their cars at home.
- Completing the installation of 25 solar power projects, increasing sustainable energy use across our three towns.
- Launching a pilot scheme to make electric vehicle charging easier from homes with no driveway, and installing an additional 500 public charge points.
- Supporting 500 households to access funding for insulation and free energy advice through the Healthy Homes Dorset scheme.
- Implementing Dorset's Local Nature Recovery Strategy to ensure wildlife across Bournemouth, Christchurch and Poole can thrive for years to come
- Establishing the BCP Growth Board, which aims to increase footfall, jobs, and business across our three towns.
- Developing a Heritage Strategy to protect assets for the future and secure funding
- Repair and improve Poole Bridge, ensuring it works well for our residents and visitors.
- Deliver the implementation of a Library Strategy, ensuring they remain at the heart of communities.
- First residents moving into 110 new sustainable council-owned homes in Hillbourne, Poole, offering high-quality places to live for individuals, couples, and families in the local community.

Our people and communities

- Put residents first by delivering a Residents' Card that makes parking, shopping and eating in Bournemouth, Christchurch and Poole more accessible.
- Developing a 30-year plan for the management and maintenance of our housing stock, ensuring council homes are maintained to appropriate standards for our 10,000+ tenants.
- Working with partners to increase employment rates and earnings and reduce youth unemployment through upskilling in key areas such as English and Maths, IT, leadership and management.
- Deliver the Homelessness and Rough Sleeping Strategy, preventing instances of homelessness or ensuring that they are rare, brief, and not repeated.

Our approach

- Shaping and contributing to the Wessex devolution programme, championing our residents and the area's unique urban context and strategic assets.
- Strengthening and refining our approach to performance measurement by improving our impact measurement.
- Embracing the opportunities of evolving technology, such as championing the safe and sustainable use of artificial intelligence to ensure our work is efficient.
- Embedding a culture of continuous improvement to get the best value for money for our residents.
- Delivering a balanced and resilient medium term financial plan.
- Delivering robust elections for Town Councils in 2026 and BCP Council in 2027.

These are just a handful of some of our key activities over for 2025-27, building on the achievement so far to continue creating a thriving place where everyone can reach their full potential.



National Frameworks

UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDG's) are a framework for the major global challenges of economic, environmental, and social sustainability. Every country in the world has agreed to deliver these goals by 2030. They are a set of 17 interconnected goals with 169 targets beneath them. Every priority within this strategy contributes to achieving the SDG's.



The table below shows our key priorities mapped to the corresponding SDGs and Purpose Goals. This demonstrates how the

principles of sustainability, social mobility and equality of opportunity runs through everything we do.

Priority	SDGs	Purpose Goals
Our Place and Environment	6 7 8 9 10 11 12 13 14 15 17	9 10 11 12 13 14
Our People and Communities	1 2 3 4 5 8 10 11 16 17	1 2 3 4 5 6 7 8 14
Our approach	3 5 8 9 10 16 17	4 5 6 7 8 9 14

UK100 Network

Our council leaders have taken further steps to combat the effects of climate change, by signing up to the UK100 Network. This is a network of ambitious local leaders who have pledged to lead a rapid transition to Net Zero, with clean air in their communities ahead of the UK's legal target.

emergency and committed to make BCP Council carbon neutral by 2030.

Being part of UK100 helps us to reach our climate goals as we can draw on the experiences of other councils to help us deliver better outcomes for our residents.

This pledge aligns with our commitments made in 2019 when we declared a climate and ecological

Purpose Goals

The Purpose Goals offer a way to address key obstacles to opportunities in the UK. The Purpose Coalition developed the 14 goals, which target different social and economic challenges, from early childhood development to workplace inclusivity and health and wellbeing. They share common ground with the UN Sustainable Development Goals and help the council to pursue social mobility.



They align with the UN Sustainable Development Goals and support our efforts to advance social mobility. Every priority within this strategy contributes to achieving these goals.



How we operate as a council

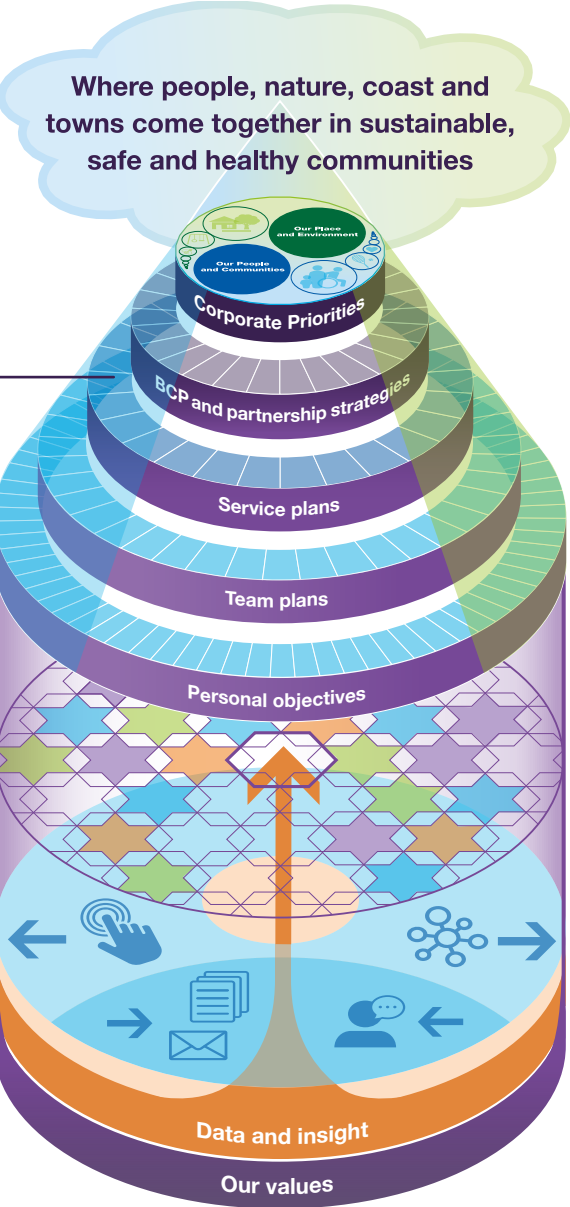
Our operating model shows how we work as an organisation to deliver services to our communities. It ensures all council activities are led by the shared vision and priorities, underpinned by core values for the way in which we do things – essential foundations for being open, transparent and accountable, putting our people at the heart of our services.

At the heart of our operating model are centres of expertise, driven by data and insight, best practice and shared knowledge to improve the quality of services across the council.

We will continue moving towards digital and automated processes to deliver efficiencies

and improved access to our digital services, whilst keeping a focus on more personalised approaches where digital does not work.

We will continue to learn from best practice, ensuring our policies and operating frameworks are aligned to national drivers and our services are positioned to achieve our shared vision.



Key strategies

Some of the key strategies linked to this shared vision for Bournemouth, Christchurch and Poole.

Adult Social Care Strategy

BCP Housing Strategy

BCP Local Plan

Community Safety Partnership Strategy

Economic Development Strategy

Green Infrastructure Strategy

People and Culture Strategy

Working better together – Integrated Care Partnership Strategy

All council strategies, plans and policies can be found **here**.

Appendix

Find more details on this strategy **here**.

This page is intentionally left blank

Consideration of the possible need to issue a Section 114 Report
- Often mistakenly referred to as a council declaring bankruptcy)

1. A report issued under s114 (3) of the Local Government Finance Act 1988 is one made by a councils Chief Finance Officer (CFO) if in their opinion they believe that the expenditure to be incurred during a financial year is likely to exceed the available resources. It is considered good practice to consult the Chief Executive and Monitoring Officer before such a report is issued. A copy of the report must be sent to all councillors and the external auditor.
2. Such a report is only issued in the gravest of circumstances and is most likely to be required in a situation in which reserves have become depleted, and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year.
3. The report triggers a short-term statutory prohibition on entering into any new agreement which may involve the incurring of expenditure without the permission of the CFO. Statutorily the CFO can only consent to new agreements or to terminate existing agreements during this period if they will prevent the situation getting worse, improve the situation, or prevent a recurrence.
4. The report must be considered at a meeting of the Council within 21 days of the report being issued. At the meeting the authority must decide if it agrees or disagrees with the views in the report and the actions it proposes to take. If Council cannot still agree a balanced budget position, then the authority is required to call in the external auditor who must then try to set a balanced budget.
5. In addition, the Government can intervene on how services are run by a council following the issuing of a s114 Report. Most councils in this situation have been the subject of such intervention via Commissioners or members of an intervention board who are usually experts with lengthy experience in local government. Ultimately, they have the power to direct a council over budgetary and other decisions.
6. This process has often been, mistakenly, likened a council declaring bankruptcy. In practice it is more like the process of a company entering administration in that core statutory services are maintained but the government will place commissioners in the Council to make the decisions that are needed to balance the budget, generally by cutting all non-statutory expenditure
7. A budget may become unbalance due to any significant alteration to either expenditure or income including for example from a sudden policy change, demographic pressures, unexpected funding pressures, a failure to realise planned savings, or from a natural disaster.
8. The council should find an alternative way to balance the budget, such as an emergency savings programme or applying for Exceptional Financial Support (EFS) from the government. Where EFS is approved this normally takes the form of a capitalisation direction, whereby government allow revenue expenditure to be capitalised and funded from debt. Conditions attached to EFS applications vary but usually involve the sale of capital assets and using the receipts to reduce the debt increased via the EFS borrowing. If a budget cannot be balanced a s114 notice must be considered by the s151 officer.
9. Nineteen s114 notices have been issued since the legislation came into force in 1988. Since 2018 there have been fourteen s114 notices issued by nine councils as

set out below. This clearly demonstrates they can occur in different types of councils, in different geographical regions and in councils under different political control.

Council	Date of S114 Notice	Geography	Type	Political control at time of S114
Northamptonshire	Feb 2018 and July 2018	East Midlands	County council	Conservative
Croydon	Nov 2020 and Dec 2020	London	London borough	Labour
Slough	Jul 2021	South East	Unitary council	Labour
Nottingham	Dec 2021	East Midlands	Unitary council	Labour
Northumberland	May 2022	North East	Unitary county	Conservative
Croydon	Nov 2022	London	London borough	NOC
Thurrock	Dec 2022	East of England	Unitary council	Conservative
Woking	May 2023	South East	District council	Lib Dem
Birmingham	Sep 2023 (twice)	West Midlands	Metropolitan District	Labour
Nottingham	Nov 2023	East Midlands	Unitary council	Labour
Barnet	Jan 2025	London	London borough	Labour

10. S114 notices remain rare, but they are not as rare as they used to be.

BCP Council Budget Consultation 2026/27

1. Summary

- 1.1 We want to understand our residents' and businesses' views to help us set our 2026/27 budget and medium-term financial plan (MTFP). We launched a consultation on Tuesday 18 November 2025 asking for views on the importance of council services, priorities for spending and levels of council tax.

2. Methodology

- 2.1 This report looks at the results from the open consultation conducted in 2025 and the sample survey conducted in November 2024. We undertook an open consultation survey so that we could inform residents and stakeholders about the current position with the council's finances and give everyone a chance to have their say on how the council should prioritise its spending. Open surveys by their nature often don't receive a representative response (e.g. they tend to attract more responses from residents over the age of 65 compared to those residents under the age of 30). This is why we have chosen to provide the results of the sample survey conducted in 2024 alongside the results of the 2025 consultation. The sample survey, although a year old provides insight from a representative sample of residents, and we can ensure, to a certain degree of confidence, that the results would be the same if we were to survey every resident over the age of 18 living in our area. Generally, sample survey data can be relied upon for up to 3 years dependent on the rate of change in the environment (e.g. survey data ages faster when services and policies have changed or external shocks occur e.g. cost of living pressures, pandemics). Sample survey from 12 months ago can be considered reliable evidence to use alongside other information to support decision making.

2.3 Open consultation

A survey and an accompanying information document were produced and available online and in paper format. The consultation was widely promoted through a press release, social media channels and in all local libraries. The consultation was sent to residents and stakeholders signed up to the council's consultation register. The consultation closed on Sunday 14 December 2025. A total of 869 responses were received.

2.4 Sample Survey

In 2024 the council commissioned a research company to run a sample survey. A knock-and-drop paper survey method was used. This is where teams of trained staff call on residents door-to-door and ask for co-operation with the survey. Support is offered to the resident if needed, for example if they have sight loss or need help with reading/writing, and the interviewer is then able to help them at their door. If support is not required, the interviewer arranges a time to come back and collect the survey. To ensure the survey sample was representative by area, a random sample was drawn from a ranked list of Lower Super Output Areas (geographies that comprise between 400 - 1,200 households and have a resident population between 1,000 and 3,000) and surveys were conducted in those selected LSOAs.¹ The sample was selected so that it closely resembled the wider BCP Council population in

¹ The Indices of Deprivation are a unique measure of relative deprivation at a small local area level (Lower-layer Super Output Areas). The Index of Multiple Deprivation (IMD) ranks every small area in England from 1 (most deprived area) to 32,844 (least deprived area). There are 240 LSOAs in the BCP area.

terms of the Bournemouth, Christchurch, and Poole area and IMD quintiles 1 - 5. Interviewers were given quotas of certain numbers of surveys they had to get completed so that the sample was representative by sex, age, and ethnicity.

- 2.4 A sample of 750 was achieved which provides a confidence level of +/-3.6% at a 95% confidence level.
- 2.5 Throughout this summary the terms open consultation and sample survey will be used to distinguish between the results of both methods.

3. Profile of respondents

3.1 Open consultation

Compared to the overall BCP Council resident population, the open consultation received a higher proportion of responses from those aged 45 and older and fewer responses from those under the age of 44. It also received a higher proportion of respondents from a White Other ethnic background.

3.2 Sample survey

The research company was asked to meet a quota so that the survey sample was representative of sex, age, (area Bournemouth, Christchurch, and Poole) and the index of multiple deprivation and ethnicity. The data was weighted to improve its representativeness further within an accepted tolerance.

4. Awareness of the Council's financial situation

- 4.1 In the sample survey 15% of respondents said that they felt informed of the council's financial situation. This compares to 56% of respondents to the open consultation. Some open survey respondents may feel more informed because they are more likely to engage with council communications, for example newsletters or social media. Due to how the open survey is promoted e.g. through the council e-newsletters, social media etc, the sample survey provides better insight into whether the BCP population feels informed about the council's financial situation.

5. Council Tax

- 5.1 63% of the open consultation respondents said that their first choice for level of council tax would be to raise it by less than 4.99%, 35% said their first choice would be to raise council tax by 4.99% and 10% said their first choice would be to raise council tax by more than 4.99%. Whereas 81% of respondents to the sample survey said their first choice would be to raise it by less than 4.99%, 16% said their first choice would be to raise council tax by 4.99% and 4% said their first choice would be to raise council tax by more than 4.99%.

	Sample Survey	Open Consultation
First choice would be to raise Council tax by less than 4.99%	81%	63%
First choice would be to raise council tax by 4.99%	16%	35%
First choice would be to raise council tax by more than 4.99%	4%	10%

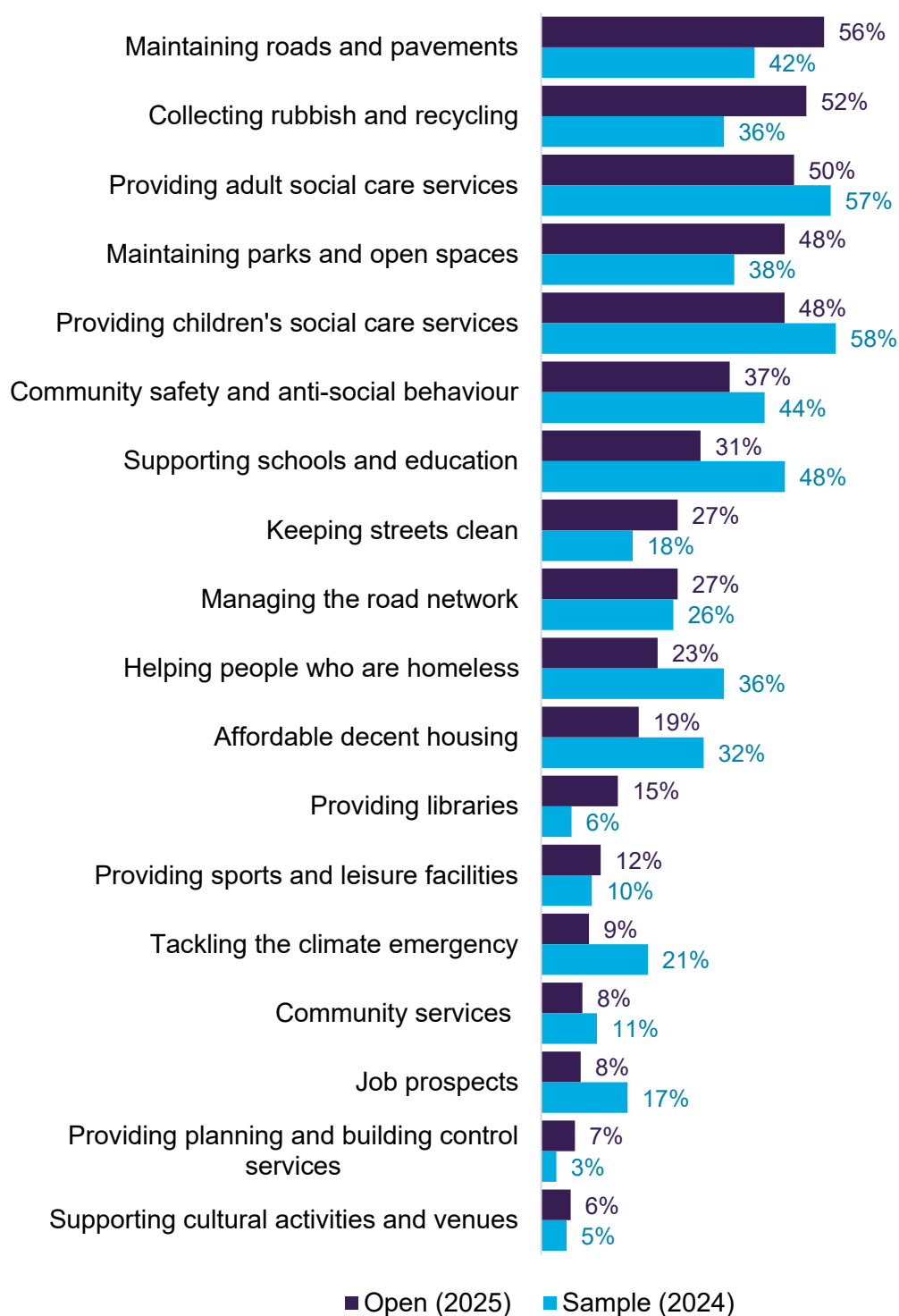
6. Importance of council services

- 6.1 Respondents were asked '*thinking generally about the local area and council services which five services do you feel are most important.*' The cells highlighted in green show the top five selected services for each of the methods and the orange show the five services thought by respondents to be least important. The five most important services to respondents of the sample survey were children's social care, adults social care, supporting schools and education, community safety and anti-social behaviour and maintaining roads and pavements. For the open consultation maintaining roads and pavements, collecting rubbish and recycling, adults social care, maintaining parks and open spaces and children's social care were seen as the top five most important services.

Table 1: Importance of council services

	Sample survey %	Sample Survey rank (1=most important)	Open survey %	Open survey rank (1=most important)
Providing children's social care services	58%	1	48%	4
Providing adult social care services	57%	2	50%	3
Supporting schools and education	48%	3	31%	7
Community safety and anti-social behaviour	44%	4	37%	6
Maintaining roads and pavements	42%	5	56%	1
Maintaining parks and open spaces	38%	6	48%	4
Collecting rubbish and recycling	36%	7	52%	2
Helping people who are homeless	36%	7	23%	10
Affordable decent housing	32%	9	19%	11
Managing the road network to address congestion	26%	10	27%	8
Tackling the climate emergency	21%	11	9%	14
Keeping streets clean	18%	12	27%	8
Job prospects	17%	13	8%	15
Community services	11%	14	8%	15
Providing sports and leisure facilities	10%	15	12%	13
Providing libraries	6%	16	15%	12
Supporting cultural activities and venues	5%	17	6%	18
Providing planning and building control services	3%	18	7%	17

Figure 1: The importance of council services (sample survey and open consultation)



7. Service improvement

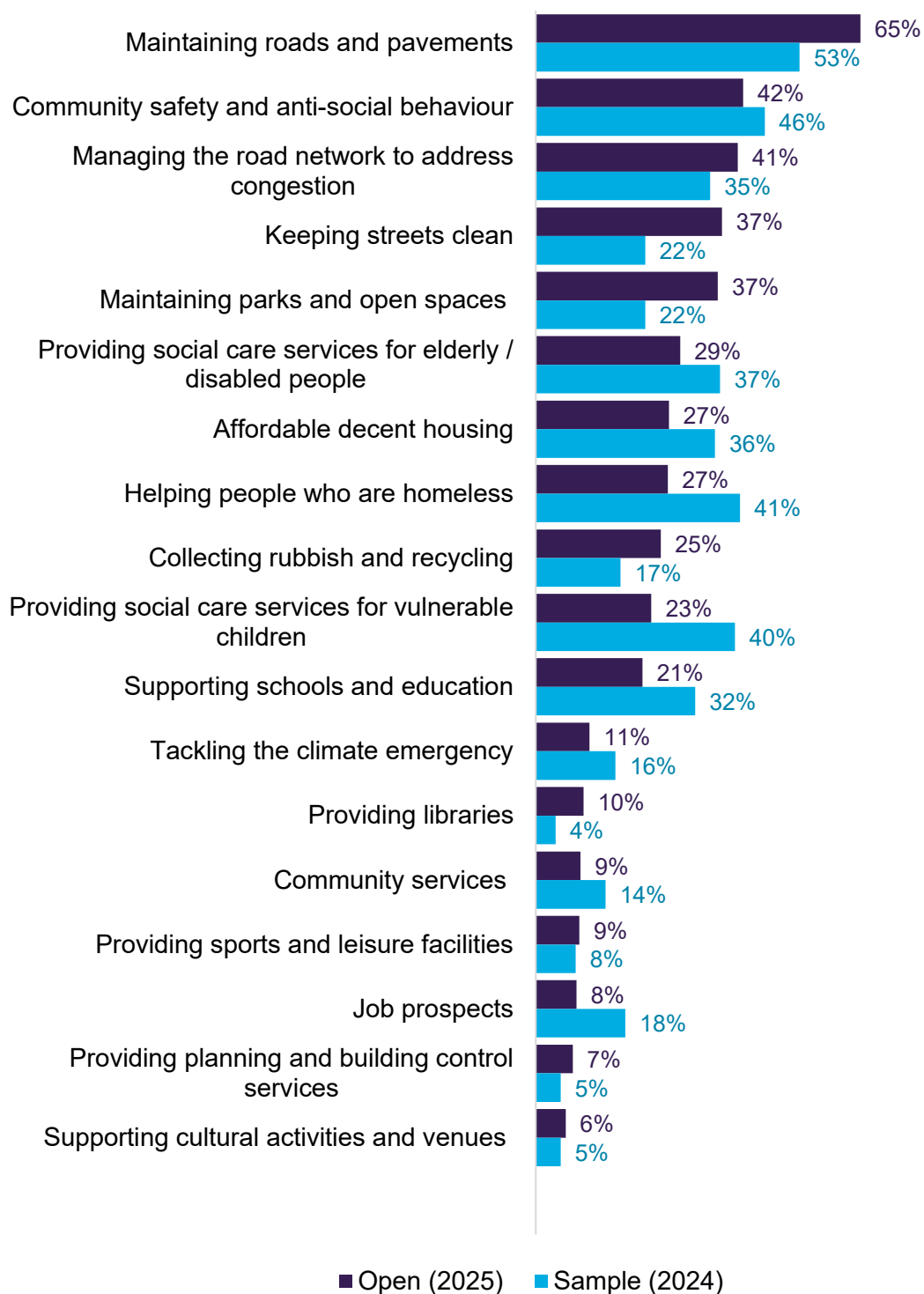
- 7.1 Respondents were asked to select up to five services that they felt were most in need of improving. The cells highlighted in green show the top five selected services for each of the methods and the orange show the five services thought by respondents to be least in need of improvement. In both the sample survey and the open consultation 'maintaining roads and

pavements' and 'community safety and anti-social behaviour' were seen as most in need of improvement.

Table 2: Council services most in need of improvement

	Sample survey %	Sample Survey rank (1=most improving)	Open survey %	Open survey rank (1 = most improving)
Maintaining roads and pavements	53%	1	65%	1
Community safety and anti-social behaviour	46%	2	42%	2
Helping people who are homeless	41%	3	27%	7
Providing children's social care services	40%	4	23%	10
Providing adult social care services	37%	5	29%	6
Affordable decent housing	36%	6	27%	7
Managing the road network to address congestion	35%	7	41%	3
Supporting schools and education	32%	8	21%	11
Maintaining parks and open spaces	22%	9	37%	4
Keeping streets clean	22%	9	37%	4
Job prospects	18%	11	8%	16
Collecting rubbish and recycling	17%	13	25%	9
Tackling the climate emergency	16%	13	11%	12
Community services	14%	14	9%	14
Providing sports and leisure facilities	8%	15	9%	14
Supporting cultural activities and venues	5%	16	6%	18
Providing planning and building control services	5%	16	7%	17
Providing libraries	4%	18	10%	13

Figure 2: Council services most in need of improvement (sample survey and open consultation)



8. Service priorities

- 8.1 The analysis of the importance and the improvement of services can help the council prioritise which services it should look to improve and which services it should look to sustain or possibly reduce if funding is limited.
- 8.2 The council should look to improve these services and should strive for a high standard of service as these services are most important to residents and are seen as most in need of improving.

Sample survey

- Affordable decent housing
- Community safety and anti-social behaviour
- Helping people who are homeless
- Maintaining roads and pavements
- Providing adult social care services
- Providing children's social care services
- Supporting schools and education

Open consultation

- Collecting rubbish and recycling
- Community safety and anti-social behaviour
- Keeping streets clean
- Maintaining parks and open spaces
- Maintaining roads and pavements
- Managing the road network to address congestion
- Providing adult social care services

- 8.4 There are two different services that scored above average for importance but below average for needing improvement for both the open consultation and the sample survey. These are the areas where the council could look to sustain performance as they are important to residents but are not seen as a priority for improvement.

Sample survey

- Collecting rubbish and recycling
- Maintaining parks and open spaces

Open consultation

- Providing children's social care services
- Supporting schools and education

- 8.5 There is one service which scored above average for improvement but below average for importance from the sample survey and two from the open consultation. Although this is not seen as important compared to other services residents want to see improvements in this area.

Sample survey

- Managing the road network to address congestion

Open consultation

- Affordable decent housing
- Helping people who are homeless

- 8.6 There are eight services from the sample survey and seven from the open consultation which score below average for importance and improvement.

Sample survey

- Community services
- Job prospects
- Keeping streets clean
- Providing libraries
- Providing planning and building control services
- Providing sports and leisure facilities
- Supporting cultural activities and venues
- Tackling the climate emergency

Open consultation

- Community services
- Job prospects
- Providing libraries
- Providing planning and building control services
- Providing sports and leisure facilities
- Supporting cultural activities and venues
- Tackling the climate emergency

9. Spending priorities

- 9.1 Respondents to both the open consultation and the sample survey were given a list of council service areas and information about how much of its revenue budget the council currently spends within that area. Respondents were given the total cost but also how many pence in one pound was spent on that service. They were also given a brief description of what was included within each of the services.

9.2 Open consultation

For nearly all the spending areas the most popular answer was 'to retain the same level of funding,' except for highway services where the most frequent answer was 'increase a little' and support services where the most frequent answer was 'decrease a little.'

- 9.3 Each response was given a value of +2 for 'increase a lot' through to -2 for 'decrease a lot'. A mean score was calculated to indicate which services respondents would like to spend more on and which they would like to spend less on.² The service areas with the highest mean score for the open consultation were:

- Highway services (0.72)
- Street cleaning (0.48)
- Parks and open spaces (0.36)
- School Services (0.27)
- Children's Social Care (0.25)

² The *mean* of a set of numbers in a data set is obtained by adding up all the numbers then dividing by the size of the data set. When people use the word 'average' in everyday conversation, they are usually referring to the mean. Source: [Newcastle University](#)

9.4 The service areas with the lowest mean score were:

- Support Services (-0.72)
- Cost of running our operational premises (-0.65)
- Customer Service (-0.35)

9.5 **Sample survey**

Similarly to the open consultation, for most spending areas the most common answer was 'retain the same level of funding' except for children's social care and school services where 'increase a little' was the most popular answer.

9.6 Again, each response was given a value of +2 for 'increase a lot' through to -2 for 'decrease a lot'. A mean score was calculated to indicate which services respondents would like to spend more on and which they would like to spend less on. The service areas with the highest mean score for the sample survey were:

- School services (0.76)
- Children's social care (0.71)
- Highway services (0.68)
- Street cleaning (0.57)

9.7 The service areas with the lowest mean score were:

- Cost of running our premises (-0.45)
- Other central items and accounting (-0.37)
- Support services (-0.22)
- Planning (-0.20)

9.8 For both the open and sample survey, most respondents want the council to retain the same level of funding for most of its service areas. If there was additional budget, the open survey respondents prioritised highway services, street cleaning and parks and open spaces as the services where they would like to see more money spent. The sample survey respondents said they would like to see an increase in spending for school services, children's social care, highways, and street cleaning. If the council were to look at reducing spending in any service area, both the open and sample survey respondents said that the council should look at the cost of running its premises and support services costs to make savings.

10. **Key points to consider**

10.1 Overall, residents in the representative sample survey do not feel informed about the council's financial situation, while respondents to the open survey feel more informed. Some open survey respondents may feel more informed because they are more likely to engage with council communications, for example newsletters or social media.

10.2 Most respondents want council tax levels to be increased below 4.99% sending a strong message that residents expect the council to keep any council tax level increases to a minimum.

10.3 When it comes to service importance and improvement, the insight from the open consultation and sample survey varies with a few similarities but more differences. The council should look

at the findings of the sample survey if it wants to understand what the population think about which services are most important and what needs improving as this is the data that is most representative of the BCP population. The council should consider the findings alongside other information e.g. service performance, costs etc. and consider whether it can prioritise these services:

- Affordable decent housing
- Community safety and anti-social behaviour
- Helping people who are homeless
- Maintaining roads and pavements
- Providing adult social care services
- Providing children's social care services
- Supporting schools and education

10.4 When it comes to how the council spends its money, most respondents would like the council to retain the same level of funding for most of its services. If savings are to be made, then respondents expect the council to make this from looking at the cost of running its premises and back-office functions. Residents want the council to prioritise front line services. There are some front-line services where residents would like to increase spending, for the sample survey this was school services and children's social care and for the open survey it was highway services and street cleaning.

10.5 Throughout this summary we can see there are differences between the sample survey and open consultation results. This emphasises the importance of conducting sample surveys alongside open consultations to inform big decisions the council must make.

11. Further information

11.1 Please see the full analytical report on our [consultation website](#).

BCP Schedule of Council Tax Charges 2026/27

	Actual Council Tax 2025/26 £	Change 26/27 %	Proposed Council Tax 2026/27 £
Christchurch			
Christchurch Town			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Christchurch Town	£72.35	2.89%	£74.44
Christchurch Town Total	£1,927.76		£2,022.43
Burton & Winkton Parish			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Burton & Winkton Parish	£18.27	0.82%	£18.42
Burton & Winkton Parish Total	£1,873.68		£1,966.41
Hurn Parish			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Hurn Parish	£34.90	4.47%	£36.46
Hurn Parish Total	£1,890.31		£1,984.45
Highcliffe and Walkford Neighbourhood			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Highcliffe and Walkford Neighbourhood	£32.86	2.74%	£33.76
Highcliffe and Walkford Neighbourhood Total	£1,888.27		£1,981.75
<hr/>			
Bournemouth			
Bournemouth Town (exc Throop and Holdenhurst)			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Bournemouth Chartered Trustee	£2.24		
Bournemouth Town			£29.47
Bournemouth Town (exc Throop and Holdenhurst) Total	£1,857.65		£11,331.54
Throop and Holdenhurst Village			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Throop and Holdenhurst Village	£38.72	2.53%	£39.70
Throop and Holdenhurst Village Total	£1,894.13		£1,987.69
<hr/>			
Poole			
Poole Town (exc Broadstone)			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Poole Chartered Trustee	£2.14		
Poole Town			£32.56
Poole Town (exc Broadstone) Total	£1,857.55		£1,980.55
Broadstone Town			
BCP Unitary Charge	£1,855.41	4.99%	£1,947.99
Broadstone Town			£60.34
Broadstone Town Total	£1,857.55		£2,008.33

This page is intentionally left blank

Key Assumptions

Service Pressures, Corporate Cost Pressures & Additional Resources, Savings, and Efficiencies

	Updated Budget 2025/26 £m	February 2026 MTFP Position			
		26/27 £m	27/28 £m	28/29 £m	Total £m
Service Pressures (net of any specific grant changes)					
Wellbeing Directorate	194.6	11.5	7.9	8.2	27.6
Children's Directorate	111.8	9.2	8.2	8.2	25.5
Operations Directorate	60.3	1.3	4.1	5.6	11.0
Resources Directorate	50.2	(0.0)	0.3	1.6	1.9
Service Pressures (net of any specific grant changes)	416.8	22.0	20.5	23.5	66.0
Savings, Efficiencies, Fees & Charges					
Wellbeing Directorate		(3.1)	(1.1)	(0.9)	(5.1)
Children's Directorate		(1.4)	0.0	0.0	(1.4)
Operations Directorate		(4.0)	(2.2)	(1.3)	(7.5)
Resources Directorate		(1.0)	(0.5)	(0.1)	(1.6)
Transformation		(4.4)	(7.5)	(1.2)	(13.1)
Savings, Efficiencies, Fees and Charges		(13.9)	(11.1)	(3.6)	(28.6)
Corporate Items - Cost Pressures					
Transformation Base Revenue Cost	0.0	0.0	0.0	0.0	0.0
Debt Capital Repayment - Minimum Revenue Provision	12.1	0.4	0.4	0.4	1.2
Debt Interest on Borrowings	1.3	0.6	0.2	0.9	1.7
Treasury Management Income	(0.7)	0.0	0.0	0.0	0.0
Pension - Back funding	3.7	(0.2)	0.4	0.2	0.4
Provision for the Pay Award	(0.3)	5.9	4.2	4.3	14.4
Pay and Grading Project	1.7	3.4	(1.4)	(0.2)	1.9
Benefits	(1.3)	0.7	0.0	0.0	0.7
Investment Properties Income	(4.7)	0.0	0.0	0.0	0.0
Miscellaneous including levies	(3.4)	(1.9)	0.9	0.9	(0.1)
Contingency	2.2	1.1	(0.0)	0.0	1.1
Corporate Items - Cost Pressures	10.6	10.0	4.6	6.6	21.2
Funding - Changes	(432.8)	(16.5)	(4.6)	(16.7)	(37.8)
Debt interest due to accumulated SEND deficit	8.1	2.4	2.5	1.7	6.5
Annual – Net Funding Gap	2.8	4.0	11.8	11.5	27.3
Application of one-off business rates resources to MTFP	(2.8)	(4.0)	6.8	0.0	2.8
Annual – Net Funding Gap	0.0	(0.0)	18.7	11.5	30.1
Cumulative MTFP – Net Funding Gap		(0.0)	18.7	30.1	

Appendix 3

The 2026/27 Budget and Medium-Term Financial Plan (MTFP) as presented is based on numerous key assumptions that although they have been informed by many factors such as government announcements, economic forecasts, and trend analysis, are also based on professional judgement. These can be listed as follows.

1. Wellbeing

Service Pressures £11.5m for 2026/27 (6.5% increase over the 2025/26 budget as adjusted for the government fair funding review) for demand and inflationary increases.

Adult Social Care and Commissioning

The MTFP makes provision for an additional gross £27.2m investment in adult social care services over the 3-year period to March 2029 (£11.4m in 2026/27). Funding support towards these pressures has been assumed at the level of £0.4m in 2026/27 and £0.4m of growth each year afterwards. The pressures, which exclude the impact of the pay award on the services staff, arise from a combination of:

- 1) Assumptions around inflationary pressures within the care market. These pressures relate mainly to increases for providers in staffing costs where a significant driver is the consequential impact of changes in the national living wage (NLW) with this estimated at £11.8m over the 3 years.
- 2) It is worth noting that ringfenced grants (market sustainability and Improvement fund and the social care support grant) currently built into the adult service are being rolled into the non-ringfenced revenue support grant (RSG) in the government's fair funding review process from 2026/27. Cost of services funded via rolled grants remains within Adult Social Care at the same level as budgeted in 2025-26 financial year.
- 3) Demographic growth for all client groups is provided for at £11.5m over the 3-year period.

The NLW remains a key driver for the cost of care services affecting 70% of the cost of providing home care and 65% for residential fees. The government supported the Low Pay Commission's suggestion that the NLW hourly rate is to grow to £12.71 from April 2026, which translates into a 4.1% increase. The cost of care in the MTFP has been taken forward from this base.

The remaining 30%-35% of the cost of providing care is driven by other cost of living factors assumed to increase in 2026/27 by £1m and by a further £1.2m and £1.4m in 2027/28 and 2028/29, respectively.

The Health Secretary has announced plans to improve care workers pay along with the introduction of a new sector-wide negotiation body to lead on pay conditions between employers, trade unions and employees. These changes are to come into force in 2028 with £500m of new funding from government for the sector. The current MTFP does not yet factor in these changes.

Housing & Public Protection

The Housing & Public Protection service continues to face challenges across the 3-year MTFP, with £0.5m of growth included in 2026/27 and recurring pressures forecast through to 2028/29. These pressures reflect the ongoing impact of inflation on housing related support and community safety contracts, alongside the need to meet statutory obligations and maintain essential services.

From 2026/27, under the government's fair funding review, key ringfenced grants for Housing & Public Protection – namely the Homelessness Prevention Grant (HPG), Rough Sleeping

Prevention and Recovery Grant (RSPARG), and Domestic Abuse Safe Accommodation Grant – will be consolidated into a single ringfenced grant. In addition, a significant proportion of the former HPG will transfer into the non-ringfenced Revenue Support Grant (RSG). While the funding routes change, service costs supported by these grants are assumed to remain at 2025/26 budgeted levels.

2. Children's Services

Service Pressures of £9.2m for 2026/27 (8.2% increase over the 2025/26 budget as adjusted for the government fair funding review) for demand and inflationary increases)

The MTFP makes provision for an additional gross £25.5m investment in children's services over the 3-year period to March 2029 (after additional specific grants). This pressure, which excludes the impact of future pay awards on the services staff, is a combination of:

- 1) Children in care costs: Extra £7m uplift in 2026/27 followed by further annual uplifts of £6m in each and every year thereafter.
 - a. Nationally the numbers of children in care during 2025/2026 have shown a slight decline which has been contributed to by a drop in Unaccompanied Asylum-Seeking Children (UASC) entering the care system. During the same period BCP has seen an increase in the number of children entering care, overall, an increase of 13.8% when compared to 2024/2025 outturn. UASC entering our care for the same period increased by 20.5%.
 - b. BCP Council places a higher proportion of children in in-house care (48%) than its statistical and neighbouring comparators (43-44%). Recent increases since 2024 have been driven primarily by growth in kinship care, with placements now almost evenly split between mainstream and kinship carers. Without a sustained growth in approved mainstream carers, BCP's capacity to meet future placement demand is at risk.
 - c. The local registered parent assessment units and residential / supported children's home market has increased significantly providing more choice of provision for children in care. Providers received an average fee increase of 4% for 2025/2026 which has contributed to budget pressure.
 - d. The complexity of children in care continues to be a concern, there is an emerging trend for providers to request additional funding to support the child once placed.
 - e. A children in care (CIC) strategy is being developed to support these issues.

- 2) School Transport for pupils with special educational needs and disabilities (SEND): Annual uplifts of £2.2m in each and every year moving forward.

SEND transport costs are directly linked with the increasing number of education, health, and care plans (EHCPs) and the pressure that continues in the high needs block of the dedicated schools grant (DSG). The allowed annual growth of £2m has now been increased to £2.2m to reflect current realities. This growth is before considering the impact of the Council approved transformation project planned to deliver savings from 2026/27.

3) Grants

The social care grant provided since 2020/21 is assumed to continue along with all other children's social care funding throughout the 3 years of the plan. It is worth noting that the Social Care Grant has been rolled into the non-ringfenced Revenue Support Grant (RSG) while Children and Families Grant have been rolled into the ringfenced Consolidated Children's Families and Youth Grant from the 1 April 2026 onwards.

3. Operations

Service Pressures of £1.3m for 2026/27 representing an increase of 2.2% on the 2025/26 budget (largely driven by inflationary increases, changes to service provision, and prudential borrowing costs related to capital schemes.

The MTFP provides for additional investment over the 3-year period to March 2029 of £11m across operations services.

The on-going pressures over the 3 years are a combination of:

- 1) Inflationary pressures for waste disposal and recycling services linked to contracts and market movements. Consequences of the governments waste strategy including the arrangements for the roll out of food waste collection services to Poole residents in 2026/27 to ensure services are harmonised across the conurbation and adhere to the legislative framework. Additional waste strategy implications have been included in the MTFP including plastic film collection (April 2027), Deposit Return Scheme (October 2027) alongside the anticipated upward impact on waste disposal costs of the Emissions Trading Scheme (January 2028).
- 2) Fuel inflation has been allowed for along with reprofiled and additional prudential borrowing repayments in line with the Fleet Replacement Strategy to ensure that the rolling capital programme for fleet vehicles is maintained.
- 3) Inflationary pressures allowed for within sustainable transport for concessionary fares increases following the recent rebase to reflect the current trend of journeys undertaken.
- 4) Other inflationary increases added to contracts across Operations including cleaning, RNLI, seafront, intelligent traffic systems and abandoned & untaxed vehicles.

4. Resources

There are no net service pressures identified for 2026/27.

The Resources directorate continues to face financial challenges across the three-year Medium Term Financial Plan (MTFP), most notably a £1.5m pressure in 2028/29 driven by increased Microsoft licensing costs. Other pressures span multiple service areas and primarily reflect the impact of inflation on contracts and income challenges in areas such as marketing.

The directorate remains committed to managing these pressures through service efficiencies and cost controls, ensuring continued delivery of corporate support functions and compliance with statutory responsibilities.

5. Pay Award

Local government agreed pay awards for 2018/19, 2019/20, 2020/21 and 2021/22 were 2%, 2%, 2.75% and 1.75%, respectively. The National Employers organisation took a different approach in agreeing the pay awards for 2022/23, 2023/24 and 2024/25.

