

**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**OVERVIEW AND SCRUTINY BOARD**

Minutes of the Meeting held on 18 December 2019 at 2.00 pm

Present:-

Cllr P Broadhead – Chairman

Cllr M Haines – Vice-Chairman

Present: Cllr M Anderson, Cllr S Bartlett, Cllr M F Brooke, Cllr M Earl,  
Cllr G Farquhar, Cllr M Greene, Cllr N Greene, Cllr M Iyengar,  
Cllr R Lawton, Cllr C Rigby, Cllr L-J Evans (in place of Cllr P Miles),  
Cllr D Farr (in place of Cllr L Fear) and Cllr M Le Poidevin (in place of  
Cllr R Maidment)

Also in attendance: Cllr L Allison (Portfolio Holder for Tourism Leisure and Communities)  
Cllr D Brown (Portfolio Holder for Finance)  
Cllr L Dedman (Portfolio Holder for Adults and Health)  
Cllr S Moore (Portfolio Holder for Children and Families)

77. Apologies

Apologies were received from Cllr L Fear, Cllr R Maidment and Cllr P Miles.

78. Substitute Members

Notice had been received from the relevant Group Leaders (or nominated representatives) of the following changes in membership for this meeting:

- Cllr D Farr was substituting for Cllr L Fear
- Cllr M Le Poidevin was substituting for Cllr R Maidment
- Cllr L-J Evans was substituting for Cllr P Miles.

79. Declarations of Interests

There were no declarations of disclosable pecuniary interest.

Other declarations were made for the purpose of transparency as follows:

- Agenda item on Budget scrutiny of Adult Social Care: Cllr L-J Evans declared that she was a member of the Tricuro Executive Shareholders Group
- Agenda item on Bournemouth International Centre – Short Term Investment Plan: Cllr S Bartlett declared that he was a director of BH Live (Enterprises) Ltd

80. Confirmation of Minutes

**RESOLVED that the minutes of the meeting held on 7 October 2019 and the two meetings held on 11 November 2019 be confirmed and signed as a correct record.**

81. Public Speaking

There were no public questions, statements or petitions submitted to this meeting.

82. Scrutiny of the Medium Term Financial Plan (MTFP) Cabinet Report

The Board considered a report, a copy of which had been circulated and which appears as Appendix 'E' to the Cabinet minutes of 20 December in the Minute Book.

The Chairman welcomed everyone to the meeting. He referred to the recent Centre for Public Scrutiny (CfPS) development workshop, which had provided guidance to councillors on the approach to effective challenge and scrutiny of the MTFP and annual budget setting. Although there was limited time left for scrutiny this year, there would be opportunities for scrutiny to engage earlier in the process in future years. The purpose of this item was to provide the Board with an overview of the latest budget position across the Council, to be followed by more detailed scrutiny of two key areas of pressure which the Board had asked to look at: Children's Services and Adult Social Care. The Chairman asked Portfolio Holders to be prepared to expand if required on the summary information contained in their updates.

**Budget Scrutiny – Medium Term Financial Plan Update**

The Portfolio Holder for Finance outlined the key areas of focus in the report and its recommendations. He explained that good progress was being made in developing a robust and lawful budget for 2020/21. He highlighted the four main areas for consideration in the update position, as set out in paragraph 6 of the report. He reported that the current administration had inherited an unsustainable budget. The Shadow Authority had not addressed the deficit on the High Needs Block of the Dedicated Schools Grant (DSG) funding. The inclusion of the projected funding gap of £9.8million in the budget was not financially sustainable, and the Council was now faced with making difficult decisions in order to set a balanced budget for 2020/21.

The Portfolio Holder and the Section 151 Officer responded to questions on the report:

- Regarding the robustness of projections for the tax base growth for Council Tax, the Section 151 Officer explained that this was considered as part of the budget process. He explained how the projected increase of 0.86% from the growth in residential property numbers over those previously assumed had been calculated.
- The Portfolio Holder was asked if there was a rolling programme to address the net funding gap in future years, particularly in view of

growing pressures on the adult social care budget. He stated that he was confident that funding pressures would be addressed, primarily through the significant efficiencies arising from organisational transformation. He was asked whether the timescales for organisational transformation aligned with key budget milestones and explained that the delivery plan in Spring 2020 would give more indication of timings.

