



# Cabinet

**Date:** Tuesday, 3 September 2019  
**Time:** 10.00 am  
**Venue:** Committee Rooms A&B, South Walks House,  
Dorchester, DT1 1EE

**Membership: (Quorum 3)**

Spencer Flower (Chairman), Peter Wharf (Vice-Chairman), Tony Alford, Ray Bryan, Graham Carr-Jones, Tony Ferrari, Laura Miller, Andrew Parry, Gary Suttle and David Walsh

**Chief Executive:** Matt Prosser, South Walks House, South Walks Road,  
Dorchester, Dorset DT1 1UZ (Sat Nav DT1 1EE)

**For more information about this agenda please contact Kate Critchel 01305 252234 - [kate.critchel@dorsetcouncil.gov.uk](mailto:kate.critchel@dorsetcouncil.gov.uk)**

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# **A G E N D A**

## **Page No.**

### **1 APOLOGIES**

To receive any apologies for absence.

### **2 MINUTES**

5 - 12

To confirm the minutes of the meeting held on 30 July 2019.

### **3 DECLARATIONS OF INTEREST**

To receive any declarations of interest.

### **4 PUBLIC PARTICIPATION**

To receive written questions or statements on the business of the committee from town and parish councils and members of the public.

### **5 QUESTIONS FROM MEMBERS**

To receive any written questions from members in accordance with procedure rule 13.

### **6 FORWARD PLAN**

13 - 26

To consider the Cabinet Forward Plan.

### **7 CHILDREN'S RESIDENTIAL PROVISION**

27 - 34

To consider a report of the Portfolio Holder for Children, Education and Early Help.

### **8 LOOKED AFTER CHILDREN REDUCTION CASE FOR CHANGE**

35 - 46

To consider a report by the Cabinet Member for Children, Education and Early Help.

### **9 PROCUREMENTS OVER £5 MILLION IN RESPECT OF: HIGHWAYS CONTRACTOR RESOURCE**

47 - 54

To consider a report of the Portfolio Holder for Highways, Travel and

Environment.

**10      PROCUREMENTS OVER £5 MILLION IN RESPECT OF:  
ELECTRICITY AND GAS** 55 - 62

To consider a report of the Portfolio Holder for Highways, Travel and Environment.

**11      POLICY FOR THE AWARDING OF DISCRETIONARY RATES  
RELIEF TO CHARITIES AND NOT FOR PROFIT ORGANISATIONS** 63 - 76

To consider a report of the Portfolio Holder for Finance, Commercial and Assets.

**12      SUPERFAST BROADBAND - TO INVEST FUNDS, MADE UP FROM  
GRANT FROM THE DEPARTMENT OF FOOD AND RURAL  
AFFAIRS (DEFRA) AND CONTRACT OUTTURNS** 77 - 90

To consider a report of the Portfolio Holder for Economic Growth and Skills.

**13      PANELS AND GROUPS**

**a          Climate Change Executive Advisory Panel Update**

To receive a verbal update from the Cabinet Member for Highways, Travel and Environment.

**14      URGENT ITEMS**

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

**15      EXEMPT BUSINESS**

To move the exclusion of the press and the public for the following item in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.

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## DORSET COUNCIL - CABINET

### MINUTES OF MEETING HELD ON TUESDAY 30 JULY 2019

**Present:** Cllrs Spencer Flower (Chairman), Peter Wharf (Vice-Chairman), Tony Alford, Ray Bryan, Graham Carr-Jones, Laura Miller, Andrew Parry and David Walsh

**Apologies:** Cllrs Tony Ferrari and Gary Suttle

**Also present:** Cllrs J Andrews, S Bartlett, D Bolwell, C Brooks, T Coombs, M Dyer, L Fry, B Goringe, D Gray, M Hall, B Heatley, R Hughes, N Ireland, P Kimber, S Jones, V Potheary, M Roe, D Shortell, J Somper, D Tooke and D Turner

**Officers present (for all or part of the meeting):** Matt Prosser (Chief Executive), Aidan Dunn (Executive Director – Corporate Development (S151)), Mathew Kendall (Executive Director of People – Adults), Jonathan Mair (Corporate Director – Legal and Democratic), Sarah Parker (Executive Director of People – Children), John Sellgren (Executive Director – Place) and Kirsty Riglar (Democratic and Electoral Services Manager).

In accordance with the Overview and Scrutiny Procedure Rules of the Shadow Dorset Council, the decisions set out in these minutes will come into force and may then be implemented on the expiry of five working days after the publication date.

#### 25. **Minutes**

The minutes of the meeting held on 25 June 2019 were confirmed and signed.

#### 26. **Declarations of Interest**

No declarations of disclosable pecuniary interests were made at the meeting.

#### 27. **Public Participation**

A question was received from Mr Tunbridge in relation to the Climate Emergency and renewable energy. The question and answer provided are attached to these minutes as an annexure.

#### 28. **Questions from Members**

No questions from members were received in accordance with procedure rule 13. However, the Leader of the Council reminded Councillors in attendance that if they wanted to speak on an item on the agenda in accordance with the Cabinet's Terms of Reference to indicate so that he could invite them to participate.

29. **Forward Plan**

The Cabinet received the latest Forward Plan, which included all scheduled decisions for the coming months.

Noted

30. **Quarter 1 Budget Report 2019/20**

The Cabinet considered a report by the Cabinet Member for Finance, Commercial and Assets providing an update on Dorset Council's financial performance, position and forecasts at the end of the first quarter of the 2019/20 financial year. Initial analysis of the first three months of the year forecast a year end overspend of £7.1M on its directly controlled budgets and up to £5.5M on funding for schools and education. The general reserves had increased following the closure of the accounts from the predecessor authorities and were now higher than when the budget was agreed in February 2019.

Introducing the report, the Deputy Leader reminded Members that the budget for 2019/20 had been produced and the accounts of the predecessor authorities closed by staff who were uncertain of their futures, demonstrating the professionalism of the Council's workforce. Whilst he acknowledged that the forecasted overspend was concerning, there was a need to understand the causes of the increases, the work currently underway to address this and the direction of travel. Particular attention was drawn to the increases in the cost of providing services relating to Looked After Children, Special Educational Needs and Disabilities (SEND) and Education, Health and Care Plans (EHCPs), in addition to the Dedicated Schools Grant funding. However, he expressed his confidence that planned in year savings of £5.5M from the convergence of six councils into one would be achieved in the current year but considered that the Council should use its reserves to help to fill the gap until it was possible to resolve some of the systemic issues which had caused the first quarter overspend.

The Cabinet Member for Children, Education and Early Help explained that the cost pressure lay within the Higher Needs Block of the Dedicated Schools Grant (DSG). He drew attention to the increase in demand for EHCPs since 2013 when there were 1,237 to an expected 2,515 in the current year. It was anticipated that this trend would continue and there could be a rise to 2,752 EHCPs by 2021. This was due to an increase in the number of children with increasingly complex needs which the Council were obliged to meet. This was a national issue and an indication had been received that the Secretary of State would meet with local authorities to discuss this matter.

The Cabinet Member for Adult Social Care and Health confirmed that the pressures on the budget similarly reflected the national position in relation to the complexity of needs and the rise in the cost of care and the Council was actively working with partners in the NHS and voluntary sector and private providers to address this.

The Member for the South East Purbeck Ward, Cllr Brooks, asked whether the Council had considered evidence that the reduction in funding for school support

staff had resulted in an increase in demand for EHCPs. She also asked if there was evidence that the number of young people with EHCPs would have an impact on the future workforce and aspirations. The Cabinet Member for Children, Education and Early Help explained that there was a need to gain a clearer understanding of the responsibility of Dorset Council and its health partners in relation to EHCPs as every child had the right to be educated in a mainstream school. The Executive Director for People – Children recognised that this was a complex landscape; EHCPs were a contentious issue with schools and the assessment process was expensive. She explained that there was a need for the Council to support children and young people prior to assessment for an EHCP.

In response to a question from the Cllr Ireland, Leader of the Liberal Democrat Group about the reference in the report to the financial impact of the increase in academy conversions, it was explained that there was a cost to the local authority if the school was in deficit.

In relation to the forecast overspend on the DSG, it was explained that historically the deficit had reserve funding behind it. However, it was preferable to find long-term solutions which would negate the need to draw down reserve funds.

The Leader welcomed the report and considered that the Council should take a measured approach to addressing the forecast overspend. He reiterated that a lot of work was underway to bring together an understanding of the risks and rewards going forward in a positive way.

#### Decisions

1. That the Senior Leadership Team's forecast for Dorset Council's position at the end of quarter 1 be noted.
2. That the context around the budget that was set for the year be noted.
3. That the impact that any overspend would have on reserves and the general fund be noted.
4. That the work going into reviewing Dorset Council's reserves and balances be noted.
5. That the approach to work to develop sustainability of the base budget position for 2020/21 and beyond be noted.
6. That the work going on around capital strategy and the capital programme and financing be noted.

#### Reason for Decisions

To ensure support and/or challenge for actions being taken in 2019/20 to balance the budget and consider the adequacy and use of reserves and to support transition and convergence. 2019/20 is a critical year for establishing the base budget for Dorset Council to enable an accurate, medium-term financial plan to be delivered alongside a longer-term, sustainable financial strategy.

### 31. **Looked After Children Reduction Case for Change**

The Cabinet considered a report by the Cabinet Member for Children, Education and Early Help regarding current research on the rise in numbers of looked after children in England and Wales. This noted differential rates of increase between local authorities within the two countries and considered the possible reasons for this. It also reviewed emerging evidence about strategies to reduce the number of looked after children and indicated some potential components of such a strategy in Dorset. It was noted that there were currently 445 looked after children in Dorset and it was proposed that a strategy be developed to not only reduce the number of children entering care but also reduce high cost placements. The Cabinet Member set out his expectations that this would be bold and place the child at the centre.

Cllr Coombs, the Chairman of the Corporate Parenting Board, welcomed the report. She emphasised the importance of breaking the cycle of need through early intervention, the need for every child to have an up to date care plan and reduction of the number of unregulated placements. She pointed out that 42 of Dorset's looked after children were placed out of county and referred to the need for investment in The Cherries, the residential home for children in Weymouth.

The Cabinet Member for Children, Education and Early Help welcomed the comments made by the Chairman of the Corporate Parenting Board. He agreed that there was a need for investment in The Cherries and for greater in-county provision which was fit for purpose.

One of the Members for the Portland Ward, Cllr Kimber, echoed the comments made in relation to the need for refurbishment of The Cherries.

#### Decisions

1. That the Executive Director of People – Children develop a strategy and detailed roadmap to reduce the number of children in care, taking a rights-based approach, to develop services which support children to be able to grow up in a family setting.
2. That this be presented to Cabinet in September 2019.

#### Reasons for Decisions

The reduction of the number of children in care in Dorset would:

1. Promote the rights of children;
2. Improve the outcomes for children; and
3. Enable services to be sustainable.

### 32. **Homes England Housing Infrastructure Fund (HIF) Grant Determination Agreement for submission - Gillingham Principal Street**

The Cabinet considered a report by the Cabinet Member for Highways, Travel and Environment proposing that, following the success of an application made by North Dorset District Council, Dorset Council enter into a Funding Agreement with



Homes England to secure Housing Infrastructure Funding (HIF) to enable the design and construction of a principal street within the proposed urban extension upon land to the south of Gillingham and help serve the wider development. This grant was conditional upon the Council ultimately recovering the HIF in full from the benefitting developers but with the agreement that any sums recovered may be reinvested in housing projects throughout Dorset.

The Cabinet Member for Planning, who was one of the Members for the Gillingham Ward, explained that he had been involved in the bid for the HIF and very much welcomed the report. He explained that the construction of the proposed principal street would ensure that construction vehicles could access the development site with ease and would accelerate the construction programme. He reminded the Cabinet that the Secretary of State for Housing, Communities and Local Government had held Gillingham up as an exemplar of community-led planning.

The Leader reported comments from one of the Members for the Gillingham Ward, Cllr Ridout, supporting the recommendation as set out in the report.

One of the Members for the Rodwell and Wyke Ward, Cllr Heatley, drew attention to the omission of any commentary on the implications of Climate Change in the report and requested that this should be included in all reports. Officers acknowledged the omission from this report but confirmed that this was now included in the report template.

#### Decision

3. That entry into a Funding Agreement with Homes England be authorised to secure up to £6,310,000 of Housing Infrastructure Funding on terms and conditions to be agreed by the Cabinet Member for Highways, Travel and Environment, in consultation with the Executive Director for Place.

#### Reason for Decision

To promote and assist in the delivery of the proposed Gillingham Strategic Site Allocation by the former North Dorset District Council under the North Dorset Local Plan Part 1 2011-2031.

### **33. Capital funding option for the West Bay Coastal Improvements Project**

The Cabinet Member for Highways, Travel and Environment proposed that a decision on the report to secure a capital funding contribution towards works forming part of the current West Bay Coastal Improvements Project from the tenant of the Council's Campfield Site in exchange for granting a lease extension be deferred to enable further exploration of alternative options.

#### Decision

1. That a decision be deferred to enable further exploration of alternative options.

### Reasons for Decision

A deferral will provide the Council with the opportunity to explore alternative options for the funding of the improvements project.

## 34. **Assistive Technology**

The Cabinet considered a report by the Cabinet Member for Adult Social Care and Health regarding an options appraisal for Assistive Technology developed to drive the uptake within the Dorset Council area. She explained that Assistive Technology, supported by a therapy-led social care approach, was considered to be an essential component of the Council's commitment to develop an Independent Living Pathway for the people of Dorset and provided an exciting opportunity for the transformation of services to achieve this.

### Decisions

1. That option 3, as set out in the report, proceed for the development of care technology in Dorset.
2. That the procurement be approved of:
  - a. Assistive Technology service – assessment, installation and monitoring of equipment;
  - b. Careline provider and responder service; and
  - c. Development partner.
3. That the Cabinet Member for Adult Social Care and Health and Executive Director for People – Adults be delegated authority to award the contract to the successful bidder once the tender evaluation has been concluded.
4. That authority also be delegated to the Cabinet Member for Adult Social Care and Health and Executive Director for People – Adults, in consultation with the Executive Director for Corporate Development (S151), to increase the available budget, subject to the compliance with procurement regulations, where clear evidence of savings and/or cost avoidance is provided.

### Reason for Decisions

Commissioning services that increase wellbeing will enable the reduction and delay of more costly health and care interventions and maintain people's independence for longer. The procurement of a standalone Assistive Technology service will support the delivery of cost savings and avoidance and support the overall financial position of the Council.

## 35. **Recommendations from Committees**

The Cabinet considered the following recommendations from committees:

### **a) Somerley Household Recycling Centre - Hampshire County Council charges for Dorset residents**

(The Deputy Leader took the Chair for this item.)

The Deputy Leader proposed that consideration of a recommendation from the Place Scrutiny Committee meeting on 10 July 2019 relating to

the future use of Somerley Household Recycling Centre by Dorset residents be deferred pending further discussion with Hampshire County Council. A meeting with the Leader of Hampshire County Council was being arranged to discuss this and other cross-border issues.

#### Decision

1. That a decision be deferred pending further discussion with Hampshire County Council, with all options on the table.

#### Reason for Decision

A meeting is being arranged with Hampshire County Council to discuss options for the use of Somerley Household Recycling Centre by Dorset residents.

### 36. **Panels and Groups**

The Cabinet received the following minutes and recommendations from panels, groups and boards:

#### **a) Health and Wellbeing Board - 26 June 2019**

##### Decision

1. That the minutes be received and recommendation be approved:

##### *Minute 4 – Terms of Reference and Membership*

*That the Board's terms of reference be amended to reflect its statutory role in promoting integration and prevention.*

#### **b) Climate Change Executive Advisory Panel Update**

The Cabinet Member for Highways, Travel and Environment provided a verbal update. He explained that he had engaged with a lot Dorset Councillors and town and parish councils since the last meeting. The Panel was currently exploring where Dorset Council was as a council in relation to climate change; whilst the predecessor councils had sought to address this, there was a lot more to do.

