



EXECUTIVE COMMITTEE

Members of Executive Committee are invited to attend this meeting at South Walks House, South Walks, Dorchester, Dorset to consider the items listed on the following page.

A handwritten signature in black ink, appearing to read 'Matt Prosser'.

Matt Prosser
Chief Executive

Date: Thursday, 9 February 2017
Time: 2.15 pm
Venue: Rooms A & B, South Walks House, South Walks Road, Dorchester

Members of Committee:

A Alford (Chairman), P Barrowcliff, I Gardner, M Penfold MBE, J Russell, A Thacker (Vice-Chairman) and T Yarker

USEFUL INFORMATION

For more information about this agenda please telephone Susan Carne 01305 252216 email scarne@dorset.gov.uk

This agenda and reports are also available on the Council's website at www.dorsetforyou.com/committees/ West Dorset District Council.

Members of the public are welcome to attend this meeting with the exception of any items listed in the exempt part of this agenda.



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A G E N D A

Page No.

1 APOLOGIES

To receive apologies for absence

2 MINUTES

To confirm the minutes of last meeting(s) 15 December 2016 and 16 January 2017. (previously circulated)

3 CODE OF CONDUCT

Members are required to comply with the requirements of the Localism Act 2011 and the Council's Code of Conduct regarding disclosable pecuniary and other interests.

Check if there is an item of business on this agenda in which the member or other relevant person has a disclosable pecuniary or other disclosable interest

Check that the interest has been notified to the Monitoring Officer (in writing) and entered in the Register (if not this must be done within 28 days)

Disclose the interest at the meeting (in accordance with the Council's Code of Conduct) and in the absence of dispensation to speak and/or vote, withdraw from any consideration of the item where appropriate. If the interest is non-pecuniary you may be able to stay in the room, take part and vote.

For further advice please contact Stuart Caundle, Monitoring Officer, in advance of the meeting.

4 EXECUTIVE COMMITTEE FORWARD PLAN

7 - 16

To receive the Forward Plan.

5 DORCHESTER'S CENTRE - RETAIL ENHANCEMENT

17 - 24

To consider a report by S Hill, Strategic Director.

6 NHS DORSET CLINICAL COMMISSIONING GROUP - CLINICAL SERVICES REVIEW

25 - 36

To consider a report by the Head of Community Protection.

7 2017-18 BUDGET 37 - 52

To consider a report by J Vaughan, Strategic Director.

8 BUSINESS REVIEW QUARTER 3 2016-17 53 - 106

To consider a report by C Evans, Financial Performance Manager.

9 2017-18 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY 107 - 128

To consider a report by J Symes, Financial Resources Manager.

10 APPOINTMENT OF EXTERNAL AUDITORS 129 - 132

To consider a report by J Vaughan, Strategic Director.

11 FUNDING REQUEST FROM DORSET COUNTY MUSEUM 133 - 138

To consider a report by the Leisure Commissioning Manager.

12 URGENT ITEMS

To consider any items of business which the Chair 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 specified in the minutes.

13 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 paragraphs 3 and 5 of schedule 12 A to the Local Government Act 1972 (as amended).

14 DORCHESTER'S CENTRE - RETAIL ENHANCEMENT

To receive the Exempt Appendices:

Appendix 1 – Soft Market Testing

Appendix 2 – Summary Opinion – Legal Privilege

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Executive Committee Four Month Forward plan 2 January 2017 To 30 April 2017

This Plan contains the decisions that the Council intends to make over the next 4 months, but will be subject to review at each committee meeting. The Plan does not allow for items that are unanticipated, which may be considered at short notice. It is available for public inspection along with all reports (unless any report is considered to be exempt or confidential). Copies of committee reports, appendices and background documents are available from the council's offices at Council Offices, Commercial Road, Weymouth, DT4 8NG 01305 251010 and will be published on the council's website Dorsetforyou.com 3 working days before the meeting.

Notice of Intention to hold a meeting in private - Reports to be considered in private are indicated on the Plan as Exempt. Each item in the plan marked exempt will refer to a paragraph of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and these are detailed at the end of this document.

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- **Portfolio Holders**
- Corporate – Cllr P Barrowcliff
- Environment Protection & Assets – Cllr J Russell
- Planning – Cllr I Gardner
- Housing – Cllr T Yarker
- Enabling – Cllr M Penfold
- Community Safety & Access – Cllr A Thacker

KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Report on the findings of a consultation on the West Dorset's Draft parking policy	To consider adopting the new parking policy for West Dorset.	Report to O&S 12 July 2016		WDDC Portfolio Holder for Environmental Protection and Assets Jack Creeber, Parking & Transport Manager	25 Apr 2017

Non Key Decisions

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Report on the findings of a consultation on the West Dorset's Draft parking policy	To consider adopting the new parking policy for West Dorset.	Report to O&S 12 July 2016		WDDC Portfolio Holder for Environmental Protection and Assets Jack Creeber, Parking & Transport Manager	25 Apr 2017

Non Key Decisions

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
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NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Piddle Valley Neighbourhood Plan - Independent Examiners Report	That the Neighbourhood Plan as revised to reflect the Examiner's report be agreed and that a referendum be held as soon as possible. That a recommendation to make the Piddle Valley Neighbourhood Plan be made at the next Full Council after the referendum if the results are in support of the making of the plan.			WDDC Portfolio Holder for Planning	9 Feb 2017
Calendar of Meetings 2017/18	To approve the calendar of meetings for 2017/18.			WDDC Portfolio Holder for Corporate Kate Critchel, Democratic Services Officer	9 Feb 2017
Budget and Financial Strategy 2017-18	To set out proposal for balancing the 2017-18 budget and Council Tax			WDDC Portfolio Holder for Corporate Jason Vaughan, Strategic Director	9 Feb 2017 28 Feb 2017
Appointment of External Auditors	To consider the appointment of External Auditors.			WDDC Portfolio Holder for Corporate Jason Vaughan, Strategic Director	9 Feb 2017

NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Quarter 3 Business Review	To receive the Quarter 3 Report			WDDC Portfolio Holder for Corporate Julie Strange, Head of Financial Services	9 Feb 2017
2017-18 Treasury Management Strategy Statement and Annual Investment Strategy	To consider the Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy for the coming year. To set prudential indicators and to review the policy on Minimum Revenue Provision (MRP)			WDDC Portfolio Holder for Corporate Julie Strange, Head of Financial Services	9 Feb 2017 28 Feb 2017
Shire Hall, Dorchester	To update member on progress of the Shire Hall project. To ensure that sufficient funds are made available to manage the project during the final construction and fit out stages.			WDDC Portfolio Holder for Enabling	9 Feb 2017
Funding request from Dorset County Museum	To consider a request from Dorset natural History & Archaeological Society for grant and loan to support its "Tomorrow's Museum" project at Dorset County Museum in Dorchester.			WDDC Portfolio Holder for Enabling Tony Hurley, Leisure Commissioning Manager	9 Feb 2017

NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Dorchester's Centre Charles Street	To consider commissioning development strategy options.		3	WDDC Portfolio Holder for Environmental Protection and Assets Stephen Hill, Strategic Director	9 Feb 2017
Future arrangements following the decision of Local Government Reorganisation	To inform members about the next stages of planning following the decision of 9 Dorset Councils on local government reorganisation.			WPBC Leader of Council WDDC Leader of Council NDDC Leader of Council WDDC Leader of Council WPBC Leader of Council NDDC Leader of Council Matt Prosser, Chief Executive	7 Mar 2017 14 Mar 2017 20 Mar 2017 11 May 2017 18 May 2017 19 May 2017

NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Change to West Dorset District Council Constitution	To recommend approval of the final version of the revised West Dorset District Council constitution.			WDDC Portfolio Holder for Corporate WDDC Portfolio Holder for Corporate Robert Firth, Corporate Manager Legal Services	14 Mar 2017 Not before 3rd Apr 2017
Rate Relief	To obtain committees agreement in awarding rates relief, as recommended by government.			WDDC Portfolio Holder for Corporate Stuart C Dawson, Head of Revenues and Benefits	14 Mar 2017
Recommendations for the allocation of developer contributions for the enhancement of recreational and community facilities in Dorchester	To present to the committee the recommendations of a member panel convened to assess applications for funding derived from developer contributions in Dorchester and to provide a summary of officer's assessment of each application.			WDDC Portfolio Holder for Enabling Tony Hurley, Leisure Commissioning Manager	14 Mar 2017
Dorchester Sport Centre	To consider a progress report on the resolution of defects at Dorchester Sports Centre	Dorchester Sport Centre		WDDC Portfolio Holder for Enabling Tony Hurley, Leisure Commissioning Manager	14 Mar 2017

NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
Proposals for changes in the management of community access to the Gryphon Sports Centre, Sherborne	To seek agreement from the Executive Committee to proposals for the changes in the management of the Sports Centre in order to reduce on-going costs whilst retaining community access.			WDDC Portfolio Holder for Enabling Tony Hurley, Leisure Commissioning Manager	14 Mar 2017
Land charges fees for 2017/18	To approve the proposed land charges fees for the district for 2017/18.			NDDC Portfolio Holder for Corporate Performance, WDDC Portfolio Holder for Corporate, WPBC Briefholder for Corporate Affairs and Continuous Improvement Robert Firth, Corporate Manager Legal Services	
Nitrogen Reduction in Poole Harbour Supplementary Planning Document	To adopt the Nitrogen Reduction in Poole Harbour Supplementary Planning Document.			WDDC Portfolio Holder for Planning Trevor Warrick, Spatial Policy and Implementation Manager	25 Apr 2017
Report on the findings of a consultation on the Proposed parking charges	To consider the findings of a consultation into the proposed parking charges.	report of 9 August 2016		WDDC Portfolio Holder for Environmental Protection and Assets Jack Creeber, Parking & Transport Manager	25 Apr 2017

NON KEY DECISIONS

Title of Report	Purpose of Report	Documents	Exempt	Portfolio Holder & Report Author	Decision Date
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Private meetings

The following paragraphs define the reason why the public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed and the public interest in withholding the information outweighs the public interest in disclosing it to the public. Each item in the plan above marked Exempt 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 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 reveal that the authority 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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Executive Committee

9 February 2017

Dorchester's Centre – Retail Enhancement

For Decision

Portfolio Holder

Cllr J Russell – Environmental Protection & Assets

Senior Leadership Team Contact:

S Hill, Strategic Director

Report Author:

S Hill, Strategic Director

Statutory Authority

Local Government 1972

Purpose of Report

- 1 To update Members on progress with the soft market testing, archaeological peer review and to describe preparation of the development strategy.

Officer Recommendations

- 2 Officer recommendations are as follows:
 - a) To receive the results of the soft market testing on development opportunities at Charles Street;
 - b) To receive the archaeological peer review for the Charles Street site;
 - c) To allocate up to £520k from the Corporate Projects Reserves to enable preparation of feasibility studies, the development strategy and then marketing of the Charles Street site and other Dorchester town centre sites;
 - d) To delegate authority to the Strategic Director, in consultation with the Charles Street Member Working Group to spend up to £520k on the preparation of feasibility studies, the development strategy and then marketing of the Charles Street side and other Dorchester town centre sites;
 - e) To commence initial discussions with interested food retailers for the Charles Street site so as to give direct market insight into their requirements and thus allow a faster decision making process when reporting back to members.
 - f) To commence discussions with owners, occupiers and interested parties on the Trinity Street and Fairfield car park sites so as to allow a better initial assessment of their potential viability and feasibility for redevelopment as part of the wider Dorchester Town Centre redevelopment options. These will then be reported back to members in conjunction with the other assessments and works.

Reason for Decision

- 3 To update Members and also establish a budget for the next phase of work, which will focus on delivery at the Charles Street site and also feasibility and delivery at other Dorchester town centre site/s.

Background and Reason Decision Needed

- 4 Recent previous reports on Dorchester's Centre have been considered by Executive on 12 April 2016 and 13 September 2016.
- 5 The last report gave approval to undertake soft market testing of the development opportunity at Charles Street car park and also to prepare an archaeological peer review of the site.
- 6 These works were commissioned under the direction of the Member led Charles Street Working Group, from GL Hearn and Dr Peter Wilson (Rarey Archaeological).
- 7 This report presents the results of the soft market testing and archaeological peer review for the Executive's information.
- 8 The report also recommends steps to prepare the development strategy for the site, and also consideration and progression of other town centre sites to meet Dorchester's retail need.