For 2022/23 a flat rate increase of £1.925 on every spinal column point was agreed. For 2023/24 agreement with the Trade Unions was reached on a flat rate increase of £1,925 on every grade up to SCP43 and 3.88% above this level. For 2024/25 the agreement was based on a flat rate increase of £1,290 on every grade up to SCP43 and a 2.5% increase above this level. This equates to approximately an average increase of 4% which was 0.5% below the budgeted amount for 2024/25.

Every 1% variation is estimated to require a £2m provision in the general fund once allowance is made for recharges (for example to capital) and external contributions (such as adjusted fees & charges etc.)

For 2025/26 the budget was drawn based on a 2.8% provision for the pay award in 2025/26. This was in line with the 2.8% proposed 2025 pay award for public sector workers announced by the government in December 2024. The February 2025 MTFP then made provision for annual pay awards of 2% from 2026/27 onwards.

On the 23 July 2025 the National Employers Organisation agreed a 3.2% pay award for the financial year 2025/26. This, alongside the fact that inflation currently remains stubbornly above both 3% and the government's 2% inflationary target, and the government's initial evidence to pay review bodies for a 2.5% increase has meant that the pay award provision for 2026/27 has been drawn based on a 2.8% pay award with 2% assumed annually thereafter. Benchmark comparisons indicate other local authorities across the southwest are assuming around 3% with our nearest neighbour at 3.2%.

The provision for a 2.8% pay award should be assessed against the Trade Unions pay claim for 2026 received in early December 2025 which included.

- An increase of at least £3,000 or 10% (whichever is greater) across all spinal column points.
- A two-hour reduction in the working week.
- Increase of one day annual leave

Additionally, as part of the savings and efficiencies proposals underpinning the 2023/24 budget, provision was made for only 95% of each service's employee establishment to allow for the impact of turnover and other matters on the actual cost of the service. Previously the assumption varied between services, of between 95% and 98%. Monitoring of the 95% assumption is ongoing however the indications are some areas, particularly small teams with low turnover, find it difficult to achieve this target. In addition, services continue to be expected to manage the impact of any incremental drift in their services pay base.

6. New Pay and Grading Structure

A key requirement following the establishment of BCP Council was to create a single new pay and grading structure. In setting a 2025/26 Budget a single pay and grading structure supported by standard terms and conditions applied across all posts was not in place. Potential risks associated with this position increased the longer it took to achieve this outcome however officers were committed to achieving a single pay and grading and terms and conditions outcome.

The position was resolved when Council on 16 July 2025 agreed to the enhanced Pay and Reward offer post a further ballot of trade union members and agreement to move towards a collective agreement. The report set out the intent to increase the permanent pay bill of the authority by £4.545m (2.44% increase on the pay base) which was a further £1.752m above the amount included in the 2025/26 Budget and Medium-Term Financial Plan as agreed by Council in February 2025. These calculations related to the individual appointments and salaries of colleagues as they were known as of 21 April 2025 and related to filled paid permanent posts and excluded any provision for vacant posts, casual employees, apprentices, agency staff or as a result of any future re-mapping outcomes. The report also emphasised that the annual incremental drift exposure of the council, which the financial planning assumption continues to be that it will be managed by services, has increased from £1.5m to £4m per annum due to the additional head room within grades from the revised structure. The report included and Council approved a list of savings proposals to cover the further additional £1.752m cost.

7. Pension Fund

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

The fund was last revalued as of April 2025, and the preliminary results were provided to each employer in November 2025. The March 2025 position for BCP Council was a funding deficit of £53.1m with a resulting funding level of 96.4% compared to a funding deficit of £53.9m as of 31 March 2022 equating to a funding level of 95.8%. Generally, the back-funding payments over the last 3 years, improved market conditions and changes to life expectancy have acted to reduce the deficit (increase the funding level) whereas assumptions of higher inflation and salary costs have acted to leave the overall position unchanged as set out below.

Figure 1: BCP Pension Fund – funding levels

Local Authority	Funding Level			
	31-Mar-16	31-Mar-19	31-Mar-22	31-Mar-25
Bournemouth Council	79%			
Christchurch Council	88%			
Dorset County Council	80%			
Poole Council	86%			
BCP Council	82%	92%	96%	96%

In respect of the ongoing (primary) and secondary (back funding) contribution rates agreed with the fund actuary these are set out in figure 2 below. BCP Council was required to satisfy itself as to the reasonableness of these contribution rates. As part of that process, we challenged the fund actuary around the discount rate used as a measure of prudence which reflects the funds' ability to successfully deliver the assumed rates of return on investments, the approach to stabilisation of contribution rates, and the deficit recovery period being used.

Compared to the initial proposal from the actuary the ongoing primary rate is unaltered however the secondary rate contribution is £2.8m lower in 2026/27.

Figure 2: BCP Pension Fund contributions agreed with the actuary:

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Ongoing (Primary) Rate	15.6%	16.2%	16.8%	17.4%	19.0%	19.0%	19.0%	16.3%	16.3%	16.3%
Secondary (Backfunding) Rate	£9.43m	£5.89m	£6.10m	£6.32m	£3.97m	£4.13m	£4.29m	£4.44m	£4.61m	£4.78m

Overall, compared to 2025/26 the consequential impact on the General Fund base revenue budget was an annual positive impact of £3.2m from the reduced ongoing (primary) rate. This positive impact is then slightly diminished by the increase in the secondary (back funding) element

In comparing pay rates with those of other employers, it is important that everyone recognises including current and prospective employees, that the council has a total contribution rate of more than 19%. Many private sector companies will be making only a 3% minimum pension fund contribution.

8. Inflationary Costs

Inflation is only provided for in service directorate budgets where it can be demonstrated that it will be needed due to either market or contract conditions. Inflation as of September 2025, which is applied or factored into several 2026/27 contractual uplifts, was 3.8% as measured by the (CPI) Consumer Price Index. For comparison purposes the annual rate of CPI inflation was 1.7% in September 2024.

CPI Inflation as of December was 3.4% (November 3.2%) this was the first time in five months that it had actually increased. RPI Inflation as of December 2025 was 4.2% (3.8% November 2025)

The government's inflation target remains at 2% on an annual basis.

9. Treasury Management – Interest Cost

The MTFP assumes an additional £3m pressure on the treasury management function related to the increasing need to borrow. Of the additional pressure, £2.4m is in relation to the accumulated SEND deficit forecast to be over £183m by March 2026. In total the Council will be servicing debt in relation to the deficit of £10.5m per annum by 2026/27.

The Council also needs to borrow cash to manage its overall cash position with decreasing level of balances available to invest. The Council continues to employ an internal borrowing policy which has avoided taking out additional external long-term debt and the associated high interest rates payable however this is becoming harder to maintain as interest rates are not falling as quickly as expected. The likelihood is temporary borrowing which has maintained the cash position for a number of years will be switched to longer term borrowing to allow greater security of cash on a daily basis.

10. Previous government specific grants as related to Adult and Children's Social Care transferred to non-ringfenced RSG from 2026/27

The Social Care Grant was introduced in 2020/21 and ringfenced to support social care for adults and children and now includes the Independent Living Fund. The allocation to BCP Council in 2025/26 amounted to £39.6m and locally split between Adult Social Care: £29.3m and Children Social Care: £10.3m. The current Adults and Children MTFP assumes no changes to this allocation within the RSG over the MTFP timeframe.

The Local Authority Better Care Grant, comprising former Improved Better Care Grant and Adult Social Discharge Grant, allocated to BCP Council Adult Social Care is assumed to remain frozen in 2026/27 at the level £16.6m.

The increase for the Better Care Fund of £0.4 million in 2026/27 is yet to be confirmed by NHS Dorset ICB. Work is being undertaken by both partners within Better Care Fund to establish envelope for this pool in 2026/27 and estimate NHS minimum contribution to local authority commissioned care.

The Market Sustainability Fund initial allocation for 2025/26 was £7.7m. The Adult services MTFP does not include any changes to this allocation, as the grant is being rolled into the RSG with the impact uncertain.

Children Services specific Grants

The newly consolidated and ringfenced Children, Families and Youth Grant is made up of existing grants which includes the Children Social Care Prevention Grant introduced in 2025/26, the consolidated Children and Families Grant, Holiday Activities & Food Programme and Pupil Premium Post-16. Funding for this grant has been confirmed for the next 3 years though final settlement for 2026/27 is yet to be announced.

11. One-Off Resources

As part of the normal annual budget process the council is required to review the brought forward and forecast position on each of its collection funds (business rates and council tax) and make provision for the forecast year end surplus or deficit as part of the following years budget.

Based on a 2023 fundamental review undertaken in respect of the business rates collection fund a forecast surplus was treated as an exceptional one-off resource rather than as just as part of the standard budget setting arrangements for 2024/25. This process was then repeated in 2025 as part of both the financial strategy supporting the 2026/27 budget and a precursor to the governments fundamental business rates reset timed to coincide with the introduction of the governments new national fair funding formula.

Consequently a further £10.330m has been released which is a combination of a £11.449m Business Rates collection fund surplus reduced by a £1.169m Council Tax collection fund deficit.

A schedule of how these resources is being applied is set out in figure 3 below. In summary it continues to be applied to the delivery of outcomes in support one-off issues and the financial health and sustainability of the council.

Figure 3: Application of one-off business resources

Application of Resources	Original Total £000s	Latest Total £000s	Latest profiled application of resources			
			2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s
Resources Available – Collection Funds (Surplus)	(25,281)	(35,611)				
a) Resources set aside to support regeneration ambitions Includes resources to fund the staff transferred by BCP FuturePlaces Ltd over a 4-year period.	4,000	3,000	959	1,041	1,000	
b) Russell Cotes Museum <i>(separate 7 February 2024 Cabinet report)</i> £2m One-off dowry payment + £250k one-off maintenance dowry payment. £626k Base budget removed from 1 April 2024 but do not become self sufficient until 1 Oct 2026. £50k Base budget for corporate maintenance removed from 1 April 2024 therefore £75k provision 1/10/26.	2,250 939 75	2,250 939 75		338 313 25	1,912	
c) Climate Change and Ecological Emergency Resources use to top up the project budget to £1m, via an Earmarked Reserve, in 2024/25.	452	452	452			
d) Children's Services – Improvement Expenditure One-off investment in the Children's Services, Building Stronger Foundations Programme, December 2023 Cabinet.	522	522	522			
e) Bournemouth Air Festival £200k One-off funding for 2024/25 only. Further one-off contingency to underwrite the 2024/25 event (£54k of £100k used)	200 54	200 54	200 54			
f) Poole Events Application of unused Air Festival contingency - in light of the decision made on the ABID	46	46		46		
g) Christmas Events £200k One-off funding for 2024/25 only.	200	200	200			
h) Pay and Reward One-off implementation costs for 2024/25. One-off implementation costs for 2025/26 and 2026/27 Additional costs following 2025 ballot in 2025/26	269 1,082 1,115	269 1,082 1,115	269	611 715	471 400	
i) Transitional implementation of specified savings proposals Resources to enable 24/25 specific savings proposals to be implemented over a transitional period.	1,805	1,805	1,705	100		
j) Poole Civic Centre Holding costs	228	166		166		
k) Contingency Resources set aside to support the potential optimism bias in the £38m of 24/25 savings.	5,654	5,654	5,654			
l) Miscellaneous ICT Investment Plan expenditure which cannot be capitalised Redhill Paddling Pool consumables support - one year extension to secure sponsorship	215 10	205 10		80 10	125	
m) Resources to support the balancing of the 2024/25 Budget & MTFP Based on Q2 2024/25 Budget Monitoring reduced flexibility to carry forward contingency resources into future years	6,165	6,165	3,375	2,790		
n) Resources to cover the 2025/26 forecast overspend Based on Quarter Three Budget Monitoring report to November Cabinet	0	4,573		4,573		
o) Resources to support the balancing of the 2026/27 Budget & MTFP Based on December provisional budget position	0	6,829			6,829	
Balance Carried Forward	25,281	35,611	14,066	10,808	10,737	0

12. Council Tax – Taxbase

Cabinet at its meeting on 14 January 2026 agreed to the determination of 152,481.7 as its council taxbase for 2026/27 which is the number of Band D equivalent properties over which the council's council tax for the year will be charged. It is based on the principle that every domestic property is valued by the Valuation Office Agency and placed in one of the eight valuation bands, based on its value as of 1 April 1991 (houses built after this date have their value as of

April 1991 estimated at the time of their first sale). The amount of council tax paid varies according to the valuation band as follows:

Figure 4: Council Tax Valuation Bands on 1 April 1991 and calculation

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

A comparison of the BCP Council Taxbase between years is set out in figure 5 below.

Figure 5: Analysis of the council tax taxbase between Towns.

Town	Council Tax - Taxbase				
	2024/25	2025/26	% Variance	2026/27	% Variance
Bournemouth	65,603	68,076	3.8%	67,553	-0.8%
Christchurch	20,976	21,665	3.3%	21,754	0.4%
Poole	59,763	61,834	3.5%	63,176	2.2%
Total	146,342	151,574	3.6%	152,482	0.6%

Please Note: 2025/26 Increase included the introduction of a 100% premium on second homes.

It should also be noted the reduction in Bournemouth's tax base is due to the community governance review boundary changes, which changed a number of areas but principally areas of Bearwood which switched into Poole.

The 0.6% council tax, taxbase growth between 2025/26 and 2026/27 is due to additional properties being built, a lower number of dwellings claiming the local council tax support scheme as well as the removal of the current discretionary council tax discount applied to the beach chalets at Mudeford Sandspit and Hengistbury Head. These beach chalets have been charged council tax for over 30 years and in 2025/26 receive a 50% discretionary discount. It may also be worth highlighting that over 2/3rds of the owners of these beach chalets live outside the BCP Council area.

13. Schools Forum

Schools Forum is a statutory body of the council and must be consulted on all school funding budget allocations. It also has a range of decision-making powers regarding the level of budgets held centrally and whether any funding provided for mainstream schools can be transferred to other budget areas.

The BCP Schools Forum has a complement of twenty-four members with representation from all categories of schools. Two meetings were held over the autumn and one in early January 2026, with recommendations and decisions made for the BCP Council budget regarding school funding through the ring-fenced DSG.

14. Dedicated Schools Grant (DSG)

The gross DSG of £426m provides funding for mainstream schools for pre 16 pupils, private, voluntary, and independent nursery providers, a small range of central school services (for example, school admissions) and specialist provision for children and young people with high needs. High needs budgets include funding for mainstream schools and specialist providers to support pupils with education, health, and care plans (EHCPs) aged 0-25, and those educated out of school, for example due to permanent exclusion or medical needs. Academies are funded from the gross DSG allocation but with amounts subsequently recouped by the DfE to enable the budget share for pre 16 pupils to be paid directly by government.

The DSG is allocated to the council through four funding blocks, each with its own national formula methodology: early years, mainstream schools, high needs, and central school services. Distribution to councils linked to historic allocations has now largely ended, with some funding protection mechanisms in place to reflect that expenditure patterns once well-established cannot be changed quickly.

The issue of local authorities incurring expenditure greater than the resources made available by government for the high needs block of their Dedicated Schools Grant has been an issue ever since the introduction of Education, Health, and Care Plans (EHCPs) under the Children's and Families Act 2014. These EHCPs are legal documents which set out a child or young person's special educational needs and the support that is required to meet those needs.

The council brought forward a DSG accumulated deficit of £113.3m in April 2025 due to the now recognised national underfunding of the high needs budget. The deficit was budgeted to grow by £57.5m during 2025/26 with the quarter three forecast a net funding gap of £70.3m. The deficit arises from the restrictions in how funding can be moved between blocks with it not possible to reduce expenditure to balance the account as well as meet the statutory education entitlements of pupils identified with high needs. The projected accumulated deficit is as follows:

Figure 6: Summary position for dedicated schools grant of March 2026 and 2027

Dedicated Schools Grant	£m
Accumulated deficit 1 April 2025	113.3
Prior year additional funding – early years	(1.9)
Budgeted high needs funding shortfall 2025-26	57.5
High needs funding reduction 2025-26	0.5
High needs forecast overspend 2025-26	15.5
Other blocks	(1.3)
Projected accumulated deficit 31 March 2026	183.6
Projected high needs funding gap 2026/27	95.7
Projected accumulated deficit 31 March 2027	279.3

The government's November 2025 Budget Statement:

- Confirmed that the DSG statutory Override, which keeps the accumulated deficit out of the general fund, will stay in place until the end of the March 2028.
- Set out that from 2028/29, central government support to councils for SEND will be at a level that means further deficits need not accrue. Funding for that in 2028/29 will be absorbed within the overall government budget, not the core school's budget.

- Noted that budgets from 2028/29 onwards will be confirmed in the 2027 Spending Review
- Indicated that further detail on support for historic and accruing deficits, up to 2028/29, and conditions for accessing such support, will be set out in the Local Government Finance Settlement in December 2025.
- Indicated that further detail on SEND policy changes will be set out in the Schools White Paper, expected in early 2026.

A joint letter from the DfE and NHS England on 15 December 2025 noted that support provided to local authorities will be linked to assurance that they are taking steps to make a new system a reality, in conjunction with government confirming the detail of SEND reform. Best practice and case studies from previous programmes are being disseminated, with a focus on efficient spending, such as from Safety Valve and Delivering Better Value, and providing all local authorities with SEND and financial advisers to help consider how these learnings can be applied. These advisers will also play a key role in supporting the preparations for reform, reviewing data, embedding best practice and driving progress toward the delivery of high-quality, inclusive services for children and young people.

Provided with the above letter was an early version of a maturity assessment tool for local area partnerships to assess the maturity of current practice, and plan the changes needed to strengthen the local system. This will be an integral part of the local SEND reform plan.

The provisional Local Government Finance Settlement received on 17 December 2025 did not set out how local authorities with large deficits are to be supported, as indicated in the November Budget Statement, but that further information will be provided later in the process.

The DSG Settlement, received also on 17 December 2025, announced that the high needs national formula (NFF) to allocate funding to authorities has been suspended for 2026/27 with no increase in funding to be provided. This is also the expectation now for 2027/28. Relatively small changes to allocations will be made in summer 2026 to reflect pupil movements between local authorities, and to adjust funding that is to be passed on to schools. The funding gap for 2026/27 was already set to grow and this DfE approach will widen it further unless further government financial support becomes available in-year.

The progress of the DSG deficit over 2027/28, the remaining year before the government take on responsibility for SEND expenditure, will be assessed once the government has released further details of the support available over the next two years. In the meantime, a funding gap for that year is assumed to be in the region of £100m as expenditure growth slows due to the government support and advice to be received during the year as described above. Without government support for the current deficit and the predicted funding gap over 2026/27 and 2027/28, the accumulated deficit will be in the region of £379m by March 2028. This is higher than presented last year as the growth in expenditure has not shown any indication of slowing down over 2025/26 and DSG funding for high needs is no longer expected to increase annually.

The estimated accumulated deficit, in the absence of DfE action to reset the high needs system, is shown in table 7 below.

Figure 7: Accumulating deficit on the Dedicated Schools Grant

	Balance Actual 31/3/23 £m	Balance Actual 31/3/24 £m	Balance Actual 31/3/25 £m	Balance Estimate 31/3/26 £m	Balance Estimate 31/3/27 £m	Balance Estimate 31/3/28 £m
Dedicated Schools Grant	(36)	(63)	(113)	(184)	(279)	(379)

15. High needs block - £68.4 million

The pay grants for specialist providers allocated by the DfE in-year in 2025/26 have been subsumed into the DSG for 2026/27 with equivalent funding to be passed on to schools again with no increase in funding through the NFF for other expenditure. It is likely that pay grants for providers will again be made in-year once national pay awards have been agreed.

16. Early years block - £62.2 million

The early years block funds the local early years single funding formula (EYSFF) as well as a range of council services supporting the early years free entitlements.

The significant expansion of childcare support, aimed to remove barriers to work for parents with children under three, completed the final phase from September 2025. Working parents became entitled to up to 30 hours childcare support for every child over the age of 9 months. The funding for 2026/27 includes the full year costs of this expansion.

17. School's block - £293 million

The national funding formula (NFF) for mainstream schools has subsumed the separate 2025/26 school pay grants as for specialist providers noted above. The funding has increased by only £1m due to uplifted national formula values and updated local school data but reflecting a reduction in pupil numbers and growth fund allocations.

A separate paper for 4 February Cabinet included proposals for Council decisions on 10 February regarding the mainstream school's formula.

18. Central school services block - £2.2 million

The funding is provided largely through a national formula for on-going functions with the per pupil rate increasing annually. There is also funding for local historic commitments. Funding in this block supports specific central services for all schools and the DSG budgeting system. The School's Forum agreed in January that the council budgets can be set at the level of funding.

19. Maintained schools

BCP will have 14 maintained schools (out of 95 in total) on 1 April 2026. Funding to continue statutory services for maintained schools is to be provided from central retention of maintained school budget shares through agreement of maintained schools representatives at School's Forum. Consultation on the proposed retention of £0.2m is in progress at the time of writing this report. A separate decision regarding de-delegation of mainstream school funding to support school improvement functions, which remain the responsibility of schools, is also in progress. Budgets and activities supporting mainstream schools will need to reduce where possible if funding is not secured.

20. Academies

Academies are independent organisations. Their funding and expenditures are not contained within the council's budget, but the overall DSG budget reported to the DfE is set inclusive of their funding allocations.

This page is intentionally left blank

Medium Term Financial Plan 2025/29 (based on absolute budget)

	Adjusted Net Budget 2025/26 £'000	MTFP 2026/27 £'000	Net Budget 2026/27 £'000	MTFP 2027/28 £'000	Net Budget 2027/28 £'000	MTFP 2028/29 £'000	Net Budget 2028/29 £'000
Wellbeing Directorate	194,564	6,298	200,862	3,084	203,946	6,547	210,493
Children's Directorate	111,787	5,825	117,612	4,540	122,152	7,625	129,777
Operations Directorate	60,280	(2,719)	57,561	1,899	59,460	4,261	63,721
Resources Directorate	50,216	(904)	49,312	101	49,413	1,761	51,174
Net cost of services	416,847	8,500	425,346	9,624	434,970	20,194	455,164
Contingency	2,200	1,128	3,328	(26)	3,302		3,302
Investment Income	(655)		(655)		(655)		(655)
Investment Properties	(4,728)	(208)	(4,936)		(4,936)		(4,936)
Minimum Revenue Provision	12,102	746	12,848	753	13,601	755	14,356
Interest Payable	9,409	2,973	12,382	2,616	14,998	2,600	17,598
Pay and Grading Project	(468)	5,255	4,787	(990)	3,797	(150)	3,647
Pay and Grading Project Implementation Cost	2,197	(1,826)	371	(371)	0		0
Pay Award & Pension	(338)	2,680	2,342	4,227	6,569	4,279	10,848
Pension Backfunding	3,716	(243)	3,473	379	3,852	215	4,067
To and (From) Reserves	(8,440)	4,131	(4,309)	5,540	1,231	(1,543)	(312)
Levies	658	25	683	25	708	25	733
Benefits	(1,323)	710	(613)		(613)		(613)
Contribution from HRA	(3,744)		(3,744)		(3,744)		(3,744)
Dividend Income	(516)		(516)		(516)		(516)
Apprenticeship Levy	782		782		782		782
Admin Charged to Grant Income	(1,820)		(1,820)		(1,820)		(1,820)
Other Corporate Items	1,257	777	2,034	230	2,264	260	2,524
Net Budget	427,135	24,648	451,783	22,007	473,790	26,635	500,425
Council Tax Income	(281,232)	(15,801)	(297,033)	(16,381)	(313,414)	(17,285)	(330,699)
New Homes Bonus	(246)	246	0	0	0		0
Revenue Support Grant	(69,003)	3,696	(65,307)	(12,690)	(77,997)	3,315	(74,682)
Local Authority Better Care Grant	(16,579)	0	(16,579)	16,579	0	0	0
NNDR Net Income	(43,243)	(18,874)	(62,117)	(1,185)	(63,302)	(1,185)	(64,487)
NNDR 31 Grants + Renewable Energy	(16,154)	15,737	(417)		(417)		(417)
Estimated (Surplus) / Deficit on the Collection Fund - NNDR	(678)	(10,821)	(11,499)	11,499	0		0
Estimated (Surplus) / Deficit on the Collection Fund - CTAX	0	1,169	1,169	(1,169)	0		0
Total Funding	(427,135)	(24,648)	(451,783)	(3,347)	(455,130)	(15,155)	(470,285)
Annual – Net Funding Gap	0	(0)	(0)	18,660	18,660	11,480	30,140
Cumulative MTFP – Net Funding Gap			(0)		18,660		30,140

This page is intentionally left blank



GENERAL FUND BUDGET SUMMARY 2026/27

	Net Budget 2026/27 £000
Wellbeing	200,862
Childrens	117,612
Operations	57,561
Resources & Executive	49,312
Net cost of services	425,346
Minimum Revenue Provision	12,848
Interest Payable	12,382
Investment Income	(655)
Pay Award & Pension	2,342
Pension Backfunding	3,473
Pay and Grading Project	4,787
Pay and Grading Project Implementation Cost	371
Contingency	3,328
Levies	683
Apprenticeship Levy	782
Investment Properties	(4,936)
To and (From) Reserves	(4,309)
Contribution from HRA	(3,744)
Admin Charged to Grant Income	(1,820)
Benefits	(613)
Dividend Income	(516)
Other Corporate Items	2,034
	26,436
Net Budget Requirement	451,783
Other funding before Council Tax Requirement	
Collection Fund Surplus Distribution (NNDR)	(11,499)
Collection Fund Deficit Distribution (Council Tax)	1,169
Net Income from Business Rates - inc S31 Grant	(62,534)
Revenue support grant	(65,307)
Local Authority Better Care Grant	(16,579)
	(154,750)
Total Council Tax Requirement	297,033

Wellbeing Budget Summary 2026/27

Service Units	Net Budget 2026/27 £000's
Adult Social Care	165,382
Commissioning	24,559
Housing & Public Protection	9,671
Public Health and Communities	1,250
Total Wellbeing	200,862

Adult Social Care	
Access & Carers	2,762
ASC Management Team	(12,466)
ASC Transformation	1,637
Care & Direct Services	2,798
Long Term Conditions	98,698
Mental Health & Learning Disabilities	68,192
Statutory Services	3,761
Total Adult Social Care	165,382

Commissioning	
Director of Commissioning	337
Strategic Commissioning - Disabilities	1,918
Strategic Commissioning - Long Term Conditions	22,303
Total Commissioning	24,559

Housing & Public Protection	
Asset Investment	(2,295)
Housing & Communities Management	226
Public Protection - Regulatory Services and Safer Communities	3,418
Strategic Housing & Partnerships	8,323
Total Public Health	9,671

Public Health and Communities	
Community Engagement and Community Safety	1,250
Public Health	0
Total Housing and Communities	1,250

Children's Services Budget Summary 2026/27

Service Units	Net Budget 2026/27 £000's
Children's Services Management	536
Children's Social Care	70,230
Commissioning, Resources and Quality	21,025
Education & Skills	25,822
Total Children's Services	117,612

Children's Services Management	
CSM General	(594)
Management CSC	1,129
Total Children's Services Management	536

Children's Social Care	
Child Health & Disability	4,571
Children & Families First, PLO & Court	8,491
Children In Care and Care Experienced Young People	46,748
Children's Social Care Management	1,014
Early Help & Targeted Intervention Services	3,728
MASH, Assessment & Out of Hours	5,186
Youth Justice Service	692
<i>Net MTFP still to be allocated</i>	<i>(199)</i>
Total Children's Social Care	70,230

Commissioning, Resources and Quality	
Adoption	0
Aspire Adoption	2,083
Children's Commissioning	1,490
Commissioning, Resources and Quality	1,025
Fostering & Supported Lodgings	13,032
Performance, Management Information & Governance	1,159
Quality Assurance, Safeguarding & Partnership	2,236
Total Quality and Governance	21,025

Education & Skills	
Adult Learning and Skills	(0)
EDU Management	(302)
Education improvement	453
Music & Arts Partnership	0
School Organisation	20,002
Vulnerable Learners	5,669
Total Education & Skills	25,822

Operations Services Budget Summary 2026/27

Service Units	Net Budget 2026/27 £000's
Commercial Operations	(28,202)
Customer and Property	33,007
Environment	35,739
Investment and Development	1,390
Planning and Destination	15,627
Total Operations Services	57,561

Commercial Operations	
Director of Commercial Operations	255
Flood & Coastal Erosion Risk Management	1,123
Head of Commercial Operations	103
Leisure and Events	(1,784)
Parking Services	(20,079)
Seafront	(7,168)
<i>Net MTFP still to be allocated</i>	(651)
Total Commercial Operations	(28,202)

Customer and Property	
Business Support	8,268
Culture	3,275
Customer Services and Libraries	9,426
Engineering	5,282
Facilities Management	7,937
Property Maintenance	(1,157)
Telecare	158
<i>Net MTFP still to be allocated</i>	(182)
Total Customer and Property	33,007

Environment	
Environment Management	569
Neighbourhood Services & Grounds	17,288
Passenger Transport	260
Sustainable Waste, Green Infrastructure & Bereavement	10,726
Transport & Operating Centres	7,067
<i>Net MTFP still to be allocated</i>	(171)
Total Environment	35,739

Operations Services Budget Summary 2026/27

Investment and Development	
Housing Delivery	139
Operations Strategy	78
Regeneration Delivery	1,050
Smart Place	122
Total Investment and Development	1,390

Planning and Transport	
Planning Management	487
Planning Operations	930
Planning System	122
Strategic Planning	1,158
Transport Policy & Sustainable Travel	12,931
Total Planning and Destination	15,627

Resources and Executive Budget Summary 2026/27

Service Units	Net Budget 2026/27 £000's
Finance	17,337
IT and Programmes	18,504
Law & Governance	5,883
Marketing, Comms and Policy	2,539
People and Culture	4,123
Executive	925
Total Resources and Executive Services	49,312

Finance, Estates and Benefits	
Accountancy	4,888
Audit & Management Assurance	6,053
Estates	968
Procurement	1,239
Revenues & Benefits	3,991
Service Director Finance	198
Total Finance	17,337

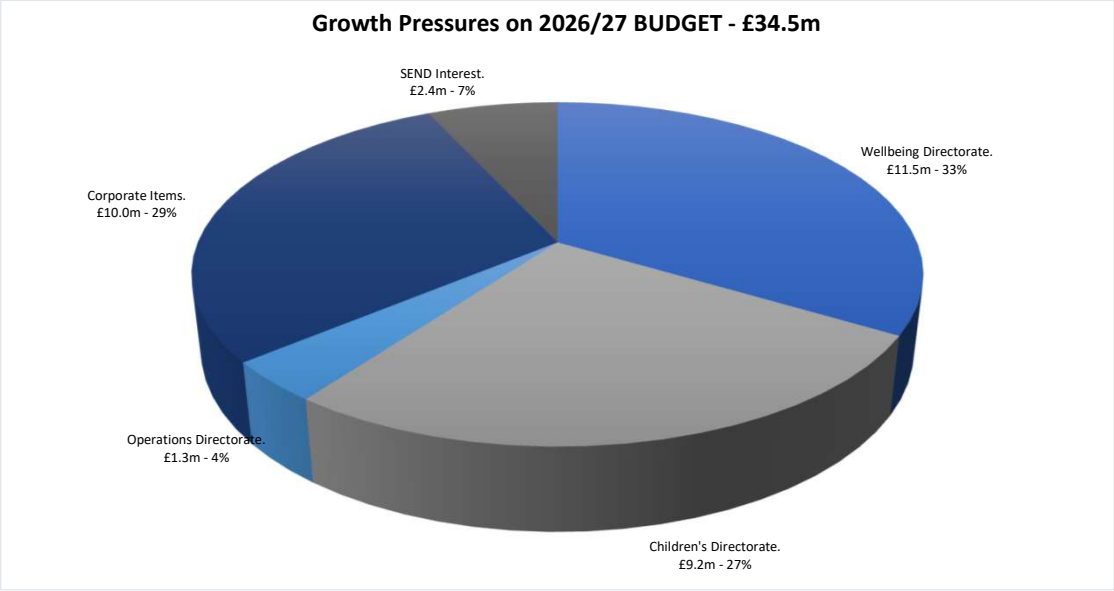
IT and Programmes	
Data & Analytics	2,598
Development & Digital	1,390
IT Infrastructure	3,163
Modern Office	10,228
Programmes & Project Management	1,124
Total IT and Programmes	18,504

Law & Governance	
Democratic Services	2,746
Electoral Services & Land Charges	(4)
Legal Services	3,237
Registrars	(401)
Service Director Law and Governance	305
Total Law & Governance	5,883

Marketing, Comms and Policy	
Commercial Marketing	368
Corporate Communications	1,110
Policy, Sustainability and Inclusion	600
Research and Consultation	462
Total Marketing, Comms and Policy	2,539

People and Culture	
People & Culture Management	290
Resourcing, Employee Relations & Change	920
Service Centre Systems and Payroll	1,042
Talent and Business Partnering	1,872
	4,123

Executive	
Executive	925



This page is intentionally left blank

Savings, Efficiencies, Additional Income, Service Rationalisations and Service Harmonisations

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
ASCS1	Feb 25	Adult Social Care	Fees and Charges	Additional income - client contributions and deferred payments	(569)	(583)	(597)	(1,749)
ASCS8	New 26/27	Adult Social Care	Fees and Charges	Additional income - client contributions and deferred payments – Autumn Budget 25 revision	(280)	(113)	(114)	(507)
ASCS2	Feb 25	Adult Social Care	Fees and Charges	NHS Inflationary increase for contribution to Sec117 after care costs	(189)	(203)	(217)	(609)
ASCS9	New 26/27	Adult Social Care	Fees and Charges	NHS Inflationary increase for contribution to Sec117 after care costs – Autumn Budget 25 revision	(44)	(11)	0	(55)
ASCS3 (P&R)	July 25	Adult Social Care	Fees and Charges	Rebase Budget - Additional income - Contributions from Health	(450)			(450)
ASCS4	New 26/27	Adult Social Care	Service Efficiency	Saving in Extra Care Housing costs following re tender	(130)	(130)		(260)
ASCS5	New 26/27	Adult Social Care	Fees and Charges	Increase income via NHS to reflect cost of care extra NLW increase	(216)			(216)
ASCS7	New 26/27	Adult Social Care	Fees and Charges	Section 117 case review.	(180)			(180)
Saving Total - Adult Social Care Directorate					(2,058)	(1,040)	(928)	(4,026)
H&PPS1	Feb 25	Housing & Public Protection	Fees and Charges	Additional garages income	(15)	(15)	(15)	(45)
H&PPS4 (P&R)	July 25	Housing & Public Protection	Service Efficiency	Rebase Budget- Emergency accommodation placements (B&B) following increased prevention activity and increased provision of temporary accommodation	(385)			(385)
H&PPS6 (P&R)	July 25	Housing & Public Protection	Service Efficiency	Base budget reduction through increased reliance on grant funding	(375)			(375)
H&PPS9	New 26/27	Housing & Public Protection	Fees and Charges	Recovery of cost of furnished Sheltered Temporary Accommodation through service charges	(20)			(20)
H&PPS11	New 26/27	Housing & Public Protection	Service Efficiency	Service efficiency	(70)			(70)
H&PPS13	New 26/27	Housing & Public Protection	Service Efficiency	Pest Control	(13)			(13)
H&PPS14	New 26/27	Housing & Public Protection	Service Reduction	Service Reduction - Environmental Protection	(40)			(40)
Saving Total - Housing & Public Protection					(918)	(15)	(15)	(948)
PH&CS1	Feb 25	Public Health & Communities	Service Reduction	Removal of Ward Improvement Fund	(7)			(7)
PH&CS2	Feb 25	Public Health & Communities	Fees and Charges	Allowance for increased fees and charges in future years - Communities	(1)	(1)	(1)	(3)
PH&CS3	New 26/27	Public Health & Communities	Service Efficiency	Public Health Grant – Corporate 5%	(140)			(140)
Saving Total - Public Health & Communities					(148)	(1)	(1)	(150)
Saving Total - WELLBEING DIRECTORATE					(3,124)	(1,056)	(944)	(5,124)
CS1 (P&R)	July 25	Children's Services	Service Efficiency	Travel subsidy decrease for parents and carers 45p to 9p.	(10)			(10)
CS2 (P&R)	July 25	Children's Services	Service Efficiency	Benefit claims for UASC LTR	(43)			(43)
CS3 (P&R)	July 25	Children's Services	Service Efficiency	Rationalisation/ vacancies posts (not included in NSDM)	(40)			(40)
CS4 (P&R)	July 25	Children's Services	Service Efficiency	Reduced budget against posts Education	(20)			(20)
CS5	New 26/27	Children's Services	Service Reduction	Reallocation from other funding streams	(275)			(275)
CS6	New 26/27	Children's Services	Service Efficiency	MASH Reallocation	(54)			(54)
CS7	New 26/27	Children's Services	Service Efficiency	Domiciliary Care	(50)			(50)
CS8	New 26/27	Children's Services	Service Efficiency	Translation Fee	(20)			(20)
CS9	New 26/27	Children's Services	Service Efficiency	The Access Group Contract Re-negotiation	(50)			(50)
CS10	New 26/27	Children's Services	Service Efficiency	Children's Agency Staff Budget Reduction	(500)			(500)
CS11	New 26/27	Children's Services	Service Efficiency	Additional Increase Children's Commissioning Savings	(200)			(200)
CS12	New 26/27	Children's Services	Service Efficiency	Staffing roles being re-aligned to High Needs Budget Block – Inclusion Manager (25%)	(23)			(23)
CS13	New 26/27	Children's Services	Service Reduction	Service Reductions – Non-Statutory Service (SIT)	(7)			(7)
CS14	New 26/27	Children's Services	Service Efficiency	Transferring the Care Leavers Hub into Locality working model	(97)			(97)
Saving Total - Children's Service Directorate					(1,388)	0	0	(1,388)
Saving Total - CHILDREN'S DIRECTORATE					(1,388)	0	0	(1,388)
COS1	Feb 25	Commercial Operations	Fees and Charges	Beach hut prices as per December 2022 Cabinet report	(193)	(219)		(412)
COS2	Feb 25	Commercial Operations	Fees and Charges	Harmonisation of beach huts fees and charges as per December 2022 Cabinet report	(219)	(219)	(219)	(657)
COP3	Feb 25	Commercial Operations	Service Reduction	Reduce Council contribution for the arts by the sea festival	(150)			(150)
COS4	Feb 25	Commercial Operations	Service Efficiency	Rebalance of events and business support functions	(10)			(10)
COS5	Feb 25	Commercial Operations	Fees and Charges	Parking cashless app fee	(150)			(150)
COS6	Feb 25	Commercial Operations	Service Reduction	Reduction in Pay and Display machines across BCP	(35)			(35)
COS7	Feb 25	Commercial Operations	Service Efficiency	Parking operational changes	(610)			(610)
COS8	Feb 25	Commercial Operations	Service Reduction	Hawkwood Road – Car Park expenditure	(21)			(21)
COS9 (P&R)	July 25	Commercial Operations	Service Efficiency	Rebalance of heritage teams to support efficiencies across operational areas	(50)			(50)
COS10	New 26/27	Commercial Operations	Service Efficiency	Rebalance of Visitor Service	(20)			(20)
COS16	New 26/27	Commercial Operations	Fees and Charges	Parking Places charges increase in 26/27 and 27/28	(500)	(500)		(1,000)
Saving Total - Operations - Commercial Operations					(1,958)	(938)	(219)	(3,115)
ES1	New 26/27	Environment	Fees and Charges	Rebase recycling budget in line with rates payable	(20)			(20)
Saving Total - Operations - Environment					(20)	0	0	(20)
P&TS1	Feb 25	Planning and Transport	Service Reduction	Bus Subsidy: Option 4: Phase out no impact BSIP	(583)	(130)		(713)
P&TS2	Feb 25	Planning and Transport	Service Efficiency	Replace school crossing patrols with 24/7 pedestrian crossings	(15)			(15)
P&TS3	Feb 25	Planning and Transport	Fees and Charges	Increased income generation	(25)	(25)	(25)	(75)

Savings, Efficiencies, Additional Income, Service Rationalisations and Service Harmonisations

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
P&TS5	New 26/27	Planning and Transport	Fees and Charges	Introduction of highways searches charging	(45)			(45)
P&TS6	New 26/27	Planning and Transport	Fees and Charges	Raise discretionary planning fees and charges to highest equivalent levels (inc. benchmarking phase)	(27)			(27)
Saving Total - Operations - Planning & Transport					(695)	(155)	(25)	(875)
CA&PS1 (P&R)	July 25	Customer, Arts & Property	Fees and Charges	Uplift in staff parking charges	(32)	(3)	(3)	(38)
CA&PS4	New 26/27	Customer, Arts & Property	Service Reduction	Business Support staff reductions	(140)			(140)
CA&PS6	New 26/27	Customer, Arts & Property	Service Efficiency	Review Facilities Management team	(50)			(50)
CA&PS7	New 26/27	Customer, Arts & Property	Service Reduction	Remove window cleaning (complete removal)	(63)			(63)
CA&PS8	New 26/27	Customer, Arts & Property	Service Efficiency	Infrastructure Review	(100)			(100)
CA&PS9	New 26/28	Customer, Arts & Property	Service Efficiency	Street Lighting	(6)			(6)
Saving Total - Operations - Customer, Arts & Property					(391)	(3)	(3)	(397)
OS1	Feb 25	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Commercial Operations	(791)	(808)	(825)	(2,424)
OS1	Feb 25	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Infrastructure	(16)	(16)	(16)	(48)
OS1	Feb 25	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Customer, Arts and Property	(66)	(67)	(68)	(201)
OS1	Feb 25	Operations - General	Fees and Charges	Allowance for increased fees and charges in future years - Environment	(171)	(174)	(177)	(522)
Saving Total - Operations - General					(1,044)	(1,065)	(1,086)	(3,195)
Saving Total - OPERATIONS DIRECTORATE					(4,108)	(2,161)	(1,333)	(7,602)
ES1 (P&R)	July 25	Executive	Service Efficiency	Reduction in Senior Leadership costs (Corporate/Service Directors) - turnover based		(300)		(300)
Saving Total - Executive					0	(300)	0	(300)
L&GS1	Feb 25	Law & Governance	Fees and Charges	Legal Services Review of Fees and Charges	(5)	(5)	(5)	(15)
L&GS2	Feb 25	Law & Governance	Fees and Charges	Registrars Service Review of Fees and Charges	(8)	(8)	(8)	(24)
Saving Total - Law & Governance					(13)	(13)	(13)	(39)
MC&PS2	New 26/27	Marketing, Comms and Policy	Service Efficiency	Energy Efficiency Bill Validation	(115)			(115)
MC&PS3	New 26/27	Marketing, Comms and Policy	Service Efficiency	Residents Survey Cost – Public Health	(13)			(13)
Saving Total - Marketing, Communications and Policy					(128)	0	0	(128)
P&CS1	New 26/27	People and Culture	Service Efficiency	Annual saving following Payroll System Replacement	(20)			(20)
P&CS2	New 26/27	People and Culture	Service Efficiency	People & Culture: Mandating employee self service for payslips via new payroll system	(17)			(17)
P&CS3	New 26/27	People and Culture	Service Efficiency	Employee Assistance Programme (contract rationalisation)	(5)			(5)
Saving Total - People and Culture					(42)	0	0	(42)
FS3 (P&R)	July 25	Finance	Service Efficiency	Increase levels of insurance self-funding. Vehicles and Unoccupied Properties	(200)			(200)
FS4 (P&R)	July 25	Finance	Service Efficiency	Archiving of the Fusion finance system	(85)			(85)
FS5 (P&R)	July 25	Finance	Service Efficiency	Efficiencies in corporate contracts. Stationery	(50)			(50)
FS6	New 26/27	Finance	Fees and Charges	Assets leased to AFCB	(74)	(74)		(148)
FS8	New 26/27	Finance	Service Efficiency	Corporate merchant tender	(100)			(100)
FS9	New 26/27	Finance	Service Efficiency	Physical Cash Collection Service	(80)			(80)
Saving Total - Finance					(589)	(74)	0	(663)
IT&PS1 (P&R)	July 25	IT and Programmes	Service Efficiency	Efficiencies in corporate contracts. Telephones, Mobiles, Printing and Photocopying	(140)			(140)
IT&PS2	New 26/27	IT and Programmes	Service Efficiency	Cross Council AI Translation Agent (In addition to MTFP)	(20)			(20)
IT&PS4	New 26/27	IT and Programmes	Service Reduction	Service Reduction – IT Infrastructure Role (targeted VR)	(59)			(59)
Saving Total - IT and Programmes					(219)	0	0	(219)
RS1	Feb 25	Resources - General	Recharges	Recharges to Housing Revenue Account of charges in line with impact of inflation, particularly those associated with the pay award costs, Bournemouth and Poole Neighbourhood Account	(55)	(55)	(55)	(166)
RS3	Feb 25	Resources - General	Recharges	Recharges to Dorset Adult Learning	(11)	(11)	(11)	(34)
RS4	Feb 25	Resources - General	Recharges	Recharges to Bournemouth Companies	(8)	(8)	(8)	(23)
Saving Total - Resources General					(74)	(74)	(74)	(222)
Saving Total - RESOURCES DIRECTORATE					(1,064)	(461)	(87)	(1,612)
Overall Total - Service Based Savings and Efficiencies					(9,684)	(3,678)	(2,364)	(15,726)