He explained that Friends of the Earth had presented the Panel with a list of 33 items to consider, which was underway and the evidence would be considered at the next meeting. He acknowledged the need for central government to be more involved in addressing climate change and for the Council to work with the private sector on such initiatives as the availability of electric vehicle charging stations. He also reported that discussions had begun with local bus companies to identify how services across the rural areas could be improved. He also added that he would be meeting with representatives of Extinction Rebellion on 5 August. He

reiterated that the Council was taking this issue very seriously and a great deal of work was ongoing.

One of the Members for the Wimborne Minster Ward, Cllr Bartlett, expressed his concern that local town councils were being pressured to commit to becoming carbon neutral by 2030 with little idea of the cost of doing this. He requested that the Executive Advisory Panel also consider the procurement of means of energy efficient power generation in partnership with parish and town councils. The Cabinet Member for Highways, Travel and Environment welcomed these comments and agreed that there was a need for local councils to use every opportunity to generate heat and power in ways that addressed climate change.

The Member for the Sherborne East Ward, Cllr Andrews, informed the Cabinet that on the previous day Sherborne Town Council had declared a climate emergency with a view to becoming carbon neutral by 2030. He expressed his concern that there was little enforcement through the planning system for the installation of renewable energy in new developments. The Cabinet Member for Planning explained that current developments were considered in relation to the extant Local Plans of the predecessor councils. However, there was an opportunity to include policies relating to energy efficiency through the development of the Dorset Council Local Plan. He added that it was important to continue to lobby central government to increase demand for this through the National Planning Policy Framework.

Decision

1. That the update be noted.

**37. Urgent items**

There were no urgent items considered at the meeting.

**Duration of meeting:** 10.00 - 11.10 am

**Chairman**

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**Cabinet Forward Plan - October 2019**  
**For the period 1 SEPTEMBER 2019 to 31 DECEMBER 2019**  
**(publication date – 2 SEPTEMBER 2019)**

**Explanatory Note:**

This Forward Plan contains future items to be considered by the Cabinet and Council. It is published 28 days before the next meeting of the Committee. The plan includes items for the meeting including key decisions. Each item shows if it is 'open' to the public or to be considered in a private part of the meeting.

**Definition of Key Decisions**

Key decisions are defined in Dorset Council's Constitution as decisions of the Cabinet which are likely to -

- (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates (**Thresholds - £500k**); or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority."

In determining the meaning of "*significant*" for these purposes the Council will have regard to any guidance issued by the Secretary of State in accordance with section 9Q of the Local Government Act 2000 Act. Officers will consult with lead members to determine significance and sensitivity.

**Cabinet Portfolio Holders 2019/20**

<b>Spencer Flower</b>	Leader / Governance, Performance and Communications
<b>Peter Wharf</b>	Deputy Leader / Corporate Development and Change
<b>Tony Ferrari</b>	Finance, Commercial and Assets
<b>Graham Carr-Jones</b>	Housing
<b>Gary Suttle</b>	Economic Growth and Skills
<b>Andrew Parry</b>	Children, Education and Early Help
<b>Laura Miller</b>	Adult Social Care and Health
<b>David Walsh</b>	Planning
<b>Ray Bryan</b>	Highways, Travel and Environment
<b>Tony Alford</b>	Customer, Community and Regulatory Services

Subject / Decision	Decision Maker	Decision Due Date	Consultation	Background documents	Member / Officer Contact
<p><b>Adoption of Poole Harbour Recreation Supplementary Planning Document (SPD)</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	1 Oct 2019	<p><u>Consultees:</u> Members of the public and specific consultation bodies (between Monday 4<sup>th</sup> February and 4<sup>th</sup> March 2019).</p> <p><u>Means of Consultation:</u> Individual written notifications, draft supplementary planning document and background paper made available for public inspection, press release and publication on the Council's website.</p>	Poole Harbour Recreation Supplementary Planning Document (2019) and Poole Harbour Recreation Background Paper.	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Council Tax Subsidy for Care Leavers</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	1 Oct 2019	<p><u>Consultees:</u> Lead officers Members</p> <p><u>Means of Consultation:</u> Meetings Discussion Email</p>	DfE Guidance - Applying corporate parenting principles to looked-after children and care leavers	<p>Portfolio Holder - Cabinet Member for Children, Education and Early Help, Cabinet Member for Finance, Commercial and Assets</p> <p><i>Lead officer - Aidan Dunn, Executive Director - Corporate Development S151 aidan.dunn@dorsetcouncil.gov.uk</i></p>
<p><b>Adoption of the Dorset and BCP Mineral Sites Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p> <p>Dorset Council</p>	<p>1 Oct 2019</p> <p>17 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	Dorset and BCP Mineral Sites Plan	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>

<p><b>Children's Services - 0-5 Year Provision - Review</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Children, Education and Early Help</p> <p><i>Lead officer - Claire Shiels, Assistant Director for Commissioning and Partnerships c.shiels@dorsetcouncil.gov.uk</i></p>
<p><b>Draft Corporate Business Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p> <p>Page 15</p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u> The draft has been produced following engagement with the Corporate Leadership Team, Transformation Board, informal Cabinet and Portfolio Holders.</p> <p>There will be a public conversation/consultation October-December 2019</p> <p><u>Means of Consultation:</u> CLT, Transformation Board and informal Cabinet meetings, and meetings with leading members.</p>	<p>None</p>	<p>Portfolio Holder - Deputy Leader - Corporate Development and Change, Leader of the Council, Cabinet Member for Finance, Commercial and Assets</p> <p><i>Lead officer - Matt Prosser, Chief Executive matt.prosser@dorsetcouncil.gov.uk</i></p>
<p><b>Youth Justice Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p> <p>Dorset Council</p>	<p>1 Oct 2019</p> <p>21 Nov 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Children, Education and Early Help</p> <p><i>Lead officer - Sarah Parker, Executive Director of People - Children sarah.parker@dorsetcouncil.gov.uk</i></p>

<p><b>Unreasonable Complaints Policy</b></p> <p>Key Decision - <b>No</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Customer, Community and Regulatory Services</p> <p><i>Lead officer - Jonathan Mair, Corporate Director - Legal &amp; Democratic Service Monitoring Officer jonathan.mair@dorsetcouncil.gov.uk</i></p>
<p><b>Making of Wareham Neighbourhood Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Equalities Policy</b></p> <p>Key Decision - <b>No</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Leader of the Council</p> <p><i>Lead officer - Aidan Dunn, Executive Director - Corporate Development S151 aidan.dunn@dorsetcouncil.gov.uk</i></p>
<p><b>Adult Social Care - Direct Payments</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Adult Social Care and Health</p> <p><i>Lead officer - Mathew Kendall, Executive Director of People - Adults mathew.kendall@dorsetcouncil.gov.uk</i></p>



<p><b>Care Village development on Dorset Council-owned land in Wareham</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Fully exempt</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u> Regular Engagement with Wareham Town Council.</p> <p>Through a wider event, key stakeholder engaged:</p> <p>Dorset Council Cabinet and Ward Members, Adult Social Care staff, Dorset Healthcare, CCG, Friends of Wareham Hospital, Focus nursery, GP practice, Purbeck School, Wareham Neighbourhood plan steering group, select residents</p> <p>Through consultation on the Relocatable in Wareham, the public were engaged with about future Wareham gateway plans.</p> <p>Further engagement events to be planned ahead of drafting of the business case.</p> <p><u>Means of Consultation:</u> Workshops, and project group meetings</p>	<p>Cabinet report and appendices</p>	<p>Portfolio Holder - Cabinet Member for Adult Social Care and Health</p> <p><i>Lead officer - Mathew Kendall, Executive Director of People - Adults mathew.kendall@dorsetcouncil.gov.uk</i></p>
<p><b>Milborne St Andrew Neighbourhood Plan 2018 to 2033</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>1 Oct 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u> The plan has been subject to a large amount of public consultation as it as been progressed. The plan ahs also been subject to a referendum. There will be no further consultation before a decision is</p>	<p>Referendum version of the Milborne St Andrew Neighbour hood Plan 2018 to 2033</p>	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - Ed Gerry, Prinicpal Planning Policy Team Leader ed.gerry@dorsetcouncil.gov.uk</i></p>

			made.		
<b>Calendar of Meetings</b>  Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council	17 Oct 2019	<u>Consultees:</u>  <u>Means of Consultation:</u>		Portfolio Holder - Leader of the Council  <i>Lead officer - Jonathan Mair, Corporate Director - Legal &amp; Democratic Service Monitoring Officer  jonathan.mair@dorsetcouncil.gov.uk</i>
<b>Fundamental Review of Appointments of Members to Outside Bodies and other Significant Bodies</b>  Key Decision - <b>No</b> Public Access - <b>Open</b>	Dorset Council	17 Oct 2019	<u>Consultees:</u> Cabinet members Local members Senior Leadership Team Officers Outside bodies  <u>Means of Consultation:</u> Email Survey Correspondence	Council report - May 2019	Portfolio Holder - Leader of the Council  <i>Lead officer - Jonathan Mair, Corporate Director - Legal &amp; Democratic Service Monitoring Officer  jonathan.mair@dorsetcouncil.gov.uk</i>
<b>Designating an area of the Melcombe Regis for Selective Licensing - Housing Act 2004</b>  Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet	5 Nov 2019	<u>Consultees:</u> Public consultation period concluded April 2019 Key partner agencies from the Melcombe Regis Board involved in the proposal  <u>Means of Consultation:</u> Report to Scrutiny Committee On-line public Consultation Meetings / Discussions	Previous reports to W&PBC Previous reports to MR Board Consultation documents and Reports Various technical papers	Portfolio Holder - Cabinet Member for Housing  <i>Lead officer - Rebecca Kirk, Corporate Director of Housing, Dorset Council  Rebecca.Kirk@dorsetcouncil.gov.uk</i>
<b>Quarter 2 - Budget Update</b>	Dorset Council - Cabinet	5 Nov 2019	<u>Consultees:</u>	None	Portfolio Holder - Cabinet Member for Finance,

<p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>			<p><u>Means of Consultation:</u></p>		<p>Commercial and Assets</p> <p><i>Lead officer - Aidan Dunn, Executive Director - Corporate Development S151 aidan.dunn@dorsetcouncil. gov.uk</i></p>
<p><b>Children's Services - High Needs Block Reduction Strategy</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>	<p>5 Nov 2019</p>	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Children, Education and Early Help</p> <p><i>Lead officer - Sarah Parker, Executive Director of People - Children sarah.parker@dorsetcouncil .gov.uk</i></p>
<p><b>Community Safety Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p> <p>Dorset Council</p>	<p>5 Nov 2019</p> <p>21 Nov 2019</p>	<p><u>Consultees:</u> Place Scrutiny Committee – 24 October 2019</p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Housing</p> <p><i>Lead officer - William Haydock, Senior Health Programme Advisor william.haydock@dorsetcou ncil.gov.uk</i></p>
<p><b>Substance Misuse Strategy</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p> <p>Dorset Council</p>	<p>5 Nov 2019</p> <p>21 Nov 2019</p>	<p><u>Consultees:</u> Place Scrutiny Committee – 24 October 2019</p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Adult Social Care and Health</p> <p>Cabinet Member for Housing</p> <p><i>Lead officer - William Haydock, Senior Health Programme Advisor william.haydock@dorsetcou</i></p>

					<i>ncil.gov.uk</i>
<b>Reducing Reoffending Strategy (via Place Scrutiny Committee)</b>  Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet  Dorset Council	5 Nov 2019  21 Nov 2019	<u>Consultees:</u>  <u>Means of Consultation:</u>	None	Portfolio Holder - Cabinet Member for Adult Social Care and Health  Cabinet Member for Housing  <i>Lead officer - William Haydock, Senior Health Programme Advisor  william.haydock@dorsetcouncil.gov.uk</i>  <i>Andy Frost, Community Safety and Drug Action Manager  andy.frost@dorsetcouncil.gov.uk</i>
<b>School Admissions Policy</b>  Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet	5 Nov 2019	<u>Consultees:</u>  <u>Means of Consultation:</u>	None	Portfolio Holder - Cabinet Member for Children, Education and Early Help  <i>Lead officer - Sarah Parker, Executive Director of People - Children  sarah.parker@dorsetcouncil.gov.uk</i>
<b>Budget (MTFP/Council tax/Capital Programme/Treasury Mgt Strategy)</b>  Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet  Dorset Council - Cabinet  Dorset Council	10 Dec 2019  28 Jan 2020  13 Feb 2020	<u>Consultees:</u>  <u>Means of Consultation:</u>		Portfolio Holder - Cabinet Member for Finance, Commercial and Assets  <i>Lead officer - Aidan Dunn, Executive Director - Corporate Development S151</i>

					<i>aidan.dunn@dorsetcouncil.gov.uk</i>
<p><b>Major Waste Disposal Contracts following competitive tender process</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Fully exempt</b></p>	Dorset Council - Cabinet	10 Dec 2019	<p><u>Consultees:</u> Dorset Waste Partnership Joint Committee Dorset Council Procure to Pay Dorset Council Internal &amp; External Legal Advice</p> <p><u>Means of Consultation:</u> Joint Committee report in January 2018 and regular updates with the Chairman of the Dorset Waste Partnership Joint Committee. Legal and Procurement support throughout drafting of documents.</p>	Dorset Waste Partnership Joint Committee minutes - 15 January 2018 (minutes 10 and 11)	<p>Portfolio Holder - Cabinet Member for Customer, Community and Regulatory Services</p> <p><i>Lead officer - Karyn Punchard, Corporate Director of Place Services karyn.punchard@dorsetcouncil.gov.uk</i></p>
<p><b>Dorset Joint Health and Wellbeing Strategy</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	10 Dec 2019	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	None	<p>Portfolio Holder - Cabinet Member for Adult Social Care and Health</p> <p><i>Lead officer - Sam Crowe, Acting Director of Public Health s.crowe@dorsetcc.gov.uk</i></p>
<p><b>Endorsement of the Dorset &amp; East Devon Coast World Heritage Site Partnership Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	10 Dec 2019	<p><u>Consultees:</u> Multiple partner organisations with responsibility for management of the coast</p> <p><u>Means of Consultation:</u> Stakeholder engagement and formal consultation on the draft plan</p>	Dorset & East Devon Coast World Heritage Site Partnership Plan	<p>Portfolio Holder - Cabinet Member for Highways, Travel and Environment</p> <p><i>Lead officer - Ken Buchan, Coast &amp; Countryside Service Manager ken.buchan@dorsetcouncil.gov.uk</i></p>

<p><b>Pay Policy Statement</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Part exempt</b></p>	Dorset Council	13 Feb 2020	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	None	<p>Portfolio Holder - Deputy Leader - Corporate Development and Change</p> <p><i>Lead officer - Aidan Dunn, Executive Director - Corporate Development S151 aidan.dunn@dorsetcouncil.gov.uk</i></p>
<p><b>Asset Management Strategy for Dorset Council 2020 - 2023</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	3 Mar 2020	<p><u>Consultees:</u> Place Board, Senior Leadership Team, Portfolio Holder and members.</p> <p><u>Means of Consultation:</u> Meetings – groups and 1-2-1 member workshops.</p>	Dorset Council draft Corporate Plan Dorset Councils Economic Strategy Former Dorset County Councils - Asset Management Strategy	<p>Portfolio Holder - Cabinet Member for Finance, Commercial and Assets</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Asset Management Plan for Dorset Council 2020- 2023</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	5 May 2020	<p><u>Consultees:</u> Place Board, Senior Leadership Team, Portfolio Holder and members.</p> <p><u>Means of Consultation:</u> Meetings – group and 1-2-1 members workshop.</p>	Dorset Council Asset Management Strategy Dorset Council Corporate Plan Dorset Councils Economic Growth Strategy Former Dorset County Councils Asset management Strategy	<p>Portfolio Holder - Cabinet Member for Finance, Commercial and Assets</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Housing Allocations Policy</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	Dorset Council - Cabinet	7 Apr 2020	<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	None	<p>Portfolio Holder - Cabinet Member for Housing</p> <p><i>Lead officer - Rebecca Kirk, Corporate Director of</i></p>

					<i>Housing, Dorset Council Rebecca.Kirk@dorsetcouncil.gov.uk</i>
<b>Constitution Review</b> Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet	5 May 2020	<u>Consultees:</u> Members Officers Service areas  <u>Means of Consultation:</u> Meetings Consultation Correspondence	Dorset Council Constitution (approved in February 2019)	Portfolio Holder - Leader of the Council  <i>Lead officer - Jonathan Mair, Corporate Director - Legal &amp; Democratic Service Monitoring Officer jonathan.mair@dorsetcouncil.gov.uk</i>
<b>Area Neighbourhood Plan - Independent Examiners Report and progress to Referendum</b> Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet		<u>Consultees:</u>  <u>Means of Consultation:</u>	None	Portfolio Holder - Cabinet Member for Planning  <i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i>
<b>Car Parking Charges and Tariffs</b> Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet		<u>Consultees:</u> Parking Managers Budget Working Group (December 2018)  <u>Means of Consultation:</u> Meeting	None	Portfolio Holder - Cabinet Member for Highways, Travel and Environment  <i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i>
<b>Making of Arne Neighbourhood Plan</b> Key Decision - <b>Yes</b> Public Access - <b>Open</b>	Dorset Council - Cabinet		<u>Consultees:</u>  <u>Means of Consultation:</u>	None	Portfolio Holder - Cabinet Member for Housing  <i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i>
<b>Wool Neighbourhood Plan -</b>	Dorset Council -		<u>Consultees:</u>	None	Portfolio Holder - Cabinet

<p><b>Independent Examiner report and progress to Referendum</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Cabinet</p>		<p><u>Means of Consultation:</u></p>		<p>Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Making of Wool Neighbourhood Plan</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>		<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>
<p><b>Submit Gypsy and Traveller Site Allocations DPD to Secretary of State</b></p> <p>Key Decision - <b>Yes</b> Public Access - <b>Open</b></p>	<p>Dorset Council - Cabinet</p>		<p><u>Consultees:</u></p> <p><u>Means of Consultation:</u></p>	<p>None</p>	<p>Portfolio Holder - Cabinet Member for Planning</p> <p><i>Lead officer - John Sellgren, Executive Director, Place jsellgren@dorset.gov.uk</i></p>



### **Private/Exempt Items for Decision**

Each item in the plan above marked as 'private' will refer to one of the following paragraphs.