- A Board member asked how the growth in residential property numbers cross referenced with planning policy and housing requirements. The Section 151 Officer reported that this was not a straightforward calculation. It took account of council tax discounts, not just property numbers. The Portfolio Holder explained that the figures were difficult to anticipate as much depended on planning permissions and developers carrying these out.
- The Portfolio Holder confirmed that the assumptions around business rates were based on the Consumer Price Index and inflation was not built in.
- The Portfolio Holder explained that the additional £3million earmarked reserves to meet the cost of redundancies related to Tiers 4 and 5. It had not been included in the reserves before now.
- The Section 151 Officer clarified how the figure of £1535 as a council tax alternative average had been arrived at. He provided an overview of the Council Tax Harmonisation Strategy as set out in section e) in Appendix A of the report.
- There was no indication that the Government intended to reduce DSG High Needs Block funding to zero.
- The High Needs Block funding shortfall was not included in Figure 1 in the report as the DSG was a separate account. However, it did form part of the medium term financial planning process. The Portfolio Holder explained why the DSG was included in the External Auditor's Value for Money judgement.

The Portfolio Holder was asked for further information about the nature of the savings and efficiencies identified in areas other than children's and adult services to assist the Board in considering the report's recommendations. It was noted that the figures had changed since the last MTFP update in October. He explained that these were still a work in progress but would be outlined as part of the budget report in February in accordance with previous practice. It was suggested that Portfolio Holders should be invited to attend the next O&S Board to provide a better understanding of options being considered.

The Portfolio Holder provided further information on the tri annual revaluation of the Pension Fund and how the Council had achieved a resulting funding level of 92%. He was asked about the potential impact of the climate emergency on investments and explained that this was already an issue of discussion for the Dorset Local Government Pension Scheme and the Brunel Pension Partnership. As the Council's representative on these bodies he undertook to act in the overall best interests of its membership, balancing financial best interests with social and environmental responsibility. The Portfolio Holder was asked whether the

budget included provision for additional resources to address the climate emergency. He explained that there was no specific budget at the moment. The Council was doing what it could within existing resources with current Portfolio Holders and staff.

The Section 151 Officer was asked for his view on the Council's reserves. He explained that in his role as a statutory officer he was required to give a full assessment in the February budget report. At present the significant concern was the sustainability of the Council's position in respect of the DSG and the High Needs Block funding deficit. This position would be challenged by the External Auditor and would require further consideration in the preparation of the February budget.

The Portfolio Holder was asked for an assurance that protecting/increasing the Council's reserves would be a future priority. He confirmed that managing reserves effectively and keeping them at a sufficient level was a priority, to be balanced alongside other priorities including the development of a financial strategy to tackle the high needs block funding deficit and over time bring it back to a level where it could pay itself off. It was noted that there were already pressure on the reserves due to local government reorganisation (LGR), transformation and other major activity.

### **Budget Scrutiny – Children's Services**

The Portfolio Holder for Children and Families outlined in more detail the main pressures and additional savings and efficiencies in relation to the 2020/21 budget for Children's Services, as summarised in Appendix A2 of the report. She talked through the most significant service pressures which amounted to £3.9 million in total, highlighting the following areas:

- She provided a detailed breakdown of the numbers of children in care cases and the associated costs. This was a needs-led budget with unavoidable costs. In general costs had increased due to the complexity involved in many of these cases.
- The number of children in care cases in Christchurch was higher than anticipated. This was a one-off situation as a result of LGR.
- There was a need to recruit and retain more local authority foster carers to address the increase in private fostering.
- There was a predicted £817k overspend in school transport costs for children with the Special Educational Needs (SEN). This was due to an increase in the number of entitled pupils.
- There were national and local pressures on the High Needs Block funding.
- There was no additional funding to support the increase in demand and expectations arising from changes to Education, Health and Care Plans (EHCP).
- Independent tribunal decisions could result in significant costs for the Council.

- There was an increase in SEN children being excluded from secondary school requiring alternative provision. This was not a good outcome for the children or in terms of costs.
- All these pressures were culminating in aggressive charging by private providers.

The Portfolio Holder reported that there was no simple solution to these problems and that a change of approach was required. She outlined a number of strategies which could be implemented, including a reduction in out of area placements, an increase in specialist provision in mainstream schools to reduce exclusions, and the alignment of tribunal services. It was noted that the recent restructure of the SEND service should result in more effective processes. Improvements were also required to joint commissioning arrangements particularly in relation to health. There was a need to lobby the Government for adequate funding for the High Needs Block if this was not provided in the Local Government Settlement.