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
ASCTS1	Feb 25	Adult Social Care	Transformation - Invest to Save	Investment in care technology	(157)	(54)		(211)
ACSTS2	Feb 25	Adult Social Care	Transformation - Invest to Save	ASC Transformation - Fulfilled Lives	(959)	(1,060)	(317)	(2,336)
ACSTS3	Feb 25	Adult Social Care	Transformation - Invest to Save	FutureCare Transformation - January 26 Onwards - Net Savings	(1,000)	(2,500)		(3,500)
ASCTS4	New 26/27	Adult Social Care	Transformation - Invest to Save	ASC additional prevention strategy (proof of concept)	(150)	(180)	(350)	(680)
Saving Total - Wellbeing - ASC					(2,266)	(3,794)	(667)	(6,727)
CSTS1	Feb 25	Children's Services	Transformation - Invest to Save	Transformation - New delivery models	(895)	(1,606)		(2,501)

Savings, Efficiencies, Additional Income, Service Rationalisations and Service Harmonisations

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
CSTS2	Feb 25	Children's Services	Transformation - Invest to Save	Transformation - Commissioning	(497)			(497)
CSTS3	New 26/27	Children's Services	Transformation - Invest to Save	Transformation - Home to School Transport	(576)	(2,035)	(556)	(3,167)
Saving Total - Children's Services					(1,968)	(3,641)	(556)	(6,165)
COTS1	New 26/27	Commercial Operations	Transformation - Invest to Save	TIC repurpose	(20)			(20)
COTS2	New 26/27	Commercial Operations	Transformation - Invest to Save	Smugglers golf	(20)			(20)
COTS3	New 26/27	Commercial Operations	Transformation - Invest to Save	New Beach Huts	(8)			(8)
Saving Total - Operations - Commercial Operations					(48)	0	0	(48)
P&TTS1	Feb 25	Planning and Transport	Transformation - Invest to Save	Capital investment in alternative to School Crossing Patrols at specific locations	(21)			(21)
Saving Total - Operations Planning & Destination					(21)	0	0	(21)
CAPTS1	New 26/27	Customer, Art and Property	Transformation - Invest to Save	Poole High Mast Street Lighting	0	(16)	(16)	(32)
Saving Total - Operations Customer, Arts, and Property					0	(16)	(16)	(32)
IT&PTS1	New 26/27	IT and Programmes	Transformation - Invest to Save	WAN Circuit Replacement - Invest to save	(80)			(80)
Saving Total - Resources - IT and Programmes					(80)	0	0	(80)
Overall Total - Service Based Savings and Efficiencies					(4,383)	(7,451)	(1,239)	(13,073)

Overall Total - Service Based Savings and Efficiencies					(14,067)	(11,129)	(3,603)	(28,799)
--	--	--	--	--	----------	----------	---------	----------

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
H&PPS3	Feb 25	Housing & Public Protection	Fees and Charges	6 Bradley Road Conversion - net operating income	4			4
Adjustment to previously assumed Saving Total - Housing and Public Protection					4	0	0	4
Adjustment to previously assumed Saving Total - WELLBEING DIRECTORATE					4	0	0	4
CA&PS2	Feb 25 (Updated)	Customer, Arts & Property	Service Reduction	Savings from amalgamating services to provide community hubs with transitional funding provided for 2025/26 which defers implementation until 1 April 2026	133			133
Adjustment to previously assumed Saving Total - Operations - Customer, Arts & Property					133	0	0	133
Adjustment to previously assumed Saving Total - OPERATIONS DIRECTORATE					133	0	0	133
MC&PS1	Feb 25	Marketing, Comms and Policy	Service Reduction	Residents' Survey conducted every other year	25			25
Adjustment to previously assumed Saving Total - Marketing, Comms and Policy					25	0	0	25
Adjustment to previously assumed Saving Total - OPERATIONS DIRECTORATE					25	0	0	25
Adjustment to previously assumed saving - Total					162	0	0	162

Overall Total - Service Based Savings, Efficiencies and Adjustment to previously assumed savings					(13,905)	(11,129)	(3,603)	(28,637)
--	--	--	--	--	----------	----------	---------	----------

Ref:	Status	Directorate	Category of the Proposal	Description of the Proposal	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total £000s
Funding	New 26/27	Corporate Item	Council Tax	Beach Chalets Discounts: Mudeford Sandspit & Hengistbury head. Discounts completely removed.	(211)			(211)
Saving Total - Corporate Items - Funding					(211)	0	0	(211)

Overall Total - Service Based and Funding Savings and Efficiencies					(14,116)	(11,129)	(3,603)	(28,848)
--	--	--	--	--	----------	----------	---------	----------

This page is intentionally left blank

BCP Council determination of local discounts for Beach Chalets	
Date: effective from 1st April 2026	Author: Darren Vickers, Head of Council Tax
Purpose/Introduction	To ensure the categorisation of Beach Chalets is consistent across the BCP area.
Summary	This report reviews the categorisation of the Beach Huts on the Mudeford Sandspit and Hengistbury Head and amends the current discount structure.
Recommendation	<p>It is recommended that Council:</p> <ul style="list-style-type: none"> a) Regularise the classification of Beach Chalets at Mudeford Sandspit and Hengistbury Head to Class A (second home with planning restrictions) from 1 April 2026. b) Approve that the Beach Chalets on Mudeford Sandspit and Hengistbury Head do not attract a local discount from 01 April 2026 onwards.
Reasons for the recommendation	<p>The legacy Councils charged 50% Council Tax for the beach chalets (huts) at Mudeford Sandspit and Hengistbury Head under different categorisations</p> <ul style="list-style-type: none"> • the Beach Chalets in legacy Bournemouth were specifically excluded from Class A and B second home and awarded a 'local discount' of 50% by legacy Bournemouth Borough Council • the Beach Chalets in legacy Christchurch were classified as a pitch occupied by a caravan, which allows a 50% reduction in the charge. <p>The technical opinion from leading professional bodies is that the Chalets should be classified as Class A second homes (ones with a planning restriction) and therefore liable for a charge of 100% Council Tax. There is no discount for a Class A second home change, but as they are subject to a planning restriction, they are excluded from attracting a second home premium.</p> <p>The reclassification of the Chalets is required, to ensure they are classified in accordance with professional opinion.</p>

BCP Council determination of local discounts for Beach Chalets	
	<p>If the Chalets were classified as Class A from 1 April 2026, they will attract a 100% Council Tax charge. This could create an additional £211,000 in annual income for BCP Council.</p>
Supporting Information	<p>There are 342 Beach Chalets within Mudeford Sandspit and Hengistbury Head. 111 of these have their sole or main residence in the BCP Council area.</p> <p>Each chalet is a Council Tax band A. In accordance with the rest of England, this is based on the value of the property as at 01/04/1991. This cannot be altered or amended as the Valuation Office Agency will not revalue properties in a defined area, they will only revalue specific properties provided there has been a material change in the structure.</p> <p>There are planning restrictions on these chalets preventing overnight sleeping between 1 November and 1 March (120 days).</p> <p>As part of the consolidation of 3 databases into a single one, for 2025/26, all the Beach Chalets were classified as a pitch occupied by a caravan, which professional bodies consider to be incorrect.</p>
Details of Advice	<p>Institute of Revenues, Rating & Valuation (IRRV) technical panel advised:</p> <p><i>“There is (I assume) a planning restriction on the use of the beach huts, they will not be subjected to a higher amount (premium). The level of council tax which should be payable on these beach huts should be at whatever tax your billing authority has set with regard to Class A to SI 2003/3011 (as amended) as long as I am correct about the planning restriction.”</i></p> <p>The IRRV suggested that we do not need to give notice of the termination of any discount, but the backdating of any removal is not recommended. However, they have suggested sending a letter to the taxpayers concerned advising of the re-categorisation due to a point of law and confirming they will not be subject to the premium.</p> <p>Airey Consultancy Services Ltd advised:</p> <p><i>“It is clear that beach huts are included within the definition of ‘second homes’ for the purposes for Council Tax and will be subject to any charge which applies to Class A second homes.</i></p>

BCP Council determination of local discounts for Beach Chalets	
	<i>Should the Council wish to apply a standard charge (as applies to other second homes) then a charge of 100% should be applied to this category of dwelling. No premium could be applied in accordance with Council Tax (Prescribed Classes of Dwellings and Consequential Amendments)(England)Regulations 2024."</i>

This page is intentionally left blank

Flexible Use of Capital Receipts

Transformation and Invest to Saves

Flexible Use of Capital Receipts (FUCR)

1. As part of 2015 Spending Review (SR15), the government announced that to support local authorities to deliver more efficient and sustainable services it would allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of service reform and transformation. Guidance on the use of this flexibility stipulated that it applied to the three financial years to end March 2019. However, this was extended for a further three years to 31 March 2022 as part of the 2018/19 local government finance settlement, for a further three years to 31 March 2025 in April 2022, and for a further 5 years to 31 March 2030 as part of the 2024/25 local government finance settlement.
2. The current guidance makes it clear that local authorities cannot borrow to finance the revenue costs of service reforms or improvements. In addition, local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use any existing stock (pre-2016) of capital receipts to finance the revenue costs of reforming their services. Set up and implementation costs of any new processes or arrangements that will generate future ongoing savings and/or transform service delivery to reduce or improve the quality-of-service delivery in future years can be classified as qualifying expenditure. Costs associated with business-as-usual activity and the council's statutory duty to improve cannot be classified as qualifying expenditure. The ongoing revenue costs of any new processes or arrangements can also not be classified as qualifying expenditure. In addition, the guidance issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003 specifies that.
 - The key determining criteria to use when deciding whether expenditure can be funded by the new capital receipts flexibility is that it is forecast to generate ongoing savings to an authority's net service expenditure.
 - In using the flexibility, the council will have due regard to the requirements of the Prudential Code, the CIPFA Local Authority Accounting Code of Practice and the current edition of the Treasury Management in Public Services Code of Practice
3. BCP Council has previously engaged with both CIPFA Consultancy and the External Auditor to provide assurance that any such costs which it wishes to fund from the FUCR accords with the statutory guidance.
4. **Figure 1** below provides a summary table of the return on investment for the service specific transformation and invest to save programmes. This indicates that as at the end of the 2028/29 financial year the council's one-off investment of **£7.673m** should be delivering annual recurring savings of **£14.294m** per annum.

Figure1: Service Specific Transformation and Invest to Save programmes

Service Specific Investment Programmes & Invest to Saves - Absolute amounts	2023/24 Actual £m	2024/25 Actual £m	Total Actuals £m	2025/26 Forecast £m	Sub Total £m	2026/27 Budget £m	2027/28 Estimate £m	2028/29 Estimate £m	Overall Total £m
Expenditure									
Children's Service - New Service Delivery Model (Council September 2023)	0.656	0.596	1.252	0.454	1.706	0.000	0.000	0.000	1.706
Children's Service - Home to School Transport (Council December 2025)	0.000	0.000	0.000	0.000	0.000	0.558	0.497	0.439	1.494
Adult Social Care - Assistive Technology	0.203	0.158	0.361	0.039	0.400	0.000	0.000	0.000	0.400
Adult Social Care - Transfer of catering services to Tricuro	0.140	0.070	0.210	0.000	0.210	0.000	0.000	0.000	0.210
Adult Social Care - Fulfilled Lives (Council July 2024)	0.086	0.514	0.600	1.404	2.004	0.936	0.000	0.000	2.940
Adult Social Care - Prevention Strategy (Council December 2025)	0.000	0.000	0.000	0.000	0.000	0.147	0.147	0.147	0.441
Operations - Invest to Save - Tourism Information Centre	0.000	0.000	0.000	0.020	0.020	0.000	0.000	0.000	0.020
Operations - Invest to Save - Smugglers Golf	0.000	0.000	0.000	0.050	0.050	0.000	0.000	0.000	0.050
Operations - Invest to Save - Beach Huts	0.000	0.000	0.000	0.020	0.020	0.000	0.000	0.000	0.020
Operations - Invest to Save - Paddle Tennis	0.000	0.000	0.000	0.100	0.100	0.000	0.000	0.000	0.100
Operations - Invest to Save - St Lighting - High Mask Laterns Poole	0.000	0.000	0.000	0.000	0.000	0.225	0.000	0.000	0.225
Operations - Invest to Save - One Officer / Consolidated Control Rooms	0.000	0.000	0.000	0.000	0.000	0.067	0.000	0.000	0.067
	1.085	1.338	2.423	2.087	4.510	1.933	0.644	0.586	7.673
Funding									
Funding from the Flexible Use of Capital Receipts	(1.085)	(1.338)	(2.423)	(2.087)	(4.510)	(1.933)	(0.644)	(0.586)	(7.673)
	(1.085)	(1.338)	(2.423)	(2.087)	(4.510)	(1.933)	(0.644)	(0.586)	(7.673)
Savings and efficiencies									
Children's Service - New Service Delivery Model (Council September 2023)	0.000	(0.222)	(0.222)	(0.560)	(0.782)	(1.455)	(3.061)	(3.061)	(8.359)
Children's Service - Home to School Transport (Council December 2025)	0.000	0.000	0.000	0.000	0.000	(0.576)	(2.611)	(3.167)	(6.354)
Adult Social Care - Assistive Technology	0.000	(0.069)	(0.069)	(0.432)	(0.501)	(0.589)	(0.643)	(0.643)	(2.376)
Adult Social Care - Transfer of catering services to Tricuro	0.000	(0.022)	(0.022)	(0.022)	(0.044)	(0.022)	(0.022)	(0.022)	(0.110)
Adult Social Care - Fulfilled Lives (Council July 2024)	0.000	0.000	0.000	(1.211)	(1.211)	(2.170)	(3.230)	(3.547)	(10.158)
Adult Social Care - FutureCare	0.000	0.000	0.000	(0.100)	(0.100)	(1.100)	(3.600)	(3.600)	(8.400)
Adult Social Care - Prevention Strategy (Council December 2025)	0.000	0.000	0.000	0.000	0.000	(0.150)	(0.330)	(0.680)	(1.160)
Operations - Invest to Save - Tourism Information Centre	0.000	0.000	0.000	0.000	0.000	(0.020)	(0.020)	(0.020)	(0.060)
Operations - Invest to Save - Smugglers Golf	0.000	0.000	0.000	0.000	0.000	(0.020)	(0.020)	(0.020)	(0.060)
Operations - Invest to Save - Beach Huts plus £300k capital receipt	0.000	0.000	0.000	0.000	0.000	(0.008)	(0.008)	(0.008)	(0.024)
Operations - Invest to Save - St Lighting - High Mask Laterns Poole	0.000	0.000	0.000	0.000	0.000	0.000	(0.016)	(0.032)	(0.048)
IT Programmes and Projects - Invest to Save -Wide Area Network	0.000	0.000	0.000	0.000	0.000	(0.080)	(0.080)	(0.080)	(0.240)
	0.000	(0.313)	(0.313)	(2.325)	(2.638)	(6.190)	(13.641)	(14.880)	(37.349)
Net Position of Service Specific Transformation & Invest to Saves	1.085	1.025	2.110	(0.238)	1.872	(4.257)	(12.997)	(14.294)	(29.676)

5. It should be highlighted that the investments within Operations in respect of Paddle tennis and One Officer / Consolidated Control Rooms are at feasibility stage and therefore the expenditure will need to be written off to revenue if a viable business case is not then implemented.
6. In addition, the proposal is to set aside £3m per annum, including an annual £1m redundancy provision, across the MTFP timeframe to finance the transformation and invest to save costs that will need to be put forward to directly reduce the net service expenditure budget of the council and in doing so contribute towards the necessary annual corporately budgeted savings, efficiencies and service reductions. The previous closure report for the original Transformation Investment Programme set out that the council had laid strong foundations but in areas such as data, technology and innovation there will be further opportunities as the organisation matures. This approach aligns with our corporate ambitions and corporate digital strategy and will ensure we are well-positioned to deliver sustainable savings through a structured and evidence-led programme and in support of the Council's financial resilience.
7. A financial strategy to set aside this funding should not be confused with actual authority to incur this expenditure. Robust business cases will need to be established which set out the expenditure required and the savings that will be delivered alongside a delivery plan. These business cases will then need approval in line with the council's constitution for example Council approval will be required if the investment is more than £1m.
8. It should also be referenced that based on previous approvals there will be £1.990m in one-off residual costs associated with the completion of the original post local government review, authority wide transformation investment programme
9. For **2023/24** the Council funded £11.558m of revenue expenditure on its various transformation programmes and invest to saves via the FUCR as set out as follows.

(£8.362m)

31.3.23 Brought Forward Capital Receipts

(£4.545m)

Delivered capital receipts 2022/23.

£0.029m

Costs of disposal

£7.211m

Transformation Investment Programme expenditure

£3.262m

Redundancy costs

£0.656m

Children's Services service specific transformation expenditure

£0.429m

Adult Social Care service specific transformation programme

(£1.320m)

31.3.24 Capital Receipts carried forward.

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

10. For **2024/25** the Council funded £5.177m of revenue expenditure on its various transformation and Invest to Save programme funded via the FUCR as follows.

(£1.320m)	31.3.24 Forecast Brought Forward Capital Receipts
(£6.992m)	Delivered capital receipts 2024/25.
£0.175m	Costs of disposal
£2.460m	Transformation Investment Programme expenditure
£1.379m	Redundancy costs
£0.596m	Children's Services service specific transformation expenditure
£0.742m	Adult Social Care service specific transformation programme

(£2.969m) 31.3.25 Capital Receipts carried forward

Capital receipts delivered included those from Southbourne Crossroads Car Park and Christchurch Civic Centre.

11. For **2025/26** the Council is planning to spend £4.030m of revenue expenditure on its various transformation and Invest to Save programmes funded via the FUCR as follows.

(£2.969m)	31.3.25 Forecast Brought Forward Capital Receipts
(£8.478m)	Delivered in-year capital receipts 2025/26.
(£5.775m)	Forecast in-year capital receipts 2025/26.
£0.360m	Costs of disposal
£0.190m	Capital Expenditure commitments in support of Invest to Saves
£1.990m	Residual original Transformation Investment Programme expenditure
£0.143m	Redundancy costs
£0.454m	Children's Services service specific transformation expenditure
£1.443m	Adult Social Care service specific transformation programme

(£12.642m) 31.3.26 Capital Receipts carried forward

Capital receipts delivered included those from the sale of Wessex Fields, Christchurch By-pass Car Park, and Westbourne Plus Day Centre.

Forecast capital receipts still to be delivered in 2025/26 include those from the sale of Poole Civic Centre.

12. For **2026/27** the Council is planning to spend £4.641m of revenue expenditure on its various transformation and Invest to Save programmes funded via the FUCR as follows.

(£12.642m)	31.3.26 Forecast Brought Forward Capital Receipts
(£7.704m)	Estimated in-year capital receipts 2026/27.
£0.207m	Costs of disposal
£1.842m	Capital Expenditure commitments (approval required as per governance framework)
£1.000m	Provision for future redundancy costs
£2.000m	Provision for future transformation costs
£0.558m	Children's Services service specific transformation expenditure
£1.083m	Adult Social Care service specific transformation programme
(£13.656m)	31.3.27 Capital Receipts carried forward

Estimated capital receipts expected to be delivered in 2026/27 include those from Broadwaters, the South Part of Beach Road Car Park, Roeshot Nursery the restructure of the head lease of Kingland House. The intent is also that the purchase of the leaseholder's interest in Upton Park Farm will be financed from the sale of acquired buildings deemed surplus to requirements.

13. For **2027/28** the Council is planning to spend £3.644m of revenue expenditure on its various transformation and Invest to Save programmes funded via the FUCR as follows.

(£13.656m)	31.3.27 Forecast Brought Forward Capital Receipts
(£3.00m)	Estimated in-year capital receipts 2027/28.
£1.000m	Provision for future redundancy costs
£2.000m	Provision for future transformation costs
£0.497m	Children's Services service specific transformation expenditure
£0.147m	Adult Social Care service specific transformation programme
(£13.012m)	31.3.28 Capital Receipts carried forward

14. For **2028/29** the Council is planning to spend £4.641m of revenue expenditure on its various transformation and Invest to Save programmes funded via the FUCR as follows.

(£13.012m)	31.3.28 Forecast Brought Forward Capital Receipts
(£1.00m)	Estimated in-year capital receipts 2028/29.
£1.000m	Provision for future redundancy costs
£2.000m	Provision for future transformation costs
£0.439m	Children's Services service specific transformation expenditure
£0.147m	Adult Social Care service specific transformation programme
(£10.426m)	31.3.29 Capital Receipts carried forward

15. It is important that the council continue to develop and deliver a pipeline of capital receipts as conveyancing is a notoriously difficult and time-consuming process and therefore alternative and additional receipts may be needed to supplement those already approved for disposals. Additionally, further demands on capital receipts may materialise for example capital expenditure/works or to support requests to the government for financial support. As a good example of this on 6 January 2026 the council applied for Exceptional Financial Support to cover the interest on the historic and accumulating Dedicated Schools Grant (DSG) deficit. The fallback position, should council tax flexibility be declined, is for a capitalisation direction which allows the council to finance revenue expenditure from capital receipts. In this scenario the amount required would be £23.5m over the 2-year period 2026/27 and 2027/28 and this has not been included in the above analysis.

Appendix 7

CAPITAL INVESTMENT PROGRAMME (CIP) OVERVIEW BY DIRECTORATE

Please find below a summary of the Capital Programme for the 2026-2030 period. The figures reflect the latest understanding but will be impacted by any slippage from 2025/26 depending on the progress of schemes in the run up to 31st March 2026 and new schemes that will be approved in the future.

The MTFP capital investment programme of £239,6 million over 4 years is broken down as follows:

OPERATIONS - £86.2m 2026/27 (£184m 4-year plan)

Commercial Operations - £27m 2025/26 (£42.6m 4-year plan)

Seafront development:

This comprises of the ongoing delivery of the £20m Seafront 'Levelling Up Fund', which was awarded to the Council in 2023/24. This grant has been consolidated with the Towns Deals Fund into one simplified fund called Local Regeneration Fund. This is intended to give local authorities more control and flexibility. There has been no change in the allocation of the funding to BCP Council. The usage period has been extended to March 2028 with £14 million remaining to be used by this deadline. The fund aims to upgrade and improve critical seafront infrastructure, such as at Bournemouth Pier and East Cliff stabilisation planned to be delivered during 2026/27 as well as some repair and upgrades to seafront beach huts and promenade infrastructure.

The seafront service is committed to developing new health and wellbeing facilities, and delivering the key objectives recently set out through the revised Seafront Development Strategy which was approved by Cabinet in July 2024. Each project is subject to an individual business case which will need to demonstrate a positive outcome for any funding investment and achieves prudential fiscal growth whilst also aligning with the corporate objectives of the Council. Capital investment is currently planned for Mudeford Beach House café improvements and sea cliff and chine management.

Flood and coastal erosion risk management (FCERM):

This programme is delivered in partnership with the Environment Agency (EA) and is primarily funded by government grant. The programme from 2026/27 onwards consists of currently approved funding over £27 million mainly for two main schemes.

Poole Bay Beach Management Scheme - an ongoing scheme designed to provide long term coastal erosion protection to thousands of properties and infrastructure via cyclical beach replenishment and ongoing groyne renewal works. More than £8 million is planned over the next two years for this scheme.

Poole Bridge to Hunger Hill scheme (PB2HH) approved in 2020/21 is a flood defence scheme which will provide long term tidal flood risk management for parts of Poole town and the Twin Sails regeneration area. Additional CIL funding of £7.3 million was approved during 2025/26 for this scheme, as well as additional £6.2 million from the Environment Agency, to maintain affordability. The total scheme funding since 2021 is now above £29 million of which the remaining £17.6 million is planned for 2026/28.

Leisure

The work to stabilise the front of Upton House to preserve the Grade 2* listed building is underway, the 3G artificial Pitch at Rossmore Leisure centre is also progressing. The Service is now working on the next leisure centres investment strategy which will include options for sustaining the leisure centres offer in BCP Council and new proposal will come forward for approval in due course.

Investment and Development - £3.3m 2026/27 (£6m 4-year plan)

Towns Fund:

This includes the Towns Fund investment in Boscombe supporting a range of initiatives including Events, Transport, improvements to the High Street, and a Skills and Digital hub. Current projected spend for 2026/28 is £5.9m funded by MHCLG. This grant has been consolidated with the Towns Deals Fund into one simplified fund called Local Regeneration Fund. This is intended to give local authorities more control and flexibility. There has been no change in the allocation of the funding to BCP Council. The spending timeline has been extended to March 2028.

The Hawkwood Road Community Centre project within the Towns Fund Masterplan is progressing into 2026/27.

The Hawkwood Road residential housing development in the Housing Revenue Account and the ground floor commercial unit in the general fund are subject to further approvals to continue following the withdrawal of occupancy support by the NHS.

Housing Delivery: The housing delivery team will concentrate on delivery of HRA schemes covered in the HRA capital appendix.

Regeneration projects: There is no approved capital investment for regeneration projects in the current MTFP. Below is an update for the schemes where work continues to bring forward full business:

Carters Quay: Legal advisors are considering the action needed to recover the land if this cannot be resolved. As the acquisition price was based on a private rented scheme the viability of the scheme will be predicated on what the preferred tenure is going forward. Based on current build costs, the project as designed is not viable and therefore a new planning and investment strategy will be needed.

Holes Bay: The delivery of the former Power Station site remains a priority and the ongoing dialogue will enable the Council to deliver on that commitment to residents. This is a site which has many environmental benefits and any project will need to be designed around the ecological diversity. Homes England are demonstrating their support by engaging consultants who can design solutions which address the BNG and flood risk constraints as well as working with us to develop our wider place making vision. Work is underway to develop a phasing and place-based vision with adjacent landowners to understand the scale of delivery of the next few years and this will feed into the emerging Local Plan. Options will be prepared in early Spring 2026 once Homes England have confirmed what role they would be looking to have – funder, enabler or delivery partner. The Council could consider a sale or a joint venture to complement any funding package to prepare the site for development.

Winter Gardens: The project is currently in the process of completing concept design for redevelopment of the Winter Gardens site. A cabinet report will be prepared for submission in 2026/2027 to seek approval for the Site Development Plan, the project viability and, if agreed, seek consent to proceed to the planning application stage. In addition, the Site Development Plan will need to demonstrate there is a funded strategy for the Winter Gardens development. To support this, Muse are exploring a forward funded model for affordable housing, the build to rent and keeping a flexible tenure approach to open market sale given the volatility in the housing market.

Poole Dolphin Leisure Centre: Currently the development options do not provide a sufficient return, to fund the refurbishment or replacement of the leisure centre. The size and shape of the available development site limits design options. Available grant funding options are

insufficient to bridge the viability gap and other local authorities delivering leisure centres, have seen costs double at build from concept stage. The Leisure team are reviewing the whole BCP Leisure portfolio to establish an investment strategy which will include options for sustaining the three leisure centres. This reflects the priority in balancing the Council's budget for 2026/27, whilst supporting the ongoing operations of this facility.

Customer Arts and Property - £18.3m 2026/27 (£26m 4-year plan)

Museums:

The Poole Museum redevelopment programme is now complete. Further development of £1.5 million is planned for the Russell Cotes MEND4 project mainly funded with Arts Council grant and CIL contributions.

Engineering services:

The Port of Poole bridges programme is profiled to be delivered over the next two years using £6 million CIL contributions.

The department for Transport has announced a new local transport funding system for Local Transport Authorities and confirmed the capital funding allocations for the next spending review period (2026/27 to 2029/30) of £77.7 million to be spent on local transport delivery including active travel, highways maintenance, local authority bus grant and local transport grant. This funding is initially shown under Planning and Transport services as the lead commissioner for the local transport delivery plan (LTDP). Once the details of individual schemes and interventions have been through the approval process, budgets will be allocated to the Engineering team for the relevant projects.

Transforming Cities Fund:

The South-East Dorset (SED) Transforming Cities Fund (TCF) Programme is now in the final stages of delivering the infrastructure funded from the £79.3m of Department for Transport (DfT) Capital grant funding to BCP Council. The remaining grant estimated to be spent during 2026/27 is £10.9 million. The largest scheme planned to be completed is Ringwood Road Seaview to Manning Heath.

Estates Management:

£0.518m per annum represents the Council's ongoing contribution to asset management of the BH Live estate.

Planning and Transport - £18.7m 2026/27 (£81.7m 4-year plan)

Local Transport Delivery Plan (LTDP) 2025/26:

The Department for Transport has announced a new local transport funding system for Local Transport Authorities and confirmed the capital funding allocations for the next spending review period (2026/27 to 2029/30). The table below shows the £77.7 million to be spent on local transport delivery. This represents 34% of the current capital programme over the next 4 years. The funding comes with a new accountability and reporting system. The settlement letter commissions each local transport authority to produce a local transport delivery plan (LTDP) with details of schemes and interventions or programmes and packages of spend to be submitted in draft by 20 March 2026 with the final LTDP submitted by 18 September 2026.

Once the details of individual schemes have gone through the approval process, budgets will be allocated accordingly. It is estimated that the majority of the works will be delivered by the Engineering teams.

	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
Active Travel	2,249.7	2,249.7	2,249.7	2,249.7	8,998.8
Highways Maintenance	7,763.0	9,144.0	9,860.0	11,273.0	38,040.0
LA Bus Grant (LABG)	3,018.8	3,079.5	3,140.2	3,200.9	12,439.4
Local transport Grant (LTG)	3,345.9	3,620.3	4,961.2	6,302.0	18,229.4
Total	16,377.4	18,093.5	20,211.1	23,025.6	77,707.6

Environment - £18.9m 2025/26 (£27.6m 4-year plan)

Strategic waste and recycling:

Planned spend in this area includes continued investment in the Council's waste bin replacement strategy represented by £0.41m per annum across the MTFP funded by borrowing.

There remains £5.7m uncommitted Waste Infrastructure grant. The intention is to utilise this to support the redevelopment of the authority's waste sites including the Transfer Station at Hurn. Approval(s) will be sought at the appropriate time.

Green space and conservation:

The implementation of the Plan for Play strategy is the most significant scheme with £1.5 million profiled in 2026/27 with likelihood of slippage from 2025/26 which will be carried forward. This scheme is mainly funded from CIL plus various planning obligations and reserves.

Other schemes in the programme relates to several smaller investments mainly funded from CIL and Section 106 contributions which will see enhancements and improvements to parks and open spaces, including Hengistbury Head visitor centre, Milhams Mead, Bourne Valley and Bernard Mead and Mudeford Woods infrastructure improvements.

Transport and operating centre:

The Fleet service management is progressing phase two replacement strategy. There is approximately £4.7 million expected slippage from year one (2025/26) which is being reprofiled to 2026/27 increasing the expected spend for 2026/27 to £9.1 million.

There is also approximately £290,000 investment in countryside vehicles which will take place during 2026/27 mainly funded from reserves and Section 106 contributions.

CHILDREN SERVICES - £14.4m 2026/27 (£33m 4-year plan)

The Department for Education has indicated that BCP Council will receive in the region of £9 million over the next 3 years for Special Education Needs and Disabilities (SEND) above the normal annual allocation. Estimating the normal annual allocation is not easy as there is no real trend in prior years allocations. For the purpose of the MTFP we have assumed £4 million SEND grant for the first 3 years and £1million normal annual allocation for 2029/30. The Education capital programme will be updated in the spring when the grants allocations will be announced.

The MTFP also includes over £11 million High Needs grant reprofiled from prior years bringing the estimated total funding available for SEND to approximately £25m over the next 4 years. The estimated available funding for children services capital expenditure over the

MTFP period is a total of nearly £33 million including the schools conditions grant. This represents 14% of the capital MTFP.

Children services are working on the children capital strategy to prioritise the use of available funding.

WELLBEING - £4.4m 2026/27 (£17.8m 4-year plan)

Disabled Facilities Grant:

The allocation of the Disabled Facilities Grant is maintained at £4.4 million, the 20205/26 level for the MTFP period. The grant is used by Adults Social Care on community equipment to meet social care needs and by Housing and Community for housing adaptations. We understand that the national formula for the allocation of the DFG is being revised, the MTFP will be updated when the new allocation is received.

EXECUTIVE - £2.4m 2026/27 (£4.9m 4-year plan)

IT and Programmes - £2.4m 2026/27 (£4.9m 4-year plan)

ICT investment plan:

The main area of investment within the ICT plan is the rolling programme of laptop replacement for officers and members. This will ensure that equipment meets the needs of the organisation and remains supportable for IT & Programmes. This runs across the MTFP period to 28/29. Additional funding of £764,000 is required for critical hardware and core wide areas networking equipment which will reach its end of life in 2026/27. Cabinet is requested to approve the additional £195,000 borrowing per annum over the next 5 years ahead of a 4-year IT infrastructure replacement plan.

This page is intentionally left blank

Capital Investment programme 2026/30 project list					
	2026/27	2027/28	2028/29	2029/30	2026/2030 Total
	£000	£000	£000	£000	£000
CHILDREN - CAPITAL					
Education and Skills Capital					
Basic Needs Grant - uncommitted	826	-	-	-	826
Schools Devolved Formula Capital (DFC)	88	90	93	96	367
School Conditions Grant - Uncommitted	1,306	1,255	631	650	3,842
High needs Grant - Uncommitted	9,700	9,000	5,148	1,000	24,848
Basic Needs Surveys	50	50	-	-	100
Condition Surveys (Children's Strategy)	50	50	50	-	150
CS Urgent Work	100	100	-	-	200
Old Town & Baden Powell Caretaker property sale reimbursement	80	-	-	-	80
Advanced Design Fees SEND	200	200	-	-	400
Burton Primary School - planned R&M	318	-	-	-	318
Christchurch Learning Centre - planned R&M	138	-	-	-	138
Highcliffe St Mark - planned R&M	107	-	-	-	107
Linwood - planned R&M	887	-	-	-	887
Mudeford Infant School - planned R&M	165	-	-	-	165
Climate Change/Low Carbon Reduction	50	50	-	-	100
Somerford Primary School - planned R&M	178	-	-	-	178
Winchelsea School - planned R&M	71	-	-	-	71
SEND Adaptations	100	100	-	-	200
Education and Skills Capital Total	14,414	10,895	5,922	1,746	32,977
Children Capital Total	14,414	10,895	5,922	1,746	32,977
EXECUTIVE - CAPITAL					
IT and Programmes Capital					
Enterprise Comms (WAN Migration)	509	-	-	-	509
Enterprise Storage & Data	200	-	-	-	200
Enterprise Compute (Platform Modernisation)	56	-	-	-	56
Enterprise Endpoints (Desktop Replacement)	1,643	1,222	1,246	-	4,111
IT and Programmes Capital Total	2,408	1,222	1,246	-	4,876
Executive - Capital Total	2,408	1,222	1,246	-	4,876
OPERATIONS - CAPITAL					
Commercial Operations Capital					
Contingency for Poole Bay Beach Management (Phase 1 underspend)	650	-	-	-	650
Jurassic Coast FCERM Mitigation Study (revenue)	172	150	-	-	322
South West Storms Analysis	35	-	-	-	35
Poole Bay Beach Management 2020-2031	1,875	6,372	-	-	8,247
Poole Bridge to Hunger Hill (PB2HH)	13,312	4,290	-	-	17,602
Sterte Flood Defence Works (pumping station)	70	-	-	-	70
Poole Bay, Harbour and Wareham FCERM Strategy	200	200	-	-	400
SEAFRONT (LUF) Seafront Beach Huts (Repairs & Upgrades)	700	-	-	-	700
SEAFRONT (LUF) Promenade Infrastructure (Utility & Digital)	300	-	-	-	300
SEAFRONT (LUF) East Cliff Lift (Stabilisation Works)	3,799	-	-	-	3,799
SEAFRONT (LUF) Bournemouth Pier (Structural Engineering)	4,610	4,610	-	-	9,220
SEAFRONT (LUF) Bournemouth Pier (Future Leisure Offer)	100	-	-	-	100
SEAFRONT (LUF) Boscombe Pier (Feasibility)	26	-	-	-	26
SEAFRONT (LUF) Alum Chine Cloisters (Feasibility)	5	-	-	-	5
Mudeford Beach House Café	550	-	-	-	550
Sea Cliff and Chine management	560	-	-	-	560
Commercial Operations Capital Total	26,964	15,622	-	-	42,586
Customer, Arts and Property Capital					
Transforming Cities Fund (TCF) Unallocated	3,200	-	-	-	3,200
Russell Cotes MEND 4 Project	1,498	62	-	-	1,560
Programme Management	80	-	-	-	80
Port of Poole Bridges Programme	3,350	2,508	-	-	5,858
Cycle Corridor Section C2-3A-B Glenferness Ave Bridge	70	-	-	-	70
Capitalised maintenance Neighbourhood Services (Pru borrowing)	900	900	900	900	3,600
Road Safety Improvements 20mph schemes	150	-	-	-	150
Kings Park (inc crossings on Ashley)	14	-	-	-	14
Wimborne Road - Serpentine to New Inn	41	-	-	-	41
Ringwood Rd Sea View to Manning Heath	6,930	-	-	-	6,930
Castle Lane West - Muscliffe to Broadway	438	-	-	-	438
Ringwood Rd - Controlled crossing only	187	-	-	-	187

Highcliffe Road Toucan Crossing	300	-	-	-	300
Library Replacement ICT Programme	183	-	-	-	183
Telecare	474	356	356	173	1,359
BH Live	518	518	518	518	2,072
Residential PEEPs Social Housing	-	-	-	-	-
Customer, Arts and Property Capital Total	18,333	4,344	1,774	1,591	26,042
Environment Capital					
Waste Infrastructure Grant Unallocated	5,700	-	-	-	5,700
Plan for Play - Refurbishment, Replacement & New Play Spaces	1,395	-	-	-	1,395
Plan for Play - Repurpose & Review Ownership	112	-	-	-	112
Plan for Play - Staff costs	102	-	-	-	102
Plan for Play - Surveys and Consultation Materials	35	-	-	-	35
Canford Heath (East & West) Open Space improvements	65	-	-	-	65
Branksome Rec	45	-	-	-	45
Street Tree Planting initiative	62	-	-	-	62
Waste Bin Replacement	410	410	410	410	1,640
Fleet Management	9,105	7,422	-	-	16,527
Countryside Vehicles	290	-	-	-	290
Harbourside Masterplan (Whitecliff and Baiter)	46	-	-	-	46
Hengistbury Head Visitor Centre	200	-	-	-	200
Muscliff Natural Burial Ground	107	-	-	-	107
Newtown - Turners Nursery	52	-	-	-	52
Poole Park - delivery phase	17	-	-	-	17
Throop Nature Park (Hicks SANG)	90	-	-	-	90
Christchurch Legacy Play areas	88	-	-	-	88
Turbary Common Mire water quality imp	33	-	-	-	33
Mudeford Woods infrastructure improvements	140	-	-	-	140
Harbourside Park Open Space improvement	60	-	-	-	60
Milhams Mead HIP	320	-	-	-	320
Bourne Valley HIP	166	-	-	-	166
Kinson Common HIP	61	-	-	-	61
Milhams Common HIP	40	-	-	-	40
Bernards Mead HIP	125	-	-	-	125
The Meridians HIP	27	-	-	-	27
Contingency for projects Milhams Common, Bernards Mead and The Meridians HIP	30	-	-	-	30
Environment Capital Total	18,923	7,832	410	410	27,575
Investment & Development - Capital					
Towns Fund - Masterplan Contingency	154	-	-	-	154
Towns Fund - Hawkwood Road - Medical Centre	290	2,697	-	-	2,987
Towns Fund - Boscombe Digital Connectivity - Phase 2	125	-	-	-	125
Towns Fund - Hawkwood Road Community Centre	2,731	-	-	-	2,731
Investment & Development - Capital Total	3,300	2,697	-	-	5,997
Planning & Transport Capital					
Local Transport Plan - Integrated Transport Block Unallocated	3,346	3,620	4,961	6,302	18,229
Local Transport Plan - Highways Maintenance Unallocated	7,763	9,144	9,860	11,273	38,040
Pokesdown Railway Station	1,275	1,282	-	-	2,557
Active Travel Fund - Unallocated	2,250	2,250	2,250	2,250	9,000
Electric Vehicle Infrastructure	400	275	172	-	847
BSIP unallocated	3,019	3,080	3,140	3,201	12,440
BSIP Bournemouth Interchange to Station Roundabout bus priority on slip road	600	-	-	-	600
Planning & Transport Capital Total	18,653	19,651	20,383	23,026	81,713
Operations - Capital Total	86,173	50,146	22,567	25,027	183,913
WELLBEING - CAPITAL					
Adults Commissioning Capital					
Disabled Facilities Grant - Integrated Community Equipment Store (BCP)	2,591	2,591	2,591	2,591	10,364
Care technology service - equipment	81	93	110	59	343
Adults Commissioning Capital Total	2,672	2,684	2,701	2,650	10,707
Housing & Communities Capital					
Disabled Facilities Grant - Housing	1,775	1,775	1,775	1,775	7,100
Housing & Communities Capital Total	1,775	1,775	1,775	1,775	7,100
Wellbeing - Capital Total	4,447	4,459	4,476	4,425	17,807
Grand Total	107,442	66,722	34,211	31,198	239,573

Strategic Asset Management Plan 2026-2031

129



Contents

1.0	Introduction	4
2.0	BCP Demographics.....	5
3.0	Corporate Strategy Summary	6
4.0	Context of the BCP Estate.....	7
5.0	Property Management Policies Summary.....	8
6.0	Property and Asset Action Plan	10
7.0	Estates Overview	12
8.0	Acquisition & Disposals	15
8.1	Acquisition	17
8.2	Disposal	19
9.0	Facilities management building maintenance policy summary.....	21
10.0	Challenges, opportunities, and future asset requirements	23
10.1	Financial climate	23
10.2	Transformation / Regeneration / Place Shaping	24
10.3	Climate action & building sustainability.....	29
10.4	Service need.....	32
10.4.1	Assessing a sample of the estate - Libraries	32
10.5	Maintaining the Council’s assets & ensuring they are safe & compliant.....	34
10.5	HRA Business Plan	35
11.0	Corporate landlord model	36
12.0	Property Data Management	38

13.0	Approach to Governance	39
14.0	Partnership Working.....	42
15.0	Approach to developing the Asset Management Plan – next steps.	43
16.0	Glossary.....	45

1.0 Introduction

An Asset Management Plan (AMP) is the foundation to ensuring a portfolio of assets is being managed in the most efficient and effective way. An AMP maps out aspirations, goals and actions against timebound commitments that shows how the Council's property assets are proactively managed to fully meet both its current and future requirements, with an increasing focus on long term financial and climate sustainability.