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the shadow council proposes:-
  - (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
  - (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

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Date of Meeting: 3 September 2019

Lead Member: Cllr Andrew Parry, Lead Member for Children's Services

Lead Officer: Sarah Parker, Executive Director for People - Children

**Executive Summary:** Dorset Council has high numbers of children in care, and faces a considerable overspend as a result. For children who are placed in residential care, there is a higher risk that they end up in a placement distant from Dorset. This is because Dorset does not have sufficient children's homes to accommodate those who require this provision, and because Dorset has not attracted external providers to invest in Dorset or set up provision here.

**Equalities Impact Assessment:** This proposal will reduce the number of looked after children who are placed outside of Dorset.

**Budget:**

**Risk Assessment:**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: HIGH

Residual Risk MEDIUM

Lack of placement sufficiency in Dorset has had a major impact on spending and has contributed to the projected overspend. This proposal is a component of a wider strategy to reduce the number of children in care in Dorset.

**Climate implications:** A reduction in the number of children looked after outside Dorset will reduce travel requirement and ensure that more Dorset Council expenditure circulates in the local economy.

**Other Implications:** This will proposal will enable Dorset Council to better fulfil its corporate parenting duty.

**Recommendation:**

- i. That the Executive Director for People (Children) takes action, as outlined in this paper, to increase the sufficiency of residential care for children in Dorset

<p>ii. That once options are identified the lead cabinet member in consultation with cabinet colleagues and corporate parenting board has delegated powers to approve preferred sites</p> <p>iii. That consultation should take place with local residents and stakeholders about preferred sites</p>
<p><b>Reason for Recommendation:</b> Dorset Council is not currently making best use of resources, or securing the best outcomes, for children in care who require residential care.</p>
<p><b>Appendices:</b></p>
<p><b>Background Papers:</b></p> <p>31. <a href="#">Looked After Children Reduction Case for Change</a> PDF 179 KB</p>
<p><b>Officer Contact:</b>  Name: Stuart Riddle  Tel:01305-225539  Email: stuart.riddle@dorsetcouncil.gov.uk</p>

## 1. Executive Summary

- 1.1 Dorset Council has high numbers of children in care, and faces a considerable overspend as a result. For children who are placed in residential care, there is a higher risk that they end up in a placement distant from Dorset. This is because Dorset does not have sufficient children's homes to accommodate those who require this provision, and because Dorset has not attracted external providers to invest in Dorset or set up provision here.
- 1.2 Children and young people in care should have the right to be placed in a family setting, as first preference, but this is not always possible due the continued impact of past trauma, or because of the availability of the right match. In these circumstances, we wish to strengthen the role of residential provision as an intervention which prepares for the transition to a family placement or return home.

Any success in increasing capacity in Dorset is predicated on the successful implementation of a strategy to reduce the overall number of children in care.

- 1.3 The business case recommends a combined strategy to establish placement sufficiency:
- Change commissioning approach - block contracting, or a similar vehicle, to identify providers who will guarantee access to a number of placements
  - Hybrid provision - where DC owns or leases properties which providers use to run children's homes, or which are directly provided by DC.
  - Use existing, or new, sources of capital investment, such as a Social Impact Bond, to buy or build additional capacity in the residential estate for Dorset

## 2.0 Strategic Case

### 2.1 The case for change

- 2.1.1 The number of children in care has risen nationally by 17% in the years 2010 to 2018. In Dorset the number of children in care has risen from 344 in 2013 to 427 in April 2019, peaking at over 500 in early 2017. Meanwhile the number of children per 10,000 who are in care has risen to 64 from 60 nationally between 2013 and 2019. The rate of increase in Dorset has outstripped the national rise – rising from 44.4 per 10,000 in 2013 to 62.7 in April 2019. In addition, Dorset's rate per 10,000 has gone from being lower than south west authorities and statistical neighbours to exceeding both.
- 2.1.2 During the last five years, the use of residential placements nationally has increased by over 8%. Within this increase there has been a reduction of children placed within the local authority boundary and in local authority run children's homes and a substantial increase in children placed in nearby or distant placements run by 'for profit' organisations.
- 2.1.3 In the current financial year, a spend of £11,158,142 is forecast for residential care, and secure accommodation, with an average annual cost of £242,575 per head. This assumes that numbers of children, and individual placements costs remain stable.
- 2.1.4 At time of writing, 178 children are placed in external placements. Of these, 20% (35) are placed with providers in Dorset. Of the external placements which are out of county, 60% (101) are placed in authorities which border Dorset.
- 2.1.5 The issue is more acute with respect to residential care. 46 children are placed in external placements, but only 3 of these are in Dorset. A further 21 are placed in neighbouring authorities. This means that children who are deemed to require residential care are more likely to have this provided in distant placements if it cannot be sourced within Dorset.
- 2.1.6 This is a poor outcome for the local authority as it adds to placement cost and to care planning and monitoring costs. It will also usually be a poor outcome for the young person as they are placed far from family and friends and experience disruption to their care, education and health provision. They will have less resilience and will potentially be more vulnerable to various forms of exploitation, including through county lines networks.
- 2.1.7 The National Audit Office report Children in Care was able to map the national mismatch between the number of children's homes in local authority areas, and the number of children in care – with patterns of over and under supply across the country. The NAO was also unable to establish a link between house prices and the cost of residential provision with evidence that market pressure was the driver of cost differentials.
- 2.1.8 The 2015 report Financial stability, cost charge and value for money in the children's residential care market from the Institute of Public Care at Oxford Brookes analysed in more detail the nature of the market for children's residential care noting:
- 2.1.9 The market is not stable, and many providers struggle to maintain a viable business
- 2.1.10 The market cannot be understood in isolation as it interacts with the market for family placements and secure accommodation.
- 2.1.11 The premise of this business case is that, although work will need to take place to both reduce the number of young people entering the care system, and increase the

proportion who live in family placements, there will be a continuing need to have access to residential care for Dorset children, and that it should be available in Dorset. The business case reviews the options for achieving this outcome.

## 2.2 Alignment with commissioner objectives/priorities

- 2.2.1 Dorset is currently in the bottom ten local authorities in England for the number of children placed more than twenty miles from home. While it is sometimes necessary to place children some distance from their home, either for their own protection or to access specialist services, in most cases, placement closer to home will enable a child to maintain contact with family and friends, continue at their existing school, and continue access any specialist support services.
- 2.2.2 At time of writing, 178 children are placed in external placements. Of these, 20% (35) are placed with providers in Dorset. Of the external placements which are out of county, 60% (101) are placed in authorities which border Dorset. This pattern suggests that some determined engagement with the market might be able to either bring providers into Dorset or unlock existing provision in Dorset so that the number of children placed within the local authority can increase.
- 2.2.3 Approaches to sufficiency include:
- 2.2.4 Frameworks – Dorset Council is a member of a number of framework arrangements for residential and fostering provision. This approach uses the bargaining power of a consortium of local authorities to set a pricing framework with providers, but it does not guarantee access to placements as such. There is a view that we have reached the limit of the benefits which can be delivered by a framework approach.
- 2.2.5 Block contracting – Dorset Council's predecessors were wary of entering into block contract arrangements with providers, however in retrospect, given the continuous rise in numbers of looked after children, this approach would have carried very little risk of over provision, and would have potentially locked in local or sub-regional providers in a relationship which would have guaranteed access to local placements. The price lever in this instance is the guarantee of continuous business from a single local authority rather than access to a preferred provider list of a consortium.
- 2.2.6 SIBs – There has also been little appetite for Social Impact Bonds in predecessor although they would be worth exploring to either fund additional preventive capacity, or provide the capital for new residential provision.
- 2.2.7 In house fostering – Dorset Council has issues around recruitment of and support to in house foster carers. The current cohort has not grown in line with the rising numbers of looked after children, and there is a perceived lack of resilience in the system which leads to placement instability and rising costs as placement escalate. While there is work to be done to improve the service, or put it at arm's length, it will also be important to avoid an in house first policy for placements – making the best match on the basis of identified need is likely to result in more stable placements, improved outcomes, and reduced cost over time.
- 2.2.8 External fostering - a substantial number of children looked after by other local authorities live in Dorset with external providers – could these placements be rededicated to Dorset children?
- 2.2.9 Market shaping – there has been a lack of market engagement and dialogue with providers. Such an approach could either guarantee access to provision in Dorset, stimulate inward investment by providers, or lead to innovation.

## 2.3 Fit with national policy

- 2.3.1 The introduction to the 2010 statutory guidance Securing sufficient accommodation for looked after children states.
- 2.3.2 'This statutory document seeks to improve outcomes for looked after children and young people by providing guidance on the implementation of section 22G of the Children Act 1989 ('the 1989 Act').<sup>1</sup>
- 2.3.3 This section requires local authorities to take steps that secure, so far as reasonably practicable, sufficient accommodation **within the authority's area** which meets the needs of children that the local authority is looking after, and whose circumstances are such that it would be consistent with their welfare for them to be provided with accommodation that is in the local authority's area ('the sufficiency duty').'

## 2.4 Customer/user needs – current and future

- 2.4.1 Children in care consistently report that they would prefer to live somewhere where they can maintain contact with friends and family, and continue to attend their school.
- 2.4.2 Maintaining an existing school place is important for continuity of education and maintenance of peer relationships. Having sufficient provision close to home means that children are at less risk of exclusion, and that schools are less likely to see an increase in the number of looked after children on roll if they are near to a children's home.
- 2.4.3 Little recent work has been done recently around analysing care pathways, but prior experience would suggest that only a proportion of children in residential care require residential, or require it as a long-term option. Many children are in residential care because they have been previously been in foster placements that are not sufficiently resilient/supported and these have broken down, or because there are no suitable foster placements available in the market at the time of placement.
- 2.4.4 Nevertheless, it is likely that there will be a continuing need for residential homes – some catering to specialist needs, but most providing group living opportunities for young people who cannot live with their parents.
- 2.4.5 If Dorset Council is able to reduce its looked after children population to the target level of 395, there is still likely to be a need for 30-40 places in children's homes. Achieving this level of provision in Dorset will require a staged approach, and will be dependent on a reduction of total numbers in care and an increase in the number, range, and quality of foster carers.
- 2.4.6 Commissioners and social care managers can become over focussed on temporary swings in need, however homes can be repurposed and statements of purpose can be revised, so the overall need would be for
- A range of domestic properties in towns and large villages with good access to local services and schools and public transport links
  - A network that can manage fluctuations in need by maintaining voids or mothballing
  - A skilled and stable workforce

It is envisaged that a flexible and sustainable range of provision might include

A core residential hub of up to 6 beds, with range of spokes to enable appropriate provision to meets young peoples' needs (singleton placements, specialist foster carers, supported lodgings), and an outreach capability. North Yorkshire's No Wrong Door is an evidenced based model for this type of provision.

- Increased capacity of residential provision for children who have a disability – to enable more young people to continue to attend local special schools
- Increased opportunities for therapeutic respite such as a residential farm to support young people maintain their placements
- Secure accommodation for those young people who have been identified as vulnerable and at significant risk by the Courts and Children's Services. This could be a traded service which would cover its costs as there is a national shortage of secure children's homes.

## 2.5 Improvement of current service delivery arrangements

Dorset Council has, or has recently had, the following homes available for children in care:

1. The Cherries is a 6-bed home in Weymouth for children with severe learning disability and/or autism. After a lengthy period of Ofsted assessment as either Good or Outstanding, the most recent inspection resulted in a judgment of Requires Improvement. Annual Budget is £1.5 million. When fully occupied this results in a weekly cost of £4.8k per placement with the children generally needing 2:1 staffing. The home was originally designed as a short break facility for children who are disabled, when it had capacity to accommodate 12 children, and provide some day activity. It has a large property footprint and is an area with potential for housing development. Sale of the site could potentially bring in funding which could provide a home for this group of children in a less institutional setting.
2. West End House was a home for four 11 to 18-year olds of either gender. This was a rural home and one of the four bedrooms was a separate flat to support a young person with preparation for independence, or provide accommodation for children who did not readily manage group living. West End House was closed in 2017 following inadequate inspection by Ofsted. At the time of closure, the annual budget for the home was just under £600k. When fully occupied this would result in a cost per placement of £2.9k. the premises has now been sold.
3. Maumbury House was a home for five 11 to 18-year olds of either gender. This home was in the centre of Dorchester and closed in 2018 following repeated Requires Improvement findings from Ofsted inspection. At the time of closure, the annual budget for the home was just under £600k. When fully occupied this would result in a cost per placement of £2.9k. The home was seldom fully occupied, and staff struggled to keep the children who lived there safe. At one point, calls from staff to the police exceeded all other emergency calls from Dorchester and Weymouth. The premises have now been sold.
4. Hayeswood Bungalow is a former family centre in Wimborne which was been reprovisioned to provide a crash pad facility.



2.5.1 Dorset Council currently has placed 46 children in children's homes and special schools run by external providers. As stated previously, only 3 of these are in Dorset. A further 21 are placed in neighbouring authorities. This means that children who are deemed to require residential care are more likely to have this provided in distant placements if it cannot be sourced within Dorset.

## 2.6 Potential scope for further development/scalability

2.6.1 There seems little doubt that the current arrangements can be improved with a range of improved outcomes for children, and cost benefits for the authority. The issue is how should additional residential provision in Dorset be sourced, and how quickly can it come online.

2.6.2. Revenue costs will continue to be high and will be reduced by two factors:

2.6.3 A reduction in overall LAC numbers reduces pressure for residential placements

2.6.4 Initiatives to bring children's homes into Dorset bring marginal reductions in placements costs, and reduce case management costs.

2.6.5 The No Wrong Door model mentioned above would cost in the region of £900,000 per year for the residential component alone (based on previous in-house provision costs), but this would be offset against some £1,500,000 which would be incurred if the same number of beds were bought from external providers (based on current average cost).