The Portfolio Holder and the Service Director for Inclusion and Family Learning responded to questions on the report:

- The Service Director explained why the cost of funding a high needs child was so expensive. These cases were few, but often required a multi-agency package of health, care and educational needs for 52 weeks of the year, which no other organisations could provide due to the complexity of needs. Sometimes this provision could be in place up to the age of 25, by which time these young people would have transferred to Adult Social Care if required.
- It was clarified that the figure of £24million referred to in recent press reports related specifically to the Government's learning disabilities and autism national funding programme.
- The Portfolio Holder was asked about permanent exclusions and reported that the new Ofsted regime may also reduce the numbers.
- The Portfolio Holder was asked whether it was possible to reduce the number of EHCPs and their associated costs without having an impact on outcomes for the children involved. She confirmed that this formed part of the new strategy which was being developed.
- There was now one strategic board for the Virtual School. The Portfolio Holder was unable to say as yet whether the work of the Virtual School had an impact on the budget. It was noted that there was no councillor representation on the board.
- The Portfolio Holder was asked whether there was an opportunity to lobby central Government to take responsibility for the numbers of children in care and segregate the budget. She reported that the number of children in care was currently lower than the national average but higher than similar types of local authorities. There should be better funding overall for local government.

The Portfolio Holder was asked about the £1.9 million assumed savings and efficiencies and whether these might put services at risk. She stated that more detailed information on savings and efficiencies would be

available in the next budget update. She explained that the work around harmonisation and restructuring of services was ongoing. She had received assurance from the Corporate Director of Children's Services that the savings were deliverable. She assured the Board that the significant restructuring of the MASH (multi agency safeguarding hub) had been driven by more efficient ways of working rather than saving money.

The Board was generally supportive of the proposal to implement a council tax discount policy for BCP care experienced young people up until the age of 25, with effect from 1 April 2020. The Portfolio Holder responded to questions about the details of the policy and the criteria applied in assessing applications. The Service Director responded to a concern about some of the definitions and qualifying criteria used in the policy. In terms of context he explained that the threshold for young people to be placed in care was very high, and usually had longstanding and lifelong consequences for them. There was sufficient evidence that children in care could experience poor outcomes. It was suggested that the rationale for the policy should be made clearer so that all residents understood why the discount was being introduced.

### **Budget Scrutiny – Adult Social Care**

The Portfolio Holder for Adults and Health outlined in more detail the main pressures and additional savings and efficiencies in relation to the 2020/21 budget for Adult Social Care, as summarised in Appendix A1 of the report. She provided a comprehensive summary of the services currently provided by the Council, and highlighted the following areas:

- The budget for adult social care made it difficult to be ambitious, Nationally the UK spent less on adult social care than the majority of Western Europe.
- Many young people with high levels of need transferred from children's services to adult social care services and this put pressure on the budget.
- The increase in the cost of care and support was a major budget pressure. The rise in costs was attributed to a number of factors, including an increase in staffing costs, and changes in local market conditions such as the loss of smaller providers.
- Predecessor councils had taken positive steps to develop the market by building and acquisitioning their own residential care provision.
- There was more demand for care packages for people with long term conditions, and an increase in life expectancy.

The Portfolio Holder outlined the opportunities for BCP Council to make efficiencies. She highlighted the issue of recruiting suitable staff. She talked about plans to harmonise the adult social care charging policy and introduce a 'one front door' proposal as part of organisational transformation. She reported that much of the Better Care Fund allocation had been absorbed by inflationary pressures.

The Portfolio Holder was asked if there were plans to build more Council owned care homes. She explained that firstly the Council had to establish what was required in terms of client needs and then design services accordingly. The Corporate Director of Adult Social Care reported that a needs analysis was being undertaken with health colleagues over the first six months of 2020, the results of which would be used to develop a strategy. This would be subject to scrutiny by the Health and Adult Social Care O&S Committee.

The Portfolio Holder talked about the ability to see the overall picture across BCP Council and the opportunity to include adult social care within the context of the developing Local Plan. There was consensus on the need to work with colleagues in strategic planning and housing to ensure that the care needs of the population were accommodated.

The Corporate Director responded to a question about the availability of live data to benchmark with local authority neighbours. She explained that while this information could be looked at with robustness for Bournemouth and Poole there were caveats in terms of how returns were completed, how data was used and how this translated into the local market.

The Portfolio Holder was asked whether there was a delivery plan for the savings identified in the report. Without a sufficient level of detail, it was not considered possible at this stage to be assured that the savings were robust and deliverable. It was explained that there were many threads to this work. The results of the organisational design work was a major focus and would be considered by the Health and Adult Social Care O&S Committee.

Reference was made to the Local Government Association cross party groups, which included Community Well Being, and the need for stronger BCP executive representation on these.