The Council's Financial Regulations set out the responsibilities of the Corporate Property Officer which include "establishing an asset management plan that details short-, medium-, and long-term use of assets, and establishes arrangements for monitoring and reporting asset performance". The inclusion of this section on Asset Management within this Financial Paper helps set the tone for how the Council will take this forward.

The Council has set out its key priorities within the Corporate Strategy. Part of the AMP's role is to establish a golden thread, linking the Council's priorities and ambitions through the management of and investment in its assets.

The AMP should also be developed and read in conjunction with other strategies and plans including Regeneration, Housing, Highways, Seafront, and transformation. For noting, the management of the HRA is set out in the annual HRA Budget Papers. The AMP focuses on corporate 'general fund' land and property assets. All relevant appendices are listed at the end of this document to highlight their relevance and inclusion in this policy.

The AMP has an important role to play regarding the Council's Budget and Medium-Term Financial Plan (MTFP). For example, surplus assets can contribute to funding the capital programme and in turn capital expenditure can support the provision of new asset requirements identified by services or council priorities. Surplus assets can also be used to fund transformation expenditure via the governments Flexible Use of Capital Receipts regulations. The AMP should also horizon scan, identifying asset requirements that might require capital investment to deliver and maintain them in the future.

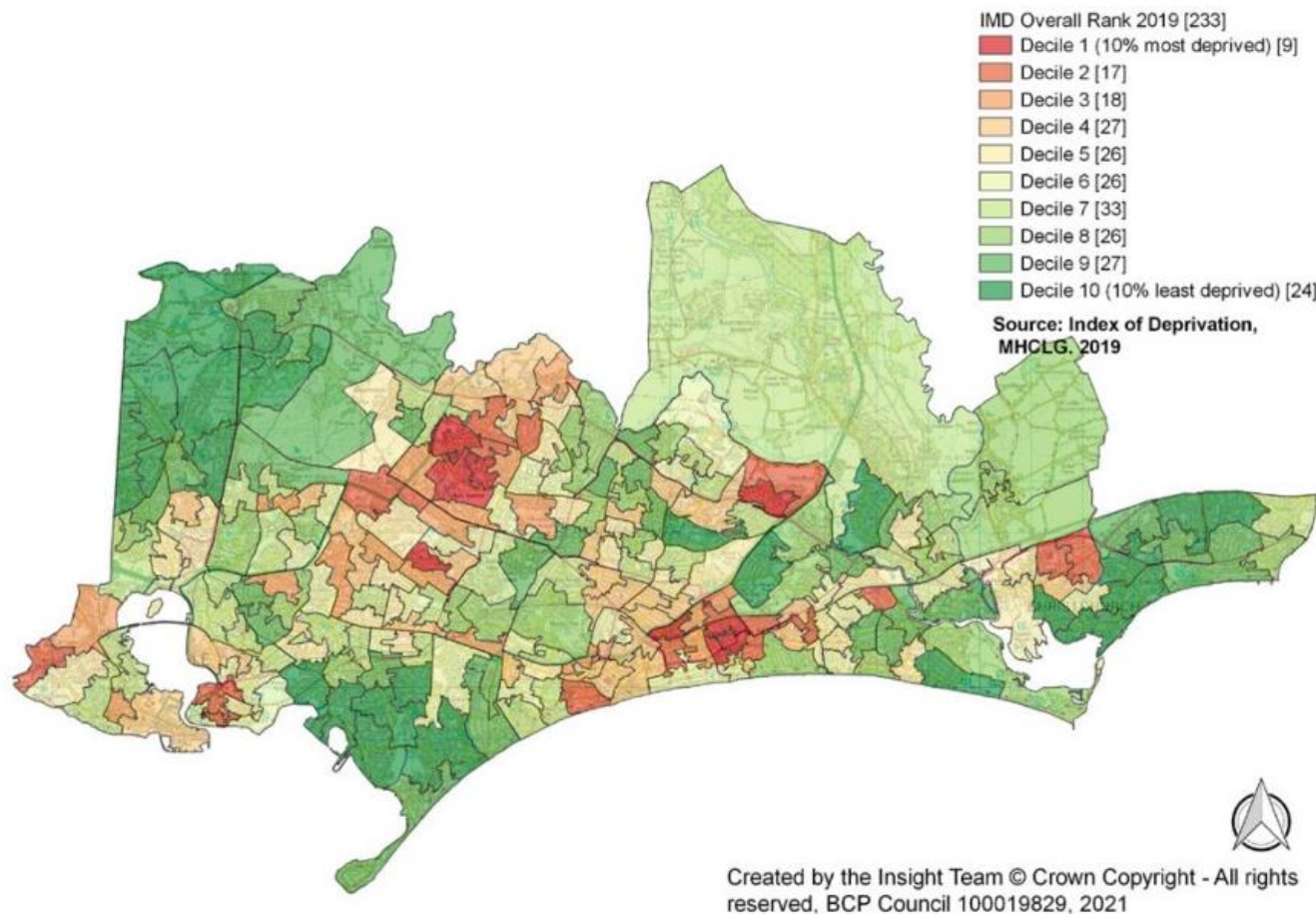
2.0 BCP Demographics

BCP Council has a mix of high and low deprivation areas. Some areas, such as Sandbanks, Canford Cliffs, Christchurch and Broadstone fall within the least deprived areas nationally.

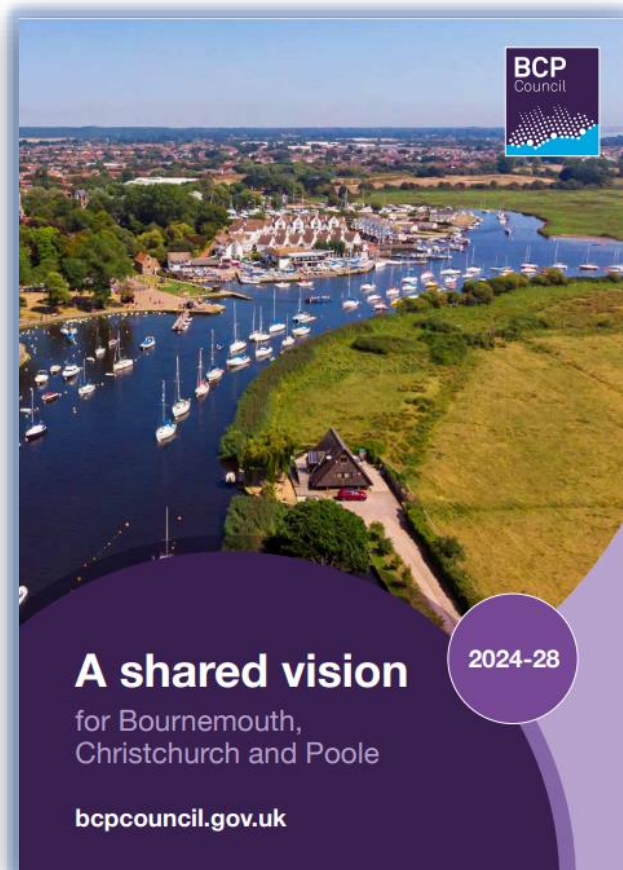
In contrast, there are communities experiencing some of the highest levels of deprivation in Turlin Moor, Alderney, Turbary Common and West Howe, Boscombe and Somerford.

Deprivation is strongly linked with many adverse health outcomes.

BCP Council is made up of 76 members representing 33 wards with a population of 400,000 people.



3.0 Corporate Strategy Summary



Principles for how we work

Working closely with partners, removing barriers and empowering others.

Providing accessible and inclusive services, showing care in our approach.

Using data, insights and feedback to shape services and solutions.

Intervening as early as possible to improve outcomes.

Developing a passionate, proud, valued and diverse workforce.

Creating an environment for innovation, learning and leadership

Using our resources sustainably to support our ambitions

4.0 Context of the BCP Estate

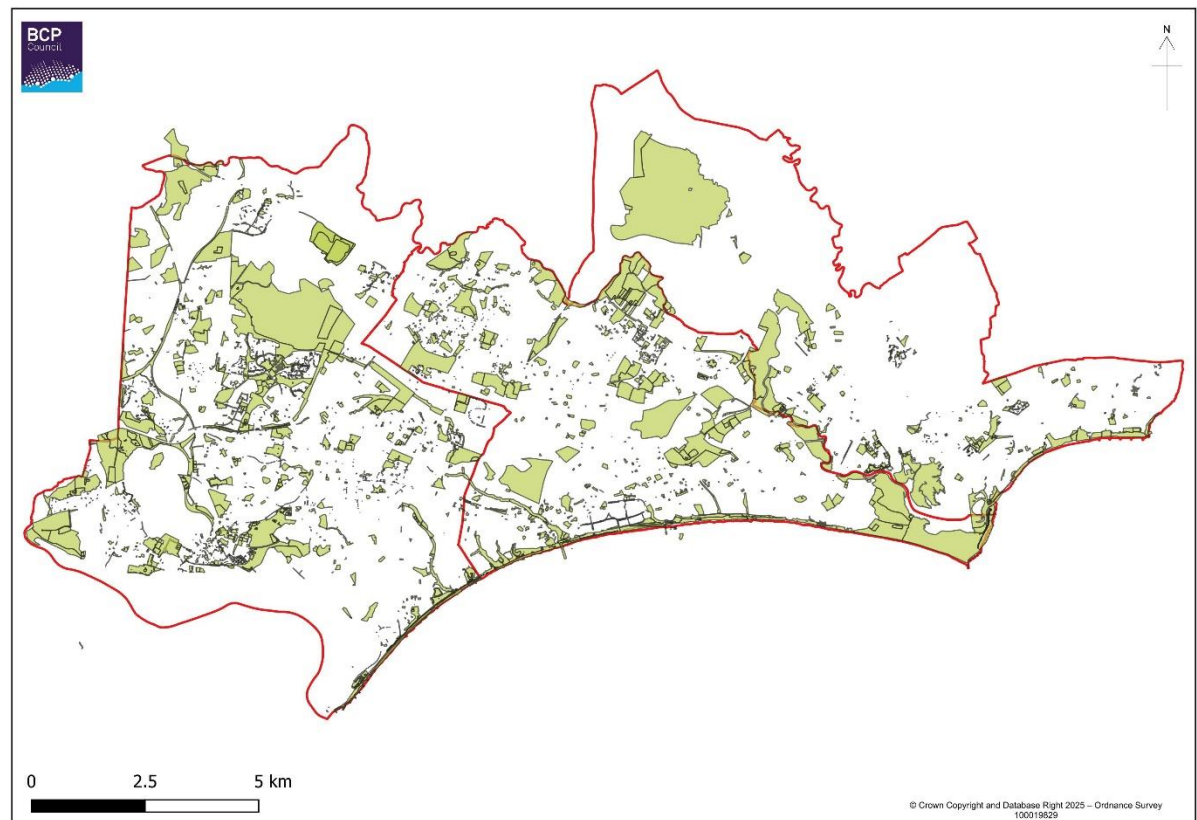
BCP (Bournemouth, Christchurch & Poole) Council has a wide-ranging portfolio of property assets inherited from the four legacy authorities in 2019.

In November 2025 the portfolio was valued at a total of circa £2.16bn. This total includes housing, schools, libraries and community centres, specialist centres providing adult day care and residential care and a range of support for children and young people, administrative and civic buildings, cemeteries & crematoriums, the regional mortuary, public conveniences, and maintenance depots.

The Council also has several heritage assets that include Museums, a Castle and Parks, the maintenance of such sites is a continuous challenge and only the most urgent works are currently being carried out. BCP also maintains and develops many entertainment venues such as the Bournemouth International Centre (BIC), Pavilion and Poole Lighthouse; sports centres, sports pitches, and pavilions; car parks, investment properties, and a range of seafront assets including beach huts and cafes.

Property assets can become liabilities as they need on-going maintenance and investment to ensure they remain fit for purpose. It is therefore essential that the assets held by the Council are the right ones, efficiently supporting the provision of quality services, helping deliver our strategic aims, and making a positive difference within the community they serve.

It is important that the Council constantly challenges the use of its assets to ensure the principles set out in this document are maintained and the estate re-shaped accordingly. This is set out in our Asset Re-Use Procedure.



5.0 Property Management Policies Summary

BCP's Property Policy outlines our aims and aspirations, methods and principles so we can manage our land and buildings across the corporate property portfolio (excludes housing revenue assets and highways). The Strategy covers 2025-2035 and is reviewed regularly to ensure it is relevant to what we are striving to achieve, this supports a flexible approach to work with corporate drivers and service needs.

- Identifying and classifying our assets
The activity of improved alignment across our processes, systems, people, finances and data to work towards a single objective.
- Ensuring maintenance and compliance
Whilst ensuring health and safety, compliance and optimised use are the priority we must also consider the entire asset lifecycle from acquisition, operation and management to disposal.
- Monitoring financial performance
With aligned data the strategic objectives and added value can ensure a clear financial analysis at all relevant levels of the portfolio.
- Managing risks
H&S Compliance, maintaining risk registers, working collaboratively and improving our goals helps to manage risks alongside improvements and meeting the strategic objectives.
- Using data to inform decisions for long-term value in alignment with strategic objectives
Asset Management outputs are supported by ensuring our core data and other systems can be examined from all angles.

Strategic and Operational Interactions

The benefit of the policy is to align property management with business strategy, which will enable us to operate more efficiently, enhance decision making, control cost, increase tenant satisfaction. The reason of using one system will be to make data-driven decisions, better access and improved accuracy of statistics and reports and to utilise the datasets available and this will lead to quicker access to financial projections like revenue forecasting and project cost estimates. This will lead to savings and increased opportunities for profit-making avenues, the diagram to right also helps to complement this by proving some of the tangible areas to consider.

Photo Ref.(right): RICS Practice Information: Strategic public sector asset management – Global 3rd edition, Sept 2021.

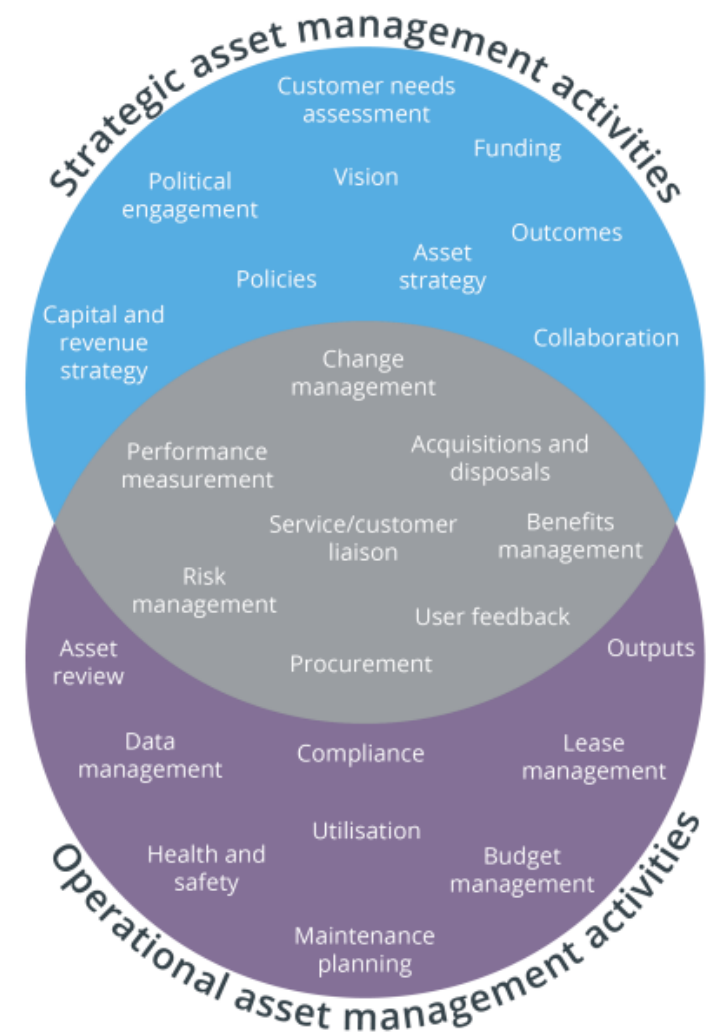


Figure 1: Interface between strategic and operational property asset management

6.0 Property and Asset Action Plan

The BCP action plan that is set out ensures the Council can transparently track and align its goals to the values and principles that it follows.

MANAGE PROPERTY ASSETS AS A CORPORATE RESOURCE FOR THE BENEFIT OF THE COMMUNITY

- Document and track the Asset Management action plan
- Develop and utilise the corporate asset register data
- Complete the library pilot project under landlord model approach
- Complete the Christchurch digitisation
- Review and update the terms of ref for Corporate Property Group



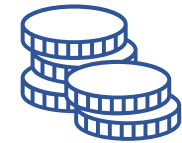
DELIVER THE RIGHT PROPERTY, OF GOOD STANDARD, IN THE RIGHT PLACE, TO MEET CURRENT AND FUTURE NEEDS

- Produce place-based cluster projects to ensure the relevant services are available in the right areas
- Review the facilities management maintenance policy
- Produce valuation guidance and process documentation
- Reduce unique property reference number (UPRN) gaps for sites and buildings



EFFECTIVELY MANAGE AND MAINTAIN PROPERTY IN A SUSTAINABLE MANNER, WHILST IDENTIFYING COMMERCIAL OPPORTUNITIES AND OPTIMISING FINANCIAL RETURN FROM THE RATIONALISATION AND DISPOSAL OF BUILDINGS AND LAND

- Focus on asset rationalisation and re-use
- Focus on estates and accommodation project including community hubs.
- Asset valuations process and data alignment review
- Review the BCP acquisition and disposal policy.



STIMULATE DEVELOPMENT AND GROWTH OF LOCAL BUSINESSES IN THE USE OF OUR LAND AND BUILDINGS

- Review community asset transfer (CAT) policy and manage summary and updates in the corporate register.
- Focus on delivery of the depot project
- Improve and document the rent review and lease renewal process



SAFEGUARDING VALUE FOR MONEY BY INCREASING AWARENESS AND WORKING COLLABORATIVELY TO IMPROVE SERVICE DELIVERY

- Align finance records with corporate register
- Align service assets lists with corporate property register
- Review project and property decision and approval process



7.0 Estates Overview

Since 2023 the property estate has been continually reviewed and there is an on-going set of objectives to ensure core data gaps are reduced and data interaction is recognised. The alignment and standardisation of property Use and Type's is vital to support service strategies and projects such as area clustering, where assets are analysed from a geographical perspective alongside the documentation of long-term service needs. The suitability of property and its purpose is now questioned and assessed through the corporate landlord model (CLM) function. This landlord approach ensures that property decisions are made by the relevant teams within the estates and facilities management (FM) departments. There are 2,620 asset entries on the corporate asset register, this is a breakdown of sites and specific establishments.

The data and strategic outline held on the Corporate Estate is now structured to help the underlying principles that support future decision-making, representing a checklist to assess new estate-related business cases against. So, in the future the BCP Council estate should be: -

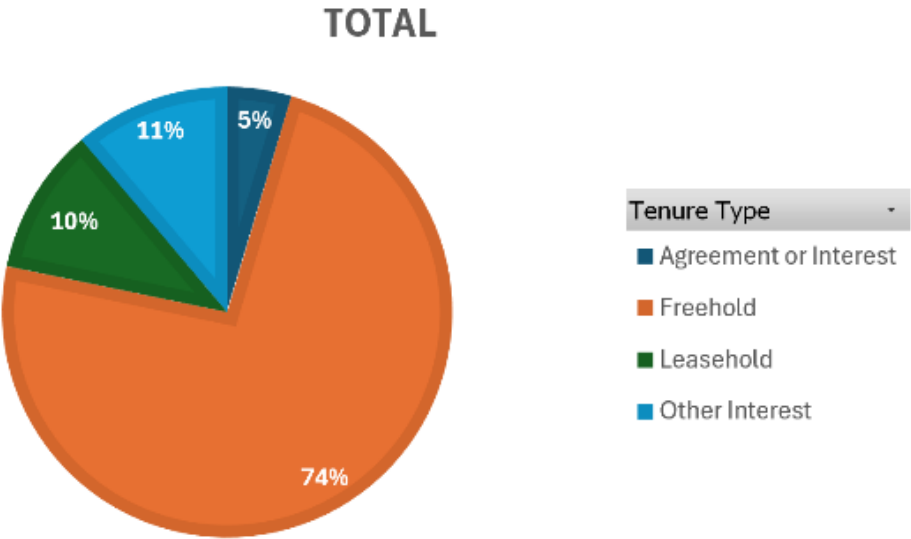
- Relevant - in a strategic sense.
- Resilient – protecting BCP operations and our communities.
- Fit for purpose / Safe / Compliant.
- Transformation - digitally enabled.
- Connected – accessible to customers.
- Flexible – to accommodate future changes and targets.
- Sustainable – carbon neutral / environmentally.
- Sustainable – financially in the medium to longer term.

An output from a piece a work by Avison Young in 2021 was a recommendation to implement a more centrally controlled organisational structure for all aspects of land and property management. This is now being actioned with the implementation of a Corporate Landlord Model which is detailed more in the section below.

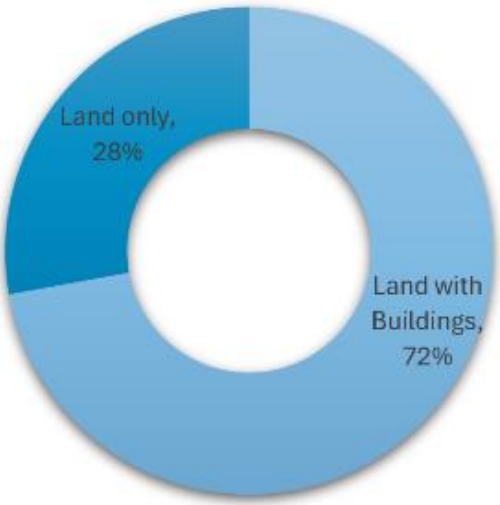
- The Asset Management Plan sits within an Asset Management Framework which responds to our corporate drivers and uses other inputs and enablers to support its delivery:

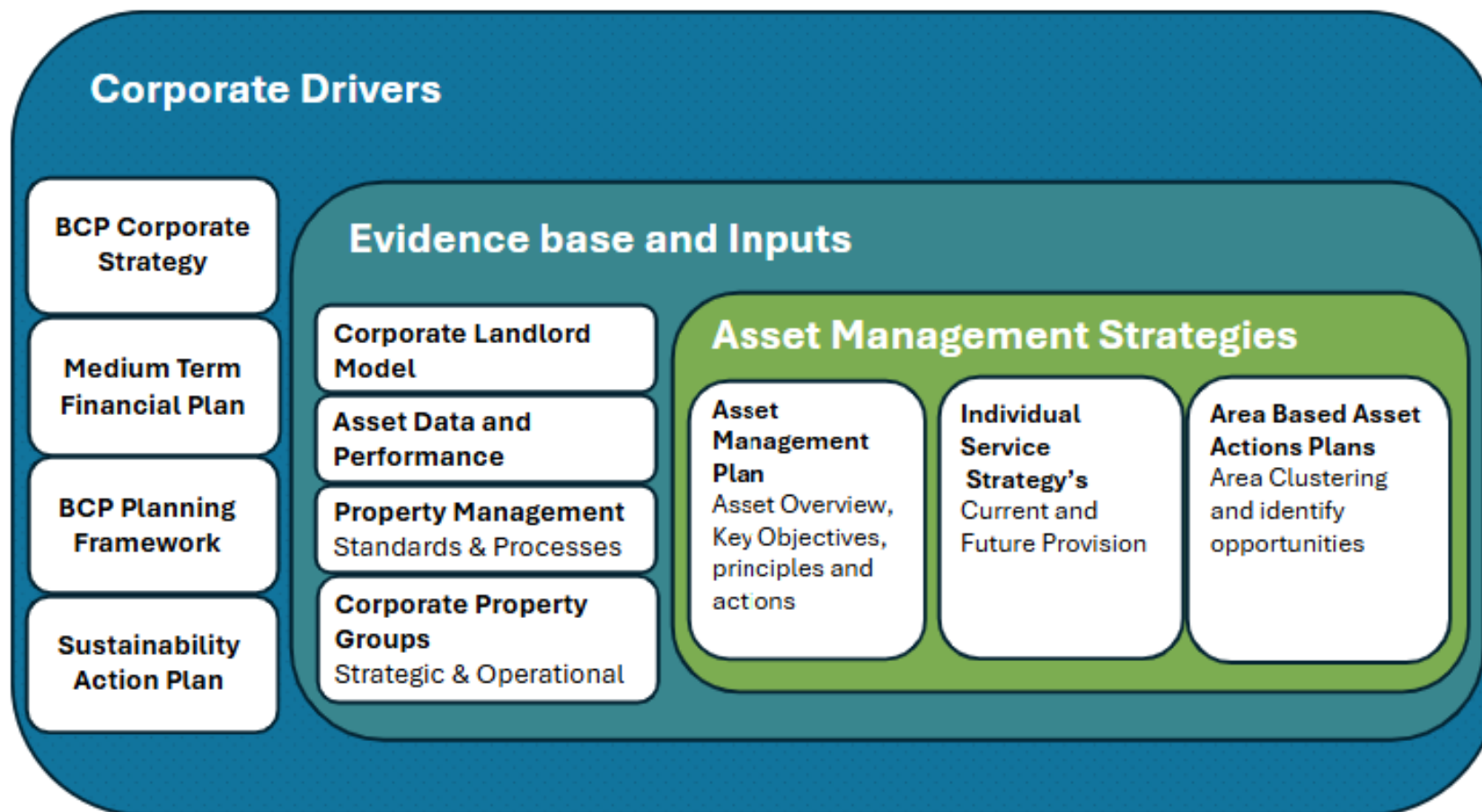
141

Sum of Asset Total



% of Buildings/Land and Land only assets





- In conclusion, the Framework sets out a series of actions to move the Council towards a strategic (and corporate best practice) approach to estate management, and a more targeted, needs led approach to identifying estate re-alignment and rationalisation opportunities.
- The final section of this initial Asset Management Plan summarises some of the key themes as part of a high-level action plan, listing the challenges and opportunities that will have an impact on the management of the Council's assets over the next few years. These all provide context to the shaping of the AMP.

8.0 Acquisition & Disposals

This summary of the acquisition and disposal process reflects the separate policy that interact with this overarching AMP, alongside all other relevant council property and other policies. The purpose of the document is to make the Council's policies, guidance and procedures transparent and public. It is intended for use by Council officers and to inform stakeholders and members of the public.

The recognition and disposal of surplus property and the consequential reinvestment of capital receipts have been and remains a key part of the council's capital strategy and asset management planning process. A disposal of land means land and/or building(s) and is either a freehold disposal by sale or exchange of land in perpetuity, or by the granting of a lease for a period greater than seven years. Leases of seven years or less are not covered by this policy document, as they do not meet the definition of a disposal as categorised by the Local Government Act 1972 s123. In this context it is recognised that all council property is a corporately owned resource, even though it may be occupied by a specific service.

Legal Framework – Best Consideration

A local authority has the power to dispose of land and property as it sees fit, so long as it achieves the best consideration reasonably obtainable (s.123 of the Local Government Act 1972).

The duty is to achieve the best overall consideration reasonably obtainable, which can be the best price in the open market (market value), but not always. For example, a better (more certain) outcome maybe obtainable for a lower price when evaluating bids.

Where an opinion of market value (and/or market rent) is required to assist with evidencing best consideration, a valuation report compliant with the RICS Valuation – Global Standards (Red Book) will be commissioned.

Land can be disposed of for less than consideration if:

- Secretary of State consent is sought and granted or
- General Disposal Consent 2003 is relied upon. This permits the disposal of sites at less than best consideration in certain circumstances, provided the undervalue is below £2 million.

Authority – BCP Constitution

BCP's constitution sets out the levels of authority to approve the acquisition and disposal of land and property. These reflect the capital value of the asset in question.

Acquisition of freehold & leasehold land & buildings. The acquisition of a freehold, leasehold, or any other interest in land or buildings subject to the purchase being no more than market value unless 'Special Purchaser' assumptions can be made	Up to £350k (capital value)	Corporate Property Officer
	£350k to £500k (capital value)	Cabinet / Cabinet Member
	Over £500k (capital value)	Full Council
Acquisition of freehold & leasehold land & buildings at more than market value and 'Special Purchaser' assumptions cannot be made.	Any Value	Full Council
Disposal of freehold & leasehold land & buildings. Disposal by way of a sale, lease, licence, wayleave, easement, deed of variation, renewal, surrender, modification of covenant, or other disposal of an interest in land or buildings using any method that achieves best consideration.	Up to £350k (capital value)	Corporate Property Officer
	£350k to £500k (capital value)	Cabinet / Cabinet Member
	Over £500k (capital value)	Full Council
Agreeing disposals of any land or building asset not to the highest bidder or where there is a difference between the estimated open market value (or best consideration) and the actual sales price. (Seek legal advice if land is open space).	Up to £350k (capital value)	Corporate Property Officer in consultation with the Chief Finance Officer
	£350k to £500k (capital value)	Cabinet / Cabinet Member
	Over £500k (capital value)	Full Council

The Corporate Property Office has powers to delegate authority for the sign off transactions to BCP officers. The current scheme of delegation enables the Heads of Estates to sign off acquisitions and disposals (at best consideration) up to a capital value of £350,000.

8.1 Acquisition



Our aim for acquiring property is to ensure the following stages are considered, whilst ensuring it is relevant. It's important to be transparent and clear when following these objectives for the purchase of property, this may include expanding public infrastructure, promoting economic development, meeting community needs, or other specific goals. It is important to note that BCP estates must be involved and have sight of all aspects of property purchase within the BCP Council. BCP Homes are an integral part of housing provision, so it is imperative that potential acquisitions from both parties are communicated to each other.

1. Criteria for Acquisition: Determine the criteria for identifying properties suitable for acquisition. Consider factors such as strategic location, community impact, availability, and alignment with the council's long-term plans.
2. Needs Assessment: Conduct a thorough needs assessment to identify the specific requirements or gaps that the council aims to address through property acquisition. This could involve engaging with various stakeholders, analysing demographic data, and understanding community feedback.
3. Budget and Funding: Establish a clear budget for property acquisition and identify potential funding sources. This may include allocating funds from the council's budget, seeking grants, or exploring partnerships with external organizations.
4. Evaluation and Due Diligence: Develop a comprehensive evaluation process to assess potential properties. This should involve conducting due diligence, including property inspections, legal assessments, environmental impact considerations, and financial evaluations.

5. Public Engagement: Encourage public engagement throughout the property acquisition process. Seek input from community members, residents, and relevant stakeholders to ensure transparency and gather diverse perspectives.

6. Negotiation and Acquisition: Outline the procedures for negotiating property acquisitions, including establishing fair market value, negotiating purchase agreements, and finalizing legal documentation. Consider engaging professional real estate agents or legal advisors if necessary.

7. Property Management:

- Define the guidelines for managing acquired properties, including maintenance, renovations, leasing, or disposal if required. Ensure the council's property holdings are managed efficiently and in line with the intended objectives.

8. Review and Monitoring:

- Regularly review the effectiveness of the property acquisition policy and monitor its outcomes. Adjust as needed to ensure it continues to meet the council's objectives and aligns with changing community needs.

8.2 Disposal

This summary helps to explain the interaction against the Asset Management Plan, our focus at the moment is to follow the asset re-use process, this will include working with individual services to understand their longer-term requirements, work with community organisations and partners to maximise the use of assets where savings and profits can be made. The process helps us to create an efficient and time-constrained process to ensure properties are not left unused for long periods of time without good reason.



BCP Council follow 6 underlying disposal principles, these tie into Asset Management Plan, appendices and processes

Principle 1

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

Principle 2

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

Principle 3

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

Principle 4

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

Principle 5

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

Principle 6

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

The model to the right shows the process map for asset disposal.



9.0 Facilities management building maintenance policy summary



Our strategic objective is to maintain the corporate estate to an adequate standard that supports operational efficiency, employee well-being, and long-term asset value. However, current resource constraints require prioritisation of repairs that directly impact health and safety compliance and to ensure that a service can operate from that site. While this approach ensures legal and compliance obligations are met, it does present a challenge between our broader goal of proactive estate management and the reactive focus on health and safety issues.

The core values of the maintenance policy are to manage safety, risk and priority in our buildings

Facilities management principles:

- Specify the minimum requirements for the management of maintenance.
- Ensure that building assets are adequately maintained.
- Ensure that the property-related risks to the councils are effectively managed.
- Ensure that health, safety and security objectives are met.
- Ensure that the council have the necessary information for monitoring the maintenance, condition and performance of building assets.
- Keep all premises managers (within operational departments) informed through the provision of appropriate & timely information, to help them identify their responsibilities and comply with all current policies, strategies, management procedures, property-related health & safety matters & associated compliance issues.
- Improve the efficiency and effectiveness of maintenance.
- Achieve appropriate financial savings by efficient procurement, economies of scale, and rationalisation of contracts.

The policy recognises and acknowledges the collaborative management relationships between all Council operational services regarding the maintenance of Council owned building assets.

It's crucial that BCP FM teams know which buildings are directly maintained as the Council own over 2300 sites but directly maintain over 1200 properties.



10.0 Challenges, opportunities, and future asset requirements

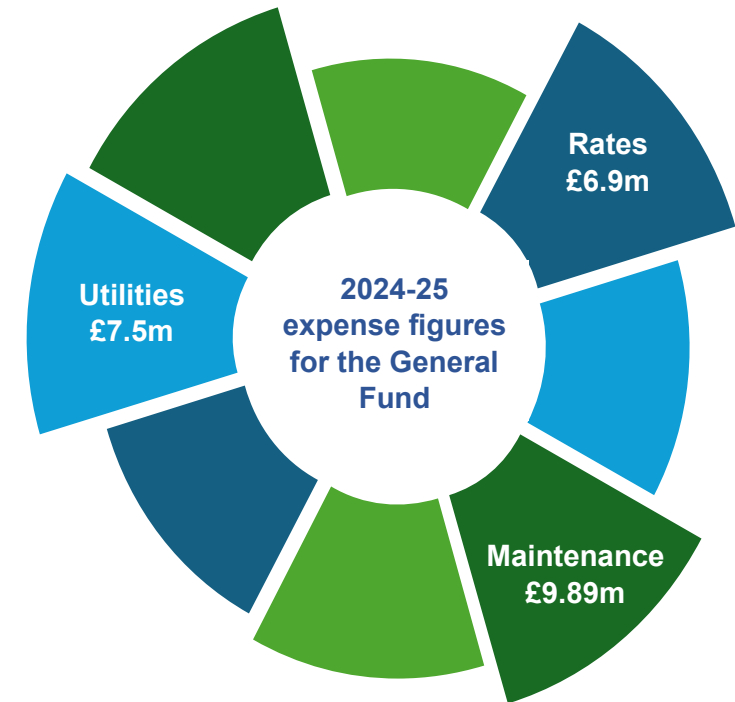
10.1 Financial climate

The Council's assets have a key role to play regarding responding to the unprecedented financial challenges the Council faces over the next few years. Assets can directly affect both the revenue and capital positions of the Council.

The Council must ensure that its land and property assets deliver value for money in terms of service benefit, operating costs, financial returns, and regeneration. The Council must therefore continually challenge whether its assets are required, fit for purpose, and contribute to the delivery Council services and priorities. The transformation programme will support this by improving utilising the space within our buildings and continue to encourage co-location and integration. By monitoring and challenging property use and maintenance spending BCP will identify opportunities for performance improvement, thus optimising financial return and commercial opportunities.

Financial efficiencies are directly linked to the implementation of the corporate landlord model, this is particularly relevant to the annual budget which will aim to reduce revenue operating costs. Further work has also begun to utilise the corporate property and asset register to ensure that all property expenditure is initiated within the system that can interact with the finance system.

Currently not all financial costs can be linked to individual assets, so our aim is to ensure that all costs shown below can be linked back to this level of detail. To the right is a summary of financial costs.



10.2 Transformation / Regeneration / Place Shaping

The Council has committed to revitalising the towns and neighbourhoods across Bournemouth, Christchurch, and Poole, and has several key delivery partners.

The Bournemouth Development Company has been a key player in regenerating Bournemouth Town Centre for the last 14 years. Most recent developments include 'Treetops' in St Stephens Road and 'West Cliff Mansions', both utilising council land formerly used as surface car parks. More efficient multi-storey car provision has been provided to offset the loss of these car parks. To date, four projects have been completed with Madeira Road, The Citrus Building, Berry Court and St Stephen's Road schemes, which has seen an overall increase in spaces in the area.

The Boscombe Towns Fund is using £22m as part of the Government's Town Deal programme to turbo charge ambitious regeneration plans for Boscombe.

The identification and redeployment of under-used and surplus assets is an important driver for regeneration, and critical to the success of these endeavours. Equally, there is a need to consider how active land and property management can of itself deliver regenerative benefits ahead of and as a precursor to the development of land and property. Asset Management is also about understanding what future services might look like and the assets required to support services. This valuable information can feed into the place shaping work led by these partners.

Supporting the community to find opportunities in our assets through the CAT Policy and creating resources such as the Invest in BCP resource online to guide new and existing businesses thrive. <https://www.investinbcp.co.uk/>

The Council is undertaking an extensive transformation programme which has three elements: how and where we work, how we are organised; and how we support our colleagues through these changes.

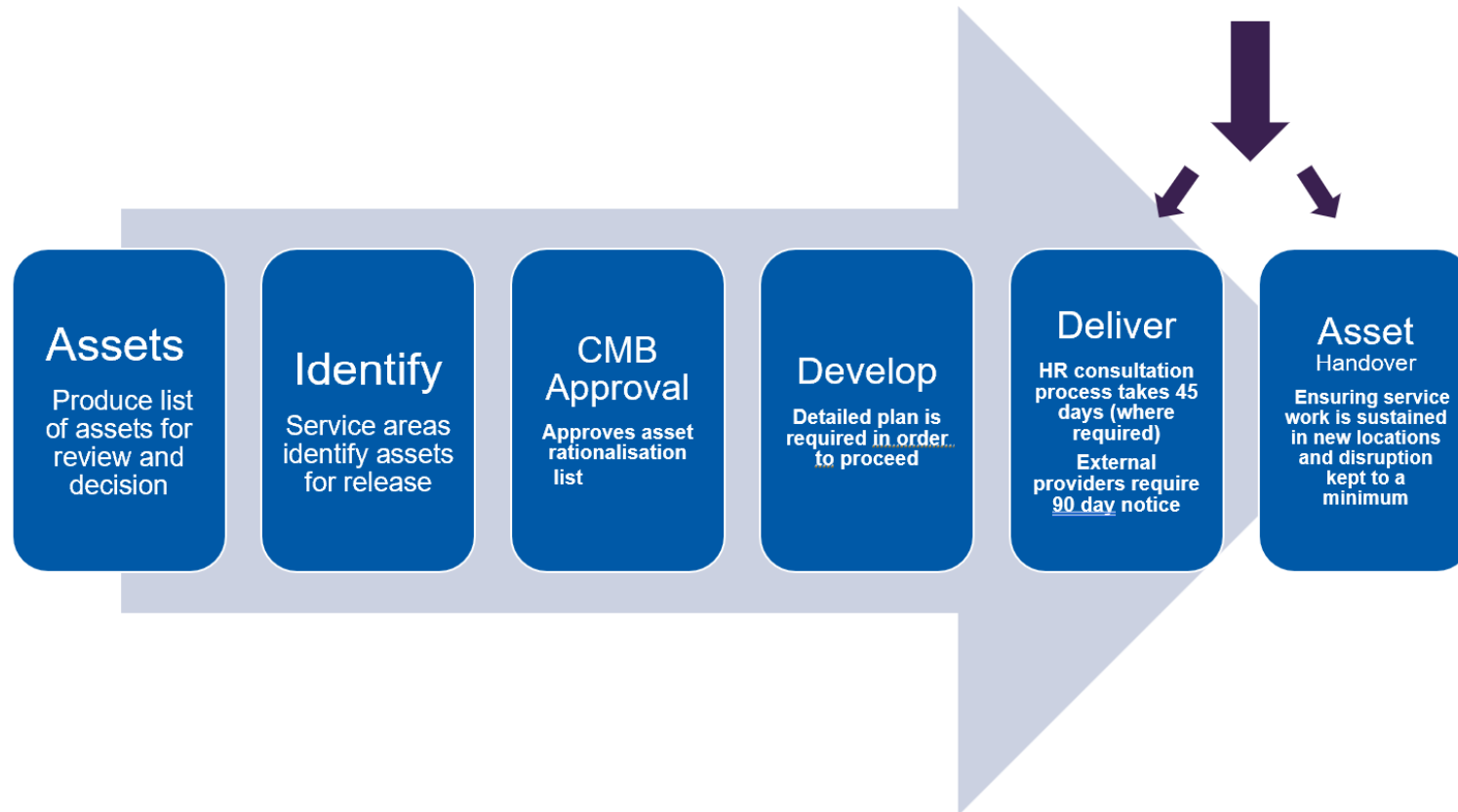
Whilst the Council will continue to support customers face to face, a new operating model of investment in technology, digitalisation, and automation of services with 24/7 access will have a significant impact upon the Council's operational estate.