Soft Market Testing

- 9 GL Hearn was commissioned on 21 October 2016 and completed its final soft market testing report briefing the Charles Street working group at its meeting on 17 January 2017.
- 10 This report explains that the results of the soft market testing have been completed. The soft market testing (Appendix 1) is a commercially confidential document and, therefore, that report is confidential.
- 11 The soft market testing concludes that there is a market for retail development at its Charles Street site based on a smaller and less intrusive scheme than previously promoted. There is interest from both food and comparison goods retailers.

Archaeological Peer Review

- 12 Rarey Archaeology (Dr Peter Wilson) was commissioned on 29 November 2016 and has presented a draft review by end January 2017 and gave a verbal briefing to the working group at its meeting 17 January 2017.
- 13 This report presents the results of the draft peer review (as a Background Paper). The peer review is presented as a draft and will be subjected to an independent review. The Council has not considered the report.
- 14 The report concludes that the site could be developed with appropriate mitigation measure; taking the opportunity of developing a better understanding of the potential of site; appropriate design (location and construction type) and harm/loss being outweighed by the benefits.
- 15 A smaller, less intrusive store at the Charles Street site is more likely to be achieved by a food retail store when compared with a comparison goods store. From a landowner perspective this would allow more targeted marketing, giving an optimum opportunity for delivery. The planning perspective would look at the overall delivery and constraint issues and is considering this option but this would appear feasible from that perspective also. This may be confirmed following sequential testing.

Charles Street Development Strategy

- 16 Based on the outcomes of the soft market testing and archaeological peer review, the Council now needs to decide whether or not to progress with the next stage, which is preparation of the development strategy for the site, as well as some more direct engagement with potential end users.
- 17 The strategy should:
 - consider and select a preferred option for development (eg joint venture development partner, council development, freehold/leasehold sale);
 - procurement advice;
 - car parking demand and capacity;
 - how car parking income will be governed, managed and operated including treatment of income;
 - further archaeology evaluation;
 - the type of development eg size, location, class, design and site permeability (pedestrian movements around the town and vehicular); and
 - Sequential testing of sites and food/comparison goods options.
- 18 There is significant work in assessing the options, which is likely to need financial evaluation skills as well as preparation of the development strategy and urban design/architecture.
- 19 This report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to prepare the development strategy.
- 20 Initially, this will require preparation of the work specification and tendering before awarding the commission. The work is expected to take 4 months

before being reported back to Executive for decisions on how best to develop the site.

- 21 While this work is undertaken, given the potential site constraints, it is believed worthwhile to also progress on some of the findings of the initial phase. To this end opening dialogue with the various food retailers to determine more specifically their interest and requirements would give a market insight which would add to the other evaluation work. In addition it could speed up the final decision making and delivery when reporting back to members.
- 22 The Council may then progress to the implementation of the development strategy, which could for example include selecting a development partner or land sale.
- 23 This report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, on the marketing only of the Charles Street site, depending upon the preferred approach to marketing eg competitive dialogue or land sale.
- 24 The extent of previous surveys undertaken (for which the Council has the intellectual property rights) for example as part of the preparation of the planning application, will dictate what information remains relevant and can be re-used eg topographical survey; cultural heritage assessment; previous financial evaluations.
- 25 The Council may consider further works to de-risk the site and this could include in particular for example below ground conditions: geotechnical (ground condition) and archaeological trial holes. A separate budget for this work will be informed by the archaeological peer review.

Dorchester's Retail Need

- 26 Dorchester's retail need assessment that has been used by GL Hearn (in its report, previously reported to Executive 13 September 2016) is based upon the current joint Town Centre and Retail Study, which was finalised in 2008, with an addendum prepared in 2010. Over recent years, there have been significant changes in the retail market and the economy. These are likely to have impacted on the assumptions which sit behind the growth in retail expenditure presented in retail studies.
- 27 The retail need assessment for West Dorset and Weymouth & Portland needs to be updated and will be commissioned early 2017 with the plan to complete by mid-2017. Therefore, a brief has been provided to advise on the potential retail capacity in Dorchester prior to the commissioning of the Retail Study covering West Dorset District Council and Weymouth & Portland Borough Councils.
- 28 The early review of Dorchester's retail need only will be commissioned to inform the Council and is expected to take one month to complete: end February 2017.
- 29 The previous (July 2016) GL Hearn report, reported to Executive 13 September 2016 suggested that a smaller scale and less intrusive retail

development at Charles Street is unlikely to meet Dorchester's currently defined retail need. A smaller scale say 30,000- 40,000 sq ft store is, therefore, perhaps preferable for the Charles Street site, which matches a food store more than a comparison goods scheme at say 60,000 sq ft that would lack critical mass. A smaller scheme with a single store is perhaps also likely to better match the findings of the archaeological peer review.

- 30 An early review of Dorchester's retail need is required to inform the Council's strategy, but it is likely to indicate that further retail development at Dorchester's centre will be needed, in addition to any floorspace provided at the Charles Street site, to meet the re-assessed retail need.
- 31 The West Dorset and Weymouth & Portland Local Plan (Adopted October 2015) identifies development at Charles Street and Trinity Street car parks as potential for retail development and, therefore, includes policies.
- 32 Meeting Dorchester's retail need more closely (than only at Charles Street) will require a review and confirmation of other feasibility and viability of other potential central Dorchester retail development sites, more specifically from a sequential test basis Trinity Street car park and Fairfield car park.
- 33 Given the wish to progress a composite approach to the Dorchester Town Centre economic enhancements, it is believed appropriate to look at these two areas in more detail and to enter into initial discussions with owners, occupiers and interested parties. This will then give helpful and specific details to members when the various assessments are being reported back in due course.
- 34 Therefore, this report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to consider the feasibility of development at other Dorchester sites to meet Dorchester's assessed retail need.
- 35 It is likely that most of the work described in paragraph 16 above will also be necessary for the appraisal of other Dorchester sites (eg sequential testing, car parking demand/capacity, preferred development type and size; urban design; and further archaeological peer review). Similarly, therefore, this work is expected to take 4 months from commissioning.
- 36 In the interim the council would as part of the review wish to limit any commitments to further occupancy so as to ensure maximum flexibility moving forward with the overall Town redevelopment strategy.
- 37 The Council may then progress to the implementation of the development strategy at Dorchester's town centre sites, which could for example include selecting a development partner or land sale.
- 38 Similarly, this report Recommends delegating authority to the Strategic Director, in consultation with the Charles Street Member Working Group, to market any other central Dorchester site/s within the Council's ownership.