## 2.7 Benefits and risks

2.7.1 The main benefits would be:

- Marginal reductions in placement cost, and in case management and review cost
- Greater ability to manage care pathways for individual young people, and as a result manage costs
- Reductions of risk around regulatory compliance, reputation, judicial challenge and complaints.

2.7.2 The main risks would be:

- Failure to implement a children in care reduction strategy means that numbers continue to rise and the system continues to overheat
- Failure to modernise the fostering service, or secure sufficient external fostering provision, means that demand for residential beds continues to be driven by system failure
- Residential homes do not come online at a point in time when they can contribute to the necessary savings, and the investment becomes a further cost burden.
- Cost of implementation increases due to changes in property market or construction industry
- Insufficient appetite to collaborate by providers

## 2.8 Constraints and dependencies

### 2.8.1 Constraints include:

- Funding available for this initiative
- Availability of suitable property or land
- Co-operation of partners and providers

### 2.8.2 Dependencies include:

- The Building Better Lives programme
- The Children in Care reduction Strategy
- Modernising Fostering
- The Front Door

## 3.0 Recommendations

### 3.1 Change commissioning approach – use block contracting, or a similar vehicle, to identify providers who will guarantee access to a number of placements.

Work is underway to develop this approach. A market engagement event is planned for late September.

Target date January 2020

### 3.2 Hybrid provision - where DC owns or leases properties which providers use to run children's homes, or which are directly provided by DC.

Work is underway with colleagues in the Place directorate to identify suitable properties or plots within the DC land and property portfolio, and links with the Building Better Lives programme will identify any opportunities arising from this.

Target date January 2020

### 3.3 Use existing, or new, sources of capital investment, such as a Social Impact Bond , to buy or build additional capacity in the residential estate for Dorset.

Although work has previously been undertaken around SIBs, further work will be necessary on the business case for investment.

Target date January 2020



Date of Meeting: 30 July 2019

Lead Member: Andrew Parry

Lead Officer: Sarah Parker

Executive Summary: This paper reviews current research on the rise in numbers of looked after children in England and Wales. It notes differential rates of increase between local authorities within the two countries and looks at the possible reasons for this. It also reviews emerging evidence about strategies to reduce the number of looked after children and indicates some potential components of such a strategy in Dorset.

Equalities Impact Assessment: NA

Budget: NA

Risk Assessment:

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

Other Implications:

Recommendation: That the Executive Director of People – Children should develop a strategy and detailed roadmap to reduce the number of children in care, taking a rights-

based approach, which develops services which support children to be able to grow up in a family setting and bring back to Cabinet in September 2019.

Reason for Recommendation: The reduction of the number of children in care in Dorset would:

1. Promote the rights of children
2. Improve the outcomes for children
3. Enable services to be sustainable

Appendices: NA

Background Papers: Links are contained within the report

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## **1. The case for reducing the number of children in care**

There are several reasons why it is important to have a strategy which focuses explicitly on the need to reduce the size of the population of children in care in Dorset. The [What Works Centre for Children's Social Care](#) summarises these as:

- Human rights - the principles of the United Nations Convention on the Rights of the Child (UNCRC) 1989 and the Children's Act (UK, 1989), both of which emphasise the importance of a child being cared for by their parents
- Outcomes - Care-experienced individuals experience a range of adverse outcomes across the life-course compared to the general population, including higher rates of psychological disorders, poorer educational attainment and lower rates of employment (Ford et al., 2007, Evans et al., 2017, Trout et al., 2008).
- Use of public resources to best effect - Out-of-home placements incur significant costs, with an average annual spend per head of £29,000-£33,000 for foster care and £131,000 -£135,000 for residential care in England (National Audit Office, 2014). Demand for external placements for looked after children remains high and the forecast overspend in this area for Dorset council has increased to £5.5m.

In general, the continued focus on service improvement in corporate parenting in the first decades of the 21<sup>st</sup> century (Children (Leaving Care) Act, Quality Protects, Care Matters etc) has led to local authorities foregrounding positive news and success stories, while forgetting the lessons of the research conducted in the last two decades of the twentieth century:

- Outcomes and life chances for children in care are worse than for their peers
- Drift sets in quickly when children are placed in care – after six months, episodes are likely to be prolonged
- Most children in care return to live with their families in adulthood

## 2. Local background and context

The number of children in care has risen [nationally](#) by 17% in the years 2010 to 2018. In [Dorset](#) the number of children in care has risen from 344 in 2013 to 445 in July 2019, peaking at over 500 in early 2017. Meanwhile the number of children per 10,000 who are in care has risen to 64 from 60 nationally between 2013 and 2019. The rate of increase in Dorset has outstripped the national rise – rising from 44.4 per 10,000 in 2013 to 62.7 in April 2019. In addition, Dorset's rate per 10,000 has gone from being lower than south west authorities and statistical neighbours to exceeding both.

In Dorset in 2018, a total of 650 children were looked after during the year, with 170 starting to be looked after during the year, and 202 ceasing to be looked after. Although this is superficially encouraging, many of the young people who ceased to be looked after were transitioning to being care leavers at 18. 38.7% moved into independent living or adult settings, were determined to be over 18 following an age assessment, or ceased to be looked after “by any other means”. In April 2019, 63 young people were aged 17.

The only age bands where the percentage of leavers exceeded starters were 1-4 year olds and 16+. In terms of active effort to help children leave the care system, 34.8% of children who ceased to be looked after were adopted or became subject to a special guardianship order or a residence order. The adoption rate has finally matched the national figure, while the special guardianship rate exceeds the national rate. A lower percentage of children return to live with their parents (24.3%) than the national rate (32.7%).

44 children became subject to a care order, and applications were made in respect of 107 children. 70% of children who had been looked after for at least 2.5 years had been in the same placement for 2 years. 7% of children had had 3 placements or more. It would be important to match the destination data to the age profile to get a better understanding of typical care pathways. In April 2019, roughly half of all children in care had entered the system in the last three years, and half had entered in 2016 or earlier. The proportion of children subject to a care order has increased from 37% in 2014 to 65% in 2018. The population of children in care has both increased, and has become more static.

The percentage of children who returned to live with parents and relatives in an unplanned way was 6.4%, and the number who ceased for any other reason was 21.8%. The latter number should be investigated as, although it is in line with national and regional figures, it represents a significant cohort whose exit from the system is not accurately explained. The two figures combined hint at the existence of a cohort of children whose care episode was avoidable.

In order to reduce the number of looked after children in a sustainable measure, it is important that the number of leavers exceeds the number of starters. In order to get an accurate view of sustainable reduction the number of leavers should be adjusted to remove those who leave by virtue of reaching the age of 18. Overstating reductions created by transitions are misleading for two reasons

- The reduction in numbers may not reflect the underlying rate of growth of the population

- Care leavers remain the responsibility of the local authority until the age of 25 – they continue to receive a statutory service, and this requires budget.

In summary, one can suggest

- The care population of Dorset is increasingly long term and static – there will be a basic cost and commitment of staff which will not change markedly in year. This could be modelled to predict future service need and spending patterns
- Permanence planning appears to ensure that leavers exceed starters in the 0-9 age bands, however there needs to be some reflection on the Trowler report and whether the pursuit of permanency at all costs brings children into the system who could be supported to live with their parents.
- Increasing the number and percentage of planned returns to parents and relatives could be a productive strategy
- Nearly a third of all starters are aged 10-15 and this rises to 44% when over 16s are added. This is an age group where early help, edge of care, and diversionary services could have an effect in avoiding care

### 3. How can we understand the rise in numbers?

The rise in the number of looked after children is often attributed to a rise in “need” or “demand”. These categories are treated as objective and material, and linked causally to:

- Partner agency behaviour change – a rise in referrals - after the Baby P case
- Austerity – a rise in poverty and a reduction in services available to the public
- Complexity – the idea that more people have more complex problems

Where a subjective element is acknowledged, it is usually attributed to increased professional knowledge and awareness of issues such as sexual exploitation, trafficking, brain science or neuropsychology.

In [Care Proceedings in England: The Case for Clear Blue Water \(2018\)](#) Isabelle Trowler concluded:

“The study found that the difficulties facing families in court proceedings today were very similar to 5 years ago. There was little evidence in the records of greater *complexity* of need. Indeed, members of the review team who had been in practice for many years recognised the continuum of needs as the same as 20 years ago. Certainly all the families whose records we reviewed were in need of help from the State.”

Further, she wrote:

“In the last few years there has been a much greater and deliberate national focus on: - the early protection of the child, a stronger focus on lower level parenting concerns as signs of cumulative neglect with a risk of future harm, a greater sense of urgency to act and secure permanence without delay, and the need to act on the side of safety. .... In line with these expectations, the study found an increasing emphasis on predicting what *might* happen, rather than what *has* happened, and a *lower* (but inconsistent) tolerance of diverse standards of parenting.”

In other words, the rise in court applications in the authorities in the study related to a change in policy and culture, rather than a rise in complexity or need.

In 2018, the All Party Parliamentary Group for Children published [Storing up trouble - a postcode lottery of children's social care](#). This report identified significant differences in the thresholds and offers between different local authorities.

The issue has been studied in more depth by the [Child Welfare Inequalities Project](#) at Coventry University. The research is ongoing but has identified significant differences in intervention rates between local authorities. The report acknowledged a strong link between deprivation and adverse life chances (based on a 2015 [rapid evidence review](#) commissioned from them by the Joseph Rowntree Foundation), but showed a complex and non linear relationship between rates of intervention and deprivation.

The research project is informed by the discourse around rights and is agnostic about whether high or low rates of intervention are good outcomes in themselves. Two complex patterns of difference which were identified were:

- There is a steep gradient in the level of intervention with the most deprived families - 60% of CPP and LAC live in the most deprived 20% of neighbourhoods, while 40% live in more affluent 80% of neighbourhoods.
- The gradient of intervention is not uniform across local authorities. The project has called this the "[inverse intervention law](#)" - for equivalent levels of deprivation a child in a more affluent local authority overall is more likely to be on a CPP or to be a looked after child. There are also differentials in how likely BME groups are to be LAC or CPP.

The most credible explanation of the inverse intervention law is the culture and norms within those more affluent local authority areas. Dorset certainly fits the model of an affluent area with pockets of deprivation, and this is even more the case when life chances measures are applied to an area like Weymouth rather than static deprivation indices.

#### **4. What works, and what doesn't work?**

The What Works Centre for Children's Social Care is conducting ongoing research into how [numbers of children in care can be safely reduced](#). The focus is on three outcomes:

- reduction of initial entry to care
- reduction of re-entry to care
- increase in post-care reunification.

[Telephone interviews](#) with a range of local authority leaders established some consensus about factors associated with reducing the need for care:

- early help
- financial investment
- supportive leadership
- constructive scrutiny
- organisational culture
- good partnerships

A [survey](#) of all local authorities indicated that behind the consensus lies some muddled thinking with little agreed definition of terms. One important finding was:

“Local authorities that had seen a reduction in care were more likely to report having instigated their approaches 5 to 10 years previously.”

This indicates what may be a realistic timescale for sustained improvement.

“Respondents were asked to select the top three approaches that they thought were most effective in preventing the need for children to come into care in their local authority. The most popular was a whole system approach, selected by 81.7 per cent, followed by edge of care services (61.7 per cent), early help (56.7 per cent), family group conferences (43.3 per cent), parenting programmes (18.3 per cent), short break services (15 per cent) and ‘other’ services which did not fit the categories offered (20 per cent).”

There was little commonality in some of the terms used, and little evidence base for some of the approaches, including self-evaluation. The next stage for the What Works Centre programme will be the systematic review of particular interventions, starting with Signs of Safety and Family Group Conferences. Although this will be valuable, there is a danger that it feeds into a magic bullet mentality about intervention models – these are seductive, and the roll out of training for such approaches may be lucrative for providers, provide an impression of activity for leaders, and some respite from the day job for practitioners, without any major impact on the lives of citizens. The important learning may be from the Coventry study giving authorities some insight about how they should position themselves to influence local systemic issues.

Studies have considered the interaction between deprivation and service quality and the possible effect on LAC numbers. While the total number of children in care increased between 2012 and 2017, the What Works Centre for Children’s Social Care [Exploratory Analysis of the rates of children looked after in English local authorities](#) analysed publicly available data to try and understand why the number and rate of children in care remained stable or declined in 40% of local authorities.

“Poverty in the local area was an important factor. .... Whilst studies to date have established a correlation at one point in time (e.g. Bywaters et al., 2018) this is the first UK study to identify that average changes in poverty over time are associated with average changes in numbers entering care. .... Equally, our findings indicate that numbers of children in care are not solely a function of wider economic factors. Better Ofsted ratings and participation in the Innovation programme, for example, were both associated with reducing numbers of children in care. Put simply, good services help local authorities reduce the number of children in care.”

[Bywaters et al](#) looked at the relationship between deprivation, expenditure on children in need, and OFSTED judgements. The evidence was that good or outstanding judgements were more likely for LAs in low deprivation areas, but that in high deprivation areas, there was a significant correlation between the judgement and the level of expenditure per child.

## **5. What has been tried in Dorset?**

Between 2017 and 2019 our looked after population reduced by around 50 children, however much of this reduction was driven by care leaver transitions rather than active management.



Several measures were undertaken wholly or in part to address the situation. These were mostly top down approaches and had little or limited success.

- Restructure – specialist services for children 0-12 and 13 to 25 were created in order to progress good quality care and permanency planning. A specialist assessment service (FAST) was established to improve the quality of parenting assessment within the PLO and legal proceedings. The Family Focus service was also established with families and prevent children coming into care however this was later reassigned to support the newly established MASH service.
- Reinvigorating Social Work – the programme was brought in to improve relationship/strength based assessment, planning and outcomes. The 10 week programme has been made available to all social workers and Team Managers
- Decision to Issue Panel – the process of decision making in relation to family proceedings varied between districts and teams and some applications were being made without sufficient pre proceedings work being undertaken. The panel is chaired by the Service Manager for Support and Protection and meets weekly to consider any new applications to court, scrutinise the standard of work completed, clarify the care plan to be submitted and either authorise the application or establish what alternative planning and action is needed
- Care Plans – In Spring 2018 it was established that a substantial number of children did not have an up to date care plan (74%). A recovery programme was implemented to correct this and within 3 months over 90% of children had a plan. Alongside this the care plan was revised to improve content and briefing delivered to reinforce the principles of good care planning.
- Enhanced Monitoring Panel – this is a monthly meeting which examines care planning for children under 16 subject to Sec 20 for 3 months plus to ensure that plans are being progressed to achieve return home or into proceedings; children who have been subject to Placement Orders for 1 year plus and not placed for adoption; and children placed with parents to establish whether revocation of the care order is appropriate
- Collaboration with Shropshire and Essex confirmed the need for a support service to prevent family/placement breakdown. The Meaningful Day provision was not found to be efficient or effective.
- Safe Families for Children – this is a charity we have commissioned to provide a support service to families including offering hosting to children to avoid the need for children to become looked after. The service commenced on 01/04/2019.
- Management Instruction Notes – a number of MIN's were written in support of TriX procedures, covering a number of areas of practice
- Performance reports – managers now receive weekly performance reports on key issues including completion of care plans, statutory visits to looked after children and supervision

These measures may have contributed to the maintenance of a slightly lower number of looked after children, but there is little evidence to support this.

It is evident from service development in other authorities that in order to achieve more, and in particular to realign us with regional and neighbour comparators (a looked after children rate of 51-55 per 10,000 would result in LAC population of 350 to 380), a fundamental change of approach will be required.

## **6. Where has it worked?**

Some of the DfE Innovation Programme schemes have particular relevance for Dorset:

- [Project Crewe](#) - Project Crewe demonstrated that a staffing model not wholly reliant on social work qualified staff could achieve positive outcomes for CIN. Cheshire East has some similarities with Dorset – mainly affluent with pockets of deprivation, and a silted up CIN system with poor outcomes and high re-referral rates.
- [No Wrong Door](#) - The North Yorkshire County Council (NYCC) No Wrong Door (NWD) innovation provides an integrated service for young people, aged 12 to 25, who either are in care, edging to or on the edge of care, or have recently moved to supported or independent accommodation whilst being supported under NWD.
- [Family Safeguarding Hertfordshire](#) – This is badged as whole system reform but can be more accurately described as a reform of late intervention. The project established multi-disciplinary safeguarding teams, some reformed practice measures, and a suite of interagency KPIs which show how families interact with all partners in the system.