The Council has already acted delivering Phase 1 of its Estates & Accommodation (E&A) Programme with the reconfiguration of the former Bournemouth Town Hall Complex into the new BCP Civic Centre. Significant work has also been undertaken at Poole Customer Hub & Library and Christchurch Customer Hub & Library to provide more modern and agile environments for both customers and staff. This has facilitated the closure of the other two civic centre sites which are now progressing towards disposal.

Estates and Accommodation core objectives

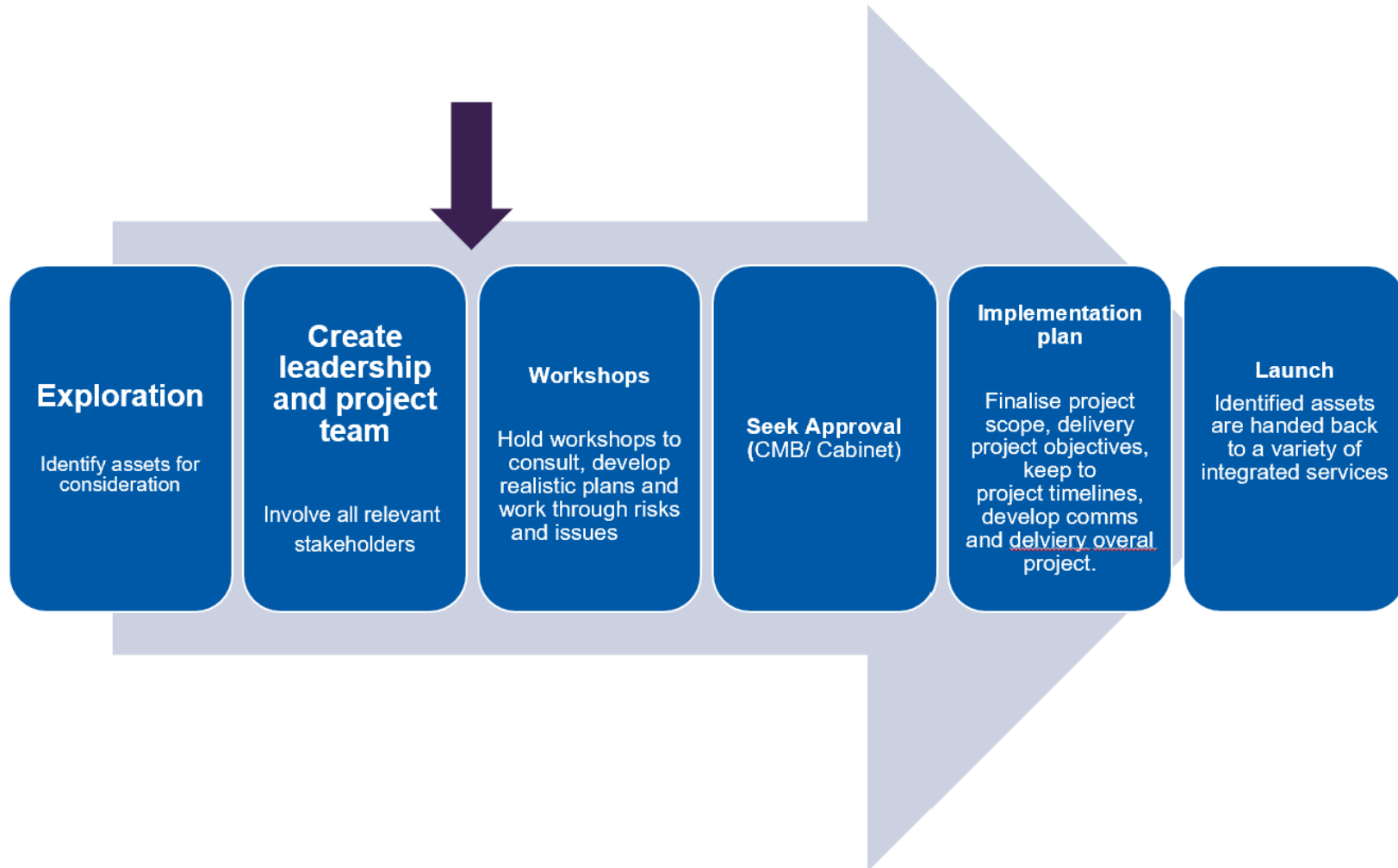
- Identify and deliver rationalisation and reuse of sites
- Supporting Council Priorities and Service Delivery
- Establishing a Single Council Identity
- Financial Efficiency and Value for Money
- Modernisation and Accessibility
- Community-Focused Service and Customer Hubs
- Support the councils virtual landlord model and strategic asset management

Critical Path - Rationalisation



Phase 2 of the E&A programme commenced to primarily focus on the administrative buildings out in the conurbation so that the whole office estate is rationalised, this work focusses on identifying space utilisation and service opportunities as often buildings are shared spaces, this process is shown above. The asset clustering project focusses on properties and their demand for an improved service in the relevant areas across BCP, a process map can be found below that helps to understand a place-based approach. The corporate landlord principles help to ensure the review is effective, by highlighting what assets are a frontline service and recommending more efficient ways of utilising those properties, while still providing an acceptable level of service to customers with a direct professional property advice.

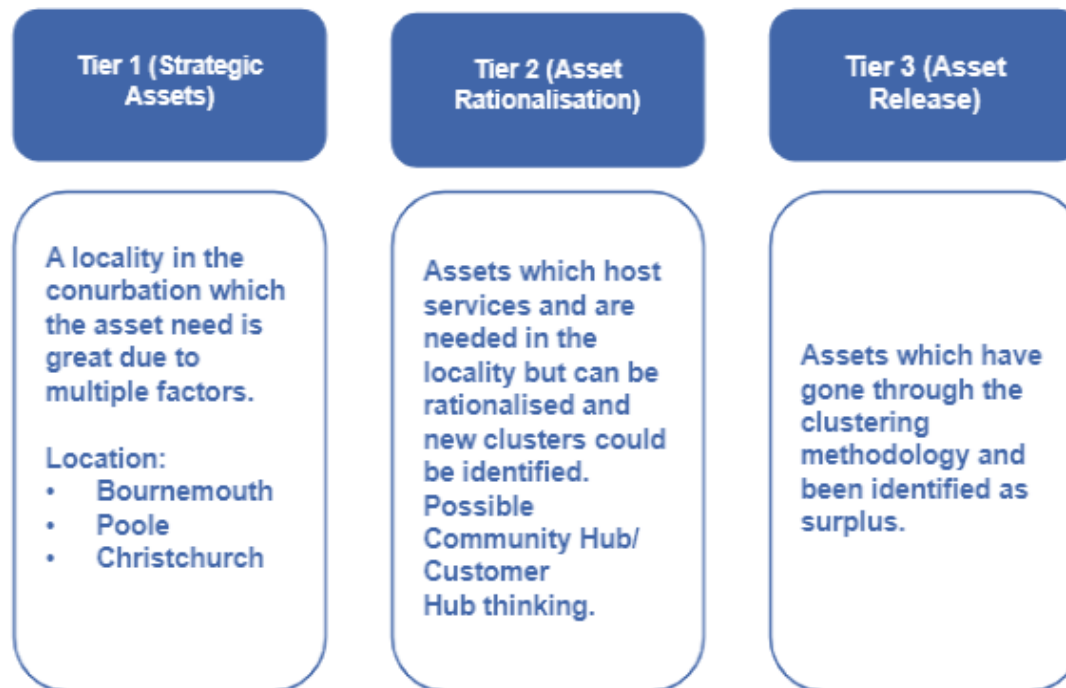
Critical Path - Clustering



The council ambition is to continue with vacating, repurposing and disposal of relevant buildings across the conurbation.

The outcome from this will likely see more shared space and long-term consideration of use and requirements from the services, in turn creating buildings fit for their purpose with better operational alignment and efficiencies. Whilst also reducing the number of assets used to deliver these services.

The model's below help to visualize how this approach is achieved and the model to the right present the process followed relating to the place-based and service clustering project approach, also summarised above.



10.3 Climate action & building sustainability



BCP Council declared a climate and ecological emergency in July 2019. This set a commitment as an organisation to become carbon neutral by 2030, and then the conurbation of Bournemouth, Christchurch, and Poole by 2050.

The Council's assets have a significant role to play in us achieving these targets. An asset management plan (AMP) that sets out clear direction in terms of which assets are required in the future by each service, can in turn help direct the maintenance of and investment in those assets to improve their energy efficiency and reduce their carbon emissions. The climate impact of each asset needs to be built in as one of the key performance indicators for our portfolio alongside running costs, backlog maintenance and utilisation. Adaption is another area that needs consideration for the portfolio, so future proofing our assets from floods, extreme heat, fire, and wind.

There is an urgent need to consider both the performance of assets from a resource consumption, fabric first and circular economy, perspective; as well as considering how the physical disposition of council and public assets interacts with trip generation both for staff and for customers.

When the Council pursues new build or acquisition programmes in the future it will be guided by the framework within the Local Plan. However, the Council will aspire to meet its own sustainable construction principles in the future. Our aim will be to ensure that our buildings are as sustainable as possible in design, construction, operation and maintenance.

Where possible BCP will reduce energy and water consumption, CO2 emissions and use renewable energy where appropriate.

This could ensure a consistently high standard across everything it does itself and in collaboration with its partners.



Highcliffe St Mark Primary School (above photo)

Integrating a sustainability approach

Reduction in buildings to manage and run reduces the Council's emissions.



A project is underway to identify further opportunities to install solar photovoltaic (PV) panels.

A Clustering programme has been initiated and has highlighted potential spaces within our estate that can be shared or utilised in a better way, this has now been fed into the business-as-usual transformation process under projects and programme teams across BCP Council.

The improved sustainability of BCP buildings is an integrated aspiration and driver of change for the BCP asset estate, our teams have gained more knowledge and access to the corporate register in order to improve interaction with core data and energy information. Their aim is to link energy data to the relevant asset level to ensure we maintain the necessary bespoke technology that the energy database provides, our aim is to align relevant energy data across to the asset register to enable quick easy reporting and decision making to come from one place and remove the risk of duplication or incorrect or out of date data coming from different sources.

BCP's carbon reduction goals will naturally bind with physical assets, the asset register is then structured to hold Land, Buildings and room level locations, when necessary, all with codes that should be used across the organisation. All reference codes should be reflected in the energy system, and finance system. The aim is to concentrate on the corporate assets first, as recognised in BCP's corporate landlord approach.

Asset and energy aspirations will include the following:

- Adopt all relevant Corporate Property Asset Register (Civica) codes into the energy system.
- Conduct a meter location survey based on floor plans that FM maintain, this could be at Building level or room level. Desktop and site-based surveys will be the method as a good majority are already held on the energy system.
- Continue to improve floor area data to improve estimations on emissions and a long-term improvement goal is to gather room height information where relevant, providing the cubic mass of the spaces.
- Improve records on key energy consuming/generation installations e.g. lighting, heating/cooling systems, generation over a certain size and consuming units over a certain size number, and key aspects of the building relating to energy/energy efficiency such as whether there is wall or loft insulation, the capability of the roof to support renewable energy installation, whether the windows are single, double or triple glazed etc.
- Gathering further info on the building type/ material and age, this will be an ongoing process of improvement and refinement focusing on the key sites and missing information first.



How can carbon be reduced in our buildings

Our initial aim is to focus more upon the highest consuming and used buildings and apply focus there which is why cross comparison is important. The benefit of improved accuracy in measurements and easier access for monitoring of our emissions profile will help identifying energy efficiency improvements that would provide the greatest carbon and cost saving potential for the Council ready for investment and provide a baseline and framework from which to systematically improve precision over time towards the ultimate goal of becoming carbon neutral.

The following general improvements tend to have the greatest impact:

- Payback of 1-3 years: Behaviour change in the use and operation of the site, loft/ceiling insulation, energy monitoring and control systems, replacement of tungsten or fluorescent bulbs with LEDs, upgrade of very inefficient equipment or units with more efficiency versions, behind radiator insulation, draft excluders
- Payback 3-7 years: Cavity wall insulation; Solar PV, Underfloor heating
- Payback over 7 years: Exterior wall insulation, heating system upgrade, window replacement, battery storage.

This information can be referred to in more detail in the following document, it relates to building energy efficiency and what actions will help to support carbon reduction in our buildings – [Local Area Energy Plan](#). In order to consider the open space and building balance across the estate the following public report refers to the [Dorset Local Nature Recovery Strategy](#)

10.4 Service need

Council services are dealing with many challenges from financial, demographic, legislative, to service improvement and this is on top of bringing together 4 legacy authorities and learning to live with worldwide pandemics, such as Covid. Whilst the provision of quality services is front and centre in their thinking, the Council's Estates team, working within the context of a Landlord Model, will support services to ensure the built estate is considered in that thought and design process, and where possible the most appropriate assets are retained and invested in. Estates will guide and develop individual service property strategy's and where necessary by type and locality, this will ensure the ownership of all property assets and the responsibility for their management and maintenance is transferred from the service departments to the corporate landlord, which is a centralised function of the Council.

Service Strategies will need to align to the relevant individual Service Property Strategy, this will require services to state best practice and identify next practise and future demand, this will involve seeking opportunities to reduce revenue expenditure and must be conducted with a sensitive approach as most services have a high level of complexity to how and where they run their services from.

The focus is currently on assets that are no longer needed for their current use and to help improve how we serve the community, therefore BCP looks to repurpose them for services such as Housing and Special Educational Needs and Disabilities.

10.4.1 Assessing a sample of the estate - Libraries



To use the library department as an example of how to analyse an individual service, we have worked with teams to align property expenditure back to property departments where decision on property spend can be made with a broader consideration for the entire corporate estate. Information has been gathered to help provide long-term thinking and planning to the service, this has included identifying major condition defects that present high risk of the building failing or not being able to open to the public. Work has been carried out to understand accessibility and alignment of systems that help manage the data has helped to make data more accessible. Compliance information, utility emissions and cost data.

Libraries at a glance



Planned
Maintenance
£52k



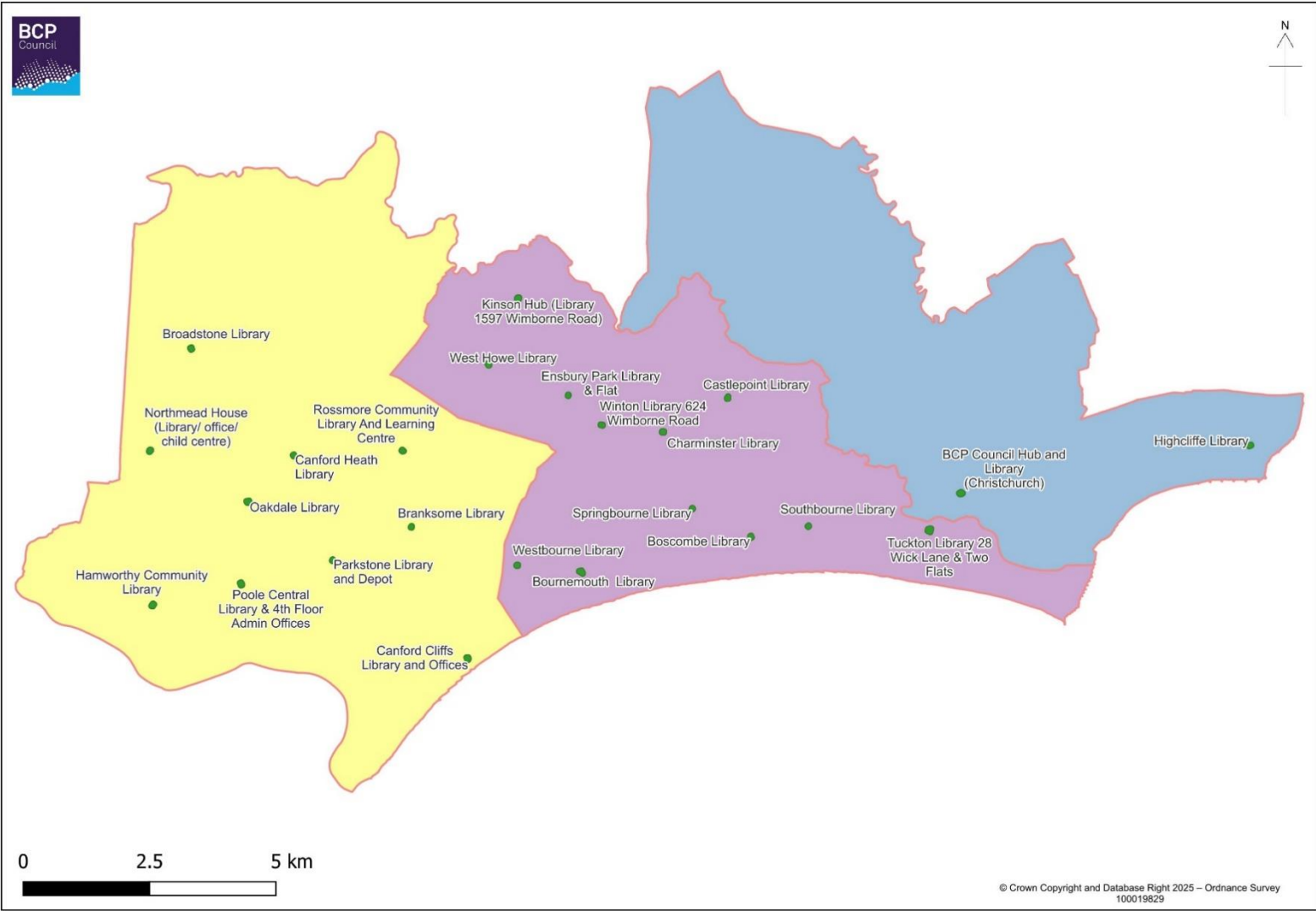
Rates & Utilities
£834k



Cleaning
£247k



Responsive
Maintenance
£257k



10.5 Maintaining the Council's assets & ensuring they are safe & compliant.

An asset can quickly become a liability if not repaired, maintained, and managed properly. Like all local authorities, BCP Council has a substantial maintenance backlog to address within its estate. Maintenance budgets are focussed on ensuring inspections are carried out and statutory responsibilities maintained so buildings are safe for staff and visitors.

Buildings are being maintained on a reactive basis, this has its risks as we don't hold a full set of live condition information as budgets are stretched to only ensure the regular servicing and compliance is upheld. However, funding opportunities are being explored to see how buildings can become more efficient and how old plant can be replaced with much more low carbon and sustainable solutions. Ongoing consideration is also being given to which buildings are no longer needed for service deliver and can then be sold or redeveloped. In doing so the resources available to the council can then be spread more effectively over less buildings. The corporate landlord Model will have a vital effect on prioritising budgets using a more direct approach to our professional property and asset teams

10.5 HRA Business Plan

The Housing Revenue Asset (HRA) portfolio exceeds 10,000 assets and is a piece of the BCP puzzle that often gets siloed, but we need to ensure that the overall AMP considers and helps govern the HRA business plan, which is summarised below.

The HRA strategy aims to complement the BCP's corporate strategy and the BCP Homes strategy which sets out two key priorities:

- Our place and environment: vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment
- Our people and communities: everyone leads a fulfilled life, maximising opportunity for all.

Key priorities within the BCP delivery plan relevant to this strategy include:

- Meeting future growth needs
- Preventing homelessness and rough sleeping
- Improving housing options, opportunities and choice for all
- Empowering and co-creating neighbourhoods where residents wish to live and be part of the community
- Improving safety and sustainability across Bournemouth, Christchurch and Poole's housing.

Here are the six key objectives to help drive the council's work over the next five years:

- Ensure homes and communal areas are fit for purpose and comply with Decent Homes Standards
- Ensure homes are safe to live in and are free from hazards
- Ensure homes help meet housing needs
- Help contribute to social and environmental wellbeing
- Reduce carbon emissions and environmental impact
- Ensure there is effective financial control overseeing our work.



11.0 Corporate landlord model

The Council is in the process of introducing a Corporate Landlord Model (CLM) to improve the way it manages its land and property assets. The different routes and scenarios are being mapped out and reviewed to ensure a more seamless approach is found that meets the needs and flexibility of our property management systems. This means bringing together the different functions and activities into one single centre of excellence or service directorate. From Strategic Asset Management, Estate Management, Facilities Management, Compliance, Repairs & Maintenance and Design & Construction. This consolidation of technical and professional resources and budgets will help the Council operate more efficiently. CLM should infuse corporate best practice.

The Facilities Management team, Estates and Property team's act as the Virtual Landlord function, by managing the stages of the property life cycle they can efficiently support a more financially sustainable and flexible approach for service delivery and community improvement. This approach supports services with standardised professional advice and ensures their focus remains solely on service improvement whilst investing time for long-

- Property 'owned' by individual Services /Directorates
- Pockets of data, and what there is, is held by directorates
- Data inconsistent, out of date & no audit trail.
- Cost of occupation unknown
- Space utilisation unknown
- Space standards inconsistent
- Maintenance position unknown
- Maintenance prioritised by reaction
- Capital investment not prioritised corporately
- Statutory obligations / Legislative testing programmes unknown
- Inadequate training for achieving a Landlord Approach
- Inconsistent standards of accommodation
- Workplace risk assessment position unclear
- No Whole Life Cost analysis
- Unable to develop corporate strategies because people will still do their own thing.
- Asset plans not aligned to service business planning
- Chasing funding
- Piecemeal approach to procurement
- No coordination between services on assets
- Inability for wider coordination with public sector

term service strategies. BCP aims to reduce and/or remove the risks and trends lit below: -

The aim of the Virtual Landlord model is to improve, consider and identify risks and benefits on the above points but also more locally for BCP, we need to: -

- Manage and maintain property centrally
- Manage the property list and the strategic data directly in the Property System.
- Invest in property maintenance with a programme of works
- Improve income generation
- Ensure the right balance of smart business decisions and community improvement.
- Centralise property budgets, adopt a single shared property reference such as a UPRN in Property, Finance and Utility systems to obtain a single property cost analysis.
- Pilot a centralised budget approach in April 2025 by linking corporate register assets with their associated costs in the finance system.
- Improve accessibility of information in the property system and other corporate software for all relevant stakeholders to view.
- Re-structure asset data from Christchurch digitisation project.
- Ensure decision making maps are clear and followed at the appropriate boards and groups.
- Strategies are adopted and policies are accessible.

"The concept of a Corporate Landlord is that the ownership of all property assets and the responsibility for their management and maintenance is transferred from the service departments to the Corporate Landlord, which is a centralised function of the Council"

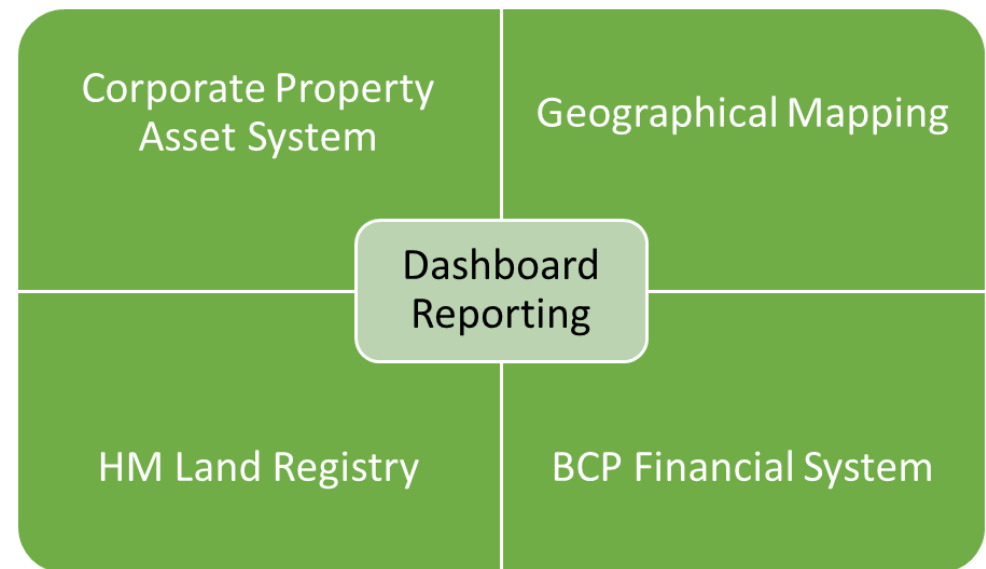
12.0 Property Data Management

The Council's Corporate Property Management System is now a single system where multiple departments utilise the asset structure and hierarchy that is maintained by the Property Records Team, this means that Projects and Facilities Teams can be confident that defects and jobs are linked to a shared asset register that helps support surveys such as building condition, inspections, asbestos, and water management.

Project teams and ICT are also currently working on projects to bring the asset register data into a single IT system and associated mapping system. These are significant pieces of work and essential to having an efficient and up to date data set of the council's ownership records. These records include the core property ownership data and estate management data which includes Unique Property Reference Number alignment, leases, rent review dates and break & expiry dates.

This data is critical not only to the safe and efficient day to day running of the estate, but also for supporting regeneration and other transformational activities.

Keeping up to data is vital and we rely on our services and teams to provide on the ground information to our estates teams to fulfil this obligation. In turn the data is required to be publicised to ensure the assets can be viewed across the public domain in line with the Data Transparency Code 2015. Whilst BCP has previously worked with neighbouring Councils to achieve this, BCP are now ensuring a more direct route to this data via its own website.



13.0 Approach to Governance

When property decisions are made it is important that there is good governance. Most land and property decisions are discussed at Corporate Property Group (CPG) Meetings as a starting point. It is a group that is accountable for governing asset management activity to deliver Council priorities. The Corporate Property Group is comprised of officers/managers from all service units. These meetings are set up every other month to ensure that communication on properties etc is up to date, and any changes are known.

A Site, Building, space or land parcel is identified as underused or surplus to requirements



It is communicated immediately to Property Records and highlighted at the next CPG Operations Group meeting and if relevant at the next Strategic CPG Meeting too.



Any service then has a 6-month window of opportunity to bring forward proposals or a business case for their need to use the site inline with their Service Property Strategies and requirements.



If no service comes forward or wishes to adopt the site within the 6 months it will be planned for an appropriate disposal.

During this timeframe, there maybe multiple applications for the asset and this will be scrutinised by the CPG Group and the Corporate Landlord Group.

The CPG meetings must have a representative from each relevant service that occupies a BCP property asset or has an interest in its management and use as it is the mandatory avenue to raise the awareness of surplus assets and the re-use or disposal of such. The intention is to ensure that buildings and land are utilised as effectively as possible and where needed challenged on its purpose and suitability in line with service demands for the benefit of the community. The CPG group manages the tracking of projects and ensures that realistic timescales are followed to reduce the risk of assets being vacant for too long. The maximum time period from an asset becoming highlighted to the group and decision on final re-use or disposal is 6 months, during this time service's expressing interest or wishing to adopt the building and/or land can put forward business plans and carry out feasibilities if it becomes an increasingly feasible option.

The suggestion of taking a high level approach to a business case is preferable to ensure spend on proposals is kept to a minimum. *It is important to note that all services should be aware of communicating their interest or not to the Estates and Property Records Group as soon as possible to ensure that any necessary re-use or disposal can be taken forward in an efficient manner.

Once service transfer has been achieved and the relevant teams adopt the site/building/s, all relevant costs to manage that building will also be transferred to that service.

The process for identifying under-used assets or their re-use or disposal is shown below and relates to the BCP Asset Re-Use document.

Step 1 Awareness – an asset is identified as **under-used** or **surplus** by the occupying / responsible service or via service reviews, asset reviews or transformation. Assets can also be flagged as potentially '**At Risk**' via this route (financially, safety & repair liabilities)



Step 2 Requirement – Corporate Property Operations Group must be notified by the responsible service or review lead as soon as possible. Action: Asset Monitoring Schedule to be updated by Strategic Asset Management Team



Step 3 Consideration – Corporate Property Operations Group to review potential additional uses, alternative uses (including a review of the New Asset Requirements Schedule) and disposal options – all services consulted via membership of CPG Ops

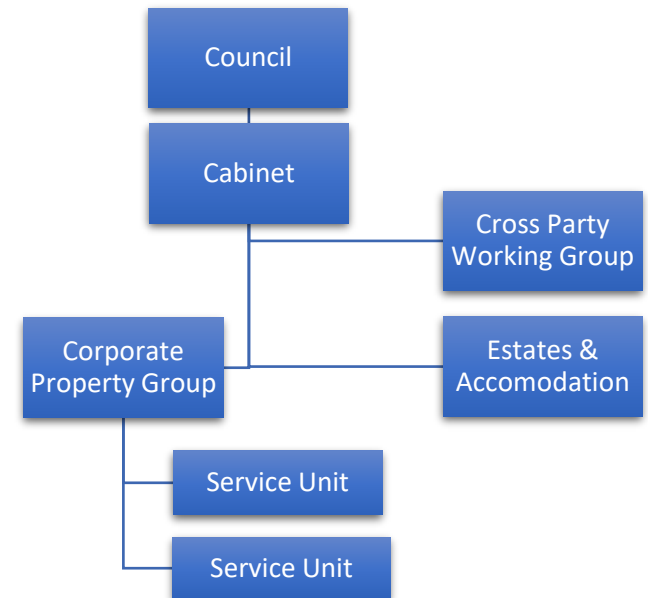
CPG will recommend one of the following courses of action including initial consultees

The governance from a corporate landlord perspective has a two-pronged approach that is used to manage the estate's projects, a strategic CPG group covers the review and management of policies and procedures and any governing documentation that helps support the running of the BCP portfolio and when necessary, discusses final decisions on larger scale projects. The operational CPG group tracks the projects in more detail and ensures any assets that require monitoring, business proposals, service demand and agreement on re-use are highlighted to the group and analysed by the group.

From there, decisions or proposals are then taken to Cabinet and if necessary, Council.

The purpose of the Corporate Property Group is to

- a) Liaise with the Corporate Management Board to ensure all asset and property related activity is steered and governed by The Group*;
- b) Provide governance on all service led asset management activities and strategic asset management.
- c) Govern asset management decisions within council Financial Regulations.
- d) Develop Asset Management Strategies and Policies.
- e) Develop, review, and implement an annual action plan to deliver strategic priorities.
- f) Report annually to Members on performance of asset and property management action plan.
- g) To approve the re-use of any surplus or under-used asset for a different purpose or for disposal, even if the alternative use is within the same service structure.
- h) To be kept apprised by services of any service redesign, policy or strategy development or proposal that might impact on the use or future of a council asset. Ideally this should be at an early stage to ensure technical and professional expertise can be offered.
- i) Maintain oversight of the management of the Council's property records.



14.0 Partnership Working

Across the County of Dorset there is a range of public sector services from Dorset Healthcare University NHS Foundation Trust, Dorset Clinical Commissioning Group (CCG), South West Ambulance Trust, Dorset Police, Dorset & Wiltshire Fire and Rescue Service, The Ministry of Defence (MoD), Dorset Council, and Town and Parish Councils. All these organisations have their own portfolio of assets as well as share those of others.

The council is keen to find opportunities for collocation with partners where that supports integrated working between agencies. This is now taking place within the BCP Civic Centre with the NHS sharing office space with Adult Social Care. Furthermore, where council surplus assets can support the requirements of partner agencies this is also being explored on a commercial basis, with Northmead House currently being considered by the NHS as a more cost-efficient solution to meeting its local office requirements.

So, it is incumbent on all partners including BCP Council, to make the best use of these assets and work together delivering services. A Dorset Public Estate Board has been set up to ensure a more cohesive approach to the use of assets by these organisations and BCP will play an active role in this group.

It is also important to recognise the role of third parties and community groups. This Council is keen to enable communities more with regards the retention and provision of services.



Dorset



15.0 Approach to developing the Asset Management Plan – next steps.

Accepting the themes highlighted above, it's essential that the Council resources and sets out a more detailed asset management plan for the medium to long term. This includes developing:

- Improved inter-departmental working is helping to progress the collection of procedures and standards, these principles are being established to structure a Handbook which sets out the nuts and bolts for how we do asset management, including policies, processes, and procedures.
- A Performance Review – this should include a suite of performance indicators to allow the Council to measure how its assets are performing, and detail the key areas for change that will affect future asset requirements across services; and
- A detailed Asset Strategy and Action Plan which sets out all the asset related activity over the next 3 – 5 years in support of the Council's priorities and services

The short-term focus is very much on direct support to the Council's Financial Strategy. In particular:

- bringing forward the disposal of non-strategic assets to help fund current and future years of the Council's transformation programme; and
- continuing the fundamental review of buildings occupied by BCP Council with a view to further consolidating the staff in the Civic Centre and considering future options for owned buildings or passing back leasehold properties as soon as practical.
- Review and continue to streamline the Community Asset Transfer process.
- Pilot the corporate landlord model for the library service, test recommendations and communicate outcomes for the service.
- The extent to which the community would be better placed to manage council assets (An Enabling Council – Strength Based Approach)
- Consideration of the performance and location of assets through the lens of regeneration and climate adaption.

Currently the Council has two Corporate Property Groups (CPG) which meet monthly. The CPG Operations Group focusses on operational matters and trying to find solutions to new asset requirements. It also provides the forum for highlighting an asset that might be under-used or surplus to that service's requirements. The group can then discuss whether there might be alternative operational needs that could be met from that asset, or it could be recommended as surplus. CPG Strategic maintains an overview for how the Council's assets are being managed and approves any changes to how assets are deployed. Essentially, these CPGs act as the conduit for all asset related activity, although it is important to note that asset activity must still comply with the Financial Regulations and Constitution.

From a record management perspective BCP have improved its data to enhance access to information in the public domain and helped remove data gaps and alignment of services. Type and Use naming has been redefined to a set standard which will in turn create a simple way of reporting and analysing size, use, location and expenditure at service level.

The Facilities Management team following the formation of BCP Council have a single view of the servicing and inspection activity across the whole of the corporate estate having centralised the data from the legacy authorities into the single asset management system.

Single policies and procedures have been adopted for the compliance work with support from the Health and Safety team.

The Council will continue to manage the estate on a day-to-day basis with a common-sense approach and to the benefit of the council and services provided.

16.0 Glossary

AMP - Asset Management Plan

CPG - Corporate Property Group

CCG - Clinical Commissioning Group

CLM - Corporate Landlord Model

CPWG - Cross Party Working Group

E&A - Estates and Accommodation

HRA - Housing Revenue Assets

ICT - Information and Communication Technology

MTFP - Medium-Term Financial Plan

UPRN - Unique Property Reference Number

This page is intentionally left blank

Bournemouth, Christchurch and Poole Council (BCP)

Treasury Management Strategy Statement 2026/27

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 2026/27

12 The strategy for 2026/27 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 20th November 2025 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 MUFG Corporate Markets.
- 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 2026/27 – 2028/29

- 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	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
General Fund	102,652	98,917	107,517	66,722	34,211
HRA	29,129	44,481	43,083	43,835	38,308
Total	131,781	143,398	150,600	110,557	72,519

- 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	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
General Fund Total	102,652	98,917	107,517	66,722	34,211
Financed by:					
Capital receipts	-	1,287	-	-	-
Capital grants & Contributions	57,554	75,592	76,159	45,952	30,671
Revenue, S106 and CIL financing	3,709	7,894	15,398	3,088	518
Prudential Borrowing	41,389	14,144	15,960	17,682	3,022
Total financing for the year	102,652	98,917	107,517	66,722	34,211

HRA Capital Expenditure

Capital expenditure	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
HRA Total	29,129	44,481	43,083	43,835	38,308
Financed by:					
Capital receipts	2,107	5,261	3,564	2,144	1,732
Capital grants & Contributions	10,698	6,660	11,733	5,253	2,598
Revenue, S106 and CIL financing	3,122	6,144	6,640	3,500	5,000
Major Repairs Allowance	13,202	16,806	16,434	16,498	17,025
Prudential Borrowing	-	9,610	4,712	16,440	11,953
Total financing for the year	29,129	44,481	43,083	43,835	38,308

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.

APPENDIX 9

31 The Council is asked to approve the CFR projections:

	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Capital Financing Requirement					
CFR - General Fund	405,482	407,330	410,994	416,380	407,106
CFR - HRA	137,782	146,392	150,104	165,544	176,497
Total CFR	543,264	553,722	561,098	581,924	583,603
Movement in CFR	26,008	10,458	7,376	20,826	1,679
Movement in CFR represented					
Net movement in borrowing for the year (above)	41,389	23,754	20,672	34,122	14,975
Less MRP/VRP and other financing movements	(12,307)	(13,296)	(13,296)	(13,296)	(13,296)
Movement in CFR	29,082	10,458	7,376	20,826	1,679

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.

	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Fund balances / reserves	99,636	99,636	99,636	99,636	99,636
Capital receipts	11,898	11,898	11,898	11,898	11,898
Provisions	26,633	26,633	26,633	26,633	26,633
Other	(49,383)	(119,226)	(210,776)	(348,101)	(554,089)
Total core funds	88,784	18,941	(72,609)	(209,934)	(415,922)
Working Capital*	(99,796)	(99,796)	(99,796)	(99,796)	(99,796)
Under/over borrowing	167,066	122,408	61,783	14,608	(51,714)
Expected Internal Investments	67,270	22,612	(38,013)	(85,188)	(151,510)

*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 cumulative amount of VRP overpayments made between 1 April 2023 and 31st March 2025 was £12.8m.
- 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 2025 and for the position as at 31 December 2025 are shown below for both borrowing and investments.

	Actual 31/03/2025 £'000	Actual 31/03/2025 %	Current 31/12/2025 £'000	Current 31/12/2025 %
Treasury investments				
Money Market Funds	650	25%	7,825	11%
Bank Deposits	0	0%	0	0%
DMADF	1,900	75%	0	0%
Local Authorities	0	0%	65,000	89%
Total Treasury Investments	2,550	100%	72,825	100%
Treasury External Borrowing				
PWLB	188,896	51%	188,896	44%
Local Authorities	121,500	33%	181,000	42%
Private Sector	60,563	16%	58,388	14%
Total External Borrowing	370,959	100%	428,284	100%
Net treasury investment / (borrowing)	(368,409)		(355,459)	

- 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.

	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
External Debt					
Treasury Debt 1st April	295,126	370,960	426,718	495,361	564,004
PFI and Finance Lease Liability	5,238	4,596	3,954	3,312	2,670
Expected change in Debt	75,834	55,758	68,643	68,643	68,643
Actual gross debt at 31 March	376,198	431,314	499,315	567,316	635,317
The Capital Financing Requirement	543,264	553,722	561,098	581,924	583,603
Under / (over) borrowing	167,066	122,408	61,783	14,608	(51,714)

- 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 2026/27 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.

Treasury Indicators: limits to borrowing activity

- 50 **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.
- 51 **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:

	2024/25 Actual £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
Operational Boundary	775	800	825	850	850
Authorised Limit	810	835	860	895	895

Prospects for interest rates

- 52 The Council has appointed MUFG Corporate Markets as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. MUFG Corporate Markets provided the following forecasts on 11.08.25. These are forecasts for Bank Rate, average earnings and PWLB certainty rates, gilt yields plus 80 bps.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00

Additional notes by MUFG Corporate Markets on this forecast table: -

- 53 Our last interest rate forecast update was undertaken six months ago, in February 2025. Throughout the intervening period we have successfully forecast a gradual reduction in Bank Rate, although we were not overly persuaded that a cut in August was the correct policy, given even the Bank of England anticipates CPI inflation hitting 4% in the autumn. As it happened, a 5-4 split vote for a rate cut to

APPENDIX 9

4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was “finely balanced” and that future rate cuts would be undertaken “gradually and carefully”.

54 What we also know after last week’s release of the Bank of England’s Quarterly Monetary Policy Report is that annual UK GDP is expected to be in the region of 1.2% for Q3 2025, rising to 1.7% by Q3 2028. The Bank anticipates wage growth to moderate to a sustainable 3.75% and CPI inflation to return to 2% in around 18 months’ time.

55 With the August rate cut now done, we are comfortable revising our previous forecast for a November rate cut, instead pushing that back to February 2026, on the basis that CPI inflation should have peaked by then and will be on a slow downwards trajectory back to 2% by 2027. Further gradual reductions in Bank Rate to 3.25% are then anticipated but, and it is a big BUT, only if inflation and employment data are supportive of such cuts.

Borrowing strategy

56 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, albeit only once prevailing inflation concerns are addressed by restrictive near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if further rate cuts arise.

57 Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 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.

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

Policy on borrowing in advance of need

59 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.

- 60 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

- 61 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.
- 62 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

- 63 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).
- 64 The Council's investment policy has regard to the following: -

APPENDIX 9

- 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).

- 65 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.
- 66 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 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 pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. Subsequently, a further extension to the over-ride to 31.3.29 was agreed by Government but only for those pooled investments made before 1st April 2024.

- 67 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

- 68 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.
- 69 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.
- 70 Credit rating information is supplied by MUFG Corporate Markets, 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.
- 71 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

APPENDIX 9

- 72 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-

- 73 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

- 74 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).

- 75 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

- 76 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

APPENDIX 9

- 77 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

- 78 Bank Rate is forecast to over the next two years reaching 3.25% by 2027.
- 79 The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year were updated on 11 August 2025 and are as follows: -

<i>Average earnings in each year</i>	<i>Now</i>	<i>Previously</i>
	<i>%</i>	<i>%</i>
2025/26 (residual)	3.90	4.10
2026/27	3.60	3.60
2027/28	3.30	3.50
2028/29	3.50	3.50
2029/30	3.50	3.50
Years 6-10	3.50	3.50
Years 10+	3.50	3.50

Investment treasury limit

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

Ethical Investing

- 81 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

- 82 The Treasury Management Policy, Practices and Schedules will be presented alongside this 2026/27 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 MUFG Corporate Markets)

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
 - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 and 2026 is currently forecast by the Bank of England to be in the region of 1.4% before picking up in 2027.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but the headwinds are gathering.
- With the November Budget edging nearer, the public finances position looks weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.
- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to October 2025 stood at 723,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.6% in September. The rate for the private sector slipped from 4.3% to 4.2%.