Implications

Corporate Plan

- 39 The Charles Street development project is a top priority for the Council and matches the Economy priority.
- 40 It is important that the Council provides a simple proposition for potential developers as it enters the development market. This includes being clear what assets the Council is progressing for land sale/lease and for what purposes in what priority order. Reducing risk is inherent within that and includes minimising risk of any challenge. Risks include the ground condition and archaeology and also the procurement/disposal route.

Financial

- 41 To allocate up to £520k from revenue reserves to enable preparation of feasibility studies, the development strategy and then marketing of the Charles street site and other Dorchester town centre sites;

Equalities

- 42 None.

Environmental

- 43 The Council's ownership at Charles Street has been the subject of much environmental interest, not least as a site with potential significantly important archaeological remains and a principal site in the historic town centre.
- 44 Related other work includes the early review of the Local Plan and associated supporting documents; the Dorchester Transport and Environmental Plan (DTEP); and review of traffic and parking, including preparation of a WDDC Parking Strategy.

Economic Development

- 45 Is the proposal likely to lead to an increase in the level of skills needed in the local workforce? At this stage the consultant commission may identify options that increase in the level of skills needed in the local workforce.
- 46 Is the proposal likely to lead to growth in local employment? At this stage the consultant commission identifies options that promote local employment.
- 47 Is the proposal likely to lead to growth in the number of businesses? At this stage the consultant commission identifies options that promote local business.
- 48 If the overall economic implications are seen as negative what mitigating factors have been considered? The consultant commission includes consideration of economic implications.

Risk Management (including Health & Safety)

- 49 A separate confidential Appendix 2 is included which relates to the options for procurement of development/land sale/lease.

Human Resources

- 50 None.

Consultation and Engagement

- 51 The work led by the Charles Street Working Group has an established e-Newsletter that people have signed up to receive.
- 52 Communications relating to this report are prepared with the Charles Street Working Group informing people of the recommendations and the objectives upon which those recommendations are made: to promote Dorchester as a retail centre.

Appendices

Appendix 1 and Appendix 2 Not for publication by virtue of paragraphs 3 and 5 of Schedule 12A, Part 1 of The Local Government Act 1972, as amended. The public interest in maintaining the exemption outweighs the public interest in disclosing it.)

- 53 Appendix 1 - Soft Market Testing (GL Hearn) – commercially confidential
Appendix 2 - Summary Opinion – legal privilege : confidential

Background Papers

- 54 Previous Committee Reports and Minutes.
Archaeological Peer Review (Rarey Architects)

Footnote

- 55 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author: Stephen Hill

Telephone: 01305 838037

Email: shill@dorset.gov.uk

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Executive Committee 9 February 2017 NHS Dorset Clinical Commissioning Group – Clinical Services Review

For Decision

Portfolio Holder

Cllr Alan Thacker – Community Safety & Access

Senior Leadership Team Contact:

S Hill, Strategic Director

Report Author:

G Duggan, Head of Community Protection

Statutory Authority

Public consultation by Dorset Clinical Commissioning Group

Purpose of Report

- 1 For your committee to provide a response to the Dorset Clinical Commissioning Group (CCG) consultation on the Clinical Services Review about the future of clinical healthcare services in Dorset.

Officer Recommendations

- 2 That the Portfolio Holder for Community Safety & Access takes into account comments made by this committee and submits a response on behalf of the council to the CCG Clinical Services Review consultation.

Reason for Decision

- 3 To allow the councils voice to be heard in this important consultation which will help shape the future provision of clinical healthcare services in West Dorset.

Background and Reason Decision Needed

- 4 The Clinical Services Review (CSR) is being led by NHS Dorset Clinical Commissioning Group which is responsible for planning and securing healthcare in Dorset. A public consultation on review proposals is open for a 12-week period up to 28 February 2017. The council may wish to submit a response.

5 The CCG state that the review is being undertaken because;

- There are unacceptable variations in the quality of care across Dorset
- Staff with the right skills are not always where patients most need them
- The cost of providing healthcare in Dorset is more than the funding available

The CCG believe that if nothing is done the consequences will include more difficulties in getting GP appointments; longer waiting times at A&E; more cancelled operations; insufficient hospital beds; problems in seeing specialists and unplanned service cuts. These would lead to lower safety; worsening health and survival rates.

6 The CCG's vision is "*to change our healthcare system to provide services that meet the needs of local people and deliver better outcomes.*" There are 5 key ambitions;

- Services organised around people rather than facilities
- Supporting people to stay well and take better care of themselves
- Delivering more care close to home
- Integrated teams of professionals working together
- Centralising hospital services

The Government has required each of the local health and social care areas (Dorset being one) to produce a Sustainability and Transformation Plan (STP) based around these ambitions and the CCG believe that the proposals in the consultation document will be an important part of delivering the STP in Dorset.

Consultation Document

7 The consultation document can be found at;

<https://www.csr.dorsetsvision.nhs.uk/wp-content/uploads/sites/3/2016/11/csr-consultation-document.pdf>

The main themes of the consultation are;

- A substantial expansion of interventions for the prevention of ill health
- A greater focus on self-care so that people have the confidence and support to manage their own health
- Avoiding gaps in services and removing boundaries that exist between primary and community care and services delivered in hospitals
- Groups of GP's leading mixed teams of doctors, nurses and social care professionals so that they can make better use of their skills to meet patients' needs
- A different way of providing urgent and emergency care services that are fit for the future so that more lives can be saved and improve care

These themes are developed in proposals for *Integrated Community Services – Options for Change* and *Proposed Options for Acute Hospitals*, the detail of which is contained within the consultation document.

Implications for West Dorset residents

- 8 The draft proposals for North, Mid and West Dorset (which covers West Dorset residents) includes community hubs with beds at Blandford, Sherborne and Bridport hospitals. A community hub at Dorset County Hospital with access to community beds in proposed hubs at Sherborne, Bridport and Weymouth community hospitals.

It is proposed that the major emergency hospital should be located in the east of the county in either Bournemouth or Poole and that the major planned care hospital with a 24/7 Urgent Care Centre will be located in the other town.