The first two projects might be described as preventive, but this does not adequately capture the stratification of the response. Project Crewe intervenes upstream and effectively collapses a distinction between early help and CIN work. NWD is a crisis intervention model which links up with a reconfigured model of residential and fostering provision.

What both have in common is a dedicated team of non social work staff who have

- low caseloads
- good interpersonal skills
- a defined set of intervention skills
- avoidance of bureaucracy and appointment culture
- stickability
- access to specialist input and coaching

The What Works Centre For Children’s Social Care recently published [Intensive family preservation services to prevent out of home placement for children](#) , a systematic review of the existing research evidence for the effectiveness of such approaches. The report stated

“The available evidence, at child level, suggests that IFPS were effective in preventing children from entering care at 3, 6, 12 and 24 months after the intervention.”

But cautioned

“It is evident that IFPS vary in effectiveness, suggesting that how IFPS are implemented is important. It is likely that key elements of the model such as working with children who are at imminent risk of entering care and offering support with 24 hours of a referral are important in ensuring that the service is effective.”

## **7. What do we need to do about it?**

### **7.1 Prevention**

The conversation about reducing numbers of looked after children is often reduced to an issue of thresholds. Thresholds can be problematic for several reasons:

- Help is given at the point of crisis – not at the point when future outcomes can be influenced in a positive direction.
- Consideration of risk, harm and options to help are seen purely through a social care lens, and partners are able to hand off responsibility as result.
- The culture of escalation removes the ability to apply influence to the system upstream to avoid care as an option.

Early Help approaches can be key to intervening with children who may be at risk of entering care, particularly those who are being escalated through parallel systems to social care, where local authority care can be seen as the ultimate resolution for system failure, such as

- School exclusion and alternative provision
- SEN
- CAMHS

More work needs to be undertaken to increase multi-agency ownership and a whole public sector system approach to avoiding late intervention and cost shunting where possible.

The preventive strategy in Dorset will need to be nuanced and include both early help and crisis intervention.

#### **Options:**

- Multi-agency ownership – LSCB, Strategic Alliance, Community Safety Partnership, Corporate Parenting Board should commit to a late intervention reduction strategy
- A place based model of service delivery should be adopted to enable Dorset Council to take a whole system approach to prevention
- A blended early help/CIN approach drawing on the Project Crewe model should be developed. This should shift a substantial amount of social work resource to early help teams.
- Focus social care activity on child protection and looked after children
- Develop an edge of care service which can respond to crisis, and support reunification.

### **7.2 Business intelligence**

Dorset Council currently has the indicators of a DRIP culture – Data Rich, Insight Poor – and more work (some of which is planned) needs to take place to unlock the power of the data which we routinely collect.

Further investment in business intelligence solutions will improve the ability of services to act constructively where there is a risk that children may become looked after by the local authority. This can be combined with a multi agency early help strategy to ensure that help is given without creating a situation where too many children are drawn into the scope of specialist services.

The demographic predictors of a care career are well understood, but real time data and the use of visualisation tools such as theographs greatly increase the ability of services to identify cohorts at risk. For those children who do require a care intervention, we know enough from research to offer a response differentiated according to age, presenting factors and risk – rather than a permanency for all approach.

#### **Options:**

- Further investment in BI required to develop our ability to identify children at risk of care, track children through the system, and develop multi-agency KPIs

### 7.3 Culture and decision making

The reduction of the number of children in care will require a change of culture around decision making. Decisions will need to be made earlier which can impact positively on families and reduce the need for care. – in a situation where many practitioners and managers feel overwhelmed by demand, there is comfort to be had in only providing a reactive service that is referral driven. Likewise, for many managers, resource management is part of their traditional approach, and waiting for a crisis to emerge and then providing the minimal response required seems like common sense and good stewardship. The [Forward Together for Children Stage 1](#) report noted:

“There does seem to be a culture in Children's Services of spending time talking about whether to spend money or not. This is understandable given the budgetary pressures, but focussing on costs is likely to cost more than not focussing on costs. Learning organisations are organisations that understand that concentrating on meeting needs and designing the flow of work from the customers point of view, rather than concentrating on cost, will actually reduce costs. This can sound counter intuitive and it can be hard to let go of managing costs but there are many case studies that back up this point of view.”

Combined with a risk averse approach, it produces a world view where rising LAC numbers are a part of the natural order of things, and where overspends are produced by inadequate budget allocation.

Efforts to control the numbers of children in care in Dorset have largely been focussed on escalating and centralising all aspects of decision making about children in care – exaggerating the inbuilt bias of the organisation towards a command and control model. Alongside this, expensive panel structures have proliferated and claimed a significant proportion of the working week for senior managers. Natural wastage in the system – the fact that children leave care on their 18<sup>th</sup> birthday – has been claimed as a reduction in numbers, when the underlying rate of increase has not changed.

The main drawback of the approach is that senior managers are drawn into the decision making process too far downstream, where the ability to influence events is limited. There is also some anecdotal evidence that the process can be “gamed”. Needless to say, the approach has been ineffectual, and has contributed to a sense of disempowerment and disengagement in the wider workforce.

The [Forward Together for Children Stage 1](#) report identified the costs of the command and control approach within Children's Services, and the case is more compelling than ever. Moving towards a devolved decision making culture would mean:

- An increase in accountability
- Decisions being taken more quickly and closer to the citizen
- A decrease in cost and transaction cost

Work needs to be carried out with the IRO service to inject more challenge into the review process. Is the possibility of a return home routinely considered seriously in reviews? Is the

first six months of placement seen a crucial time period in which reunification could take place, or is all effort marshalled to delivering permanency? Could the outsourcing of the service deliver this better, by making it a key performance criteria for the new provider?

**Options:**

- Embed an understanding of LAC reduction strategy within workforce, focussing on the reduction of harm and a rights based approach rather than the management of risk
- Replace existing decision making panels with an accountability and quality assurance function
- Robust consideration of the prospect for reunification should be a component of all LAC reviews.

**7.4 Sufficiency**

Dorset is currently in the bottom ten local authorities in England for the number of children placed more than twenty miles from home. While it is sometimes necessary to place children some distance from their home, either for their own protection or to access specialist services, in most cases, placement closer to home will enable a child to maintain contact with family and friends, continue at their existing school, and continue access any specialist support services.

At time of writing, 178 children are placed in external placements. Of these, 20% (35) are placed with providers in Dorset. Of the external placements which are out of county, 60% (101) are placed in authorities which border Dorset. This pattern suggests that some determined engagement with the market might be able to either bring providers into Dorset or unlock existing provision in Dorset so that the number of children placed within the local authority can increase.

Approaches to sufficiency include:

- Frameworks – Dorset Council is a member of a number of framework arrangements for residential and fostering provision. This approach uses the bargaining power of a consortium of local authorities to set a pricing framework with providers, but it does not guarantee access to placements as such. There is a view that we have reached the limit of the benefits which can be delivered by a framework approach.
- Block contracting – Dorset Council's predecessors were wary of entering into block contract arrangements with providers, however in retrospect, given the continuous rise in numbers of looked after children, this approach would have carried very little risk of over provision, and would have potentially locked in local or sub-regional providers in a relationship which would have guaranteed access to local placements. The price lever in this instance is the guarantee of continuous business from a single local authority rather than access to a preferred provider list of a consortium.
- SIBs – There has also been little appetite for Social Impact Bonds in predecessor councils although they would be worth exploring to either fund additional preventive capacity or provide the capital for new residential provision.
- In house fostering – Dorset Council has issues around recruitment of and support to in house foster carers. The current cohort has not grown in line with the rising numbers of looked after children, and there is a perceived lack of resilience in the

system which leads to placement instability and rising costs as placements escalate. While there is work to be done to improve the service, or put it at arms length, it will also be important to avoid an in house first policy for placements – making the best match on the basis of identified need is likely to result in more stable placements, improved outcomes, and reduced cost over time.

- External fostering - a substantial number of children looked after by other local authorities live in Dorset with external providers – could these placements be rededicated to Dorset children?
- Market shaping – there has been a lack of market engagement and dialogue with providers. Such an approach could either guarantee access to provision in Dorset, stimulate inward investment by providers, or lead to innovation.

**Options:**

- Transfer all commissioning spending and staff to commissioning team
- Bring directly provided services (fostering, residential homes, CRWs etc) into an internal commissioning framework
- Strengthen brokerage team



## Cabinet

Procurement over £5m Report: Dorset Highways Contractor Resource (Labour Top-Up) Framework

Date of Meeting: 3rd September 2019  
Lead Member: Cllr Tony Ferrari,  
Lead Member for Finance, Commercial and Assets  
Local Member(s): All  
Lead Officer: Aidan Dunn,  
Executive Director for Corporate Development (S151)

### **Executive Summary:**

The Dorset Highways Construction Delivery Team has, and continues to have, a requirement to procure additional labour resources to operate as part of its mixed economy delivery model. The mixed economy model provides suitable resilience and business continuity to ensure that Dorset Council can meet its statutory highway duties. Additional labour resources are required to cover the following specific areas:

- Highway Construction Operatives - of various skill types
- Traffic Management Operatives - of various qualifications
- Specialist Plant Operatives - of various plant and equipment

For the last four years this requirement has been fulfilled by utilising a Top-Up Resource (Multi-Supplier) Framework. The Framework is structured in Lots and all Lots are multi-supplier which ensures that flexibility, capacity, and best value for money services is secured. This Framework was set up with a maximum four-year term which expires at the end of March 2020.

Various options have been considered over recent months to determine the best solution to fulfil these requirements from April 2020:

- Do Nothing
- Employ significant number of new skilled operatives
- Procure additional resources through a Contractor Resource (Labour Top-Up) Multi-Supplier Framework
- Procure additional resources through a Dynamic Purchasing System (DPS)
- Procure additional resources through the Highway Works Term Service Contract
- Procure additional resources through the Hampshire County Council Gen 3 Highways Frameworks

After careful consideration of the benefits, risks and costs it has been determined that the preferred option is to re-procure a new Contractor Resource (Labour Top-Up) Multi-Supplier Framework.

### **Equalities Impact Assessment:**

N/A

**Budget:**

Based on past expenditure it is estimated that the Total Value will be £6m. More detail is shown in Appendix 1, Section 2 - Spend Overview.

**Risk Assessment:**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: **MEDIUM**

We have insufficient numbers of employed staff to deliver one of our most critical services: winter maintenance (level 3), carriageway defect repairs, safety critical improvement works.

Residual Risk: **LOW**

Additional labour resources can be hired in to accommodate peaks in workload. These can then be off-hired quickly and simply when work returns to normal, manageable levels.

Failure to re-procure the Dorset Highways Contractor Resource Framework would put the service under extreme pressures to deliver the vital and critical highway functions:

- Maintenance - winter maintenance, carriageway defect repairs
- Improvements - capital funded safety improvement schemes

**Climate implications:**

By procuring local suppliers from Dorset and the surrounding counties, we can reduce travel and commuting miles. This will help the new Climate Emergency Policy Development Panel meet their carbon reduction targets which are currently being discussed in response to Dorset Council's declaration of a climate emergency.

**Other Implications:**

N/A

**Recommendation:**

The Cabinet is asked to consider the contents of this report and give approval for the procurement and award of a Dorset Highways Contractor Resource (Labour Top-Up) Framework (re-procurement exercise)

**Reasons for Recommendation:**

Cabinet is required to approve all key decisions with a financial consequence of £500k or more, and procurements over £5m are subject to individual reports (Cabinet 04-06-19 refers).

The technical summary for reasons for the recommendation is as follows:

- The pre-agreed rates and contract conditions allows Dorset Highways to respond to changing demands / circumstances quickly and efficiently.
- The quick procured method - call off, is far quicker than the traditional quote, tender and mini-competition methods of procurement. This reduces administration and back office costs
- The multi supplier lots provide resilience if the preferred supplier cannot fulfil the call-off
- The multi supplier lots provide technical expertise in a variety of specialist areas
- The multi-supplier framework has worked for the last eight years.
- The organisation risk is LOW



**Appendices:**

Appendix 1 – Project Brief – Contractor Resource (Labour Top-Up) Framework

**Background Papers:**

N/A

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## Appendix 1 – Project Brief – Contractor Resource (Labour Top-Up) Framework

### 1 Project Background

1.1 The Dorset Highways Construction Delivery Team is part of the Place Directorate and the team's main objectives are:

- respond to highway emergencies
- so far as is reasonably practicable, ensure that safe passage along a highway is not endangered by snow or ice
- to deliver routine maintenance
- to deliver capital improvement schemes

1.2 These functions require a minimum number of trained and competent operatives. The Dorset Highways Construction Delivery Team has, and continues to have, a requirement to buy in additional resources to complement its in-house delivery team for the provision of highways works, covering the following specific areas:

- Highway Construction Operatives - of various skill types
- Traffic Management Operatives - of various qualifications
- Specialist Plant Operatives - of various plant and equipment

1.3 This additional resource is procured on short, medium, and long-term hire periods. This additional resource allows the Council to respond to the variable demands which are often unforeseen or unscheduled, such as:

- Additional internal and/or external funding
- Response to political pressure
- Response to severe weather events

1.4 For the last four years this requirement has been fulfilled by utilising a Top-Up Resource (Multi-Supplier) Framework. The Framework is structured in Lots and all Lots are multi-supplier which ensures that flexibility, capacity, and best value for money services are secured. This current framework expires at the end of March 2020.

1.5 The current Framework comprises of 22 suppliers. 12 of these are Dorset based suppliers, and of the others, 9 are from neighbouring Counties and employ Dorset residents to help fulfil Dorset Council requirements through the Framework.

### 2 Spend Overview

2.1 The annual value of the whole framework is currently around £1.5m which equates to an estimated total Framework value of £6m over a maximum 4-year term. Around a half of this spend is with Dorset suppliers.

2.2 The table below shows the average annual spend against the different areas of work covered under the Framework.

Description of Works/Service	Annual Spend
Highway Construction Operative – of various skill types	£700k
Traffic Management Operatives	£750k
Plant Operatives – of various plant and equipment	£50k

### 3 Options Considered

3.1 Various options have been considered over recent months to determine the best solution to fulfil these requirements from April 2020:

a) Do Nothing

Dorset Council would not be able to fulfil its statutory function to maintain the highway in a safe working condition. As a result, there could be more killed or seriously injured (KSIs) incidents on the network, our local and national KPI results would start to fall, we could see an increase in insurance claims, we would receive significant negative public relations.

b) Employ significant number of new skilled operatives

Employing the number of operatives required to fulfil this requirement, with the varied and specific skill set and qualifications needed, would require a considerable amount of revenue funding. By employing operatives direct the Council would not be able to respond efficiently and effectively to the varying peaks and troughs that occur as a result of weather, funding and political pressures.

c) Procure additional resources through a Contractor Resource (Labour Top-Up) Multi-Supplier Framework

Additional labour resources can be hired / called-off quickly and simply using pre-agreed rates, terms and conditions. This enables the organisation to respond to and accommodate peaks in workload efficiently and effectively. These resources can also be off-hired quickly and simply when work returns to normal, manageable levels.

d) Procure additional resources through a Dynamic Purchasing System (DPS)

Unlike frameworks, the advantage of a DPS is that it allows new suppliers to apply to enter as a preferred supplier during its term – its ‘dynamic’ in that respect. Whereas, the disadvantage of a framework it that suppliers may only apply to enter one time only – that’s at point of tender. The disadvantage of a DPS is that it does not allow for direct award call-offs and all call-offs must be subject to tender (further competition). A DPS in comparison to a framework brings with it an extra process of not only doing the further competitions, but also evaluating new applications; both of which have minimum timescales that are set by Public Contracts Regulations.

Dorset Highways requires a contracting model that will allow them to fulfil their ‘reactive’ needs, mainly around calling-off of labour at short notice or for short periods. The advantage of a framework it that it can be established at the outset (point of tender) to have the ability to both direct award and further competition. By setting framework schedule of rates with suppliers at point of framework award, will provide the means for a more reactive procurement to meet requirements at short notice by direct call-off from these established rates.