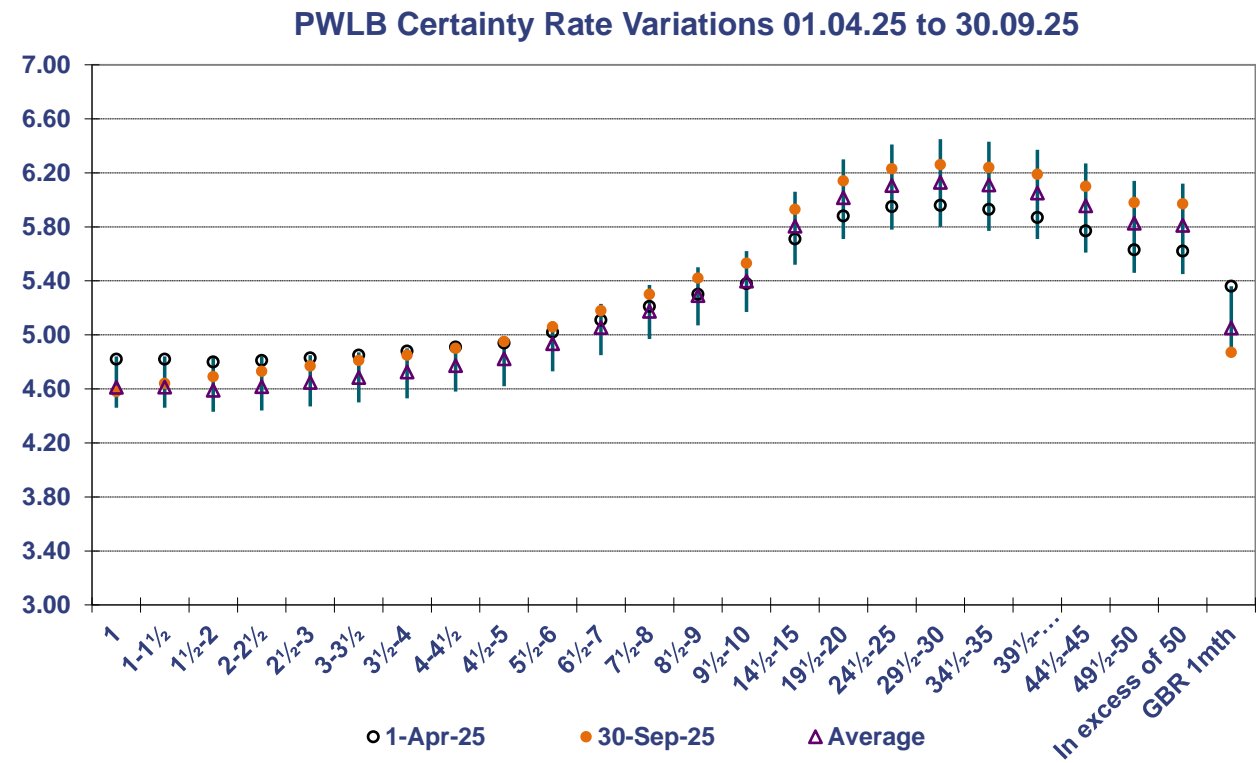
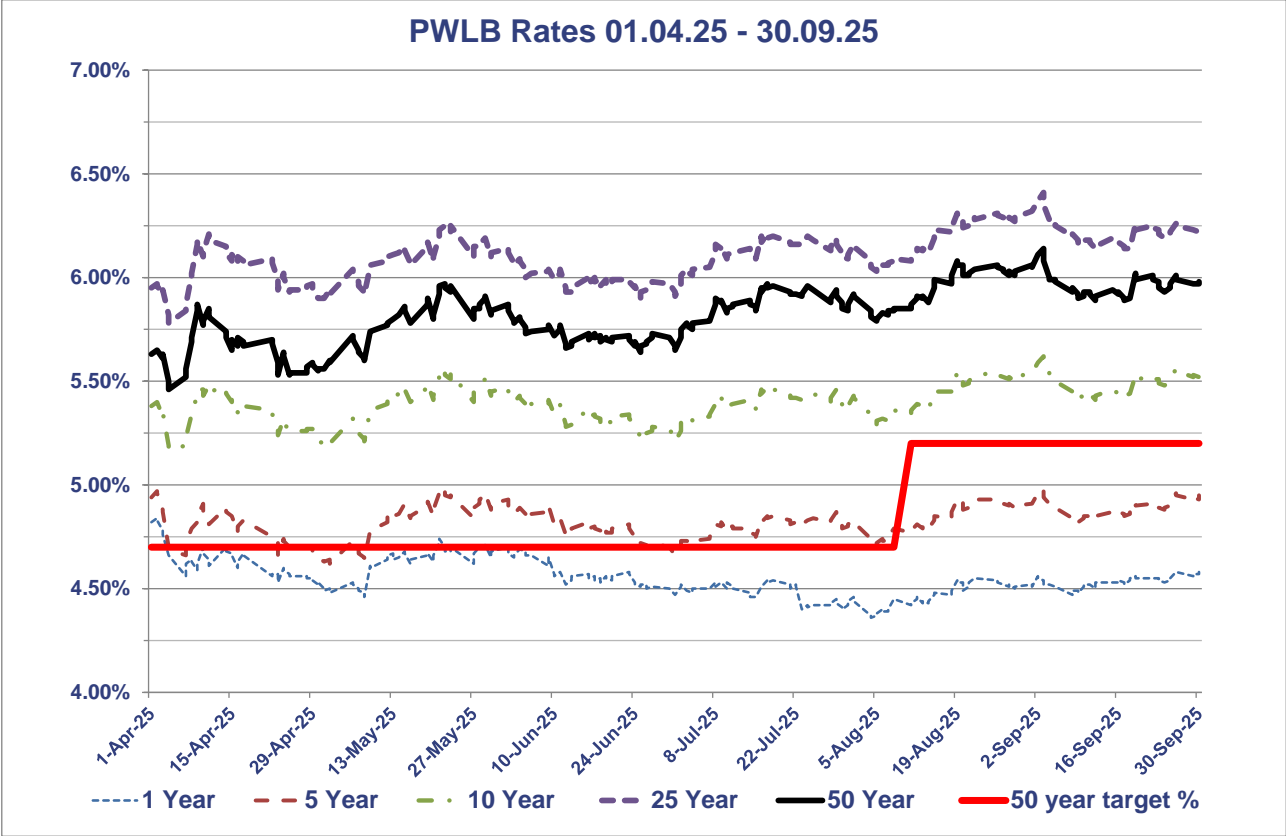
- CPI inflation remained at 3.8% in September, whilst core inflation fell to 3.5%. Services inflation stayed at 4.7%. A further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout recent months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the “Liberation Day” tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended June at 4.50%.
- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves’ future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK’s fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England kept yields elevated over 4.70% although by early November yields had fallen back again to a little over 4.40%.
- The FTSE 100 fell sharply following the “Liberation Day” tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 ended June at 8,761, around 2% higher than its value at the end of March and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed September at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors’ global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings. In early November, the FTSE100 climbed to a record high just above 9,900.

APPENDIX 9

MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November 2025

- There were five Monetary Policy Committee (MPC) meetings in the first half of the financial year. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut is imminent. With GDP for Q3 disappointing, and the September CPI number staying at 3.8%, the market is split over whether the next rate cut will be in December or February.

PWLB RATES 01.04.25 - 30.09.25



HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.25 – 30.09.25

	1 Year	5 Year	10 Year	25 Year	50 Year
01/04/2025	4.82%	4.94%	5.38%	5.95%	5.63%
30/09/2025	4.58%	4.95%	5.53%	6.23%	5.98%
Low	4.36%	4.62%	5.17%	5.78%	5.46%
Low date	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
High	4.84%	4.99%	5.62%	6.41%	6.14%
High date	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
Average	4.55%	4.82%	5.40%	6.11%	5.83%
Spread	0.48%	0.37%	0.45%	0.63%	0.68%

Appendix 2: Approved countries for investments

AAA

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

AA+

- Canada
- U.S.A.

AA

- Abu Dhabi (UAE)
- Finland
- Qatar

AA-

- U.K.

A+

- Belgium
- France

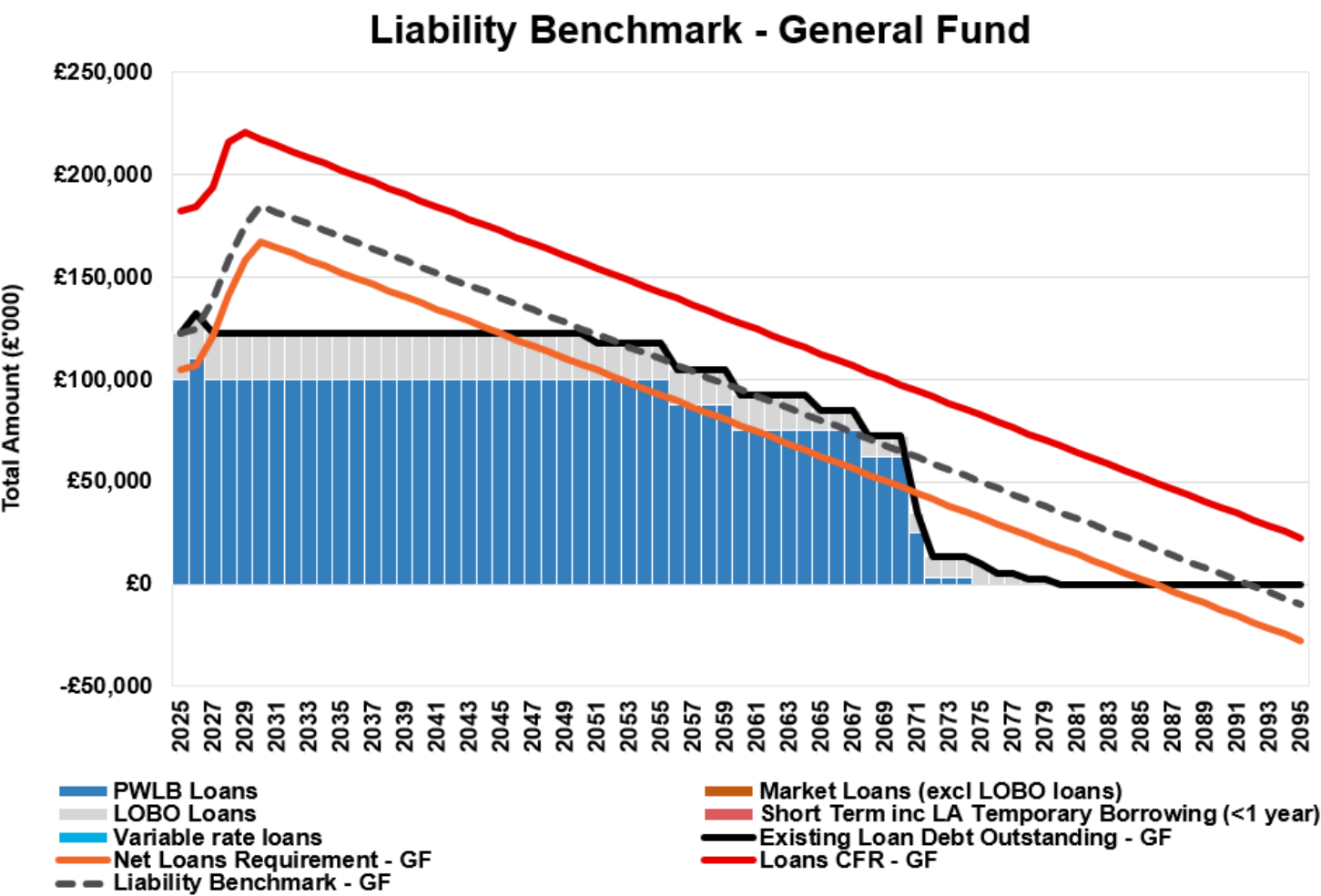
Appendix 3: The Treasury Management role of the section 151 officer

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;*

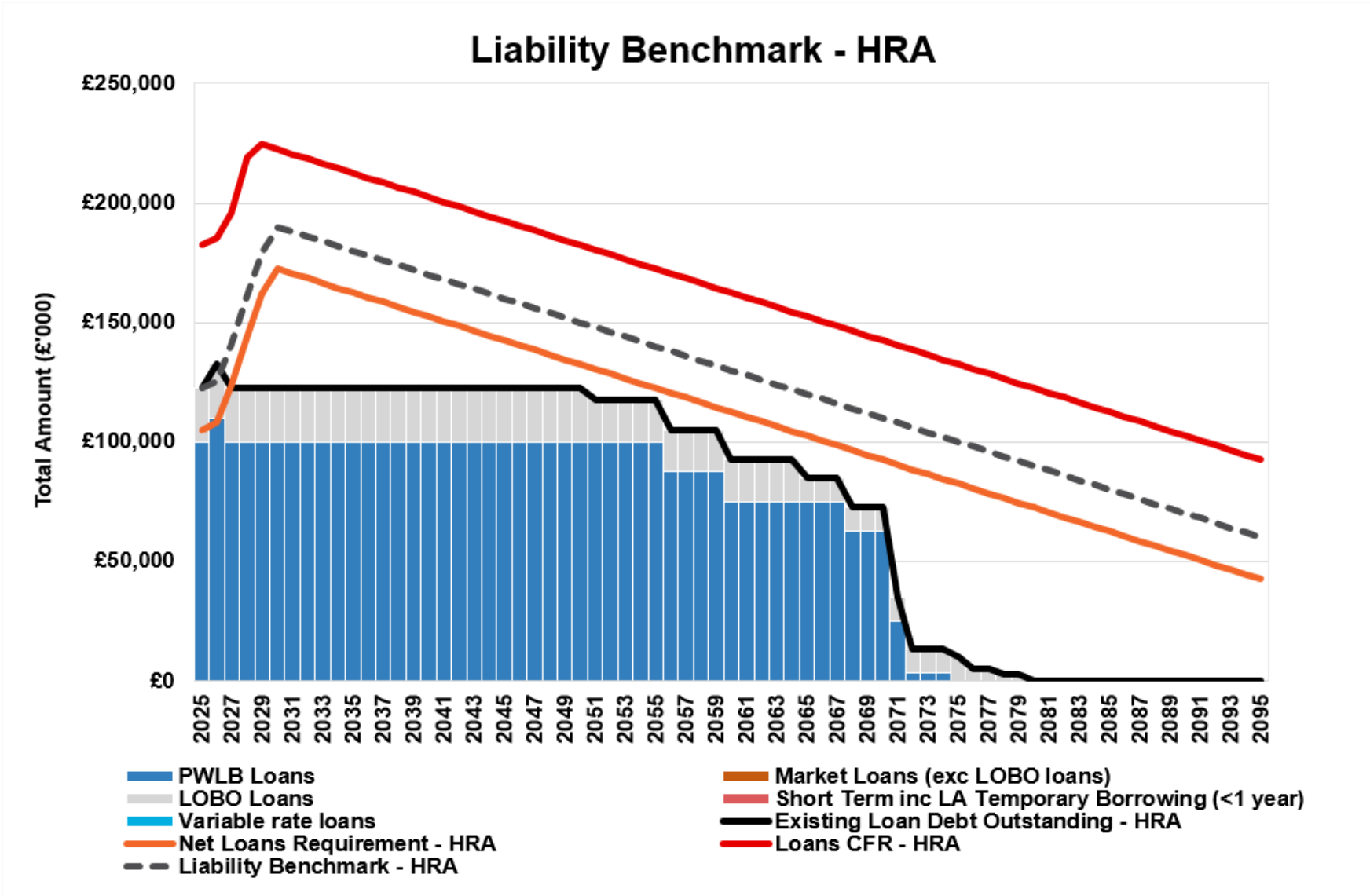
- *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*

Appendix 4 – Liability Benchmark – General Fund



Appendix 4 – Liability Benchmark – HRA

201



This page is intentionally left blank

BCP Council

4 February 2026

Section 25 Report of the Director of Finance (s151 Officer) (Prepared in consultation with the Chief Executive)

Background

1. The Local Government Act 2003 (Section 25) requires the Director of Finance to report on the following matters to council members when agreeing its annual budget and council tax levels.
 - the robustness of the estimates made for the purposes of the budget calculations, and
 - the adequacy of the proposed financial reserves.
2. Council must have regard to this report when making its decisions around the annual budget and the level of council tax.
3. For members of the Council the Section 25 statement provides critical context for budgetary discussions. The provision of this information is a legal requirement and ensures that all members have regard to the professional advice provided by the authority's chief financial officer when final budget decisions are being made. To give a level of additional assurance to this report it is also prepared in consultation with the Chief Executive.
4. It should be emphasised that councils can and do experience significant financial difficulties. Section 114 (s114) of the Local Government Finance Act 1988 requires the S151 Officer, in consultation with the council's Monitoring Officer and Head of Paid Service, to report to all the authority's members if they believe the council is unable to set or maintain a balanced budget, or if unlawful expenditure is identified. Such a notice is only given in the gravest of circumstances and is most likely to be required in a situation in which reserves have become depleted, and it is forecast that the council will not have the resources to meet its expenditure in a particular financial year. In such circumstances a full council meeting must then take place within 21 days to consider the notice and during this period no new agreements involving spending can be entered into, unless approved by the s151 Officer.
5. Since the legislation came into force in 1988, 19 s114 notices have been issued with 14 of these having been issued since 2018. Although they remain rare it is clear they are not as rare as they used to be. Recent high-profile cases include those at Barnet Council, Birmingham Council, Croydon Council, Northamptonshire County Council, Northumberland County Council, Nottingham City Council, Slough Borough Council, Thurrock Council, and Woking Council. This clearly demonstrates they can occur in different types of councils, in different geographical regions and in councils under different political control.
6. **Figure 1: Analysis of s114 Notices since 2018.**

Council	Date of S114 Notice	Geography	Type	Political control at time of S114
Northamptonshire	Feb 2018 and July 2018	East Midlands	County council	Conservative
Croydon	Nov 2020 and Dec 2020	London	London borough	Labour
Slough	Jul 2021	South East	Unitary council	Labour
Nottingham	Dec 2021	East Midlands	Unitary council	Labour
Northumberland	May 2022	North East	Unitary county	Conservative
Croydon	Nov 2022	London	London borough	NOC
Thurrock	Dec 2022	East of England	Unitary council	Conservative
Woking	May 2023	South East	District council	Lib Dem
Birmingham	Sep 2023 (twice)	West Midlands	Metropolitan District	Labour
Nottingham	Nov 2023	East Midlands	Unitary council	Labour
Barnet	Jan 2025	London	London borough	Labour

Introduction

7. It is a demanding time for local authorities. They continue to grapple with immense resourcing challenges ranging from addressing the consequences of government policies such as the National Living Wage to relentless rising demand for services be that for Children's or Adult Social Care or homelessness and these are coupled with recruitment constraints for staff. The financial resilience of all local authorities is therefore under severe strain. Nationally, although inflation has fallen, it is currently above the government's 2% target and with an economy that shrank by 0.1% in October 2025, debt of around £2.9 trillion, and annual debt payments of over £100 million future adjustments to public expenditure levels cannot be ruled out. Given local authorities' statutory duty to provide a vast range of services where demand is likely to continue to grow the pressure on council finances and services will just continue.
8. Reflecting on the financial performance of BCP Council, in each of the six completed financial years since 2019 its actual financial outturn has delivered an improved position from that outlined in the original approved budget for the year. That is unlikely to be the case in 2025/26 with a quarter three forecast of a £4.6m overspend. From an external perspective, the Council's External Auditor, Grant Thornton in their annual report on the 2024/25 accounts concluded that the Council remains under significant financial pressure and is not financially sustainable due to both the current cumulative, and growing, deficit on its Dedicated Schools Grant (DSG). In addition, BCP Council is not considered to have effective arrangements for securing Economy, Efficiency and Effectiveness due to the statutory direction which remains in place in respect of the special educational needs and disability service. The two key recommendations in the 2024/25 report can be listed as follows.

Financial Sustainability:

- (KR1) The Council should update its DSG management plan and ensure the actions are embedded and monitored. Further action should be identified if the current actions are not having the impact as intended to ensure action is taken at pace. In addition, the council should continue to monitor the impact of the DSG deficit on the cashflow position and ensure it monitors and manages the level of reserves and increase its level of reserves where possible.

Improving Economy, Efficiency and Effectiveness

- (KR2) The Council should address the weaknesses identified by a recent statutory direction in relation to the SEND (special education needs and disability) services.

The Council were though not issued with a Statutory Recommendation (SR) which would have had to have been considered by full Council and also referred to the Secretary of State. This, the reduction in the number of key recommendations from 2023/24, and the fact that for the second year in a row the External Auditor did not raise any significant weaknesses in respect of governance is a testament to the work undertaken in responses to the August 2023 Best Value Notice and that of the Administration in attempting to improve the councils financial rigour.

9. In respect of key external assessments, Children's Services were rated "Good" by Ofsted in December 2024 which was a marked improvement from the 2021 "inadequate" rating. Additionally, the council is hopeful that it will receive positive feedback which demonstrates our improvement journey early in 2026 on the following external inspections carried out in November and December 2025.
 - Adult Social Care assessment by the Care Quality Commission.
 - BCP Homes by the Social Housing Regulator.
 - Special Educational Needs and Disability by Ofsted.

10. However, council should be under no illusions. BCP Council cannot be considered to be financially sustainable until its accumulating DSG deficit has been resolved. The government may well be taking over the day-to-day cost of the service from 1 April 2028 however by then the accumulated DSG deficit for BCP could be well in excess of £350m. I still maintain that it is inconsistent with the spirit and intent of the original 2014 Children's and Families Act for the financial consequences of the introduction of education, health and care plans (EHCPs) to have to be borne by the council. This cost is demonstrated by the £8.1m in lower interest and extra debt costs that the general fund has had to manage in 2025/26 alone and amounts to £8.1m in service reductions which would not otherwise have had to be implemented. In 2026/27 this cost is predicted to rise to £10.5m.

Robustness of Financial Estimates

11. A summary of key assumptions being used to underpin the 2026/27 budget can be summarised as set out in figure 2 below.

12. **Figure 2: Key Budget & MTFP Assumptions**

	2026/27	2027/28	2028/29
Council Tax (Includes 2% Social Care Precept)	4.99%	4.99%	4.99%
Pay Award	2.8%	2.0%	2.0%
Minimum Increase in Fees & Charges	2%	2%	2%
National Living Wage (NLW) % Increase in the National Living Wage	4.1%	2%	2%
	Dec-25	Dec-26	Dec-27
Bank of England - Base Rate	3.75%	3.25%	3.25%

Please note:

a) The increase in fees and charges should be regarded as a minimum increase to those not set by statute. The principle of full cost recovery may mean increases above these levels for example based on the specific cost profile of the service.

13. The key budget and medium-term issues faced by the council are summarised in the following sections. In considering these members are reminded that Local Authorities should not put public money or services at risk.

Financial Outturn 2025/26

14. The Quarter 3 Budget Monitoring report which appears as a separate item on the 4 February 2026 Cabinet report sets out the council is currently forecasting that it will overspend its 2025/26 approved budget by £4.6m (1.3% of its net budget) after the release of all the budgeted contingencies. This position is despite the proactive financial management demonstrated by the implementation of a freeze on all non-essential expenditure and vacancies (Quarter One, October 2025) and the request that the council's senior leadership team and portfolio holders consider what further action can be taken including the extent to which any previously agreed savings for 2026/27 can be brought forward (Quarter Two, November 2025).
15. The risk will be that although the Quarter 3 forecast is based on trend analysis and professional judgement it is only based on activity from 75% of the financial year. Predications and estimates can and will change over the remaining 25% of the financial year. Assurance can be taken from the financial performance in previous year's (the outturn has been within budget for each of its first 6 years), from 2025/26 in year monthly service reporting and the fact that it is hoped that the current controls on expenditure will continue to bear down on service expenditure.

16. The intent is to fund this forecast overspend from the one-off additional business rates resources being made available in 2026/27 following the fundamental review of council's collection funds in accordance with the approved financial strategy. This approach also recognises that some of the previously assumed use of the amount originally released in 2024/25 and profiled over a four-year period, has now been reprofiled into 2026/27 and later years.
17. There is no further flex in these business rates resources so any extra deterioration in the forecast overspend would have to be funded from unearmarked reserves. As a matter of principle should any improvement be delivered in the final quarter then consideration will need to be given to.
 - a. Further supporting unearmarked reserves and improving the financial health of the council which has been impeded by the 2025/26 forecast overspend.
 - b. Ensuring that the council can continue to fund its regeneration service after 31 March 2027.
 - c. As recognised in the Treasury Management Strategy, to the voluntary repayment of debt.

Provisional Local Government Finance Settlement for 2026/27

18. Although a 3-year settlement has been announced it should be emphasised that the second and third years 2027/28 and 2028/29 are illustrations only and will only be confirmed as part of the annual local government finance process. It is clear that the current funding formulas do BCP Council no favours. Personally, I do not believe there is enough money in the system to provide either the quantity or quality of services residents expect to be delivered by local authorities. Consideration could also be given to establishing an independent body to distribute resources so that everyone can have confidence that it is entirely fair.

DSG Deficit – Statutory Override

19. Any private sector organisation which has negative reserves on its balance sheet, is likely to fail the “going concern” accounting concept unless there are shareholder/directors support or guarantees in place. In local government a material uncertainty related to “going concern” is unlikely to exist as the financial reporting framework assumes the council's services, at least its statutory services, will continue to be delivered in all scenarios. Therefore, in local government, the most likely scenario is the council's Director of Finance (known as the Section 151 Officer) would have to contact MHCLG to advise them of their financial concerns and the possibility of issuing a report under Section 114 of the Local Government Act 1988. A s114 report would result in an immediate and severe restriction of non-statutory services. Even statutory services may be subject to a reduction in frequency or quality.
20. Due to the accumulating deficit on our Dedicated Schools Grant, BCP Council had negative reserves as of 31 March 2025. This means that all things being equal the s151 Officer would have been required to issue a s114 report. However, to mitigate this position, which is a problem nationally, the government issued a DSG Statutory Override by way of a statutory instrument (SI) which became law at the end of November 2020. This means the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist within the council's accounts and is disregarded from a balance sheet perspective. This means a s114 report triggered by the DSG deficit outweighing BCP reserves should not be issued while the statutory override is in place.
21. The statutory instrument reads as follows.

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

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

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

22. As part of the Chancellor of the Exchequers 26 November 2025 national budget the government announced that the government will take over the responsibility for day-to-day funding of SEND from 1 April 2028 onwards which is when they also propose to end the current statutory override. This means that from a test of solvency basis the accumulating DSG deficit can be ignored until the 2028/29 budget setting process.
23. Also, as part of the November national budget government set out that the current accumulated deficit and any further increase in the deficit between now and the 31 March 2028 will be retained by BCP Council and that support for historic and accruing deficits would be announced as part of the December 2025 provisional local government finance settlement for 2026/27. This did not happen, instead the provisional settlement was accompanied with a further statement that further details, and the conditions for accessing such support would be provided later in the settlement process. That said it became clear that any such support would be linked to the submission and quality of a Local SEND Reform Plan to be completed within the 2 months after the release of the school's white paper early in 2026 and based on five principles.
- **Early.** Children should receive the support they need as soon as possible. Intervening upstream, including earlier in children's lives when this can have most impact, will start to break the cycle of needs going unmet and getting worse.
 - **Local.** Children and young people with SEND should be able to learn at a school or college close to their home, alongside their peers, rather than travelling long distances from their family and community. Special schools should continue to play a vital role supporting those with the most complex needs.
 - **Fair.** Every school education setting should be resourced and able to meet common and predictable needs, including as they change over time, without parents having to fight to get support for their children. Where specialist provision is needed for children and young people in mainstream, special or alternative provision, we will ensure it is there, with clear legal requirements and safeguards for children and parents.
 - **Effective.** Reforms should be grounded in evidence, ensuring all education settings know where to go to find effective practice that has excellent long-term outcomes for children and young people.
 - **Shared.** Education, health and care services should work in partnership with local government, families, teachers, experts and representative bodies to deliver better experiences and outcomes for all our children and young people
24. The council will be supported in its development of Local SEND Reform Plans by SEND and financial advisers in a similar vein as to the support received from the Department for Education DfE as part the Delivery Better Value in SEND programme (DBV in SEND) and as part of a subsequent SEND Safety conversation.
25. This position presents a clear, and dangerous position for the council and its future sustainability. At the end of 2025/26, the deficit on the DSG is predicted to be **£183m**. At the end of the Statutory Override extension period BCP Council is currently forecast to have an accumulated deficit of around **£379m**.

DSG Deficit – Cashflow Crisis

26. As highlighted above the council's annual revenue expenditure on the Special Educational Needs and Disability (SEND) service is significantly higher than the government funding made available as part of the High Needs Block of the annual Dedicated Schools Grant (DSG). This expenditure is being driven by the council response to the needs assessment of the child as set out in their Education, Health, and Care Plans (EHCPs) which are a requirement under the Children's and Families Act 2014.

27. **Figure 3:** Forecast High Needs Revenue Expenditure 2024/25 and 2027/28

Revenue	Original Budget	Actual Outturn	Original Budget	Q3 Forecast Estimate	Original Budget	Initial Estimate
Expenditure	2024/25 £m	2024/25 £m	2025/26 £m	2025/26 £m	2026/27 £m	2027/28 £m
DSG - Grant Funded Expenditure	62.3	62.0	65.7	64.5	64.5	64.5
Additional Budgeted Expenditure	28.0	28.0	57.5	57.5	95.7	100.0
Further Additional Expenditure		21.8		16.0		
Total Estimated Expenditure	90.3	111.8	123.2	138.0	160.2	164.5
Dedicated Schools Grant (DSG) Funding	-62.3	-62.0	-65.7	-64.5	-64.5	-64.5
Total DSG Grant Funding	-62.3	-62.0	-65.7	-64.5	-64.5	-64.5
Net Overspend / Unfunded	28.0	49.8	57.5	73.5	95.7	100.0

Prior Year Adjustment non High Needs Related	-1.9
Other elements of the DSG	-1.3

Accumulated DSG Deficit				
	31.3.24	31.3.25	31.3.26	31.3.27
	63.5	113.3	183.6	279.3

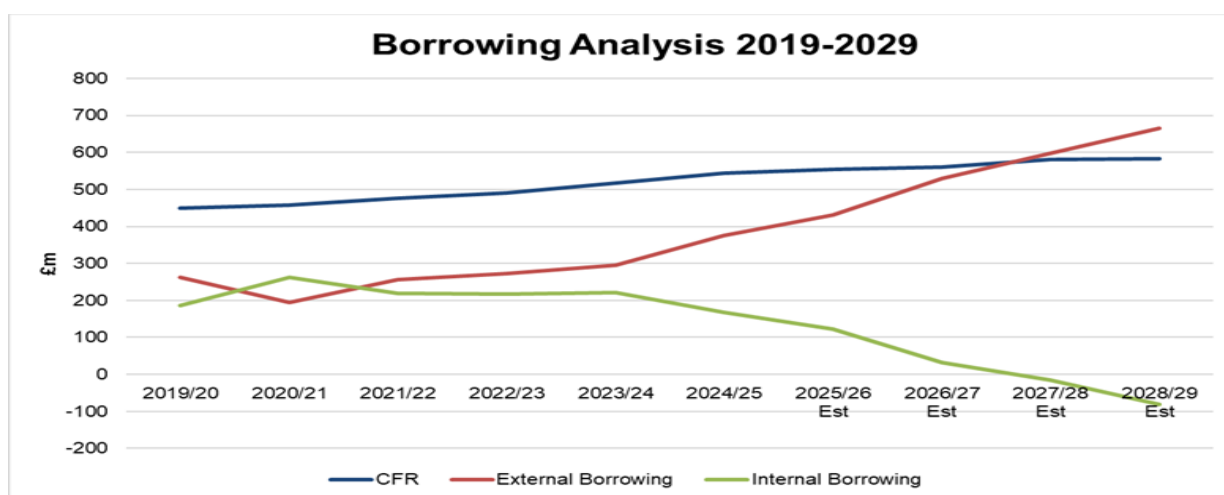
28. The table in figure 3 above demonstrates that in 2025/26 the council is forecasting to spend £73.5m (1148%) more than the £64.5m High Needs Block grant allocation for this financial year. This is £16m more than the amount assumed as part of the February 2025 originally approved budget for the year. The reasons for the increase were set out in detail as part of a report to Cabinet in December 2025 which sought Council approval for the increase in the level of the budget. For 2026/27 the Council is forecasting to spend £95.7m (148%) more than the grant being made available by the Government.

29. This excess of demand and expenditure over grant has been ongoing nationally since the introduction of EHCPs. Locally the deficit has been growing exponentially for several years with the result that the BCP Council forecast accumulated deficit as of 31 March 2027 is now estimated to be £279m as set out in figure 4 below in the context of the council's overall reserves position.

30. **Figure 4:** BCP Reserves including the Accumulated DSG Position

	Balance 31-Mar-23 £m	Balance 31-Mar-24 £m	Balance 31-Mar-25 £m	Q3 Estimate 31-Mar-26 £m	Budget 31-Mar-27 £m
Total Reserves	86.4	65.1	83.0	61.8	50.8
Dedicated Schools Grant	-35.8	-63.5	-113.4	-183.6	-279.3
Net Position	50.6	1.6	-30.4	-121.8	-228.5

31. Despite not having the government grant to fund these SEND bills they still need to be paid, and all councils are prohibited from borrowing to fund the day-to-day operational/revenue expenditure. Currently the council is using what is referred to as its “treasury management headroom” to enable the relevant invoices to be settled. Generally, this headroom is the timing difference between receipts for council tax or business rates arriving and the date when the actual bills they fund are paid, alongside any cash-backed balance sheet items such as reserves and provisions.
32. Figure 5 below sets out that the latest estimates in respect of BCP Councils treasury management headroom. This indicates that we will come into close proximity to the threshold at the tail end of 2026/27, but it is unlikely that it will be fully exhausted until the 2027/28 financial year which is therefore the latest estimate of when the threshold on borrowing, referred to as its Capital Financing Requirement (CFR) is forecast to be breached. In effect this is the point at which the council runs out of cash to continue to cashflow the DSG deficit on behalf of the Department for Education. Robust management of, and slippage within, the capital programme has deferred this position from the end of the current 2025/26 financial year.
33. **Figure 5:** Analysis of BCP Councils borrowing



34. As part of a process supporting the delivery of a legally balanced budget for 2025/26 the government provided the view that councils can exceed its borrowing limits provided it is only temporary. They were also clear they would advise Ministers that they believed the council would not be breaching the Prudential Code while the government works with councils on a long-term resolution. Council will need to keep this issue on its agenda and reflect as to how it will be impacted by any support for historic and accruing DSG deficits once the government make any announcements on this issue.

35. It should also be recognised that if the council did not have to cover the DSG deficit this cash would be earning interest or would enable a lower level of external debt to be held. Therefore, cash flowing the DSG deficit is estimated to cost the council in the region of £8.1m in 2025/26 increasing to £10.5m in 2026/27, a cost incurred due to mostly external factors beyond the council's control and one that the council has had limited power to tackle. In respect of 2025/26 that is £8.1m of savings, efficiencies and additional resources implemented which could have been avoided if it were not for this issue and which could have been used to otherwise benefit our residents. It has consistently been raised with government that the councils general fund bearing these cashflow implications does not appear consistent with the spirit and intent of the Children's and Families Act 2014 which introduced the Education, Health and Care Plans (EHCPs).
36. The statutory override is in place to avoid some of the serious consequences of having such a large and growing DSG deficit but has now itself become a threat to councils' financial stability as it is a debt the council is not permitted to tackle proactively, and it is one that the government have not provided any guidance on how they would expect the council to manage. This is an impossible situation. There remains a concern in the sector that the government will be able to implement the necessary changes to reform the SEND system to achieve financial sustainability. And even if they do, this appears **not** to mean that in the process, they will completely address this councils historic and accruing DSG deficit which needs to happen to address the existential threat to the council's future.

New Pay and Grading Structure

37. A key requirement following the establishment of BCP Council was to create a single new pay and grading structure. In setting a 2025/26 Budget a single pay and grading structure supported by standard terms and conditions applied across all posts was not in place. Potential risks associated with this position increased the longer it took to achieve this outcome however officers were committed to achieving a single pay and grading and terms and conditions outcome.
38. The position was resolved when Council on 16 July 2025 agreed to the enhanced Pay and Reward offer post a further ballot of trade union members and agreement to move towards a collective agreement. The report set out the intent to increase the permanent pay bill of the authority by £4.545m (2.44% increase on the pay base) which was a further £1.752m above the amount included in the 2025/26 Budget and Medium-Term Financial Plan as agreed by Council in February 2025. These calculations related to the individual appointments and salaries of colleagues as they were known as of 21 April 2025 and related to filled paid permanent posts and excluded any provision for vacant posts, casual employees, apprentices, agency staff or as a result of any future re-mapping outcomes. The report also emphasised that the annual incremental drift exposure of the council, which the financial planning assumption continues to be that it will be managed by services, has increased from £1.5m to £4m per annum due to the additional head room within grades from the revised structure. The report included and Council approved a list of savings proposals to cover the further additional £1.752m cost.
39. Council has therefore taken a quantum leap forward in 2025 in mitigating the risks associated with not having a single pay and grading. However, the structure of the financial implications will present services with risk moving forward particularly from the additional annual incremental drift exposure which the council's budget has consistently year on year assumed will be managed by services. Therefore, the increase in base salary costs implemented via this project and the additional incremental drift will challenge the ongoing viability of numerous council services.
40. The approach will be a particular challenge in managing services which operate on a full cost recovery basis, who cover their costs by fees and charges or third-party contributions, or who

recharge their costs to either capital or the Housing Revenue Account. Services partly funded by these mechanisms are only receiving corporate resources to reflect the proportion of their service funded directly from a source other than those listed. Additionally, it should be emphasised that no resources were provided to cover any vacant or casual posts or for any service re-mappings after the 21 April 2025.

41. An emerging risk is associated with how staff were assimilated into the newly approved pay structure which was at the bottom of the grade and market pressures to secure new staff at spinal column points higher up within the pay band. Cabinet working with the Senior Leadership Team will need to keep this issue under constant review.
42. In approving Pay and Reward Council requested the Director of Finance review the assumed allocation to each service area of the resources being set aside corporately. At this stage not all the resources have been distributed. These resources will be carried forward and held as a resource to be applied, for example, as the evidence around the application of the new allowances structure emerges.

Pay Award

43. The budget as presented makes provision for a 2.8% pay award in 2026/27. Any deviation from the amount provided will require £2m for every 1% variation. Trade unions tabled a pay claim in December 2025 for 2026/27 which included demands for an increase of at least £3,000 or 10% (whichever is greater) across all spinal column points, a two-hour reduction in the working week and an increase of one day's annual leave. Government's initial evidence to pay review bodies is for a 2.5% increase in 2026/27. Benchmark comparisons indicate other local authorities across the southwest are assuming around 3% with our nearest neighbour at 3.2%.
44. Reflecting on the current 2025/26 financial year the pay award the council budgeted for was 2.8% which proved to be inadequate in comparison with the 3.2% agreed. Looking further back in 2024/25 the budget provided for 4.5% and the actual award averaged out at closer to 4%.
45. The adequacy or otherwise of the 2.8% provision presents a clear risk to adequacy of the budget.

Uncertainty

46. High levels of financial planning unpredictability exist at this time caused principally by the ongoing implications of various inflationary factors on the costs of goods and services procured by the council with geopolitical factors continuing to have a particular influence.

Delivering savings, efficiencies and additional income generation

47. There is significant risk associated with delivering £14m in additional savings, efficiencies and additional income/resources which underpin the delivery of the legally balanced budget for 2026/27. This includes assumptions of significant income generation and reduced service-based expenditure which have required some very difficult and painful choices.
48. In 2025/26 the analysis based on the Quarter Three Budget Monitoring report shows that 90% of the £9.6m budgeted savings for the year are on track to be delivered. The majority of the currently undelivered savings will eventually be delivered just not within the original time-horizon.
49. The overall savings risk recognises the relentless requirement to identify further potential proposals to support the ongoing need to balance future year budgets.

Realisation of capital receipts to fund transformation and invest to save programmes

50. In the context of the council's overall financial position and its financial sustainability, a critical issue is the assumption that the council will generate capital receipts to finance its various transformation and invest to save programmes over the 4-year period to 31 March 2029. The

budget and MTFP as proposed has been drawn up on the basis that capital receipts of £18.5m will be made available over this period to cover the estimated transformation and invest to save expenditure. This expenditure includes £2m expenditure in 2025/26 associated with the closure of the previous main transformation investment programme, £2.8m on approved Adult Social Care Services specific transformation programmes, £1.9m on approved Children's Services specific transformation programmes, £415k on a range of small invest to save proposals and then a provision of £3m per annum from 2026/27 to fund the necessary transformation and invest to save programmes required to support the annual balancing of the councils budget of which £1m is specific to reductions in the head count of the authority. This requirement will grow if the council is granted a capitalisation direction to fund the 2026/27 and 2027/28 borrowing costs / lost interest on the DSG deficits via the sale of assets.

51. The key risk to the council is in respect of any expenditure which it intends to incur before the necessary cash from actual capital receipts has been realised. Bear in mind that conveyancing is often described as a challenging, time-consuming process, with many potential pitfalls. Any transformation expenditure which cannot be financed because insufficient capital receipts have been generated has to be charged to the revenue budget. This risk is mitigated by the fact that as of early January 2026 £11.5m of the £18.5m target has already delivered with a further £5.8m anticipated before the 31 March 2026.

Adult Social Care Services

52. The role of adult social care in our society cannot be overstated. It is a fundamental pillar that provides dignity, safety, and independence to millions, supports families, underpins local economies, and alleviates pressure on the NHS by enabling timely hospital discharges and reducing avoidable admissions. However, it is a sector that historically has been left on the margins of government policy, despite clear evidence of its essential contribution to communities and economic wellbeing.
53. The adult social care sector was already facing an unsustainable level of pressure before recent government policy changes added further financial strain. Years of funding pressures, rising demand, and workforce challenges have left providers in a precarious position, struggling to deliver essential services within increasingly tight budgets. The announced uplift to the National Living Wage will have done little to ease the pressure either on local authorities or the care providers who's services they commission. As demonstrated earlier in this report any government confidence that these costs can be absorbed by the extra resources included in their new Fair Funding Formula is misplaced for authorities such as BCP Council who will be receiving less Revenue Support Grant (RSG) in 2026/27 than it is actually receiving in the current 2025/26 financial year. The reality is that the funding falls far short, leaving the council struggling to absorb these costs without risk and implications to the range of essential services it provides.
54. Reflecting on the robustness of the budget the risk is associated with the possibility that demand for care and support exceeds the approved budget or the cost of care home placements continues to increase beyond the inflationary increases allowed for in the budget. In addition, should the current capacity in the domiciliary care market, at the council's framework rates, fail to keep pace with demand this could result in higher home care costs above framework rates.
55. A separate risk is the significant financial challenge due to the high proportion of self-funding care home residents locally whose depleting capital resources require local authority funding support.
56. Assurance around the delivery of the Adult Social Care budget can be provided by the analysis which demonstrates the service has been delivered within the parameters of the approved budget in every completed financial year since April 2019 up to an including 2024/25. However, this is not the case in the current 2025/26 financial year with a £3.8m (2.7%) overspend

predicted. The assumption is that the provisions for demand and inflationary increases included in the 2026/27 budget will be sufficient to cover these legacy issues as well as address the anticipated future demands.

