

## **2023-24 Company Outturns**

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

### **Bournemouth Building & Maintenance Ltd (BBML)**

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

### **Seascope Group Ltd**

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

## **BCP FuturePlaces Ltd**

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

## **Charities**

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

## **The Bournemouth Development Company LLP**

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

## **Tricuro**

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

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

## **29. Aspire Adoption**

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