It is on the basis of the reactive need that a DPS is not considered the appropriate contracting model.

The supply market for this type of resource in Dorset is fairly stable with limited new suppliers entering the market which is another reason why there is no advantage to adopt a DPS. Through good market engagement ahead of the tender Dorset Highways hope to ensure that all key and local suppliers are encouraged to tender for this opportunity for a place of the framework.

e) Procure works through the Highway Works Term Service Contract

Dorset Council has established a long-term partnership with Hanson Contracting. This allows Dorset Highways to deliver large programmes and packages of work based on pre-agreed rates, terms and conditions. Whilst it was acknowledged that this option does provide fantastic benefits, it is also accepted that this would not fulfil all of Dorset Highways 'reactive' needs, mainly around calling-off of labour at short notice or for short periods.

f) Procure works through the Hampshire County Council Gen 3 Highway Framework

Dorset Council is a named authority on this framework. This provides Dorset Council with a means to procure packages of work through "mini-competition". Whilst it was acknowledged that this option does provide some benefits it is also accepted that this would not fulfil all of Dorset Highways 'reactive' needs, mainly around calling-off of labour at short notice or for short periods.

#### **4 Project Objectives**

4.1 The main objective of this tender exercise is to establish a framework of suitable suppliers through which all top-up resource requirements can be sourced. The previous framework covered the majority of the requirements, however gaps have since been identified both in terms of key suppliers (who didn't get onto the previous framework) and also various skill levels not previously included, such as labourer, skilled, chargehand, foreman.

Every effort will be made to ensure these gaps are filled and to ensure full compliance of spend in these areas of works going forward.

#### **5 Project Approach**

5.1 To establish a multi-lot framework. Operatives of various skills are required, and, in most instances, these will be provided by different suppliers, so a multi-lot framework will be the most suitable procurement solution. Additionally, capacity of framework suppliers has proved a problem in the past, so it is envisaged to have multiple suppliers on each Lot to meet requirements

#### **6 Project Scope**

6.1 The specific skills that are in scope are as follows:

- |                                 |  |
|---------------------------------|--|
| • Highway Operatives            | Labourer, Skilled, Chargehand, Foreman |
| • Ground Worker                 | Labourer, Skilled, Chargehand, Foreman |
| • Bricklayers / Paviour         | Skilled, Chargehand, Foreman           |
| • Welders                       | Skilled                                |
| • Steel Fixers                  | Skilled                                |
| • Carpenters                    | Skilled                                |
| • LGV Drivers                   | Skilled                                |
| • Plant Operators               | Skilled                                |
| • Traffic Management Operatives | Skilled, Chargehand                    |
| • Gully Emptying                | Skilled                                |
| • Excavator Operatives          | Skilled                                |

6.2 To seek a simple schedule of hourly rates for these different skill types and different skill levels. The Framework will operate by direct call-offs against these rates.

## **7 Project deliverables**

7.1 The project deliverables are as follows:

- Establishment of a compliant framework
- Suitable sources of supply for all top-up resource requirements
- Previous areas of non-compliance covered

## **8 Interfaces**

8.1 Source to Pay Hub (S2P): Orders for these services are currently placed by the S2P (part of the Council's Procurement function), at the request of Dorset Highways Site Agents. This will be no different going forward. The S2P will be made aware when the new Framework is established and will be provided with the suppliers' details and schedule of rates. What will need to be re-enforced however, is that the Framework is used correctly in terms of suppliers' rankings. Site Agents should not, and will not, be requesting the services of suppliers who are ranked 3rd or 4th on the Lot for example; unless there is genuine reason the top ranked suppliers cannot fulfil the requirement. This will be monitored by both the Contract Manager and the Procurement.

8.2 Pro-Contract – The tender will be run through the e-tender system

## **9 Exclusions / Constraints**

9.1 There are no particular constraints to this project other than the framework must be procured in accordance to Public Contract Regulations 2015 (PCR15) and the Council's own Constitution (CPRs)

9.2 It should be noted that the Framework needs to be established before the end of March 2020. The current Framework expires on 31st March 2020. The new Framework new needs to be in place so it can take over from 1st April 2020.

## **10 Project Organisation Structure / Collaboration**

10.1 The stakeholder group will be made up as follows:

Stuart Allen - Contracts Manager, Highways, Dorset Council

Adam Langston - Senior Procurement Officer, Financial Services, Dorset Council

Dave Blackburn - Recycling Manager, Highways, Dorset Council

Jo Howe - Team Leader, Purchasing Hub, Dorset Council

10.2 Stuart Allen will be primarily responsible for producing specifications and quality questions, along with support from other technical representatives where needed.

10.3 There is the potential to collaborate with Bournemouth, Christchurch and Poole (BCP) on this Framework. This authority has a similar requirement and would possibly like to collaborate with Dorset Council as a route to market. By collaborating and combining our volumes and thus increasing the estimated framework value, this could generate additional interest from suppliers and potentially help to create more competitive rates.

## **11 Communication Strategy**

11.1 Stakeholder group meetings will be held frequently to establish the full details of the procurement approach and finalise documentation such as specifications, quality questions and pricing schedules. Notes will be written up following each meeting and circulated to all stakeholders to ensure each member of the group is in full understanding of decisions made and actions required.

11.2 In respect of communication with suppliers, it has already been noted that supplier engagement will be important to ensure that key suppliers are all made aware of the tender opportunity and advised to register on the e-tender system in advance of the opportunity going live.

## **12 Quality Issues**

12.1 The contractors that will be sourced under this Framework will have to have particular qualifications/accreditations and these will be made clear within the Lot specifications, and this should help ensure a minimum level of quality of work and health & safety understanding etc. KPIs will form part of the specification/framework agreement and these will be used to measure and control any quality issues that arise.

## **13 Project Controls**

13.1 A project timetable has been developed against which the project team will keep track of progress. Frequent and clear communication, and ensuring stakeholders take responsibility for any actions they have been assigned, will ensure the project remains on schedule and ultimately delivers the required outcomes



## Cabinet

Procurement over £5m Report:  
Electricity and Gas Procurement

Date of Meeting: 03/09/19

Lead Member: Cllr Tony Ferrari  
Lead Member for Finance, Commercial and Assets

Local Member(s): All

Lead Officer: Aidan Dunn  
Executive Director for Corporate Development (S151)

### **Executive Summary:**

Dorset Council (DC) and its partner organisations, principally schools, spend over £7m a year on electricity and gas supplies. Gas and electricity market prices are highly volatile and price movements of more than 10% in a week are not unprecedented. The Pan Government Energy Project recommended that “all public sector organisations adopt aggregated, flexible and risk-managed energy procurement” such as the framework contracts provided by Professional Buying Organisations (PBOs).

Since 2009, on the advice of Procurement, the former sovereign Councils have each procured electricity and gas for themselves and partner organisations through LASER, a PBO established by Kent County Council (KCC). Following the formation of Dorset Council, these contracts have been converged into single contracts for electricity and gas. LASER provides energy procurement and contract management on behalf of its public sector members. LASER currently procures energy for over 200 public organisations including 130 local authorities, representing over £450m of energy contracts every year. It has just completed the procurement\* to appoint the energy providers for the period October 2020 to September 2024. *\*In accordance to Public Contract Regulations 2015 (PCR15).*

The Council needs to decide now whether to continue to procure its energy via LASER for the new contracts commencing in 2020. This decision is needed now because LASER forward buys energy in advance in order to secure optimum energy prices, by taking maximum advantage of market opportunity.

LASER acts like a ‘buying club’, whereby DC joins together with other authorities and the tender of prices with energy suppliers takes place based on energy supplies worth £450m (approximately 2% of the UK’s non-domestic energy demand) rather than with just the Council’s £3.2m (£7.1 including partners). The approach is compliant with procurement regulations (PCR15). LASER provides the aggregated, flexible, and risk-managed approach recommended by Government, and expertise in energy-buying for local authorities.

A small number of alternative PBOs provide a similar framework to LASER, adhering to Government guidance for public bodies. As part of this review process, other PBOs were considered. The main alternatives to LASER, such as Crown Commercial Services (CCS), West Mercia Energy (WME), Eastern Shires Purchasing Organisations (ESPO), Yorkshire

Purchasing Organisations (YPO) and North Eastern Purchasing Organisations (NEPO) have been investigated. They all provide a compliant route to procurement in line with Government Guidance.

Of these, several are smaller than LASER, buying significantly lower aggregated volumes, and therefore not going to market as frequently. They are not as well-resourced in energy buying as other PBOs. Smaller PBOs do not necessarily buy sufficient volume for the employment of independent buying advisors to be viable, and as a result tend to be supplier-led. They may also have less separation of the buying and audit functions. Furthermore, contract length varies between PBOs. LASER's next framework provides flexibility to pre-select a contract duration between 1 and 4 years. This is especially attractive to partner organisations, such as schools, thereby increasing the Council's portfolio and buying power.

Analysis of other PBOs shows a high degree of variability in customer service – with LASER scoring well. Given the large number of individual energy supply accounts that the Council manages, this is especially important. With regards pricing, forward purchasing strategies can only be assessed through benchmarking of past performance. This is covered in more detail below, but independent benchmarking undertaken has shown LASER to be an effective option.

Independent benchmarking of LASER's performance has been carried out by the Major Energy User's Council (MEUC) – an independent consumer organisation representing large energy users in the public sector, industry and commerce. Based on the MEUC's benchmark figures for the 2018/19 period, LASER delivered an outturn price 4.5% below the MEUC members average for gas and 10.4% below the MEUC members average for power. Both gas and power Purchase in Advance (PIA) baskets out turned a price significantly below the broader market average.

Comparing the past performance of PBOs is not straight forward and has shown to be unreliable or to come with such margins of error as to make difficult a meaningful comparison. This is due to the large number of variables between different tariffs/contracts and distribution areas, affecting the multiple components of pricing within a unit rate / standing charge, some of which are bundled as part of the unit rate, others of which are itemised separately. Further to this, analysis of past performance has been found to yield different results depending on the time frame chosen. The Council has taken steps to compare the historic performance of PBOs and other procurement options via independent organisations including, the Association of Public Sector Excellence in Energy (APSE Energy), the Mid West Energy Group, South West Audit Partnership and London Energy Project. These have supported the proposed action to utilise the LASER framework.

With the caveat that past performance is no guide to future performance, between 2013 and 2017, LASER estimate their prices for wholesale energy alone (amounting to an annualised figure of £3,182K and accounting for less than half of the delivered energy costs) to be 2% lower than average market prices, equating to avoided costs to DC of £59.4k per annum; and 22% below maximum market prices, equating to avoided costs to DC of £687k. Whilst actual savings on the commodity element of pricing are impossible to state, comparison with these two values provides a good indicator and it is worth noting that use of a non-risk managed procurement approach such as standard spot pricing does leave an energy user vulnerable to the highest end of market pricing if its procurement decisions are forced to be made at market peaks in the absence of forward buying. In addition to these savings in commodity, it is estimated that the LASER contracts also delivered a further £293k of savings per year to DC. Using the commodity savings figure against average market pricing, this takes total estimated annual savings to £353K.

Based on current consumption, under the new framework, LASER's procurement only



management fees would be approximately £53k (less than 1%) per annum (subject to CPI increases). This will be offset by approximately 2% fees which Dorset Council levies to partner organisations to cover the costs for added value services delivered as part of the contract management (including monitoring of energy consumption for reduction purposes, price checking and validation, and query management).

LASER was originally established by Kent County Council for members of the Central Buying Consortium (CBC). Dorset Council is a member of CBC and DC Procurement represent Dorset on the management board, at a national level in terms of procurement, and as such DC has influence with LASER which they would not have with other PBOs or national frameworks.

LASER remains the preferred PBO of the CBC members and there is a consensus across all local authorities currently using LASER to remain with LASER for the 2020-2024 period. This consensus view supports our proposal, and the recommendation of DC Procurement, that there is compelling reason to stay with LASER at this point in time. Further to this, an in-depth independent review of Dorset County Council’s Energy Procurement Strategy was undertaken by South West Audit Partnership in 2017, which found that current “arrangements are adequately controlled, with Internal controls... in place and operating effectively and risks against the achievement of objectives... well managed.”

Within the contracts there are several different purchasing options which balance cost against risk. These include purchase in advance (PIA) and purchase within period (PWP), plus four additional options. Since this is a technical issue, the Cabinet is asked to delegate the decision as to which option to select to the Executive Director Corporate Development (S151) and Corporate Director for Place.

**Equalities Impact Assessment:**

N/A

**Budget:**

Based on current market pricing, Dorset Council (including partner organisations signed up to our contracts) spends approximately £7.1 million per annum on electricity and gas, made up of the following components (see table overleaf):

	<b>Electricity Contract Approx. Annual Value</b>	<b>Gas Contract Approx. Annual Value</b>	<b>Combined Contract Approx. Annual Value</b>
Dorset Council Corporate Estate and Assets	£1,300,000	£400,000	£1,700,000
Dorset Council Street Lighting	£1,500,000	£0	£1,500,000
<b>Dorset Council subtotal</b>	<b>£2,800,000</b>	<b>£400,000</b>	<b>£3,200,000</b>
Tricuro Estate and Assets	£300,000	£150,000	£450,000
Schools and Academies	£2,600,000	£850,000	£3,450,000
Other Partner Organisations (e.g Town Councils)	£50,000	£0	£50,000
<b>Partner organisations</b>	<b>£2,950,000</b>	<b>£1,000,000</b>	<b>£3,950,000</b>

<b>Total Annual Contract Value</b>	<b>£5,750,000</b>	<b>£1,400,000</b>	<b>£7,150,000</b>
------------------------------------	-------------------	-------------------	-------------------

VAT on energy costs is reclaimable and has been excluded from the above figures. A reduced rate of VAT of 5% can be applied to certain supplies, including those serving VA Schools, Academies and other charities, as well as certain residential care facilities. With this reduction in VAT comes an exemption from the Climate Change Levy which serves to lower energy costs. This process of applying for exempt status is managed by the Council.

**Risk Assessment:**

Having considered the risks associated with this decision, the level of risk has been identified as:

**Current Risk: HIGH**

Financial / Climate - Failure to enter gas and electricity supply contracts runs the risk of facing out of contract pricing, which can attract premiums in excess of 100%. Locking into certain contracts can also penalise future energy reductions, making them uneconomical and effectively blocking significant potential future cost and carbon reduction activities. Furthermore, failure to enter supply contracts in advance, minimises the window for forward buying and with that market opportunity.

**Residual Risk: LOW**

As per findings of 2017 SWAP Audit of Dorset County Council's Energy Procurement Strategy/ Procedures

**Climate implications:**

Energy consumption of the Council's estate and assets contributes significantly to the organisation's carbon footprint. Care must be taken to ensure that entering into energy supply contracts provides sufficient flexibility for the Council to significantly reduce its energy consumption and associated carbon emissions in the future without application of prohibitive penalty costs - as are associated with certain procurement options. The flexible procurement options recommended in this report provide the required flexibility.

The LASER framework also includes a number of key additional features and services such as access to power purchase agreements, sleeving arrangements and demand side response, all of which can be used to incorporate any future investments in significant self-generation (e.g. through investment in a solar PV farm).

Whilst debate is ongoing around the additionality of green electricity and gas tariffs, options for these are available through LASER's frameworks at a price premium. This should not be viewed as an alternative to energy reduction and investment in renewable energy but may provide some additional benefits in light of the recently declared climate emergency.

Dorset Council currently provides a traded Energy Procurement and Contract Management Service for over 95% of schools and academies in Dorset. This means it uniquely holds a significant amount of historical energy use data and intelligence. In parallel with approval of the use of the next LASER framework, this could be used to provide fast tracked support and advice to help these organisations reduce their carbon footprint through targeted investments. This is considered to provide excellent opportunities for the Council to help reduce Dorset's wider public sector carbon footprint in light of the recently declared climate

emergency.