57. Looking to the future in its 2024 manifesto the now Labour government made a committed to create a National Care Service. In support of this objective they announced in January 2025 an independent commission, chaired by Baroness Louise Casey, to make clear recommendations on how to rebuild the adult social care system to meet the current and future needs of the population. The first phase of the commission will identify the “critical issues” and recommend tangible, pragmatic solutions that can be implemented in a phased way to lay the foundations for a National Care Services by the middle of 2026. The second phase, set to be finalised by 2028 will make longer-term recommendations for the transformation of adult social care and shape how services should be organised to best create a fair and affordable adult social care system for all.
58. As all previous attempts to reform adult social care have failed there is a clear risk that despite the best of intentions the opportunity to deliver the necessary reforms to create an affordable and sustainable Adult Social Care system will not be taken. Even if it is, the fact that the finance aspect will only be considered as part 2 of the commission and not reported on until 2028 means the current system which fails both the NHS and councils is likely to continue for probably another 3 years.
59. In considering the robustness of the 2026/27 it is worth considering an additional risk introduced via the Fair Funding Formula that the Department of Health and Social Care will be publishing “notional” adult social care amounts which will be their expectation of how much council funding should be spent on adult social care. It is unclear how this approach reconciles with the unringfenced nature of funding and what level of pressure they will apply to any disparities.

Adult Social Care Sector – Fair Pay Agreement

60. As a result of legislative changes, the Fair Pay Agreement (FPA) via Adult Social Care Pay Negotiation Body will set a minimum standard for pay and other terms and conditions in Adult Social Care market. The agreement is aimed at improving the whole care market workforce and ASC workforce pay conditions, staff retention and make the sector more attractive as an employment opportunity. This, however, will limit the ability of funding bodies, local and health authorities, to minimise the impact of sector pay expectations on their own budgets. The FPA consultation runs till mid-winter 2026, but what is understood so far is that the government’s plan is to devolve £500 million of grant funding in 2028/29 to local authorities to initiate the FPA. However currently there is no detail as to what the agreement will result in – higher wages, establishing sector pay floors, pay spines, increase in care worker annual leave allowance and subsequent need to employ higher number of employees by care providers. One of the illustrative potential outcomes suggests an increase in basic pay to care workers by 5.1% in April 2028. For BCP Council such increase would mean a pressure of £4.9 million in addition to already reported MTFP growth. It needs to be assumed that such additional pressure would be entirely covered from the new external DHSC grant. Whether the grant would be on-going and whether local authority grant allocations would lead to an additional pressure from pay negotiations, remains unknown at this time.

Additionally, pressures will emerge from private care sector, with self-funders depleting their own resources faster and accessing local authority funded care much quicker. There are no tools to quantify this impact on the BCP Council budget. FPA could also potentially pose a risk of pay increase disputes where local authority in-house care workers annual pay award, negotiated by National Joint Council, would differ from sector pay increases required by newly formed negotiation body.

Section 117 (6) Mental Health Act 1983 Accommodation Plus

61. Guidance issued by the Local Government and Social Care Ombudsman and legal advice clarified that people should not be paying for services which meet their mental health needs under Section 117, including specialist accommodation/supported living. Where accommodation costs form an intrinsic part of the aftercare arrangement, the Council and/or Integrated Care Board (ICB) should pay for this, and the person should not be expected to claim housing benefit. This legal position may affect as many as 110 people currently in specialist accommodation in BCP Council who may be entitled up to 6 years back pay. There will be an expectation that NHS Dorset will pay part of the cost identified in line with their agreed contribution to the after-care provision for each individual. BCP potential risk after NHS Dorset contribution could be as high as £2.4m in backpay and over £396,000 as an ongoing net pressure. In 2025/26 financial year Adult Social Care recorded circa 60 service users with Accommodation Plus needs having impact on the ASC 2025/26 budget position. It is felt legality remains a key factor in potential retrospective claims however the current provision related to Accommodation Plus is recognised to be sufficient (£1.052m). Any further changes to the provision will be a result of ongoing work pertaining to historic cases from the perspective of 6 years liability limitation period.

Housing Services

62. The councils housing register currently has over 3,300 households of which 146 are banded in the emergency or gold band representing the highest needs category. This demand reflects the ongoing affordability challenges driven by record house prices, high mortgage rates, long waiting lists for social-rent housing, and the continued prevalence of second homes and short-term lets. Currently there are 601 households in temporary accommodation of which 64 are in Bed & Breakfast accommodation including 5 families.
63. The Council's housing strategy continues to focus on addressing affordability pressures and supporting those most in need. Previous initiatives such as the Council Newbuild Housing and Acquisition Strategy (CNHAS) have been successful in reducing reliance on costly Bed & Breakfast accommodation and improving access to affordable homes. However, the programme has also presented challenges, particularly around capital and interest repayments and the significant resource required to manage and maintain the acquired properties. These financial pressures, combined with high interest rates and inflationary impacts on property management, underline the need for future delivery models that balance housing need with long-term affordability.
64. To help mitigate these challenges, the Council will continue to receive government support through the Homelessness, Rough Sleeping and Domestic Abuse Grant, which forms part of the 2026/27 finance settlement. This funding is subject to ring-fencing and conditions of use as set out by government. In addition, a portion of the Homelessness Prevention Grant (HPG) is being consolidated into the Revenue Support Grant (RSG). When considered together, the overall funding available for 2026/27 is in line with the allocation received in 2025/26, providing continuity of resources to support homelessness prevention and temporary accommodation needs. Alongside this, a review of rents and service charges for temporary accommodation is underway to support cost recovery and financial sustainability.

Children's Services

65. BCP Council is committed to ensuring every child can live a happy fulfilled life. However, the council continues to face spiralling costs and pressures in children's services which has seen the services budget increase by 100% between 2019/20 and 2026/27 acknowledging the direct comparison is impacted slightly by the movement of certain specific grants into the base RSG calculation. The continuation of such increases presents a key risk to the sustainability of the councils' finances.
66. To emphasise the point as of December 2025 the council has 628 Looked After Children (LAC) which is a 19.4% increase compared to 526 LAC in March 2020. In addition, as of November

2025 4,921 children have an Educational Health and Care Plan (EHCPs) which is an 101% increase compared to 2,448 EHCPs in January 2020.

67. For 2026 these pressures have been extenuated by additional costs associated with the National Living Wage and the growing cost and demand for the council to fund transport costs for pupils particularly those with Special Educational Needs and Disabilities. The Home to School Transport budget for 2026/27 is proposed to be £19.3m which is an increase of £2.2m compared to the 2025/26 budget. For comparison, as part of the Operations Directorate, the council is budgeting to spend £8.593m on the concessionary fares scheme in 2025/26.
68. From an assessment of the robustness of the budget perspective it should be emphasised that £7m is being provided in 2026/27 to cover demand and cost increases in Children's Social Care. This is higher than in previous years in an attempt to also rebase the budget based on the current in-year forecast overspend. For future years annual growth of £6m per annum is being provided for.

Operations Directorate

69. The Operations Directorate is diverse covering a wide range of service areas including Commercial Operations, Environment, Planning & Transport, Infrastructure, Investment & Development, and Customer & Property. This is a broad portfolio containing various activities which are uncertain by nature and therefore capable of variation from the budget assumptions. For example, several of the Commercial Operation services generate significant income levels which will be weather dependent as would be anticipated for a coastal tourism destination.
70. The budget as presented allows for inflationary pressures associated with the waste disposal market, fuel inflation, cleaning, RNLI, seafront, intelligent traffic systems and abandoned & untaxed vehicles. In addition, provision is made for additional borrowing costs associated with the fleet replacement strategy, including its electrification where appropriate, and the increase in journey numbers associated with concessionary fares.

Extended Producer Responsibilities (EPR)

71. This government policy is designed to help achieve environmental goals such as recycling by making producers responsible for their products along their entire lifecycle including the post-consumer stage. In 2025/26 BCP council were given a guaranteed allocation of £9.447m to help offset costs associated with waste collection and disposal.
72. During November 2025 the Council was notified of a £9.703m allocation for 2026/27 however it is worth stressing that this amount is not guaranteed and therefore there will be a high degree of uncertainty in regard to the final amount eventually receivable. It is clear that the Scheme Administrator (PACK UK) will be required to assess the effectiveness of the council's waste management services via an audit process. If it is deemed that we are not compliant then the council can be fined part of our ERP payment (up to 20% i.e. £1.941m) and also instructed in what we need to do to become efficient and effective. For example, this could involve PACK UK deciding, at the council's cost, that we should introduce a separate paper/cardboard collection process.

Waste Strategy

73. A current significant uncertainty in the context of the council's medium term financial plan is the impact of the national waste strategy and the possible implications of policies such as the plastic film collection (April 2027), and Deposit Return Scheme (October 2027) for each of which there is likely to be an additional recycling cost and savings in the volume of black bin waste. There is then the Emissions Trading Scheme (January 2028) which is likely to lead to a general increase in waste disposal costs. At this stage the MTFP includes estimates of the impact of the waste strategy in 2027/28 and 2028/29 based on work undertaken by industry experts. However, the potential impact will need careful monitoring as the level of uncertainty reduces closer to actual implementation dates.

Dorset Local Enterprise Partnership (DLEP) Closure

74. Cabinet received a report at its meeting on the 29 October 2025 consequential to government's decision to cease funding the functions previously delivered by Local Enterprise Partnerships and the request that Local Authorities integrate these activities into business-as-usual arrangements. Cabinet resolved to accept the following residual funding.
- | | | |
|------|---------------|---|
| i) | £866,951.68 | revenue funding |
| ii) | £2,498,208.50 | capital funding |
| iii) | £1,275,000 | capital funding subject to future loan repayments |
75. In addition, Cabinet agreed to ringfence these funds for the benefit of the community and to delegate authority to the Chief Operating Officer and the Chief Financial Officer in consultation with the Portfolio Holder for Destination, Leisure and Commercial Operations and the BCP Growth Board to allocate this funding. It is a legal requirement of the closure arrangements that these funds are used for purposes consistent with the previous LEP funding of delivering economic growth, job creation, and developing local economies, and including support for small businesses, skills infrastructure. More specifically.
- “Support the long-term resilience of the businesses, workforce and communities of Dorset - co-developing local strategies, driving economic growth and productivity, attracting funding and investment, working to transform careers education and helping shape a skilled, adaptable workforce”.*
76. The intention is to bring forward a Cabinet report in March 2026 as part of the BCP Growth Plan setting out how these resource will be allocated. The BCP Growth Board will play an advisory role in this process.

Operational risk of a reduction in fees, charges and rents income.

77. Although the 2026/27 budget includes estimates for fees, charges, and rents the actual amount collected can be heavily influenced by factors outside of the council's control such as the weather and individuals' personal wealth. The inflationary uplifts applied to these income streams can also be impacted by the elasticity of demand. Associated risks include not putting in place appropriate arrangements for their collection. BCP Council is particularly sensitive to changes in such income streams due to significant parking and seafront activity as demonstrated by benchmarking when compared against other local authorities.

Council owned Companies and Joint Ventures

78. BCP operates several companies and third-party arrangements with these organisations exposed to their own set of financial and operational risks. As such the council would only provide for its share of such risks in circumstances where the risk is likely to materialise
79. A good example is the Council has resources at risk in respect of advance fees incurred on schemes being worked up by the Bournemouth Development Company (BDC) a partnership between the Council and MUSE, which should eventually be covered by the individual schemes business case. For example, in respect of the Winter Gardens Scheme the Council has outstanding loans totalling £3.74m (plus accruing interest) supporting the expenditure undertaken. The council has previously made a £4.2m provision to cover its 50% share of the overall costs associated with the partnership should it not progress.

Carters Quay

80. The Carters Quay Housing and Regeneration Scheme is a Build to Rent Scheme designed to provide 161 new homes with an ancillary ground floor amenity and commercial space. Council in late 2021 agreed to purchase the completed scheme from Inland Partnership Limited for £44.3m.
81. In late 2023 Inland Partnership entered administration with the Council having made £15.3m in payments as part of the contract arrangements.

82. Officers are currently in negotiation with the Administrators for the developers to recover the land at Carters Quay. BCP Council have a registered charge on the land to cover the monies paid but are negotiating a release fee to obtain the freehold title and take possession of the land.
83. Until the current position is resolved with the administrator there is a clear risk the arrangement will cost more than has been allowed for as part of the previously approved business case. Alternatively, there is a risk that council may choose to pay off the debt associated with the amount already incurred.

Capitalisation of costs.

84. Provided in line with the parameters of approved capital schemes, and the Accounting Code of Practice, the council will continue to adopt the approach of charging expenditure incurred developing an Outline Business Case (OBC) to capital. Under normal circumstances subsequent expenditure preparing the Full Business Case (FBC) and delivering the scheme shall also be capitalised.
85. However, it should be noted that by continuing this approach the council is continuing to accept the risk that it will have to write off to revenue any payments on schemes which it subsequently decides not to progress with be that at either OBC or FBC stage.

Resources Directorate

86. A particular risk which impacts on the robustness of the proposed 2026/27 Budget is the assumption that ICT & Programme Management Service will successfully manage to finance their establishment and activities in line with income achievable and available funding. This includes the Projects & Programmes (PPM) Centre of Expertise and the Data & Analytics service. Alternative funding sources will continue to be fully explored alongside a review of the priorities of these services. This recognises that only transformation expenditure which leads to deliverable savings can be funded via the flexible use of capital receipts whereas improvement expenditure does not meet the required legislative framework to be funded via this source.
87. Resources have been included in the proposed 2026/27 budget to revise the previous income assumptions included in the budget and MTFP for the Policy, Communication and Marketing Service.

Loss or disruption to IT systems and Networks from cyber-attack

88. A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services like social care, housing, or place (highways etc) are impacted.
89. Financial loss is the most common impact through both direct loss of funds as well as recovery costs and reputational impacts. In 2020, both Redcar and Cleveland Council and Hackney Council faced ransomware attacks that had significant financial impacts on their services, resulting in £10m and £12m worth of damages, respectively. In January 2024 three councils in Kent, Canterbury City Council, Thanet District Council and Dover District Council were referencing disruption to their services as a result of an attack. In November 2025, three central London councils, Hammersmith and Fulham, Kensington and Chelsea, and Westminster were all citing similar problems.
90. Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally. The industry adage is when, not if, an attack will happen. No council is immune from such attacks and for this reason the council further invested into its security arrangements as part of the 2025/26 budget.

91. In January 2025 the Home Office launched a consultation around ransomware and proposals to increase incident reporting and reduce payments to criminals. Their intent is to deter criminals from attacking UK organisations including local government and to increase intelligence and understanding of the ransomware threat. That said attacks on Marks & Spencer, Heathrow Airport, Transport for London, Jaguar Land Rover, and the Co-op Group emphasise that even the country's largest organisations are at risk and that all companies and councils should do all they can to counter threats and protect themselves. To emphasise the point since April 2019 antidotally the council was exposed to its highest level of cyber threat activity during the last 12 months.

Microsoft Licensing Costs

92. Ongoing work on the Councils Microsoft licensing budget suggested a significant pressure of up to £10m per annum due to a revised licensing pricing structure for Dynamics F&O. This increase was specifically associated with the human resource arrangements and a requirement to have a full Dynamics license allocation to process timesheets.
93. Subsequent to the notification, significant investigation and discussion has been carried out with our licensing reseller, Microsoft, and peer colleagues in other local authorities to reach a solution. This identified the issue as a bug that it is anticipated will be fixed by an update process in late January 2026.
94. Should the fix not be successful then the council will have a £1m unavoidable cost exposure which has not been provided for as part of the proposed 2026/27 budget or MTFP and will also be required to fundamentally rework how the council operates to avoid even further additional licensing cost exposure. Should this mitigation approach be required this will require a significant amount of cross-authority activity to resolve before the 15 April 2026 deadline for renewing these licenses. In support of the impact assessment the council is being supported by a third-party to carry out a full licensing audit and to assist in developing further optimisation strategies.

Legal Claims

95. The Council has several outstanding legal claims against it. Examples include claims brought against the council due to contractual terms and arrangements and claims because of the impact of the Councils actions on third parties. Detailing them is likely to prejudice the council's position and/or disclose privileged legal advice. Some are high-profile cases. They cover a range of matters such as planning, highway, car parking, social care, and employment disputes. Each has the potential to have an adverse impact on the council's financial position. The risk includes exposure to legal costs in defending the councils position in excess of the normal provision made as part of the legal service budget alongside any settlements or costs awarded against the council.

Enterprise Resource Planning (ERP) System

96. Following the engagement of KPMG as part of the original Transformation Investment Programme the Council implemented a Microsoft ERP system on the 1 April 2024. This is a relatively new system in the local authority marketplace and with any new system there is always numerous glitches and a period of associated learning. Although we are seeing clear improvement there will always be risks associated with new systems. One such heightened risk is the council's vulnerability to changes in the structure of Microsoft Licensing arrangements.
97. A related risk which has though diminished in the last twelve months is in respect of our financial accounting requirements as the council has now completed a financial outturn and set of statutory accounts based on the new system and these have been reviewed by the External Auditor.

Dorset County Pension Fund (Pooling)

98. Local government pension pooling is a UK government initiative to consolidate the investments of 86 local authority pension funds into a smaller number of large-scale asset pools. The intent is to reduce costs, achieve economies of scale, and boost investment in UK economic growth and infrastructure. The proposal is for Dorset County Pension Fund to transfer its investment management to the Local Pensions Partnership Investments (LPPI) pool on dissolution of the Brunel Pension Partnership.
99. Clearly the primary and secondary pension fund contribution rates are impacted by the success or otherwise of its investments underpinned by its investment managers. Therefore, there are risks to the council of such a significant change.

Adequacy of reserves

Figure 6: Latest Reserve Forecast

	Balance 31-Mar-23 £m	Balance 31-Mar-24 £m	Balance 31-Mar-25 £m	Q3 Estimate 31-Mar-26 £m	Budget 31-Mar-27 £m
Unearmarked Reserves	17.9	26.1	27.3	29.3	24.5
Earmarked Reserves	68.5	39.0	55.7	32.5	26.3
Total Reserves	86.4	65.1	83.0	61.8	50.8
Dedicated Schools Grant	-35.8	-63.5	-113.4	-183.6	-279.3
Net Position	50.6	1.6	-30.4	-121.8	-228.5

100. The council must ensure **Unearmarked Reserves** are retained at an appropriate level to help manage the risk to the council's financial standing in the event of extraordinary or otherwise unforeseen events and to mitigate the underlying operational risk associated with the operation of the council and the management of service expenditure, income, and the council's funding. They should not be seen in a short-term context. They should not only be placed in the context of significant uncertainty in respect of the impact on the council of increases in commissioning costs due to the governments national living wage, general inflationary pressures, and the relentless increase in service demands particular social care and homelessness, but also in the context of the future.
101. The Chartered Institute of Public Finance and Accountancy (CIPFA) previously advised that general or unearmarked reserves should be 5% of net revenue expenditure (NRE) as an absolute minimum. Our nearest unitary neighbour, Dorset Council, has previously had a policy of trying to maintain their unearmarked reserves at up to 10% of NRE. Benchmarking demonstrates that steps taken up to 31 March 2025 have moved the council into the mid-range compared to other unitary councils.
102. As a reminder the council has taken proactive steps to improve its financial health and sustainability across both 2023/24, 2024/25 and 2025/26 which has included increasing its unearmarked reserves by over 60% to £29.3m. They now represent 8% on a net revenue expenditure basis (RA 2025/26). The 31 March 2026 forecast position includes.
- the transfer in of £2m from a previous earmarked reserve to cover transformation related redundancy costs which could not be funded via the flexible use of capital receipts (FUCR). During 2025 the legislation has been changed which means all such costs can now be

funded via the FUCR and consequentially the resources can be redirected into unearmarked reserve.

103. The forecast position as of 31 March 2027 is that they will now decrease to 6% based on a 2026/27 net revenue expenditure basis. The 31 March 2027 position includes.
- b. the transfer out of £4.8m to support the setting of a legally balanced budget for 2026/27. The intent is that this item is reversed by the extent of any support for historic or accruing DSG deficits which the government are expected to announce in February 2026. This announcement will hopefully be in the form of the promised detail which was not provided as part of either the November 2025 local government financial policy statement, the Chancellors November 2025 Budget, or the December 2025 provisional local government finance settlement for 2026/27. In addition, recognising the lack of a government announcement of support for historic and accruing DSG deficits the council applied on the 6 January 2026 for exceptional financial support in the form of either.
 - Government permission to increase council tax by more than the 4.99% threshold limit.
 - Government permission to capitalise the £10.5m cost of borrowing to finance the DSG deficit in 2026/27.
104. It should also be noted that it is assumed the 2026/27 net revenue expenditure calculation has been adjusted to take account of the £70.9m of previous specific grants the government are rolling into the Revenue Support Grant calculation from 2026/27 as part of their Fair Funding Formula approach. In itself this will have the impact of increasing the NRE and therefore reducing the percentage of unearmarked reserve coverage of NRE. Without an adjustment the 8% will automatically become circa. 6.7%.
105. In support of the unearmarked reserves position the council has undertaken a detailed risk assessment (presented as Appendix 10b). Recommended previously as part of the CIPFA Financial Resilience Review this indicates that the council should maintain its unearmarked reserves within the range £53m to £159m. However, this includes recognition of the DSG deficit which if ignored, which we are advised to do, would mean our unearmarked reserves should be in the range £20.4m to £37.5m.
106. In line with 2025/26 the proposal is to maintain an in-year base revenue contingency at 0.8% of the council's net revenue expenditure as part of the strategy to assist in the mitigation of unforeseen events. For 2026/27 the 0.8% contingency equates to £3.328m. For comparison our nearest neighbour has a general contingency of £8.5m for 2026/27.
107. **Earmarked Reserves** are set aside to meet identified spending commitments and can only be used for the purpose for which they have been created. These reserves will continually be reviewed, and any resources not needed as intended transferred into unearmarked reserves. They include reserves in support of various partnerships where the council is the accountable body, reserves which represent government grants received in advance of the associated expenditure, reserves held on behalf of third parties and several reserves the council is required to hold in line with statute or its own governance requirements.
108. The council had earmarked reserves of £68.5m as of 31 March 2023. Of this, £30m related to resources specifically set aside to support the balancing of the 2023/24 budget, and to avoid the severe cuts to services that would otherwise have had to be made. As these resources were one-off then the 2024/25 approved budget was required to include £38m of savings, efficiencies and additional income to ensure the necessary structural adjustment to the budget / service levels was made.
109. It should be emphasised that over one-third of the 31 March 2026 earmarked reserves balance relates to government grants paid in advance of the actual expenditure. This figure tends to

change in the final quarter of the financial year as government work on a cash as opposed to accruals basis with a tendency for grants to be issued in these final months.

110. Whilst the current level of reserves may be adequate to support the core budget for 2026/27 it does not require any professional judgement from the Chief Financial Officer (CFO) to assess that the council's reserves **cannot** be considered adequate based on the accumulating DSG deficit. However, as legislation prevents the council from making provision to offset the deficit in 2026/27 it appears there is no other option than to accept the position. Members do need to recognise that this legislation will not, as it stands, be applicable for the financial year 2028/29 and in the absence of government support the council will be insolvent from the 1 April 2028 onwards.

Conclusion

111. In the context of this report, the Director of Finance considers that the estimates used for the purposes of the proposed 2026/27 budget are robust given a clear understanding by members and senior management of the following:
- That Corporate Directors, Service Directors and Budget Holders have provided the Chief Executive with direct assurance that they have accepted their budgets and have agreed to deliver their services within its financial parameters including the realisation of approved savings.
 - That over the next 3-years the council will receive less Revenue Support Grant than it is receiving 2025/26. This alongside the inevitable changes in demand and cost pressures will require the senior leadership team and Cabinet portfolio holders to bring forward further options for reducing the net cost of services including additional transformation and invest to save programmes. Alongside this Cabinet will need to receive a report in the spring of 2026 providing assurance that the current transformation and invest to save programmes will deliver the level of savings promised when the investment was approved and to the currently approved timescales.
 - That the new pay and reward structure implementation was based on a range of financial assumptions including the increase in the annual incremental drift exposure from £1.5m to £4m per annum and the exclusion of any provision for vacant posts, casual employees, apprentices, agency staff or as a result of any future re-mapping outcomes. These are all costs which will need to be managed by the relevant services however the council report recognised that these issues would challenge the ongoing viability of a number of services.
 - The robustness of this statement is on the clear understanding that where Corporate Directors, Service Directors and Budget Holders believe they cannot manage the impact of the additional incremental drift exposure, or the cost of any re-mappings since the 21 April 2025 date which unpinned the Council report, that they will provide the Chief Executive and Portfolio Holder with options for mitigation by 31 March 2026.
 - Directors will continue to diligently identify and rigorously apply mitigation strategies for their identified in-year 2025/26 budget pressures.
 - Children's Services continue to acknowledge the fiscal consequences of their service decisions around SEND by doing all they can to contain the cost of services within the grant made available by government.
 - Effective governance arrangements will be maintained at Portfolio Holder, Executive, Senior Management, Directorate, and budget holder level to monitor the overall delivery of the 2026/27 budget.
 - That the council will steel a march on the process of delivering the necessary savings to enable the 2027/28 budget to be legally balanced including.

- Going back to basics with a review of every item of expenditure to determine if it is absolutely necessary and value for money. This will include a continuation of the current year's expenditure freeze until sufficient savings to balance the £18.7m funding gap for 2027/28 have been identified.
- Ongoing development of invest to save and service specific transformation programmes supported by the ICT Programme Management Team.
- Star Chamber events for each and every service which include the line-by-line analysis of the budget, the detail of every post, the detail of every contract supported by the budget and relevant benchmarking information.
- A presumption will apply that every vacancy triggers a review of the post and its function — whether statutory or non-statutory — to determine whether the role is still required in its current form. This review will include:
 - assessing whether the duties can be re prioritised, absorbed within the existing team, or delivered differently.
 - fully exploring opportunities to use existing technology and capabilities developed through the significant investment in Transformation over recent years.
 - Where appropriate, considering internal recruitment only, where a genuine need for the role remains.

The overarching aim is to improve the productivity of the organisation by managing down the overall headcount and pay bill through natural turnover and redesign, avoiding the need for a large-scale redundancy programme

112. However, the Director of Finance also concludes that the level of reserves cannot be considered adequate given a clear understanding by members and senior management of the following:

- That on 1 April 2025 the council was technically insolvent as it had negative general fund reserves due to the deficit on its DSG as pertaining to expenditure on the Special Educational Needs and Disability service. This DSG deficit is growing by more than £95m per annum which is the amount the expenditure on the High Needs Block continues to be more than the annual government grant being made available. Although government will take responsibility for the day-to-day operational costs of the service from 1 April 2028 onwards the historic and accruing deficits will be retained by the council. Without government support for these retained deficits the council will actually become insolvent from 2028/29 which is when the current statutory instrument that allows them to be ignored, falls away.
- That the use of unearmarked reserves to balance this budget is contrary to the strategy of the Administration to improve the financial health and sustainability of the Council.
- That at around the 5.9% unearmarked reserves are only just sufficient to cover an unexpected single event such as a cyber-attack or significant in-year overspending. Any such single event would then require drastic action to restore such reserves to the minimum recommended level. They would clearly be insufficient for the realisation of multiple risks.
- Earmarked reserves should be supported by a clear plan held by the service which details the profile of when the resources will be drawn down. Any resources identified as not needed for their original purpose will be redirected into unearmarked reserves.
- That all opportunities will be taken for the level of unearmarked reserves to be enhanced and for the overall financial sustainability of the council to be improved.

Appendix 10a - Earmarked Reserves Summary and Detailed Statement

Detail	31/03/25 Actual Balances	Estimated movement	31/03/26 Estimated Balances	Estimated movement	31/03/27 Estimated Balances
	£000's	£000's	£000's	£000's	£000's
Application of one-off resources to support the financial sustainability of the MTFP following a fundamental review as part of the process of building the budget for 2024/25	(2,790)	2,790	0	0	0
Transition and Transformation Reserves	(3,126)	2,017	(1,109)	1,109	0
Insurance Reserve	(5,018)	0	(5,018)	1,109	(3,909)
Held in Partnership for External Organisations	(3,467)	798	(2,669)	83	(2,586)
Required by Statute or Legislation	(795)	0	(795)	0	(795)
Planning Related	(354)	(107)	(461)	0	(461)
Government Grants	(18,959)	7,491	(11,468)	1,782	(9,686)
Maintenance	(3,231)	(448)	(3,679)	(36)	(3,715)
ICT Development & Improvement	(3,637)	474	(3,163)	1,313	(1,850)
Corporate Priorities & Improvements	(14,318)	10,154	(4,164)	1,179	(2,986)
Total Earmarked Reserve Balance	(55,693)	23,169	(32,525)	6,539	(25,986)

One off Business Rates Resources being applied to MTFP Reserve

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Designed to provide the Council with the ability to manage any emerging issues. Includes reserves to enable the management of the MTFP.					
Total One off Business Rates Resources being applied to MTFP	(2,790)	2,790	0	0	0
One off Business Rates Resources being applied to MTFP Reserve	(2,790)	2,790	0	0	0

Transition and Transformation Reserves

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Resources set aside to support the one-off change costs of associated with creating the new council and meeting the Councils costs associated with the transformation progra					
Pay and Reward funding to support 2026/27 costs	(1,109)	0	(1,109)	1,109	0
Redundancy - Non Transformation Funded	(2,017)	2,017	0	0	0
Transition and Transformation Reserves	(3,126)	2,017	(1,109)	1,109	0

Insurance Reserve

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Reserve to enable the annual fluctuations in the amounts of excesses payable to be funded without creating an in-year pressures on the services. Subject to ongoing review by an independent third party.					
Insurance Reserve	(5,018)	0	(5,018)	1,109	(3,909)

Held in Partnership for External Organisations

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Amounts held in trust on behalf of partners or external third party organisations.					
Youth Programme	(174)	24	(150)	0	(150)
Music and Arts Education Partnership	(412)	150	(262)	0	(262)
ICS Emotional Wellbeing and Mental Health	(85)	85	0	0	0
Little Explores Nursery	(207)	0	(207)	0	(207)
Dorset Combined Youth Offending Service Partnership	(619)	102	(517)	0	(517)
Dorset Adult Learning Service (Specific Bequeath)	(99)	0	(99)	0	(99)
Dorset Adult Learning Service	(686)	0	(686)	0	(686)
FCERM - Shared with East Devon DC	(190)	0	(190)	0	(190)
Adult Safeguarding Board	(216)	53	(163)	0	(163)
Better Care Fund	(326)	248	(78)	58	(20)
UP2U	(74)	25	(49)	25	(24)
Kinson Community Centre - Community Benefit Fund - Enhancement works	(1)	1	0	0	0
Domestic Homicide Reviews	(10)	10	0	0	0
- Russell Cotes revenue grant (New)	(367)	100	(267)	0	(267)
Held in Partnership for External Organisations	(3,467)	798	(2,669)	83	(2,586)

Required by Statute or Legislation

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with current accounting practice or legislative requirements.					
Bournemouth Library Private Finance Initiative (PFI)	(739)	0	(739)	0	(739)
Carbon Trust	(56)	0	(56)	0	(56)
Required by Statute or Legislation	(795)	0	(795)	0	(795)

Planning Related

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Reserves designed to support planning processes and associated planning activity where expenditure is not incurred on an even annual basis.					
Local Development Plan Reserve	(70)	0	(70)	0	(70)
Other Planning Related Reserves	(284)	(107)	(391)	0	(391)
Planning Related	(354)	(107)	(461)	0	(461)

Government Grants

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Amounts which the council is required to hold as a reserve in line with specific grant conditions.					
Government Grants	(18,928)	7,491	(11,437)	1,782	(9,655)
COVID 19 Government Grants	(31)	0	(31)	0	(31)
Total Unspent Grants	(18,959)	7,491	(11,468)	1,782	(9,686)

Maintenance

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Reserves and sinking funds designed to support maintenance investments in specific services or assets.					
Corporate Maintenance Fund	(2,618)	5	(2,613)	5	(2,608)
Other Maintenance Related Reserves	(612)	(453)	(1,065)	(41)	(1,106)
Maintenance	(3,231)	(448)	(3,679)	(36)	(3,715)

ICT Development & Improvement

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Resources set aside to meet various ICT improvement projects					
ICT Development & Improvement	(3,637)	474	(3,163)	1,313	(1,850)

Corporate Priorities & Improvements

	31/03/25 Actual £000's	Actual Movement £000's	31/03/26 Estimated £000's	Estimated Movement £000's	31/03/27 Estimated £000's
Purpose: Amounts set a side to deliver various priorities, some of which will be of a historical natured inherited from the predecessor authorities.					
Other Service Priority reserves	(13,121)	9,582	(3,539)	1,262	(2,277)
Local Elections Reserve	(369)	(170)	(539)	(170)	(709)
Revenue & Benefits Reserve	(633)	546	(87)	87	0
Covid recovery resources	(196)	196	0	0	0
Corporate Priorities & Improvements	(14,318)	10,154	(4,164)	1,179	(2,986)

This page is intentionally left blank

BOURNEMOUTH, CHRISTCHURCH AND POOLE

General Unearmarked Reserves - Risk Assessment 2026/27

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
High Needs budget element of the Dedicated Schools Grant (DSG). Assessment of the in-year deficit for 2025/26 is £71.5m with the total accumulated deficit forecast to grow from £113.3m as at 31 March 2025 to £184.8m on 31 March 2026. For 2026/27 this accumulated deficit is forecast to grow by £96m. Following government regulation the Council is currently not able to set aside resources in the general fund to act as a counterweight. From 1 April 2025 the council was technically insolvent as the deficit was greater than the level of general fund reserves. The risk recognises that this deficit will remain with the council, subject to any government support for historic and accruing DSG deficits when the government take responsibility for day to day SEND expenditure in April 2028.	Robust monitoring of the financial position and regular review by way of a monthly budget overview meeting. Budgeted investment to assist recovery plan. Ongoing dialogue with government.	Continue ongoing dialogue with government and prioritise work to reduce current and future years deficits by creating greater local provision including school inclusion policies. <i>Potential impact based on assumed mid-year position.</i>	4	3	12	£231,450,000	70%	£162,015,000
Risk of non delivery of the 2026/27 assumed savings, efficiencies and additional resources	Structured process via the budget monitoring process	Continual specific monitoring of savings as part of the budget monitoring framework.	4	2	8	£13,951,000	40%	£5,580,400
Delivery of services within the baseline of available budgeted resources for 2026/27. Adult Social Care. This includes the significant threat to demand for Adult Social care from the 75% to 80% of clients locally who are self funders and do not require financial assistance from the Council and the unstable market conditions for such services as residential care for older people. For 2026/27 a particular risk is the extent to which providers of commissioned services look to the council to cover national living wage and other inflationary pressures which they are unable to absorb.	Robust commissioning, service monitoring and Medium Term Financial Planning processes.	Financial regulations requirement that such costs must normally be met within approved resources. <i>Impact recognises a 5% service cost pressure based on local government experience.</i>	4	1	4	£9,350,000	20%	£1,870,000
Delivery of services within the baseline of available budgeted resources for 2026/27: Homeless and housing services including a reflection of the cost exposure to expensive forms of temporary accommodation such as bed and breakfast.	Robust service monitoring and Medium Term Financial Planning processes.	Financial regulations requirement that such costs must normally be met within approved resources. <i>Impact recognises a 5% service cost pressure (net of specific government grants) .</i>	1	2	2	£336,900	5%	£16,845

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Delivery of services within the baseline of available budgeted resources for 2026/27. Children's Services. This includes to relentless increases in demand for services alongside the impact of inflation and national policy announcements such as the increase in the national living wage.	Robust service monitoring and Medium Term Financial Planning processes.	Financial regulations requirement that such costs must be met within approved resources. <i>Impact recognises a further 5% service cost pressure based on the amount provided for 2026/27</i>	4	2	8	£5,582,750	40%	£2,233,100
Payment from government under the Extended Producer Responsibilities (ERP) requirements is not guaranteed. In addition if it is deemed the council is not compliant in regards to effective waste management services it could be fined up to 20% of its ERP payment of £9.703m.	Robust service monitoring and liaison with PACK UK	Continue monitoring and necessary liaison with scheme administrator	3	2	6	£1,941,000	30%	£582,300
General operational risk of a reduction in fees, charges and rents income against 2026/27 budget. <i>Risk also reflects the Council not developing and implementing appropriate arrangements for their collection and the exposure to the impact of weather on a significant amounts of assumed income.</i>	Monitoring of the key areas of fees & charges income	Ongoing monitoring arrangements. <i>Impact assumes a 2% variation on the £109.874m estimated amount included in the revised 2025/26 budget.</i>	3	2	6	£2,197,480	30%	£659,244
Microsoft licensing costs. Revised pricing structure could lead to being exposed to unbudgeted costs specially associated with human resources arrangements and a requirement to have a full dynamic license to process timesheets.	Significant investigation by the councils ICT service and discussion with licensing reseller, Microsoft and peer colleagues which has identified a bug that needs to be fixed.	If bug not fixed the council will need to resolve its operating arrangements by 15 April 2026 license renewal date. <i>Impact assumes the minimum exposure if the bug does not resolve the problem.</i>	3	2	6	£1,000,000	30%	£300,000
Inadequate provision for the annual pay award.	Generally outside of local control as part of a national agreement process led by the National Employers Organisation (NEO)	Monitoring on ongoing conversations between NEO and Trade Unions. <i>Impact based on a 1% variation to the pay bill.</i>	3	2	6	£2,008,000	30%	£602,400
Inflation risk with the potential association to global geopolitical events. Provision has only been made for inflation where "clear evidence that it will be required due to either market conditions or due to contractual terms and conditions".	Generally outside of local control. December 2025 - CPI 3.4%	Monitoring of relevant developments and indicators. Consider extent to which the Council can influence local market pressures. <i>Based on 2025/26 revised budget estimate of premises, transport, contract payments, agency payments, supplies & services costs (£568m) and a 1% variation.</i>	4	2	8	£5,680,880	40%	£2,272,352

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Volatility to the Council's Council Tax Base due to variations in the number of the Local Council Tax Support (benefits) scheme claimants and the ability of the Government to change welfare policy impacting on the amount that can be claimed.	Monitoring of claimant numbers	Continue we established monthly monitoring arrangements. <i>Impact based on risk of a 5% increase in caseload.</i>	3	1	3	£1,438,745	10%	£143,875
Significant assumptions included in the 2026/27 base budget of the Council related to Council Tax income. Includes potential for ongoing volatility due to variations in the number of Second Homes attracting the 100% premium implemented from 1 April 2025 onwards.	Structured monitoring processes including specific monitoring of numbers attracting the second homes tax premium and the associated tax base position	Continue establish monitoring arrangements. <i>Impact recognises 1% variation on total budgeted council tax income.</i>	4	2	8	£2,970,334	40%	£1,188,134
Volatility to the level of business rates income collected annually and the risk associated with the passported appeals system. This includes prescribed timing difference around when items can be credited to the accounts.	Monitoring process and tracking of business closures and start ups	Continue established monitoring arrangements. <i>Impact recognises 1% variation in the total assume as part of the 2026/27 budget.</i>	2	2	4	£621,168	20%	£124,234
Generation of the required level of capital receipts to fund the approved transformation and invest to save programmes of the council via the Flexible Use of Capital Receipts. Includes the Children's and Adult Services specific transformation Programmes. Current assumption is that £18.5m is required over the 4 year period to 31 March 2029, of which £11.5m has been generated as of January 2026 and a further £5.8m is due before the 2025/26 financial year end. A particular risk will be the generation of additional capital receipts to support any capitalisation direction requests.	Work to develop a pipeline of capital receipts and priority workstream for the Estates Team and Corporate Property Group	Continue monitoring of capital receipts and forecast disposals - <i>Impact based on £23.5m which maybe required to cover a capitalisation direction for the next 2-years less the current £10.7m projected 4-year capital receipts surplus.</i>	4	1	4	£12,846,000	20%	£2,569,200
Lack of a capital contingency meaning the council could have insufficient resources to support any variations on approved schemes or urgent capital infrastructure requirements	Schemes will only be approved once necessary resources with appropriate scheme contingencies are in place	Consideration of prudential borrowing can only be considered were it can be demonstrated as affordable	2	1	2	£500,000	5%	£25,000
Final Local Government Finance Settlement not due until early February 2026. Risk resources allocated will be lower than those outlined in the provisional settlement received in December 2025. Particular risk as this is the first year of the application of the government new fair funding formula.	Ongoing monitoring of Government announcements	Impact based on a 5% adverse variance based on the provisional Revenue Support Grant allocation to BCP Council for 2026/27	4	1	4	£3,265,380	20%	£653,076

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Risk of non delivery of future year savings, efficiencies, and additional resources to ensure the council continues to be able to deliver legally balanced budgets. Recognition that year on year such proposals become increasingly difficult to identify and deliver.	Structured financial strategy driven process with regular MTFP Updates to Cabinet.	Continual rolling process to ensure robust and effective proactive financial management processes. <i>Impact based on savings included in the MTFP for 2027/28 and 2028/29 plus any funding gaps for those years.</i>	4	2	8	£23,732,000	40%	£9,492,800
A new pay and grading structured was implemented in December 2025. This mitigated risks associated with legacy arrangements which grew the longer it took to agree a harmonised position. Consequential risks detailed in the Council report included additional annual incremental drift exposure of £4m up from £1.5m per annum and the calculation excluded vacant posts, casual employees, apprentices, agency staff or any future remapping's.	People and Culture management process supporting remapping's and appeals. Budget holders management of their services costs	Ongoing People & Culture and Budget Holder arrangements. <i>Impact based on a annual additional incremental drift exposure.</i>	3	2	6	£2,500,000	30%	£750,000
Loss or disruption to IT Systems and Networks from cyber attack.	Mandatory training, security, protocols, encryption, and constant review of threats	Continue current control framework	4	2	8	£12,000,000	40%	£4,800,000
Failure of a Major Contractor	Robust procurement and contract management procedures. Including performance bonds and parent company guarantees	Regular review of contract performance and contractor financial standing.	3	2	6	£1,500,000	30%	£450,000
Insufficient resources to resolve Legal claims against the Council. <i>Examples include potential claims brought against the council due to contractual terms and arrangements, and claims as a consequence of the impact of the Councils actions on third parties.</i>	Statutory and regulatory controls, internal governance procedures, professional advisers.	Monitor any such claims and seek approaches which limit liabilities.	3	2	6	£1,500,000	30%	£450,000
Council Emergency Planning responsibilities - Uninsured losses and unbudgeted operational costs as a result of a major incident or large scale emergency for example storms, floods etc.	Operational procedures and planning underpinned by the multi-agency Local Resilience Forum and BCP Emergency Planning Team .	Consider potential to obtain national funding under the Bellwin scheme which will pay 100% of eligible expenditure above 0.2% of the councils annual budget threshold.	2	1	2	£815,526	5%	£40,776

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
Risk of insurance claims greater than that provided for in the annual budget to cover excesses based on self insurance thresholds. Pressure in insurance market is moving towards greater excesses and or decisions to deliberately not insure certain assets for their potential maximum restatement value to ensure overall insurance costs are affordable (e.g. Bournemouth Pier , Bournemouth International Centre, Civic Centre).	Earmarked Reserve and provision on balance sheet for known liabilities. Regular monitoring by insurance team.	Continue with regular monitoring arrangements and ongoing discussions with insurers	4	1	4	£67,000,000	20%	£13,400,000
Risk of a major fraud being undertaken against the council	Management first line of defence. Second line of defence internal governance arrangements including boards/committees. The final line of defence is Internal Audit work programme.	Continue governance arrangements including mandatory training module.	3	1	3	£1,000,000	10%	£100,000
Economic impact from failure to invest and adapt to climate change	Council investment and delivery plans including, decarbonisation of council estate, flood and coastal erosion mitigations and greening of the vehicle fleet. Local Area Energy Plan identifying regional actions needed to reach net zero for area. Carbon Literacy Training being rolled out. Carbon Neutral Steering	Continue controls, investment plans and work with sustainability officers. Impact based on annual cost the council would have to incur on purchasing carbon credits.	4	2	8	£3,000,000	40%	£1,200,000
Organisations associated with the Council or a Council owned company (or their subsidiary) go into Administration and the service has to be returned to the Council with significant financial consequences at least in the short term. This could include exposure to increased operational costs such as staff costs, maintenance, business rates and VAT.	Councillor representation on Boards. Regular review of financial information.	Continue monitoring arrangements.	3	1	3	£2,000,000	10%	£200,000
Interest Rate Risk. Unanticipated movements could lead to reductions in income from the investment of the Council's day to day cash balances and reserves.	Established quarterly financial monitoring arrangements in place and quarterly review by the Audit & Governance Committee	Establish monitoring arrangements. <i>Based on a potential 1% reduction in interest rates (what the markets refer to as downside risk).</i>	1	3	3	£145,556	10%	£14,556

Risk Description / Liability	Controls in Place	Proposed Management Actions	Impact	Likelihood	Residual Risk Score	Potential Impact	Weighting	Weighted Amount
VAT Exemption Limit. Council is allowed to recover VAT on exempt supplies up to a limit of 5% of taxable supplies. Should an authority breach this threshold all exempt VAT becomes irrecoverable and a cost to the council. Examples of capital investment that would need careful management would be any investment around crematoriums.	Particular risk around capital expenditure is regularly reviewed to ensure any relevant capital schemes are structured in a VAT efficient manner. Similarly risk mitigation in place on all new lease agreements / assignments / amendments.	Continue to emphasise to all service managers the importance of seeking tax advice at early stages of capital schemes.	3	1	3	£2,400,000	10%	£240,000
TOTAL PROPOSED MINIMUM LEVEL OF BALANCES						£412,732,720		£211,973,291

In addition to the assessment of the identified individuals risks the Council also assess the risk against the overall total. A risk weighting of between the 25% and 75% quartiles would assess the range to be around £52.9m as a minimum and around £159m at the maximum. However ignoring the DSG deficit, which a Statutory Instrument currently advises us to do, would put the range down to between £12.5m and £37.5m.