The Chairman on behalf of the Board thanked the Portfolio Holders for their updates. In conclusion the Board, while noting that the Local Government Settlement had yet to be announced and that a full risk assessment in relation to the budget would be provided in the February, agreed that more detailed information on budget work to date should be provided by Portfolio Holders at its next meeting in January.

**RESOLVED that Cabinet Portfolio Holders be requested to provide further detail on budget work and risk analysis on the savings identified to date in figure 1 of the MTFP report to Cabinet of 20 December, to the Overview and Scrutiny Board in January, and prior to the budget being presented.**

Voting: For – 9, Against – 6

83. Scrutiny of Regeneration Cabinet Reports - Budget related

**Bournemouth International Centre Short Term Investment Plan**

The Portfolio Holder for Regeneration and Culture presented the report to the Board, a copy of which had been circulated and which appears as Appendix 'F' to the Cabinet minutes of 20 December in the Minute Book. The Portfolio Holder referred to the recommendations in the report and welcomed any questions or comments from members of the Board.

- The Portfolio Holder was asked for further detail on the two options for the Purbeck Hall vertical extension. The Head of Leisure, as lead officer for the BIC development, explained that details of the remodelling programme including the level of investment required had been developed in consultation with a specialist consultant following the initial Cabinet report in July 2019. The identification and prioritisation of projects had been tested with BH Live and specialist officers.
- The Portfolio Holder responded to questions on the borrowing arrangements and the level of interest rate. The Head of Leisure confirmed that the income from BH Live supported the overall budget enabling the Council to borrow and invest in its assets.
- A Board member questioned the use of borrowing to fund maintenance, the cost of which should be covered by the operation. The Portfolio Holder stressed that the focus of the report was on investment.
- It was clarified that the lifespan of the works on the Purbeck Hall vertical extension was 25 years. This lifespan, and the costs and works timetable listed in Table 3 of the report related to Option 2, the more expensive and preferred option.
- The Portfolio Holder was asked whether the short-term investment would enable the BIC to host the larger political party conferences. He spoke about the difficulties in competing with other venues such as Manchester in attracting these bookings.
- A Board member commented on the huge amount of investment proposed compared to the figures given for other venues in paragraph 6 of the report. The Portfolio Holder explained that the figure for the BIC reflected the significant scale of the works and previous underinvestment.
- The Portfolio Holder confirmed that reference to climate emergency would be included in future reports.
- The Portfolio Holder was asked what impact the two options for the Purbeck vertical extension had on the key objectives for the remodelling. He explained that Option 2 was the preferred option because it provided more space, and this offered more scope for different configurations and the flexibility to run things concurrently.
- Board members commented on the ambition of Option 2 and that it would result in much needed improvements to the café area. The Portfolio Holder confirmed that the proposal would significantly increase the number of covers.
- The Portfolio explained that the order of projects listed in Table 3 gave priority to those projects which would have the highest impact



while being mindful not to affect events which had already been booked in.

The Portfolio Holder was asked why the consultation on the proposals had not been listed in the report. He explained that details had been provided in the previous report to Cabinet in July. It was suggested that this information should have been included in the current report, in view of the level of investment being sought and the public interest. It was noted that there had been no consultation with ward councillors or tourism partners. The Head of Leisure reported that a commercial decision such as this was primarily a matter between the Council and BH Live with support from specialist advisors and would not normally be subject to wider community consultation. He assured the Board that there would be engagement with key stakeholders as part of the longer-term reimagining of the BIC. The Head of Construction and Facilities Management responded to a question about the external advice received. She explained the role of ICW as specialist consultants in their field. ICW had held workshops and discussions with former and potential clients to identify what was required for the BIC to retain its place in the market in the short to medium term.

In conclusion the Board supported investment in the BIC but questioned the need to commit to the figure of £4.7million for short term remodelling at this stage, prior to the longer-term vision for the BIC being determined. The Portfolio Holder stressed that only £1.8 million of this figure would be committed in advance of the longer-term development options study. He stated that not approving the £4.7million at this stage may have an impact on tendering costs and event bookings.

**RESOLVED that Cabinet be recommended to:**

- 1) Delete recommendation a of the report;**
- 2) Amend recommendation b to read:  
‘Approves the use of up to £1.8m of Prudential Borrowing at assumed interest rate of 5.5% over 25 years’.**

Voting: For – 11, Against – 4

**Winter Gardens – including exempt information** – It was noted that this report was no longer on the agenda for the Cabinet meeting on 20 December 2019.

The meeting ended at 5.45 pm

CHAIRMAN