It is proposed that Dorset County Hospital in Dorchester will be a planned care and emergency hospital with 24/7 A&E services, which will help to ensure good access for all of Dorset's population. This would mean that most services provided at Dorset County Hospital would remain largely as they are now.

Points that members may wish to consider in suggesting a response include;

- Additional strain that may be placed on clinical health services through planned increased housing provision.
- The role of the council in healthy housing provision and healthy lifestyles in preventing ill health.

Consultation response

- 9 The consultation questionnaire is attached as Appendix 1 to this report. With respect to integrated community services and West Dorset, there is information on page 2. Proposed options for acute hospitals are covered on pages 4-6. It is suggested that following your meeting, a response will be finalised and submitted to Dorset CCG.

Healthwatch Dorset has information about the review at;

<http://www.healthwatchdorset.co.uk/CSR>

Implications

Corporate Plan

- 10 Priorities: Empowering Thriving and Inclusive Communities and Improving Quality of Life

Equalities

- 11 An Equalities Impact Assessment for the consultation has been undertaken by Dorset CCG. Healthwatch Dorset is collecting data about access to the consultation document and questionnaire.

Consultation and Engagement

- 12 The consultation has been circulated to all councillors for any individual responses to be made. There are a series of public engagement events and details of these are on the Dorset CCG website.

Appendices

Appendix 1 – CSR Consultation Questionnaire

Background Papers

Nil

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author: Graham Duggan

Telephone: 01305 252285

Email: gduggan@dorset.gov.uk

CONSULTATION QUESTIONNAIRE

Please read the consultation document or go online for information about our proposals. This consultation questionnaire gives you the opportunity to provide your views about the changes proposed to improve local healthcare services across Dorset. The questionnaire may be completed by organisation representatives and individuals, including residents, patients and staff.

There is more information online, and also an online version of this questionnaire, which we encourage you to complete. Please visit: www.dorsetsvision.nhs.uk/feedback

*Completed questionnaires will be processed by Opinion Research Services (ORS), an independent research company. Questionnaires returned directly to ORS via our FREEPOST address will only be seen by the ORS research team. Feedback from individuals will be completely anonymous, but views from organisations may be published in full. All completed questionnaires should be returned to the FREEPOST address on the back page to arrive by **Tuesday 28 February 2017**.*

Integrated community services → Please read section 5 of the consultation document

We believe that there is the potential to deliver better care in or closer to people's homes using community teams based at local community hubs. We will continue to provide a wide range of healthcare services at community hospitals, but we do not believe inpatient beds are needed at every one.

To what extent do you agree or disagree that our proposal to provide services closer to people's homes using community teams based at local community hubs will deliver better care?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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We have held discussions with doctors, health professionals and front-line staff; sought the views of local people; carried out detailed travel time analysis; looked at the number of beds and space needed and considered a number of options for community hospitals.

Our preferred option is for 7 community hubs with inpatient beds; and 5 community hubs without inpatient beds but providing a range of outpatient and other services, spread throughout the localities in Dorset.

Our draft proposal for NORTH DORSET includes community hubs with beds at Blandford Hospital and at Sherborne Hospital, and a community hub without beds at Shaftesbury, possibly at a different site to the existing hospital. To what extent do you agree or disagree with our draft proposal for NORTH DORSET?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for NORTH DORSET or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for MID DORSET includes a community hub at Dorset County Hospital with access to community beds in proposed hubs at Wimborne, Bridport, Sherborne and Weymouth Community Hospitals. To what extent do you agree or disagree with our draft proposal for MID DORSET?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for MID DORSET or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for WEST DORSET includes a community hub with beds at Bridport Hospital. To what extent do you agree or disagree with our draft proposal for WEST DORSET? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for WEST DORSET or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Page 30

Our draft proposal for WEYMOUTH & PORTLAND includes a community hub with beds at Weymouth Hospital and a community hub without beds at Portland, possibly at a different site to the existing hospital. Westhaven Hospital would not be used as a community hospital hub, but the future of mental health beds at the Linden Unit will be considered as part of a separate review. To what extent do you agree or disagree with our draft proposal for WEYMOUTH & PORTLAND? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for WEYMOUTH & PORTLAND or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for PURBECK includes a community hub with beds at Swanage Hospital and a community hub without beds at Wareham, possibly at a different site to the existing hospital. To what extent do you agree or disagree with our draft proposal for PURBECK?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for PURBECK or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for EAST DORSET is for a community hub with beds at Wimborne Hospital. St Leonards Hospital would close. To what extent do you agree or disagree with our draft proposal for EAST DORSET? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for EAST DORSET or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for the POOLE LOCALITIES includes a community hub with beds at Poole (only if this is the major planned care hospital). Alderney Hospital would not be used as a community hub and proposals for its future would form part of a separate review of dementia services. To what extent do you agree or disagree with our draft proposal for the POOLE LOCALITIES? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
--	---	--	--	---	--

If you have any specific comments about the draft proposal for the POOLE LOCALITIES or if there are any alternatives that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our draft proposal for the BOURNEMOUTH and CHRISTCHURCH LOCALITIES includes a community hub with short term care home beds at Bournemouth (only if this is the major planned care hospital) and a hub without beds at Christchurch. To what extent do you agree or disagree with our draft proposal for the BOURNEMOUTH and CHRISTCHURCH LOCALITIES? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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If you have any specific comments about the draft proposal for BOURNEMOUTH and CHRISTCHURCH or if there are any alternatives that you think we should consider, please tell us and explain any alternative option. PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Our proposed options for acute hospitals → Please read section 6 of the document

National and international evidence show that more lives are saved if people are treated in specialist centres with senior staff available on site 24 hours a day 7 days a week; however **none** of the hospitals in Dorset currently provide this. Our vision for acute hospital care in Dorset is based on three types of hospitals:

- » **Major emergency hospital with 24/7 A&E** - it would offer consultant-led A&E and emergency surgery, as well as treatment for other higher risk planned care including cancer, high-risk maternity with consultant presence and 24/7 overnight services for children.
- » **Major planned care hospital with a 24/7 urgent care centre** - it would offer planned and day case surgery such as hip replacements, outpatients and tests and scans. It would have a 24/7 Urgent Care Centre (led by GPs with consultant input) with rehabilitation beds, antenatal, postnatal and outpatients and therapies for children, mental health services and an integrated service for frail and elderly patients.
- » **Planned care and emergency hospital with 24/7 A&E** - it would offer consultant-led A&E and other urgent/emergency care services including surgery and medical admissions. It would offer planned and day case surgery such as hip replacements, outpatients and tests and scans. It would have an integrated service for frail and elderly patients, primary and community care services on site and mental health care services; and as a minimum would have enhanced day and evening services for children, midwife-led maternity unit and a special care baby unit.