**Other Implications:**

Proposed arrangements allow partner organisations, including Tricuro, maintained schools and academies and Town Councils to access DC's contracts and associated pricing. A 2019 Association for Public Service Excellence (APSE) Energy study showed that larger LA volumes of energy achieved lower pricing. Partner organisations can also benefit from contract management services, price checking and validation, query management and associated services, provided by DC.

**Recommendation:**

It is recommended that the Cabinet:

1. **Approves** the delegation of authority to the Executive Director for Corporate Development (S151) and the Executive Director of Place to enter into appropriate Customer Access Agreements through the LASER framework agreement for the supply of electricity, gas and ancillary services.
2. **Approves** the delegation of authority to the Executive Director for Corporate Development (S151) and the Executive Director of Place to procure and award a call off contract under a LASER framework agreement for the council's (including partners) gas and electricity supplies for a term of up to four years for the period 2020-2024.
3. **Approves** the delegation of authority to decide on the preferred in-contract purchasing option to the Executive Director for Corporate Development (S151) and the Executive Director of Place.

**Reason for Recommendation:**

Procurements over £5m are subject to individual reports (Cabinet 04-06-19 refers) and cabinet is required to approve all key decisions relating to these.

The Council and partners currently have significant spend per year in relation to supplies of electricity and gas which is subject to fluctuation due to the high volatility in electricity and gas wholesale markets. These wholesale market price movements are subject to market sentiment, socio-economic and geo-political events.

Approval of the recommendations to continue with an aggregated, risk managed and flexible purchasing arrangement for the supplies of electricity and gas will lead to cost avoidance. It will also critically provide enough flexibility for future estate transformation projects and investments aimed at reducing costs and climate impacts.

**Appendices:**

- Appendix 1 – Importance of Maintaining an Effective Purchasing Window
- Appendix 2 – External Major Energy Users Council (MEUC) Benchmarking

**Background Papers:**

N/A

**Officer Contact:**

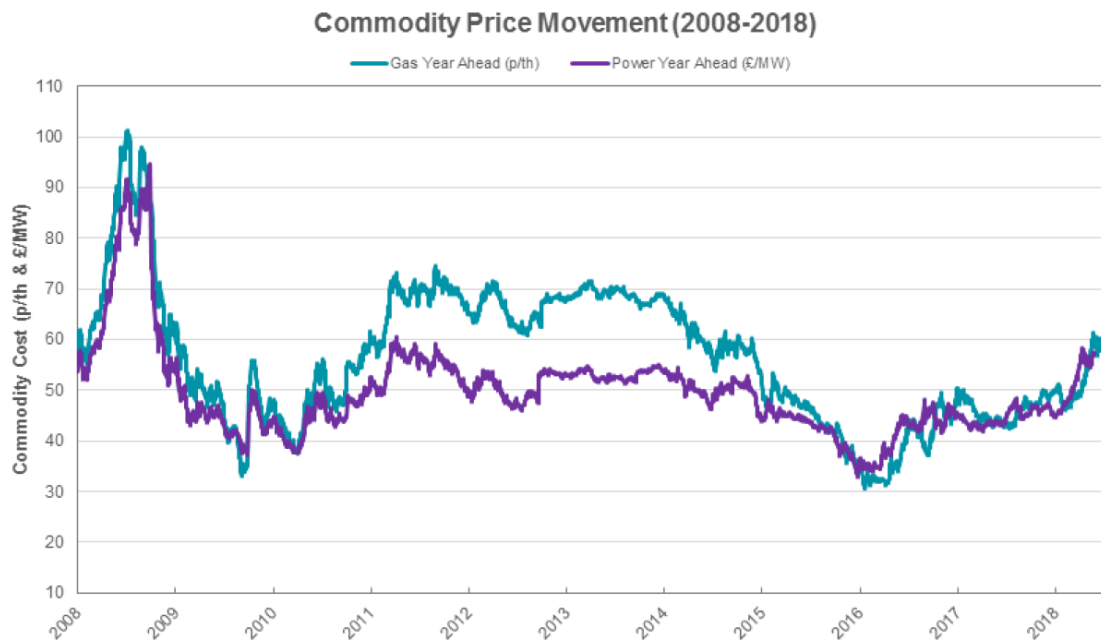
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## Appendix 1 – Importance of Maintaining an Effective Purchasing Window

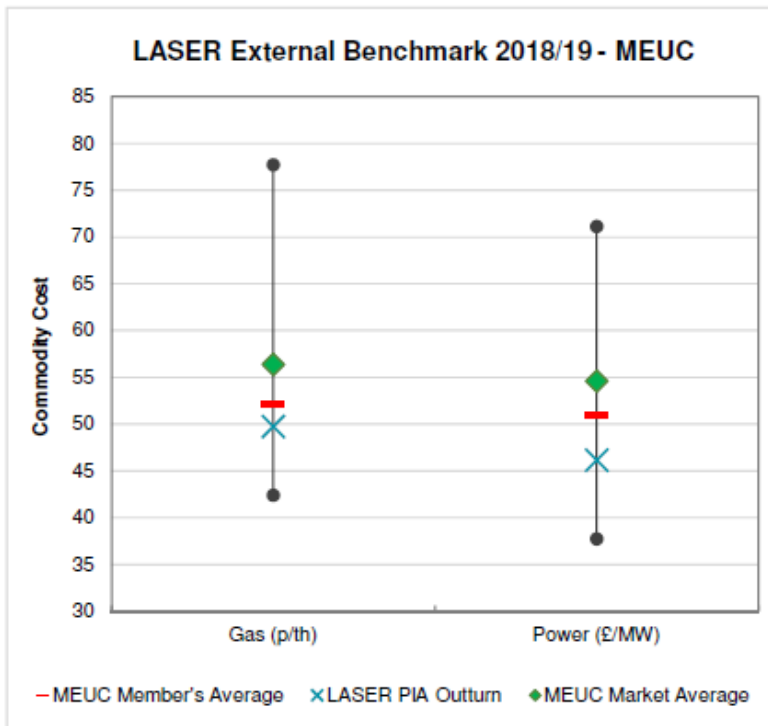
The capability to forward purchase energy ahead of the supply period is a key part of any risk managed energy strategy. Having the option to secure electricity and gas volume for the period October 2020 to September 2024 well in advance of delivery is vital in protecting the Council and its partners against potential wholesale market price changes. The following graph shows how volatile historic gas and electricity market prices have been.



## Appendix 2 - External Major Energy Users Council (MEUC) Benchmarking

**2018/19**

	Gas (p/th)	Power (£/MW)
High Market Price	77.72	71.09
Low Market Price	42.39	37.75
MEUC Member's Average	52.07	50.92
LASER PIA Outturn	49.78	46.11
MEUC Market Average	56.38	54.61
% Difference	-4.40%	-9.44%





Date of Meeting: 3 September 2019

Lead Member: Cllr Tony Ferrari – Lead Member for Finance, Commercial and Assets

Lead Officer: Aidan Dunn, Executive Director (Corporate Development S151)

Executive Summary:

Councils have the discretion to award up to 100% rates relief to ratepayers. The former Dorset District and Borough Councils all adopted schemes which looked to provide support to charities and “not for profit” organisations.

The Shadow Executive agreed that a review of existing cases be undertaken, effective from 1 April 2020, and that an aligned discretionary rate relief policy be developed to help ensure that future awards are made consistently.

The discretionary rate relief policy at Appendix 3 has been developed having regard to the previous schemes, government guidance and feedback from key stakeholders. It also looks to target financial support to those organisations which make a maximum contribution towards the local community.

Equalities Impact Assessment:

Not necessary as there is no identified negative, or unclear, impact on any of the protected characteristic groups

Budget:

The cost of Discretionary Rate Relief to charities and not for profit organisations will continue to be met from existing budgets.

Risk Assessment:

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW  
Residual Risk LOW

Other Implications:

None

Recommendation:

That Cabinet agrees to adopt the discretionary rate relief policy at Appendix 3

Reason for Recommendation:

To ensure that a consistent approach is taken in relation to the award of discretionary rates relief.

Appendices:

Appendix 1 – Principles of existing discretionary rate relief schemes

Appendix 2 – Breakdown of existing discretionary rate relief awards

Appendix 3 – Discretionary rate relief policy

Background Papers:

Existing Rate Relief guidelines for East Dorset, North Dorset, Purbeck, West Dorset and Weymouth & Portland Councils.

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**1. Introduction**

- 1.1 Charities and similar organisations are entitled to receive mandatory rate relief of 80% against their rates liability. Section 47 of the Local Government Finance Act 1988 (as amended), provides Councils with the discretion to award rates relief (up to a maximum of 20% in respect of charities and up to 100% in respect of other organisations) where it considers it to be appropriate, having regard to the circumstances of the case. Generally, 49% of the cost of awarding discretionary rate relief is borne by the Council, 1% is borne by the Fire and Rescue Service and the remainder is met by central government.
- 1.2 Councils can determine whether discretionary rate relief is awarded for a fixed period or is “open ended”. In both cases, the expiry of the relief must coincide with the end of a financial year. Where the relief has been awarded “open ended” the Council must give the ratepayer at least one year’s notice of the award coming to an end.
- 1.3 The former Dorset District and Borough Councils all adopted individual guidelines for determining applications for discretionary rate relief, which looked to award relief to charitable and/or “not for profit” organisations where it was in the interests of the local Council Taxpayer to do so. Appendix 1 sets out the principles of these schemes in relation to most charitable or “not for profit” organisations.
- 1.4 At its meeting on 14 January 2019, the Shadow Executive agreed that a review of discretionary rate relief cases was required. However, it noted that as the majority of recipients were entitled to receive a minimum of twelve months’ notice, the review could not take effect until 2020/21. It, therefore, decided that relief should continue for 2019/20, based on the former Councils’ schemes and that a new policy be developed to ensure that future applications are considered consistently.



- 1.5 Following the meeting on 14 January 2019, all existing discretionary rate relief recipients were given formal notice of the review and advised that they would be given the opportunity to apply for relief from 1 April 2020, nearer to the time.
- 1.6 Currently, 369 organisations receive discretionary rate relief totalling £443,598. The estimated cost to the Council in making these awards is £217,363 and is met from existing budget provision. A breakdown of the awards can be found at Appendix 2.

## 2.0 **Proposal**

2.1 In line with the decision made on 14 January 2019, Officers have been looking to develop a discretionary rate relief policy for consideration by Cabinet. As part of that process a consultation exercise has taken place with key stakeholders from the local business community, such as the Local Economic Partnership, Chambers of Trade, Bid Managers, etc. Of the 13 organisations approached, 3 have responded as follows:

- 100% were of the view that all applications for discretionary rate relief should be considered on their individual merits
- 67% were of the view that discretionary rate relief should not be awarded in respect of charity shops. 33% felt that discretionary rate relief should be considered if it was a local charity who was struggling
- 100% were of the view that 20% discretionary rate relief should continue to be awarded in respect of village halls managed by charities with open access policies
- 100% were of the view that 20% discretionary rate relief should continue to be awarded in respect of local scout/girl guide accommodation and youth clubs operated by charities and not for profit organisations
- 100% were of the view that discretionary rate relief should continue to be awarded to those charities and not for profit organisations who carry out a function which would normally be carried out by the Council.

2.2 Government has produced guidance to assist Councils in determining applications for relief. The guidance suggests that:

- All cases should be determined on their individual merits
- Applications should be made in writing and include relevant information such as the latest audited accounts, constitution, membership details, etc.
- Councils should consider notifying applicants of the reasons why relief has not been awarded so that they can take steps to conform with the criteria used to determine the case
- Councils may also wish to consider the following:
  - Is membership open to all sections of the community? If membership and/or joining fees are charged, are they restrictive?
  - Does the organisation actively encourage membership from particular groups (e.g. the young, elderly, disabled, disadvantaged, etc.)?
  - Are the facilities made available to others (such as schools, non-members, etc.)?

- Does the organisation provide training or education to its members?
- If the organisation provides a bar for members, is this the main (or ancillary) function of the organisation?
- Does the organisation provide facilities which indirectly relieve the Council of the need to do so, or enhance and supplement those which it does provide?
- Is membership drawn from people mainly resident in the Council's area?
- Is the organisation affiliated to local/national organisations and actively involved in the development of their interests.

2.3 As the Council now has to meet a large percentage of the cost of relief, Cabinet may feel that awards should only be made if it is in the Council Taxpayer's interest to do so. The discretionary rate relief policy set out at Appendix 3 has been produced to reflect that position. It also incorporates the best elements of the previous schemes, the feedback from key stakeholders as well as the guidance from government. In developing the policy, the following rationale has been used.

**I. Village halls**

A number of village halls currently receive 20% discretionary rate relief in addition to any mandatory rate relief awarded. It is recognised that well maintained village halls have enormous benefits to rural communities. It is, therefore, proposed to continue to award 20% discretionary rate relief to those halls that are managed by registered charities with open access policies.

**II. Scout huts, Youth clubs, etc.**

These organisations have a positive impact on the youth of the area and help contribute towards their wellbeing. It is, therefore, proposed that 20% discretionary rate relief be awarded to those organisations which have charitable status. Those organisations which do not hold charitable status, but are not established to make a profit, will be entitled to apply for up to 100% discretionary rate relief. Such cases will be determined having regard to the particular circumstances of the case and whether it would be in the Council Taxpayer's interest to make the award.

**III. Pre-schools**

The former Councils recognised the important role of pre-schools and awarded 20% discretionary rate relief to those organisations which have charitable status. It is proposed that this relief continue. In addition, those organisations which do not hold charitable status, but are not established to make a profit, will be entitled to apply for up to 100% discretionary rate relief. Such cases will be determined having regard to the particular circumstances of the case and whether it would be in the Council Taxpayer's interest to make the award.

**IV. Sports & Leisure**

Currently, 20% discretionary rate relief is awarded to those charitable organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award. It is proposed that this continues.

Those organisations which do not hold charitable status, but are not established to make a profit, will be entitled to apply for up to 100% discretionary rate relief. Such cases will be determined having regard to the particular circumstances of the case and whether it would be in the Council Taxpayer's interest to make the award.

**V. Cultural organisations**

Currently, 20% discretionary rate relief is awarded to those charitable organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award. It is proposed that relief continue on that basis.

Those organisations which do not hold charitable status, but are not established to make a profit, will be entitled to apply for up to 100% discretionary rate relief. Such cases will be determined having regard to the particular circumstances of the case and whether it would be in the Council Taxpayer's interest to make the award.

**VI. Community organisations**

Currently, 20% discretionary rate relief is awarded to those charitable organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award.

Those organisations which do not hold charitable status, but are not established to make a profit, will be entitled to apply for up to 100% discretionary rate relief. Such cases will be determined having regard to the particular circumstances of the case and whether it would be in the Council Taxpayer's interest to make the award.

**VII. Other organisations**

All other applications for discretionary rate relief will be considered having regard to:

- The particular circumstances of the case
- Whether the organisation provides facilities which indirectly relieve the Council of the need to do so
- The government guidelines
- Whether it is in the interests of the Council Taxpayer to make the award.

2.4 The policy looks to target support to those organisations which make a maximum contribution towards the community. It is anticipated that the majority of existing recipients would continue to receive discretionary rate relief and that the cost of awards would, therefore, be in line with budget provision. However, it is recognised that some existing recipients may no longer qualify for support from 1 April 2020. In such cases the organisation will be entitled to apply for support under the hardship rate relief scheme. Cabinet agreed a policy in relation to this relief earlier in the year.