The budget has been drawn based on unearmarked reserves of £24.5m to reflect the operational risks of the Council.
As a percentage of Net Revenue Expenditure this is estimated to be 6%.

232 CIPFA benchmarking would indicate un-earmarked reserves for a unitary council should be maintained between £20.4m (5%) and £40.8m (10%) of the Council's £407.763m 2026/27 Net Revenue Expenditure level estimate.

RESERVES RISK ASSESSMENT - SCORING MATRIX

IMPACT		LIKELIHOOD				
		4	4 (20%)	8 (40%)	12 (70%)	16 (100%)
		3	3 (10%)	6 (30%)	9 (50%)	12 (70%)
		2	2 (5%)	4 (20%)	6 (30%)	8 (40%)
		1	1 (0%)	2 (5%)	3 (10%)	4 (20%)
		1	2	3	4	
		Unlikely	Could Happen	Likely to Happen	Almost Certain	
		<ul style="list-style-type: none">• 0 – 20% chance of occurrence• 1 in 20-year event• May occur only in exceptional circumstances• Has never or very rarely happened before	<ul style="list-style-type: none">• 20% to 60% chance of occurrence• 1 in 10-year event• Is unlikely to occur but could occur at some time / in some circumstances	<ul style="list-style-type: none">• 60% to 90% chance of occurrence• 1 in 5-year event• Will probably occur at some time / in most circumstances	<ul style="list-style-type: none">• Over 90% chance of occurrence• Occurs on an annual basis• Is expected to occur in most circumstances	

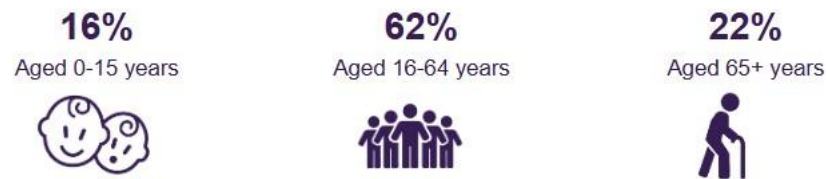
- % relates to the weighting which will be given to the potential impact to determine the reserve provision required.
- Impact based on governance thresholds – Extreme £2.6m representing 10% Operational (Unearmarked) Reserves

This page is intentionally left blank

Equality Impact Assessment																																																																																																		
1	What is being reviewed?	Proposed Council Budget for 2026/27																																																																																																
2	Details about your decision:	<p>All local authorities are facing substantial financial challenges, with rises in inflation and the continued cost of living crisis. Regardless, the council has a legal responsibility to set an annual balanced budget (Local Government Finance Act 1992).</p> <p>The 2026/2027 budget aims to address the financial challenges faced by the council whilst continuing to provide essential services to residents. The council's budget is spent across a number of key areas.</p> <p>The financial strategy employed by the council in setting the 2026/2027 budget ensures the overall financial resilience of the council, to continue to sustainably provide essential services to the most vulnerable people in society who are reliant on the council to achieve a good standard of living.</p>																																																																																																
3	Service Unit	Finance																																																																																																
4	People involved in the process	<p>At an individual savings level which has informed this EIA:</p> <ul style="list-style-type: none">• Corporate and Service Directors across the council and other officers where applicable including Heads of Service.• Cabinet Members <p>Chief Finance Officer and Director of Finance – Adam Richens</p>																																																																																																
5	Relevant meeting date(s)	May 2025 – January 2026																																																																																																
6	<p>Who is your current or potential client base?</p> <p>Who are your key stakeholders?</p>	<div><div><h3>How BCP Council is funded</h3><ul style="list-style-type: none">Council Tax 78%Business Rates 20%Grants and New Homes Bonus 2%</div><div></div></div> <div><div><h3>Where BCP Council spent its budget (2025-26)</h3></div><div><table><tr><th></th><th>Percentage</th><th>£ 000s</th><th>Pence in £</th></tr><tr><td>People and Communities</td><td></td><td></td><td></td></tr><tr><td>Adults and Older People Services</td><td></td><td>128,417</td><td>35.7p</td></tr><tr><td>Children's Social Care</td><td></td><td>66,428</td><td>18.5p</td></tr><tr><td>School Services</td><td></td><td>24,056</td><td>6.7p</td></tr><tr><td>Other Children's Services</td><td></td><td>9,482</td><td>2.6p</td></tr><tr><td>Community Services</td><td></td><td>6,690</td><td>1.9p</td></tr><tr><td>Library Services</td><td></td><td>6,186</td><td>1.7p</td></tr><tr><td>Housing Services</td><td></td><td>4,651</td><td>1.3p</td></tr><tr><td>Customer Service</td><td></td><td>4,121</td><td>1.1p</td></tr><tr><td>Place and Environment</td><td></td><td></td><td></td></tr><tr><td>Transport Services</td><td></td><td>18,094</td><td>5.0p</td></tr><tr><td>Waste and Recycling</td><td></td><td>15,613</td><td>4.3p</td></tr><tr><td>Highways</td><td></td><td>7,109</td><td>2.0p</td></tr><tr><td>Parks and Open spaces</td><td></td><td>5,285</td><td>1.5p</td></tr><tr><td>Street Cleaning</td><td></td><td>4,116</td><td>1.1p</td></tr><tr><td>Planning</td><td></td><td>3,167</td><td>0.9p</td></tr><tr><td>Development and Investment</td><td></td><td>1,389</td><td>0.4p</td></tr><tr><td>Modern council</td><td></td><td></td><td></td></tr><tr><td>Support Services</td><td></td><td>53,437</td><td>14.9p</td></tr><tr><td>Other central items and accounting entries</td><td></td><td>16,930</td><td>4.7p</td></tr><tr><td>Cost of running our operational premises</td><td></td><td>6,752</td><td>1.9p</td></tr><tr><td>Commercial</td><td></td><td>-22,574</td><td>-6.3p</td></tr><tr><td>Total</td><td></td><td>359,348</td><td></td></tr></table></div></div>		Percentage	£ 000s	Pence in £	People and Communities				Adults and Older People Services		128,417	35.7p	Children's Social Care		66,428	18.5p	School Services		24,056	6.7p	Other Children's Services		9,482	2.6p	Community Services		6,690	1.9p	Library Services		6,186	1.7p	Housing Services		4,651	1.3p	Customer Service		4,121	1.1p	Place and Environment				Transport Services		18,094	5.0p	Waste and Recycling		15,613	4.3p	Highways		7,109	2.0p	Parks and Open spaces		5,285	1.5p	Street Cleaning		4,116	1.1p	Planning		3,167	0.9p	Development and Investment		1,389	0.4p	Modern council				Support Services		53,437	14.9p	Other central items and accounting entries		16,930	4.7p	Cost of running our operational premises		6,752	1.9p	Commercial		-22,574	-6.3p	Total		359,348	
	Percentage	£ 000s	Pence in £																																																																																															
People and Communities																																																																																																		
Adults and Older People Services		128,417	35.7p																																																																																															
Children's Social Care		66,428	18.5p																																																																																															
School Services		24,056	6.7p																																																																																															
Other Children's Services		9,482	2.6p																																																																																															
Community Services		6,690	1.9p																																																																																															
Library Services		6,186	1.7p																																																																																															
Housing Services		4,651	1.3p																																																																																															
Customer Service		4,121	1.1p																																																																																															
Place and Environment																																																																																																		
Transport Services		18,094	5.0p																																																																																															
Waste and Recycling		15,613	4.3p																																																																																															
Highways		7,109	2.0p																																																																																															
Parks and Open spaces		5,285	1.5p																																																																																															
Street Cleaning		4,116	1.1p																																																																																															
Planning		3,167	0.9p																																																																																															
Development and Investment		1,389	0.4p																																																																																															
Modern council																																																																																																		
Support Services		53,437	14.9p																																																																																															
Other central items and accounting entries		16,930	4.7p																																																																																															
Cost of running our operational premises		6,752	1.9p																																																																																															
Commercial		-22,574	-6.3p																																																																																															
Total		359,348																																																																																																

Equality Data for the BCP Area:

Age:



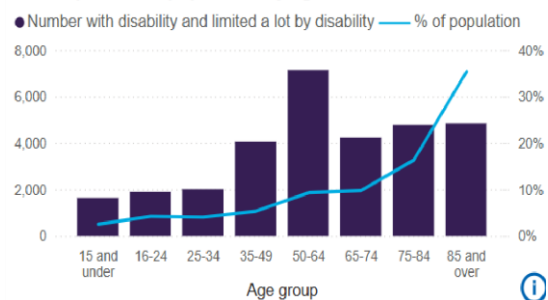
Sex:



Disability:



Number who are disabled and limited a lot by their disability, and as percent of population by age, BCP 2021 Census

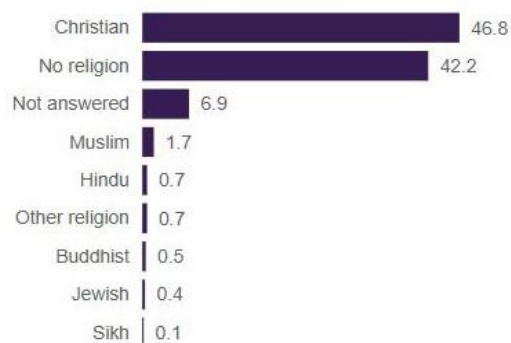


Race:

BCP's population has become increasingly diverse. 82% of the population are White British and 18% are from an ethnic minority background, including white minorities.

Religion:

2021 Census Religion (%)



Sexual orientation:

Sexual orientation by number and percentage of usual residents aged 16+ in BCP, 2021 Census

Sexual orientation	Percent	Value
Bisexual	1.6	5,358.0
Gay or Lesbian	1.9	6,494.0
Not answered	7.6	25,580.0
Other sexual orientations	0.3	1,221.0
Straight or Heterosexual	88.5	296,257.0
Total	99.9	334,910.0

Marriage and civil partnership:



The Equality and Human Rights Commission has a measurement framework using six domains which reflect the capabilities or areas of life that are important to people and that enable them to flourish. Information about the communities within the BCP area can be found here: [Our People, Our Place: Facts, Figures and Insights](#)

Consultation:

To inform the budget proposal, an open consultation took place from 18 November to 14 December to understand local views on the importance of council services and priorities for council spending as well as levels of council tax.

More information is available here: [Project: Budget 2026-27 | BCP Council](#)

Respondents to both the open consultation and the sample survey (undertaken in 2024) were given a list of council service areas and information about how much of its revenue budget the council currently spends within that area. Respondents were given the total cost but also how many pence in one pound was spent on that service. They were also given a brief description of what was included within each of the services.

For both the open and sample survey, most respondents want the council to retain the same level of funding for most of its service areas. If there was additional budget, the open survey respondents prioritised highway services, street cleaning and parks and open spaces as the services where they would like to see more money spent. The sample survey respondents said they would like to see an increase in spending for school services, children's social care, highways, and street cleaning. If the council were to look at reducing spending in any service area, both the open and sample survey respondents said that the council should look at the cost of running its premises and support services costs to make savings.

7	Impacts and Mitigations	<p>In this budget the council has sought to maintain appropriate services for the most vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.</p> <p>The cumulative impact of the proposals indicates that low-income households and individuals will be most negatively affected, followed by older age groups and disabled people. However, the investments and mitigating actions aim to support these groups and promote equality within the community.</p> <p>Council Tax Increase:</p> <p>The council is seeking to increase council tax by 4.99% and has also sought permission from Government for flexibility to increase Council tax by a further 2.43%. It has not been possible to meet the requests of respondents to the budget consultation on lower council tax increase levels whilst also achieving a balanced budget.</p> <p>Negative: It is likely that residents on lower earnings will be affected negatively by the increase. An increase in council tax will negatively impact on households already struggling financially which is not necessarily limited to just lower socio-economic groups given the ongoing cost of living challenges.</p> <p>Positive: Increasing council tax also enables the council to continue to provide vital services that support the most vulnerable in society including older and younger residents and those with disabilities, as well as services which support all residents to live in sustainable, safe and healthy communities.</p> <p>Mitigating actions:</p> <p>There are several schemes in place to assist residents with their council tax bills. These include:</p> <ul style="list-style-type: none"> a) Council tax Support: Residents on lower incomes can apply for assistance with their council tax bill by applying for council tax Support, further information is available on the council's website: https://www.bcpccouncil.gov.uk/benefits-support-and-advice/council-tax-support b) Council tax Discounts and exemptions: Discounts are available to residents in certain circumstances including care leavers, carers, those with severe mental impairment, single adults in a household and students. Further details of ways in which council tax could be reduced for qualifying households is available on the website: Council Tax discounts and exemptions BCP c) Discretionary Reduction and Help with Paying Council Tax Bill: Section 13A (1c) of the Local Government Finance Act 1992 allows local authorities to, in exceptional circumstances, reduce the council tax liability for a charge payer. Statutory exemptions and discounts must first have been exhausted. d) Any further support that may become available will be announced through www.bcpccouncil.gov.uk
8	Summary of Equality Implications	<p>The Public Sector Equality Duty (PSED) does not prevent the council from making difficult decisions when required to achieve significant levels of savings across all services in meeting a balanced budget. The PSED supports robust, fair, transparent and accountable decision-making that considers the diverse needs of local communities and the council's workforce.</p> <p>In this budget the council has sought to maintain appropriate services for the most vulnerable as well as improve the sustainability of services important for the wellbeing of all residents.</p>

		<p>The impacts of the council budget for 2026/27 have been assessed considering the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and other characteristics including low socio-economic status, carers and care leavers. The Equality and Human Rights Commission's six domains of equality measurement framework have also been considered, identified as the areas of life that are important to people and that enable them to flourish. These are: Education, Work, Living standards, Health, Justice and personal security, and Participation.</p> <p>The cumulative impact of the proposals indicates that low-income households and individuals will be most negatively affected, followed by older age groups and disabled people. However, the investments and mitigating actions aim to support these groups and promote equality within the community.</p> <p>As part of the budget, council tax is being raised to support increased service provision, which will have a positive impact on many residents. Mitigating actions have been identified to support those who would be most negatively affected.</p> <p>Individual equality impact assessments have or will be carried out to support individual savings where a potential negative impact has been identified for service users or the workforce. This will ensure conscious consideration is given to the Public Sector Equality Duty and mitigating actions are put in place to minimise any potential or actual negative impacts.</p>
--	--	---

This page is intentionally left blank

BCP Pay Policy 2026/27	
Date: 31 December 2025	Policy Author: Liz Bowman, Pay and Reward Programme Manager
Review Date: December 2026	Version: 1
Purpose/Introduction	<p>This policy is established to meet requirement of section 38(1) of the Localism Act (2011).</p> <p>The purpose of this policy is to provide transparency on the salaries of Chief Officers of the Council, how those salaries are set, and other issues related to the pay of Chief Officers.</p> <p>BCP Council has now been in existence following Local Government Reorganisation (LGR) since April 2019. The financial information published to meet legislative responsibilities is relating to the 2025/26 salary information using a snapshot date of 31 December 2025, and the draft 2024/25 Statement of Accounts (in draft and unaudited)</p>
Who the policy applies to	<p>Chief Officers - The Council will engage persons for the following posts, who will be designated Chief Officers:</p> <ul style="list-style-type: none"> (a) Chief Executive and Head of Paid Service (b) Corporate Directors or Directors who report directly to the Chief Executive within the line management structure <p>To clarify, Chief Officers in BCP Council are on BCP Council new terms and conditions introduced on 1 December 2025 or National Joint Council (NJC) terms and conditions, not Joint National Committee (JNC) for Chief Officers.</p>

<p>The policy</p>	<p>BCP Council undertook to introduce a new pay and grading structure for the whole workforce excluding teachers in schools and colleagues on Soulbury pay. This collective bargaining process concluded in 2025, and a collective agreement was reached with the recognised trade unions, which resulted in changing the pay and grading structure for the Chief Executive and Chief Officers. The changes were approved by Cabinet and Council.</p> <p>The salaries for these staff have been and will continue to be increased in line with national pay awards agreed by National Joint Council (NJC) for Local Government employees (for Chief Officers), unless financial constraints prevent the required funding from being available. In this case, some lesser figure or no increase will be applied.</p> <p>The Chief Executive is employed on our new BCP Terms and conditions of employment</p> <p>Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):</p> <ol style="list-style-type: none"> The Head of Paid Service (Chief Executive) base salary, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance). The median full-time equivalent salary for staff, excluding employees in schools and all apprentices with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. The lowest full time equivalent salary, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service. These ratios are published in line with the recommendations of the Hutton review of Fair Pay in the Public Sector. This review also recommends that local authorities define what they mean by 'lowest salary'. The lowest salary is defined as the full-time equivalent salary of employees in receipt of the lowest salary point of the salary and grading structure for the employees who are not teachers, Apprentices or school support staff. The salaries of Heads of Service / Service Directors, the posts that report into Corporate Directors, and other employees not covered by nationally agreed pay scales, are determined under the new Pay and Reward job evaluated pay and grading structure. Any role created and job evaluated since the formation of BCP Council and ongoing has been mapped to an evaluated role profile introduced on 1 December 2025. Where a role profile does not describe the new role, a new role profile may be created, which means the level and therefore pay is determined under BCP councils' new job evaluated pay and grading structure. An extract from the annual statement of accounts for 2024/25 is given in Appendix B for BCP Council which gives details of the payments made to Chief Officers in 2024/25. The council will ensure that all new starters are appointed on the minimum pay point within the band due to the phased introduction of the new pay structure and with due regard of existing colleagues who have assimilated into the new pay
--------------------------	--

	<p>band, which will be complete in 2029. This will prevent new starters being paid higher than our existing workforce in the same role.</p> <p>i Incremental progression does not apply to Chief Officers.</p> <p>j No other fees are paid to Chief Officers, but they can make claims under the Travel and Subsistence arrangements for business related travel.</p> <p>k Payments for working hours additional to contractual hours are not made.</p> <p>The Council publishes the total remuneration of Chief Officers and Service Directors as part of the annual statement of accounts on its public website.</p> <p>The decision to employ Chief Officers, who were previously employed by the Council and left with a severance or redundancy payment, will be based on the applicants' suitability for the post. No deductions will be made from the remuneration package, providing the employment is more than four weeks from the original date of termination. If the employment is within four weeks of the original termination, the employee will have to reimburse any redundancy payments to the previous employer if they have been made to them.</p> <p>The Council's policy is to usually employ Chief Officers under employment contracts, not under a contract for services.</p> <p>The decision to employ Chief Officers who are in receipt of a Local Government Pension Scheme pension (whether their previous service was with the same authority or not) is dependent on the applicant's suitability for the post. The remuneration will be set in line with the newly created pay structure and in line with the Pay and Allowances policy that applies to all colleagues of the council (excluding teachers in schools and colleagues on Soulbury pay) including Chief Executive and Chief Officers.</p> <p>Special Severance payments will be approved according to the following process (as recorded in the scheme of delegation):</p> <ul style="list-style-type: none"> • payments of £100,000 and above must be approved by a vote of full council, as set out in the Localism Act 2011 • payments of £20,000 and above, but below £100,000, must be personally approved and signed off by the Head of Paid Service, with a clear record of the Leader's approval and that of any others who have signed off the payment • payments below £20,000 must be approved according to the local authority's scheme of delegation. It is expected that local authorities should publish their policy and process for approving these payments <p>As part of their duties, an authority's s151 Officer, and where appropriate, the Monitoring Officer, should take a close interest in and be able to justify any special severance payments that are made by that authority and in particular any payments made that are not consistent with the content of this guidance</p>
--	--

BCP Pay Policy 2026/27

The Council has adopted a range of clear policies, procedures, and guidance with regard to payments upon the termination of employment. The Scheme of Delegation details governance arrangements in regard to severance payments in line with the 'Statutory Guidance on the Making and Disclosure of Special Severance Payments by local authorities in England' published 12 May 2022. This guidance forms part of the best value regime for local authorities in England as set out in section 3 of the Local Government Act 1999.

In line with the 2015, Local Government Transparency Code, which was issued to increase democratic accountability through open access to information, sets a requirement for local authorities to publish specific data, Under the Account and Audit Regulations 2015 we publish:

- the number of employees whose remuneration in that year was at least £50,000 in brackets of £5,000
- details of remuneration and job title of certain senior employees whose salary is at least £50,000, and
- employees whose salaries are £150,000 or more who must also be identified by name

In addition to this requirement, for all employees whose salary exceeds £50,000, there is a requirement to publish a list of responsibilities (for example, the services and functions they are responsible for, budget held and number of staff) and details of bonuses and benefits-in-kind.

The new Pay and Allowances policy introduced in December 2025 following collective agreement, continued the previous governance arrangements that were introduced in 2024, allowing temporary additional payments to be authorised and paid through a panel process that involved Director and union representative on panel. This policy ensures consistent approach across BCP Council. Governance arrangements are in line with the scheme of delegation

The Scheme of Delegation outlines who has the authority to approve pay, supplements, enhancements, and allowances. These approvals were reviewed and updated in 2024. This was adopted into the new Pay and Allowances policy December 2025.

BCP Pay Policy 2026/27	
	<p>BCP Council have introduced a new set of Terms and conditions as well as pay for all employees across the council. The implementation date for these new arrangements was 1 December 2025. The new Pay and Allowances policy applies from this date.</p> <p>The policy in relation to employer discretions under the Local Government Pension scheme is given in Appendix C</p>
How to use the policy	<p>This policy will be published on the Council's website to ensure that all colleagues, Councillors, residents and local businesses have access to it.</p> <p>Related Council policies and supporting documents:</p> <ul style="list-style-type: none"> • Pay and Allowances policy December 2025 • Business Travel and Subsistence arrangements • The Council's policy in relation to employer discretions under the Local Government Pension scheme • The Council's policy in relation to employer discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 • Scheme of Delegation
Roles and responsibilities	<p>This policy is reviewed annually by the Corporate Management Board and any recommendations for change will be made to the Cabinet for approval</p>
Enforcement and sanctions	
Further information and evidence	

Salary Information 2025/26

Section 38(1) of the Localism Act requires the following information to be published annually as part of the policy (Appendix A):

- a The Head of Paid Service (Chief Executive) base salary at snapshot date 31 December 2025, including pension contribution and the NI contribution with a total figure per annum (excluding expenses allowance).

Authority	Position	Base Salary	Pension Contribution	NI Contribution	Total
Bournemouth Christchurch & Poole Council	Chief Executive	£211,744	£38,336.66	£30,265.95	£280,346.61

- b The median full-time equivalent salary for staff at snapshot date 31 December 2025, excluding employees in schools with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Median FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£32,061	£6,020.21	£3,784.37	£41,865.58	1:7

- c The lowest full time equivalent salary at snapshot date 31 December 2025, with the pension contribution and the NI contribution with a total figure. The ratio between this salary and the salary of the Head of Paid Service.

Authority	Lowest FTE Salary	Pension Contribution	NI Contribution	Total	Ratio
Bournemouth Christchurch & Poole Council	£20,791	£4,074.88	£0	£24,865.88	1:11

DRAFT Statement of Accounts 2024/25 (unaudited)**Officers Remuneration – Senior Officers (2024/25)**

	Remuneration Salary (including supplements)	Expenses Allowances	Compensation for Loss of Office	Employers Pension Contributions	Total payment including Pension Contributions
	2024/25 £	2024/25 £	2024/25 £	2024/25 £	2024/25 £
Chief Executive - (G Farrant)	205,178	-	-	37,048	242,226
Corporate Director - Chief Operations Officer (1)	137,150	-	-	25,782	162,932
Corporate Director - Children's Services (C Hadley)	175,394	-	-	33,325	208,719
Corporate Director - Wellbeing (J Kay)	153,726	-	-	29,208	182,934
Director of IT and Programmes (2)	22,053	-	-	4,190	26,243
Director of IT and Programmes (3)	101,409	-	-	17,762	119,171
Director of Finance	126,642	-	-	24,062	150,704
Director of Law & Governance	126,951	-	-	24,121	151,072
Director of Marketing, Comms and Policy	112,189	-	-	21,316	133,505
Director of People and Culture	112,189	-	-	21,316	133,505
Totals	1,272,881	-	-	238,130	1,511,011

Notes:

1. Corporate Director - Chief Operations Officer joined the authority 03/06/2024
2. Director of IT and Programmes left the authority 02/06/2024
3. New Director of IT and Programmes commenced 03/06/2024

This page is intentionally left blank

CABINET



Report subject	Pokesdown Railway Station
Meeting date	11 February 2026
Status	Public Report
Executive summary	<p>On 11 January 2022, the Council approved a contribution of up to £2.6m towards the Pokesdown Railway Station Improvement Project.</p> <p>The original scope was expected to include replacement, or upgrade of the station building, a new forecourt with interchange facilities, CCTV and help point improvements, seating and shelter improvements in addition to converting the existing lift shafts to passenger use and repairing and painting the footbridge and canopies (all subject to available budget).</p> <p>The project has not been delivered, detailed timescales and costs are undetermined, and the expected scope has been reduced to the lifts and canopies over the platforms only. At the same time, the cost of borrowing has increased.</p> <p>In consideration of the above a recommendation is sought from Cabinet regarding the council commitment to the project.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>a. Cabinet recommends to Council withdrawal of the offer of a £2.6m contribution to the Pokesdown Railway Station Improvements project.</p>
Reason for recommendations	<ol style="list-style-type: none"> 1. Approval for the contribution was 4 years ago. The annual repayment for borrowing the contribution has increased from £140k per year in 2022 to over £195k per year in 2026. This means that a total of £9.75m would now be paid by the council across the next 50 years if it continues to part fund the project. 2. Supporting the project would create a £55k per year additional pressure for the cost of borrowing. Withdrawing the council's financial contribution to this project would therefore in-effect create a £195k per year saving helping the council to safeguard statutory (essential) services. 3. The proposed scope of the project has reduced.

	4. As of January 2026, whilst there has been email correspondence stating that the total budget has been increased there is no firm assurance from partners that the project is deliverable within the available budget.
Portfolio Holder(s):	Councillor Mike Cox – Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance Councillor Andy Hadley – Cabinet Member for Climate Response, Environment and Energy Councillor Richard Herrett – Cabinet Member for Destination, Leisure & Commercial Operations
Corporate Director	Glynn Barton – Chief Operations Officer
Report Authors	Richard Pincroft – Head of Transport and Sustainable Travel Claire Clark – LTP & Capital Programme Manager
Wards	Council-wide
Classification	For Decision and Information

Background

1. The provision of lifts at Pokesdown Station was one of the obligations in South-Western Railways (SWR) 2017 franchise agreement with the Department of Transport (DfT). Subsequent detailed surveys of the existing lift shafts indicated however that their conversion to passenger use to the latest standards would be significantly more complex and expensive than originally envisaged.
2. SWR's 2017 franchise agreement was replaced by a new National Rail Contract with the Department of Transport (DfT) in May 2021. This reconfirmed a funding contribution from SWR towards the provision of lifts at the station, subject to third party funding being confirmed to meet any shortfall.
3. The estimated total cost for the works in November 2021 was £5.7m with the SWR and Network Rail (NR) committed to funding £3.1m between them.
4. On 11 January 2022 the Council approved a Cabinet recommendation from the 24 November 2021 meeting for an allocation of up to £2.6m from BCP's Future Fund for improvements to Pokesdown Railway Station through a jointly agreed financial arrangement with Southwestern Railway (SWR) and NR effectively addressing the identified shortfall.
5. The original scope was expected to include replacement, or upgrade of the station building, a new forecourt with interchange facilities, CCTV and help point improvements, seating and shelter improvements in addition to converting the existing lift shafts to passenger use and repairing and painting the footbridge and canopies (all subject to available budget). This was all set out in the Business Case in Appendix 1 and advised that the benefit cost ratio (BCR) for delivering the above

would be 2.46 (high) compared to just delivering the lifts which would be 0.88 (poor) at 2021 costs.

6. The focus of the investment was to provide access benefits to all users at the station, particularly for wheelchair users and any persons with limited mobility through the delivery of operational lifts from street level down to the platforms. There would also be benefits for many others, for example persons with large or heavy luggage and young children.
7. The Business Case contained no details regarding how many disabled passengers would use the station if the lifts were installed, it just advised that there were typically 350,000 entries and exits per year.
8. Between April 2024 and March 2025 there were 377,104 entries and exits at Pokesdown Railway Station compared to 2,664,456 at Bournemouth and 965,090 at Poole. The station has not been considered a high priority for NR's Access for All funding due to a combination the low usage compared to other stations nationally and the station not being an interchange.
9. In 2023, following completion of the outline design for the scheme, the estimated cost of the works had risen beyond the available £5.7m budget. During 2023/24 an additional £1.0m of funding was earmarked for the project by SWR/NR increasing the budget to £6.7m.
10. Conceding that removing and replacing the lift shafts completely alongside the other improvements was not an affordable option, SWR/NR decided to revisit refurbishing the existing lift shafts to reduce costs.
11. In Spring 2025, structural testing of the existing lift shafts proved that they could be strengthened and refurbished. During summer/autumn 2025 an outline design was developed and a cost estimate undertaken indicating that the cost of the revised scheme was £7.19m.
12. To try and bring the scheme back within the available budget of £6.7m, SWR/NR descope more items and sourced additional funding to overcome the £490k deficit. The updated scope would just comprise the lifts, works to the platforms to provide safe access to and from the lifts and a canopy to cover the platform between the lifts and the existing main canopies.
13. In November 2025, there was a further update from SWR/NR informing the council that due to a complication with the lift mechanism specification there would need to be a redesign of the structure to accommodate the motor housing and therefore there would be a 5-month delay completing the design.
14. At the end of November 2025 officers updated the Cabinet leads for the programme and given the time that has passed since the initial approval of the contribution, lack of progress by SWR/NR over the past 4 years it requested that the future commitment to the project be debated at Cabinet and Council.
15. Options discussed were as follows:

	Option description	Outcome/notes
1	£2.6m - contribution in line with January 2022 Council Decision	Subject to NR/SWR managing the project within budget could lead to the delivery of the lifts from 2027 onwards. £195k per year pay back
2	£1.85m - reduced contribution to offset the council incurring increased costs due of inflation between 2022 and 2026	Unlikely that NR/SWR would source an additional £750k. Not possible to reduce scope to create deliverable option within budget, hence, scheme would be deferred by NR/SWR. £140k per year pay back
3	£0 – withdraw capital contribution.	Project not deliverable unless NR/SWR or DfT fund. Council to continue to offer officer resource to work with NR/SWR to develop a future Access for All application. £0 per year pay back

16. In response to a repeated request from the council at progress meetings for assurance that the project is still deliverable owing to the reported estimate of costs exceeding the available budget, on 19 December 2025 the SWR Regional Development Manager wrote via email to the council advising:

- SWR has allocated a further £0.273m from the current financial year to progress the redesign for the new lift technology bringing the total budget to £7.023m.
- Network Rail remain confident that the scheme can be delivered within the original £6.75m budget despite the change of lift technology.
- there are in practice four risk pots:
 - NR risk allowance set out in Quantitative Cost Risk Assessment – £495k
 - Contractor risk pot for contractor owned risk values - £334k
 - Network Rail Fee Fund – each scheme pays a % fee into the overall national fund as a form of insurance and the costs for Pokesdown are included in the estimated costs
 - Industry Risk Fund

The *Industry Risk Fund* and *Network Rail Fee Fund*, the *Risk Funds*, are as set out in the Office of Rail Regulation 'Investment Framework Consolidated Guidelines' October 2022. The guidelines identify risk allocation for rail industry schemes, and that these funds will allow the cost of certain events to be met that would otherwise fall to the promoter of an enhancement scheme and so without them would pose a barrier to investment in the rail network.

The Risk Funds have been developed to contribute towards the funding of contractual liabilities and rail industry systemic risk. The funds are applied to schemes promoted by 3rd parties. 3rd parties pay a small percentage of the total

value of their project into the Risk Funds that then gives access to the whole fund should a risk materialise that meets the criteria for settlement from the funds.

The Network Rail Risk fee is designed to cover Network Rail's potential liabilities when delivering enhancement works and services for third parties (e.g. Network Rail default). The Industry Risk Fee covers the liabilities taken by Network Rail for low-probability, high impact industry risks such as the impact of an operational emergency elsewhere on the network which adversely affects a scheme.

17. The email also requested that the BCP legal team be mobilised to ensure engagement between it and SWR legal team ahead of April 2026 when SWR expect the final costs to be confirmed. This is to ensure contracts are approved and signed to enable expedient mobilisation thereby avoiding increased costs because of delay.

Summary of financial implications

18. The annual repayment for borrowing the contribution has increased from £140k per year in 2022 to over £195k per year in 2026. This means that a total of £9.75m would be paid by the council across the next 50 years if it continues to part fund the project.
19. Supporting the project would create a £55k per year additional pressure due to the increased cost of borrowing. Withdrawing the council's financial contribution to this project would result in a £140k per year saving helping the council to safeguard statutory (essential) services.
20. The council Medium Term Financial Plan (MTFP) currently has £116k allocated to the Pokesdown Station Railway Project in 2027/28. The reason for this being less than £140k is that not all the borrowing would be incurred during year 1 of the construction phase. This means in the context of the MTFP the actual saving ahead of 2027/28 financial year would be £116k if funding for the project is withdrawn. Conversely, if the £2.6m funding is not withdrawn and the project supported then there would be a MTFP pressure of £79k in 2028/29. If the council committed to £1.85m (as per Option 2), then then there would be a MTFP pressure of £24k in 2028/29.
21. The council understands that SWR/NR has spent at least £1.6m developing a design for the delivery of lifts at Pokesdown. Included within this spend is the development of outline design drawings in line with the business case appended in the 2021 Cabinet report that when costed were found to substantially over budget.
22. The Business Case in Appendix 1 of the November 2021 Cabinet report advised that the benefit cost ratio (BCR) for just delivering the lifts would be 0.88 (poor) at 2021 costs.

Summary of legal implications

23. The Council is not contractually committed to the Pokesdown Railway Improvement Project and may lawfully withdraw its offer of funding (of last resort). No legal agreement has been entered into with SWR or NR and accordingly, withdrawal does not give rise to contractual liability or compensation.
24. Any decision to support the project would require the Council to enter into a formal legal agreement governing funding, delivery, risk allocation, and liability. The decision to recommend withdrawal has been taken having regard to changed

financial circumstances, reduced project scope, uncertainty as to deliverability and the Council's fiduciary duty to safeguard public funds.

Summary of human resources implications

- 25. There are 2 x BCP officers engaging with SWR/NR monthly, hence, the impact on resources is minimal.
- 26. If the council continues to support the project with the £2.6m contribution, then in the coming year(s) more resource from legal and finance will be required to agree a contract between the council and SWR/NR. This would be funded from the £2.6m contribution.
- 27. If the council decides to withdraw the £2.6m contribution, then the officers could work with SWR/NR to prepare an Access for All application for submission during future application windows.

Summary of sustainability impact

- 28. The delivery of lifts at the station would undoubtedly increase the accessibility of the station for some residents and visitors that are currently unable to do so and would therefore encourage more sustainable travel.
- 29. Conversely withdrawal of the funding from the project could help to safeguard statutory services.

Summary of public health implications

- 30. The delivery of lifts at the station would undoubtedly increase the accessibility of the station for some residents and visitors and may therefore encourage them to walk or wheel to the station improving their health.
- 31. Conversely withdrawal of the funding from the project could help to safeguard other statutory (essential) services that could provide larger public health benefits.

Summary of equality implications

- 32. An EIA Screening is attached as Appendix A. In summary, the proposed withdrawal of funding will have a future negative impact because it will delay the installation of lifts for passengers that need to use them at the station until alternative funding can be sourced.

Summary of risk assessment

- 33. No significant risk implications have been identified with regards to the withdrawal of the contribution. There is still the potential for the project to go ahead if SWR/NR can source the required funding from other sources.

Background papers

BCP Cabinet Report 24 November 2021: [\(Public Pack\)Agenda Document for Cabinet, 24/11/2021 10:00](#) – report starts on page 117

BCP Cabinet meeting minutes 24 November 2021 - [Minutes Template](#)

BCP Council meeting minutes 11 January 2022: [Minutes Template](#)

Appendices

A – Equalities Impact Assessment Screening

Appendix A – Equalities Impact Assessment Screening

Equality Impact Assessment: Conversation Screening Tool

[Use this form to prompt an EIA conversation and capture the discussion. This completed form or if needed, a full EIA report (form 3) will be published as part of the decision-making process ***Please delete prompts before publishing**]

The Council is legally required by the Equality Act 2010 to evidence how it has considered its equality duties in its decision-making process.

The Council must have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to -

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

A link to the full text of [s149 of the Equality Act 2010](#) which must be considered when making decisions.

1	What is being reviewed?	Impact of the withdrawal of BCP Councils £2.6m funding towards the Pokesdown Station Lift Improvements
2	What changes are being made?	There could be no improvements (installation of lifts) at the station in the short term to medium term (unless funding is secured from other sources). This means that there will be no change from the current situation at the station.
3	Service Unit:	Planning & Transport
4	Participants in the conversation:	Claire Clark - LTP & Capital Programme Manager Alexis Edwards – Transport Development Management & Policy Manager
5	Conversation date/s:	07/01/2026
6	Do you know your current or	Passengers that are wishing to either catch a train from

	potential client base? Who are the key stakeholders?	Pokesdown Station or alighting from a train at Pokesdown Station and need lifts to be able to access the platforms.
7	Do different groups have different needs or experiences?	<p>Disability The proposed withdrawal of the council funding will mean that the current situation remains the same. There will be no provision of lift access for passengers that need them to use Pokesdown Station and this is therefore considered a negative impact.</p> <p>Socio-economic status The proposed change will not affect the use of the station from a gender perspective.</p> <p>Gender The proposed change will not affect the use of the station from a gender perspective.</p> <p>Age (young/old) There will be no provision of lift access which could benefit some younger and/or elderly passengers using Pokesdown Station and this is therefore considered a negative impact.</p> <p>Pregnancy and Maternity Pregnant women may be less mobile due to pregnancy and/or due to the impact of having given birth and/or sleep deprivation. This could arise at any time before, during or after pregnancy including whilst on maternity leave. There will be no provision of lift access for passengers that need them to use Pokesdown Station and this is therefore considered a negative impact.</p>
8	Will this change affect any service users?	<p>The current facilities will remain the same for those currently accessing the station e.g. requiring use of stairs to alight/depart from the station.</p> <p>This is therefore considered a negative impact.</p>
9	If the answer to any of the questions above is 'don't know' then you need to gather more evidence.	
10	What are the benefits or positive equality impacts of the change on current or potential users?	There could be positive equality impacts on the withdrawal of the council funding for the lifts as the funding will be used to safeguard essential council services that will benefit a larger number of residents than those that would benefit from the council funding

		the Pokesdown Station Lift Improvements.
11	What are the negative impacts of the change on current or potential users?	There will be no change to the facilities for current passengers at Pokesdown Station. The negative impact is that there will be no improvement in the provision of lift facilities for those with mobility impairments and this may discourage people with mobility impairments from travelling by rail.
12	Will the change affect employees?	No, unless they are mobility impaired and travel to work via Pokesdown Station.
13	Will the change affect the wider community?	There will likely be a positive impact on the wider community as there will be more funding available for essential council services that benefit a larger number of residents than those that will benefit from the council part funding the Pokesdown Station Lift Improvements.
14	What mitigating actions are planned or already in place for those negatively affected by this change?	There is still the opportunity for alternative funding to be sourced by the rail operator, or government to progress the lift improvements at the station at some point in the future. The existing general arrangement will remain the same.
15	Summary of Equality Implications:	<p>The proposed withdrawal of BCP Councils funding towards Pokesdown Station Lift Improvements will have a negative impact locally because there will be no provision of lift access for passengers at the station.</p> <p>The funding (when taking account of the interest payments relating to the borrowing) if utilised towards essential council services across the conurbation over a number of years would likely benefit a larger number of residents including those with protected characteristics.</p>

This page is intentionally left blank