To what extent do you agree or disagree with our vision for acute hospital care in Dorset?

PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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Following extensive discussions with stakeholders and based on detailed population and travel time analysis, we propose that the **major emergency hospital** should be located in the east of the county in either **BOURNEMOUTH or POOLE** and that the **major planned care hospital** with a 24/7 Urgent Care Centre will be located in the other town.

We propose that Dorset County Hospital in **DORCHESTER** will be a **planned care and emergency hospital with 24/7 A&E services**, which will help to ensure good access for all of Dorset's population. This would mean that most services provided at Dorset County Hospital would remain largely as they are now.

To what extent do you agree or disagree with the proposals to provide a major emergency hospital and a major planned care hospital in the east of the county? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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To what extent do you agree or disagree with the proposals for Dorset County Hospital to be a planned care and emergency hospital? PLEASE TICK ✓ ONE BOX ONLY

Strongly agree <input type="checkbox"/>	Tend to agree <input type="checkbox"/>	Neither agree nor disagree <input type="checkbox"/>	Tend to disagree <input type="checkbox"/>	Strongly disagree <input type="checkbox"/>	Don't know <input type="checkbox"/>
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The CCG wants to provide as many services as possible at the planned care and emergency hospital (Dorchester), but only where it is safe to do so. Clinical advice from the Royal College of Paediatrics and Child Health has identified that consultant-led maternity care and inpatient paediatric services for the sickest children will need to change to meet safety guidelines. We are currently considering two different options which are set out below.

Which option do you prefer for the delivery of consultant-led maternity care and inpatient paediatric services for the sickest children? PLEASE TICK ✓ ONE BOX ONLY

<input type="checkbox"/>	Option A Providing consultant-led services at the major emergency hospital in the east of Dorset. Plus an integrated service across Dorset County Hospital and Yeovil District Hospital for residents in the west of Dorset (where one hospital would provide consultant-led maternity care and overnight services for children and the other hospital would have a midwife-led maternity service and enhanced day and evening services for children).	Don't know <input type="checkbox"/>
<input type="checkbox"/>	Option B Establishing a single specialist centre that covers the whole of Dorset, which would need to be based at the major emergency hospital in the east of Dorset (with midwife-led services and have enhanced day and evening services for children provided at Dorset County Hospital).	
<input type="checkbox"/>	Another option: Please give details in the text on the next page.	

If you have any specific comments about the options for consultant-led maternity care and inpatient paediatric services, or if there are any alternative options that you think we should consider, please tell us and explain any alternative option.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Following a detailed and extensive process of appraisal, the CCG has proposed two options. These are set out below. Our preferred option is **OPTION B**: the **major emergency hospital** at the **BOURNEMOUTH Hospital** with the **major planned care hospital** at **POOLE Hospital**. Our main reasons for preferring **OPTION B** are:

- » Bournemouth Hospital offers better emergency access by ambulance for most residents, including people living in West Hampshire;
- » Bournemouth Hospital has lower running costs and would cost significantly less to develop;
- » Because of its town centre location, Poole Hospital is easier for most residents to get to by public transport for planned treatment;
- » Poole Hospital is a better site for community beds given its town centre location.

Which option do you prefer for the major emergency hospital and major planned care hospital in the east of the county? PLEASE TICK ✓ ONE BOX ONLY

<input type="checkbox"/> Option A Major <u>emergency</u> hospital with 24/7 A&E services in POOLE Major <u>planned care</u> hospital with an 24/7 Urgent Care Centre in BOURNEMOUTH	Don't know <input type="checkbox"/>
<input type="checkbox"/> Option B – This is our PREFERRED OPTION Major <u>emergency</u> hospital with 24/7 A&E services in BOURNEMOUTH Major <u>planned care</u> hospital with a 24/7 Urgent Care Centre in POOLE	
<input type="checkbox"/> Another option: Please give details in the box on the next page	

If you have any specific comments about the draft proposals for acute care, or if you disagree with any of them, please tell us. If there is an alternative option that you think we should consider, please explain the alternative option and tell us why you think this would be better.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Other comments and suggestions

Are there any further comments that you would like to make about any aspect of our proposals?

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

As a public body, NHS organisations have a duty to take into account the impact of their decisions on human rights, under the Human Rights Act 1998, and also on people with protected characteristics under the Equality Act 2010 (age, disability, gender, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, and sexual orientation).

Are there any positive or negative impacts relating to equalities that you believe we should take into account?

If so, are you able to provide any supporting evidence and suggest any ways we could reduce or remove any potential negative impact and increase any positive impact?

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

Information about you

What is your full postcode?

This will help us understand views in different areas

If you are responding on behalf of an ORGANISATION, which organisation do you represent?

Please give us the name of the organisation and any specific group or department. Please also tell us who the organisation represents what area the organisation covers and how you gathered the views of members.

PLEASE ANSWER IN THE BOX BELOW AND CONTINUE ON A SEPARATE SHEET IF NECESSARY

If you are providing your own PERSONAL RESPONSE, please answer the questions below...

We want to make sure that we include all parts of the community in our consultation, but these questions are optional. We will take all consultation responses fully into account when making decisions, regardless of whether you provide your personal details.

PLEASE TICK ✓ ONLY ONE BOX FOR EACH QUESTION

What was your age on your last birthday?

- | | |
|--|-------------------------------------|
| <input type="checkbox"/> Under 25 | <input type="checkbox"/> 55 to 64 |
| <input type="checkbox"/> 25 to 34 | <input type="checkbox"/> 65 to 74 |
| <input type="checkbox"/> 35 to 44 | <input type="checkbox"/> 75 to 84 |
| <input type="checkbox"/> 45 to 54 | <input type="checkbox"/> 85 or over |
| <input type="checkbox"/> Prefer not to say | |

What is your gender?