**Discretionary Rate Relief  
Approach taken in relation to organisations**

<b>Factors taken into account</b>	<b>EDDC</b>	<b>NDDC</b>	<b>PDC</b>	<b>WDDC</b>	<b>WPBC</b>
Is relief awarded in respect of scout huts, youth clubs and youth centres, etc?	Each case considered on its merits	20% awarded if operated and under the control of a registered charity	20% awarded if operated and under the control of a registered charity	20% awarded if operated by a registered charity	Each case considered on its merits
Is relief awarded in respect of village halls occupied by a charity with open access policies?	Each case considered on its merits	10% awarded if the hall is in a village with a population of 3,000 or less	20% awarded	20% awarded if the hall is in a village with a population of 3,000 or less	Each case considered on its merits
Is relief awarded to community/advisory organisations?	Each case considered on its merits	Each case considered on its merits	10% awarded if the organisation is a charity and it is considered to be in the council taxpayers interest to make the award	20% awarded if in receipt of council funding with a service level agreement in place	Each case considered on its merits
Is relief awarded to charitable sports or leisure organisations?	Each case considered on its merits	20% is awarded if the organisation provides	Up to 20% is awarded if the organisation provides	20% is awarded if the organisation provides	Each case considered on its merits

		facilities which indirectly relieve the council of the need to do so	facilities which indirectly relieve the council of the need to do so.  5% is awarded to those who are charitable or are a CASC*	facilities which indirectly relieve the council of the need to do so	
Is relief awarded to charitable cultural organisations?	Each case considered on its merits	Each case considered on its merits	10% in most cases. Up to 20% is awarded if the organisation provides facilities which indirectly relieve the council of the need to do so.	20% awarded (excluding those with a formal agreement to receive regular government, health authority or council funding)	Each case considered on its merits
Is relief awarded to pre-schools operated by a charity	Each case considered on its merits	Each case considered on its merits	20% awarded	Each case considered on its merits	Each case considered on its merits
Is relief awarded in the case of Sea safety/rescue organisations?	Each case considered on its merits	Each case considered on its merits	20% awarded to those with charity status	Each case considered on its merits	Each case considered on its merits

## Discretionary Rate Relief

	EDDC		NDDC		PDC		WDDC		WPBC		Total	
	No	£	No	£	No	£	No	£	No	£	No	£
Village Halls	21	6,129	43	5,885	22	9,550	79	25,839	0	0	165	47,403
Scout Huts, Youth Clubs, etc	17	6,875	1	1070	9	4,680	16	7,134	1	2,268	44	22,027
Pre-Schools	6	10,187	1	955	5	4,383	6	3,017	0	0	18	18,542
Sports & Leisure	4	5,550	6	52,029	9	7,370	11	64,551	4	95,652	34	225,152
Cultural	3	7,522	2	764	11	15,964	24	31,166	6	18,284	46	73,700
Community	6	4,348	5	3,659	4	3,345	30	30,230	4	1,874	49	43,456
Other	5	979	0	0	4	7,198	4	5,141	0	0	13	13,318
<b>Total</b>	<b>62</b>	<b>41,590</b>	<b>58</b>	<b>64,362</b>	<b>64</b>	<b>52,490</b>	<b>170</b>	<b>167,078</b>	<b>15</b>	<b>118,078</b>	<b>369</b>	<b>443,598</b>

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# Discretionary Rates Relief Policy

<b>Purpose</b>	<i>The purpose of the policy is to ensure that a consistent approach is taken when applications for discretionary rate relief are considered.</i>
<b>Scope</b>	<p><i>Councils have the discretion to award up to 100% rates relief. Applications must be considered on their individual merits and awards only made where the Council is satisfied that it is in the interests of the Council Taxpayer to do so.</i></p> <p><i>This policy sets out the factors that may be taken into account when applications for discretionary rates relief are considered. It also provides the applicant's review rights when they are dissatisfied with the decision.</i></p> <p><i>The policy applies to all ratepayers who wish to apply for discretionary rates relief.</i></p>

## 1. Introduction

- 1.1 Under Section 47 of the Local Government Finance Act 1988, Councils have the discretion to award rates relief of up to 100% of the amount due.
- 1.2 Any application for rates relief must be considered on its individual merits and only awarded where it is considered to be in the interests of the Council Taxpayer to do so.
- 1.3 The aim of this document is to provide a guide to determining applications and it should not be seen as a policy that operates in a way so as to bind the Council in its use of the discretionary power.

### POLICY DETAILS:

## 2. How to claim discretionary rates relief

- 2.1 An application must be in writing (or by email) to the Council and be made by the ratepayer or by someone authorised to act on their behalf.
- 2.2 All applications must be supported by sufficient evidence to allow the Council to properly consider the claim. If the ratepayer refuses to provide the Council with such evidence the application may be treated as incomplete and it will not be processed.

## 3. How claims will be assessed

- 3.1 In considering applications for discretionary rate relief, the Council will have regard to the following:

- All cases should be determined on their individual merits
- Is membership open to all sections of the community? If membership and/or joining fees are charged, are they restrictive?
- Does the organisation actively encourage membership from particular groups (e.g. the young, elderly, disabled, disadvantaged, etc.)?
- Are the facilities made available to others (such as schools, non- members, etc.)?
- Does the organisation provide training or education to its members?
- If the organisation provides a bar for members, is this the main (or ancillary) function of the organisation?
- Does the organisation provide facilities which indirectly relieve the Council of the need to do so, or enhance and supplement those which it does provide?
- Is membership drawn from people mainly resident in the Council's area?
- Is the organisation affiliated to local/national organisations and actively involved in the development of their interests
- Is it in the Council Taxpayer's interest to make the award?

3.2 The Council will not generally award discretionary rate relief in respect of charity shops. However, it may consider making an award (up to 20%) where:

- The organisation is local
- The circumstances of the organisation are such that relief is needed in order for it to continue
- It is in the Council Taxpayer's interest to make the award.

3.3 The Council will look to award discretionary rate relief in the following specific cases.

- 20% discretionary rate relief will be awarded in respect of village hall that are managed by registered charities with open access policies
- 20% discretionary rate relief will be awarded in respect of properties occupied by scout, girl guide and similar organisations providing they have charitable status
- 20% discretionary rate relief will be awarded to those youth clubs and youth centres which are operated and under the control of a registered charity
- 20% discretionary rate relief will be awarded to pre-schools to those organisations which are operated and under the control of a registered charity
- 20% discretionary rate relief will be awarded to charitable sports and leisure organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award
- 20% discretionary rate relief will be awarded to charitable cultural organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award
- 20% discretionary rate relief will be awarded to charitable community organisations which provide facilities which indirectly relieve the Council of the need to do so, as it is in the Council Taxpayer's interest to make the award.

3.4 Discretionary rate relief will not be awarded unless the organisation is either a charity or is not established to make a profit.

3.5 Up to 100% discretionary rate relief may be awarded in respect of organisations which do not hold charitable status, but are not established to make a profit. In such cases the application will be considered having regard to the criteria set out at 3.1 above.

**4. Notifications of decisions**

- 4.1 The claimant will be notified of the decision as soon as possible after it has been made and any award will be by means of applying the relief to the relevant rates account. Where the application is refused the claimant will be advised of the reason why relief was not awarded.

**5. Review of a decision**

- 5.1 Where the application is refused the claimant will be notified that they can ask for the decision to be reviewed. Any request for a review must be made, in writing or by email, within one calendar month of the decision letter.
- 5.2 The review will be carried out by a senior officer who was not involved in the original decision. When considering the review, the officer will have regard to any further evidence supplied.
- 5.3 If the claimant is dissatisfied with the outcome of the review they can, within one month of the review decision, request that their case be considered by the Council's Appeals Committee.

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## Cabinet

Superfast Dorset Phase 3 Ultrafast Contract  
Expansion

Date of Meeting: 03/09/19

Lead Member: Gary Suttle – Lead Member for Economic Growth & Skills  
Peter Wharf – Lead Member for Corporate Development & Change

Local Member(s): All members

Lead Officer: John Sellgren - Executive Director for Place  
Aidan Dunn - Executive Director Corporate Development

Item tabled on Forward Plan as:

“Superfast Broadband - To invest funds, made up from grant from the Department of Food and Rural Affairs (DEFRA) and contract outturns”

### **Executive Summary:**

Universal provision of superfast broadband is critical to the future economic and social prosperity of the county of Dorset. The Superfast Dorset (SFD) programme aims to deliver the most appropriate superfast broadband solution for communities, maximising benefits in a cost effective manner across the business and domestic community.

The Superfast Dorset programme provides gap-funding state aid to build open access 'Next Generation' Superfast Broadband network in locations where the commercial market will not provide a solution. It has been working with BT over the past 5 years and has delivered access to superfast broadband to over 84,000 premises in the county, and a host of related activity to ensure strategic benefits are realised.

The Phase 3 Ultrafast programme is the third contract to be let by the Superfast Dorset programme to BT; however this is not an extension of the previous two contracts with BT. The Phase 3 contract has significant design differences to those previously let, intended to address lessons learned from the original national framework contract.

The Phase 3 contract was let under the conditions of the UK 2016 National Broadband Scheme (NBS), with a focus on ultrafast (or full-fibre) deployment. The contract was let to an overall value of £8.9m.

To date however only £3.9M has so far been committed.

Contracted delivery and commercial plans will leave circa.10,000 predominantly rural premises in Dorset unable to take a superfast connection.

To find the best approach for applying available & prospective additional resources to close this gap, the SFD team has recently completed a range of activities:

- Bid for and received provisional award of a £3.7m DEFRA (Rural Payments Agency) Rural Broadband Infrastructure (RBI) grant for rural businesses
- Carried out detailed market engagement to properly understand opportunity and potential in Dorset
- Explored a new procurement
- Explored and pursued the deployment of broadband through community schemes and vouchers,
  - Gigabit
  - BBSS
  - our own vouchers
- Assessed change control opportunities via our existing contracts

The conclusions drawn from the above activity, including responses from other network infrastructure providers in consideration of a procurement alternative, are that expansion via Change Control (modification to contract) of the current Phase 3 contract delivery presents the only viable option in order to utilise the DEFRA RBI grant within the available claim window, as well as the best means of maximising the efficient use of the remaining contractual headroom from re-investable funds against identified areas in need.

**Equalities Impact Assessment:**

This report builds on the existing Superfast Dorset project work carried out to date and has been subject to an Equalities Impact Assessment that confirmed the positive impact that improved broadband will have. The proposed additional coverage will significantly extend fibre broadband availability at the fastest available speeds in some of the most rural parts of the County and provide a further enhanced network base for future expansion initiatives.

**Budget:**

The proposal for Phase 3 contract expansion via the Change Control process would require additional public funding. This would be drawn from the £3.7M RBI grant award from DEFRA (RPA), public funding released from the initial Phase 3 build from descoped structures (structures cancelled on cost considerations, areas now provisioned by third party or other in life changes) and existing capital underspends in the SFD programme.

The Change Controls under consideration would increase total public expenditure under contract (original plus additions) from £3.9M to c.£8.3M. Further specifics are provided in the Appendix.

It should be further noted that the DEFRA grant award remains conditional pending assurance by Building Digital UK (BDUK) on behalf of DEFRA and final approval by the RPA of the modelled coverage and delivery specifics put forward under the Change Control process by Openreach.

The deployment and associated activities will be managed through the Superfast Dorset team and related programme governance, for which Base budget provision

has been made.

There are no VAT implications from the capital investment in broadband infrastructure.

**Risk Assessment:**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: HIGH

The bulk of the public funding proposed to fund Phase 3 contract expansion is the £3.7M DEFRA RBI grant. In the absence of approval to enter this funding into the Phase 3 Ultrafast contract the Council has no alternative means of utilisation. This would require withdrawal of Dorset's application/cancellation of grant award with a major impact on the strategic priority of universal broadband coverage.

Residual Risk MED (see Appendix)

Broadband Infrastructure in Dorset remains critically reliant on Openreach.

**Climate implications:**

None

**Other Implications:**

None

**Recommendation:**

That the Cabinet:

- i. Give delegated authority to the Lead Member for Economic Growth & Skills after consultation with the Lead Member for Corporate Development & Change and the Executive Directors for Place & Corporate Development to approve Change Control(s) under the Superfast Dorset Phase 3 Ultrafast contract to incorporate funding derived from the DEFRA RBI grant award, released from in life contractual changes and from current programme underspends into the existing contract, to the contracted maximum public funding contribution of £8.9M.
- ii. Note that the Change Control process requires that the proposal(s) from BT (Openreach) described above will be subject to central government assurance (BDUK and RPA for DEFRA) and Dorset Council's own assurance (to include Superfast Dorset, Finance and Legal consultation) prior to seeking to enter into contract.
- iii. Further note values presented in this report are subject to finalisation within the contractual limits specified under (i) above.

**Reason for Recommendation:**

To further the Council's corporate plan focus on Enabling Economic Growth through maximising the level of external funding drawn into Dorset to extend the provision of superfast broadband services to rural areas.

Central government commissioned research suggests that a £1 investment in NGA broadband returns a £20 increase in GVA for the local economy.

**Appendices:**

Exempt appendix – Full overview and funding breakdown of proposed Change Control for contract expansion / Commercial in Confidence

**Background Papers:**

Cabinet – Approval of Contracts valued at £500,000 and above, Cabinet Minute No. 68, 13 April 2016 (original authorisation for Officer Delegated Authority to award contract)

Officer Delegated Decision Record (Key Decision) – Date of Decision: 09/05/17. Matter for Decision: Contract Award to British Telecommunications PLC for the provision of deployed superfast / ultrafast broadband networks

Rural Payments Agency – Rural development Programme for England (RDPE) 2014 to 2020 Grant Funding Agreement (Dated 13<sup>th</sup> August 2018) &

Rural Payments Agency - Rural development Programme for England (RDPE) 2014 to 2020 'Guide to managing a successful RBI project' (Explanation of grant claims process)

**Officer Contact:**

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**1. OVERVIEW**

1.1 The Superfast Dorset Phase 3 Ultrafast contract was tendered from the outset to enable the integration of additional funding as this might become available to permit expanded coverage. Potential sources of additional funding were conceived to be underspends from previous programme phases, realisation of contract gainshare (income generated from customer take up of funded deployment) and applicable supplementary local or central government awards or allocations.



- 1.2 The contract was awarded at a public contribution value of £3.9M with the potential to expand this value to £8.9M (an additional £5M contractual headroom) under the OJEU procurement notification.
- 1.3 In February 2018 Superfast Dorset bid into DEFRA for a grant award under the Rural Development Programme for England, Rural Broadband Infrastructure Fund and was notified of successful provisional Grant award of £3.7M in August 2018.
- 1.4 Associated project activity since that time has included full evaluation of options for optimum application of this grant and other available funding, while meeting the specific grant requirements and the overall requirements of the Councils strategic broadband objectives.

## **2. RBI GRANT REQUIREMENTS**

- 2.1 The RDPE Growth Programme provides funding for projects in England which create jobs and growth in the rural economy. The grants are funded by the European Agricultural Fund for Rural Development (EAFRD), which is part of the European Structural Investment Funds (ESIF).
- 2.2 The Rural Broadband Infrastructure Fund is intended to assist the provision of Next Generation Access broadband infrastructure in rural areas where this is not already available or planned, with a specific focus on connecting businesses.
- 2.3 Dorset Council's application supports the national objectives of the scheme through prioritising coverage to rural businesses, which include business sectors within the Council's ESIF strategy and LEP Strategic Economic Plan.
- 2.4 The provisional grant award requires a minimum coverage level of applicable rural businesses in the planned deployment. Assurance and acceptance of the associated Change Control proposal received from BT will be made against these requirements by the RPA.

## **3. DELIVERY – OPTIMISATION & BENEFITS REALISATION**

- 3.1 Significant consideration has been given in the specification of Dorset Council's Change Impact Assessment (Change Control) requirements to BT to ensure the modelled output proposed to utilise the present funding opportunities (RBI and others) maximises their combined potential under the contractual delivery model.
- 3.2 The conditions of the RBI grant require completed drawdown of all grant funds by December 2021. The current Phase 3 contract provides the only viable mechanism for the utilisation of the RBI grant award within this timeframe.
- 3.3 The existing contract also provides the most expeditious route to reapply funds released through earlier in life changes and current programme underspends to

realise programme objectives and returns through a ready mobilised and structured deployment vehicle.

#### **4. DELEGATION**

- 4.1 In consideration of the above it is recommended that Delegated Authority is given to enable Change Control(s) under the Superfast Dorset Phase 3 Ultrafast contract to incorporate funding derived from the DEFRA RBI grant award, released from in life contractual changes and from current programme underspends into the existing contract, to the contracted maximum public funding contribution of £8.9M.

**Dominic Fitzgerald**  
**Programme Manager, Superfast Dorset**  
August 2019

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