- Male
 Female
 Prefer not to say

Do you have any dependent children aged under 18?

- Yes – all children aged under 6
 Yes – all children aged 6 or over
 Yes – children aged under 6 and 6 or over
 No
 Prefer not to say

Are you currently pregnant or providing maternity care for a new-born baby?

- Yes
 No
 Prefer not to say

What is your ethnic group?

- White
 Mixed or multiple ethnic groups
 Asian or Asian British
 Black, African, Caribbean or Black British
 Any other ethnic group
 Prefer not to say

Do you consider yourself to be disabled?

- Yes
 No
 Prefer not to say

Do you look after, or give any help or support to family members, friends, neighbours or others because of long-term physical or mental ill-health/disability or problems relating to old age?

- Yes
 No
 Prefer not to say

Are you employed by the NHS or any other health or social care service bodies?

- Yes
 No
 Prefer not to say

THANK YOU VERY MUCH FOR YOUR TIME

Please return the questionnaire to arrive by **Tuesday 28 February 2017** to

Opinion Research Services • FREEPOST SS1018 • PO Box 530 • Swansea • SA1 1ZL

Executive Committee 9 February 2017 2017/18 Budget Report

For Recommendation To Council

Portfolio Holder

Cllr P Barrowcliff - Corporate

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author: J Vaughan, Strategic Director

Statutory Authority

Local Government Acts 1972, 1988, 1992 and 2003

Purpose of Report

- 1 To set out the revenue and capital budget proposals for the 2017/18 financial year including the level of council tax and reserves. To outline the Medium Term Financial Forecast for future years.

Officer Recommendations

- 2 That the Committee receives a report on the level of once-off funding available and potential bids at its next meeting.
- 3 That the Committee recommends to Council the following:-
 - a. That the once off funding from New Homes Bonus of £756,873 (as set out in Appendix 1) is added to reserves
 - b. That the funding for community-led housing developments is put into an earmarked reserve and that an action plan on its use is produced
 - c. That the proposals for balancing the 2017/18 revenue budget set out in Appendix 3 are approved
 - d. That the 2017/18 Capital Programme in Appendix 4 is approved
 - e. That the formal resolutions in respect of the 2017/18 Budget and Council Tax including details of the council tax levels for Dorset County Council, Dorset Police & Crime Commissioner and Fire & Rescue Authority and Town Councils are included in the Budget Report to the 28 February Council meeting

Reason for Decision

- 4 To enable the Council to balance the 2017/18 budget.

Background and Reason Decision Needed

5. The Budget report in February 2016 set out the financial forecast for the next 3 financial years with estimated budget gaps of £1.786m in 2017/18, £1.291m in 2018/19 and £1.243m in 2019/20. Against this background the Council's Financial Strategy focused upon three strategic options, those being:-
 - Plan A – Unitary Council
 - Plan B – Single 'super District' Council
 - Plan C – Stay as a stand-alone Council
6. Given the uncertainty over the longer term direction the strategy for the development of the 2017/18 budget has been to focus upon it as a single year and produce a balanced budget which allows all three strategic options to be considered.

Budget Changes

Revenue Support Grant

7. Following on from the Comprehensive Spending Review (CSR2015) announced by the Chancellor on 25 November 2015, the Council received the details of its funding for the next 4 years. Having details of the likely funding for the next 4 years was very welcome as it makes financial planning considerably easier. However the reductions in funding are significantly quicker and larger than anybody was expecting.
8. The finance settlement shows that the Revenue Support Grant (RSG) was reduced by £567,000 to £1.29million in the current year and further reduced down to £684,000 for 2017/18 and £307,000 for 2018/19. There is no RSG in 2019/20. In addition, the government has also taken into account the Council's ability to increase council tax and calculated a 'negative' RSG payment (Tariff Adjustment) of £114,000 in 2019/20.

Business Rates

9. The current system of providing funding to the Council through some of the Business Rates that they collect came into effect in 2013/14. The government still sets the pence in the pound national multiplier and the Valuation Office still determine the rateable value. The government assessed how much Business Rates would be collected in the District and set up a system for the funding to be split between the government, the Council, Dorset County Council and the Fire Authority. The idea behind the scheme is to incentivise the Council to 'grow' the amount of business rates in its area and that it would be able to keep 50% of this additional income. There is also a 'safety net' mechanism to ensure a minimum funding level for councils.
10. There has been a national revaluation of business rates which comes into effect from April 2017. This process should be cost neutral for the Council in that it should receive the same level of funding after the revaluation as it would have done before the revaluation. However, in practice this is unlikely to happen. It is also very hard to predict the number of businesses that will successfully appeal against the new ratings valuation. Therefore for budgetary purposes it is prudent to set the 2017/18 budget based upon

the safety net. This means the funding that the Council is building into the 2017/18 budget for Business Rates is £2,525,523.

11. The Chancellor has already announced the intention to introduce a 100% business rates scheme and there has been some initial consultations on this. The new scheme could be introduced in 2019/20 or 2020/21 and will mean that at the national level, Councils will retain 100% of the business rates that they collect. It is important to point out that this does not mean that individual councils will retain all of the business rates they collect. The new funding being given through the 100% business rates scheme will not be additional funding for local government but will be funding for councils to take on new additional responsibilities. The precise details of how this will work are still being developed and will be subject to further consultation.

New Homes Bonus

12. The New Homes Bonus (NHB) scheme commenced in April 2011. Up until 2016/17, the amount of NHB that each authority received was dependent on two elements:
 - a. The council tax band of each additional property built, multiplied by the national average council tax level from the preceding year i.e. the 2016/17 allocations were based upon the average Band D council tax set in 2015/16 at £1,484.
 - b. A payment of £350 for each affordable home.
13. The scheme originally made payments for six years. This meant that an authority received its 2011/12 allocation each year between 2011/12 and 2016/17.
14. The consultation paper, "New Homes Bonus: Sharpening the Incentive", was published in December 2015 and closed in February 2016. The results were announced in December 2016 with the government making significant changes to the New Homes Bonus Scheme, which are reflected in the 2017/18 allocations. A list of the changes made/planned are as follows:
 - A move to 5-year payments for both existing and future NHB allocations in 2017/18 and then to 4 years from 2018/19.
 - The introduction of a national baseline of 0.4%, for 2017/18, below which allocations will not be made. This is higher than the baseline of 0.25% discussed in the consultation paper.
 - The government will also retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.
 - It will not introduce the proposals to withhold payments for areas without a local plan in 2017/18; however, it will revisit this issue for 2018/19.

- It will also consider withholding payments for homes that are built following an appeal (and the Minister mentioned in his statement that further consultation will take place in this area).
 - The allocations will continue to be an un-ring-fenced grant.
15. Nationally the funding for New Homes Bonus in 2017/18 was reduced from £1,493m to £1,252m, a reduction of £241m. The £241m has been used to fund a new grant, the “Adult Social Care Support Grant”, which is a grant for 2017/18 only to be paid based on the Adult Social Care Relative Need Formula to authorities providing Social Care. For 2017/18, the rate of payment for the scheme is:
- £1,530 per Band D Dwelling equivalent
 - £350 per affordable home
16. The impact of changes to the New Homes Bonus scheme upon the funding that the Council receives is set out in Appendix 1. Budgeting down to the new lower level of funding means that £756,873 and £177,325 can be added to reserves over the next 2 years.

Rural funding

17. As part of the finance settlement the government recognised that providing services in rural areas is more expensive than urban areas and provided additional funding for rural authorities. Income of £208,293 is included in the current year’s budget with this rising to £386,831 with the once off additional award which will be added to reserves.

Community-led Housing Developments

18. The Government announced a £60 million fund to support community-led housing developments in areas where the impact of second homes is particularly acute. The fund will enable local community groups deliver affordable housing units of mixed tenure on sites which are likely to be of little interest to mainstream housebuilders and will thereby contribute to the overall national effort to boost housing supply. The fund will also help build collaboration, skills and supply chains at a local level to promote the sustainability of this approach to housebuilding. The fund will enable capital investment, technical support and revenue to be provided to make more schemes viable and significantly increase community groups’ current delivery pipelines. The funding is allocated between local authorities proportionate to the number of holiday homes in the local area and taking account of the affordability of housing to local people.
19. The funding we have been allocated is £1,365,432 and we have received 50% of the allocation. We are required to produce an action plan in order to receive the final 50%. It is therefore proposed to ring-fence this funding by putting it into an earmarked reserve and an action plan for its use is produced.

Staffing

20. The pay for staff is to increase by 1% for 2017/18 as part of the national pay bargaining agreed last year. Dorset County Council administers pensions on behalf of all the councils in Dorset and the pensions fund is reviewed every 3 years. As a result of the review, employer pension’s

costs have increased from 12.4% in the current year to 15.3% for the next 3 years. This combined with an increase in backfunding funding but means an additional cost pressure of £233,555 for 2017/18 and this takes the total employers pensions budget to £1,386,661

Inflation

21. An uplift of 3% has been applied to amount that the council has to pay on business rates. Where the council has contracts in place which set out inflationary increases these have been built into the budget but there is no allowance for general inflation.

Revenue Budget Proposals

Budget Gap & Financial Forecast

22. All of the changes to the budget are summarised in Appendix 2 which also sets out the financial forecast until 2019/20. It shows that the budget gap for 2017/18 is £1.871million before any action is taken, with further gaps of £606,000 in 2018/19 and £734,000 in 2019/20.

Council Tax

23. As the billing authority the Council is responsible for sending out the bills and collecting council tax on behalf of the County Council, Police & Crime Commissioner, Fire Authority and for any Town/Parish Council. Each of these bodies is responsible for setting their own level of council tax. The latest estimate is that there is a surplus on the current years collection fund with the councils share being £122,770 which will be added to reserves.
24. As part of the 4 year finance settlement the Government has for the first time taken into account the Council's ability to raise funding through council tax. It has assumed that Council increase their council tax over the next 4 years of the finance settlement.
25. Although council tax is determined by the Council the government limits the amount of any increase to below 2% or £5 per year, whichever is the greater. The final finance settlement confirmed that this arrangement is in place throughout the settlement period. If the Council wanted to increase the council tax by more than this then it is required to undertake a public referendum.
- 8.5 The budget proposals for 2017/18 assume an increase in number of Band D equivalent properties of 373.8 (0.9%) to 41,255.6 and an in year collection rate of 98%. The proposal is to increase council tax by £5 for year for a Band D property.

Savings & Increased Income

26. The Council has been very effective in managing its finances over the longer term and putting in place the Stronger Together Transformation Programme to address the reduction in resources. This programme has already successfully delivered significant savings and a further £822,000 can be built into 2017/18.
27. There are a number of further saving and increased income options that are required in order to produce a balanced budget for 2017/18. These have been developed by management and are detailed in the September

report to the Committee and have been reviewed by Scrutiny. They are set out in Appendix 3 and total £793,000.

Capital Budget

28. The Council now has an up to date Asset Management Plan which is a key document for future planning. It helps clarify the future costs of maintaining the current assets. There has also been considerable work over the last 6 months on the underlying data held on all of the Council's assets.
29. The Capital Programme for 2017/18 is set out in Appendix 4.

Reserves

30. The Council holds reserves which are funding that has been set aside for a particular purpose. In effect they are the Council's equivalent of savings accounts but it should be remembered that they are once off sources of funding and when they have been spent they are gone.
31. General Reserves are funding that is set aside to cover unforeseen circumstances. There is a legal duty for the Chief Finance Officer (Section 151 Officer) to provide members with assurance that the level of reserves are adequate. In order to help provide this assurance, a risk based assessment of the minimum amount of general reserves is undertaken and has been set as £1,212,238.
32. The other type of reserves are called Earmarked Reserves which are funds that the Council has set aside for a particular purpose.
33. As part of developing the budget proposals a number of bids for once off funding have been identified and it is proposed that these are considered at the next Committee alongside a detailed review of all once-off funding available that could be utilised to support them.

Section 151 Officer

34. As the legally appointed Chief Finance Officer (Section 151 Officer) I have a legal duty to the Council to ensure that the budget proposals are robust and that there is a balanced budget for 2017/18. I am able to provide a positive assurance statement that the current proposed budget for 2017/18 is a balanced budget and also that the level of reserves are at an adequate level based upon the current proposals.

Implications

Corporate Plan

The budget allocates the financial resources of the councils and therefore directly impacts upon the delivery of the corporate plan.

Financial

As set out in the report.

Equalities

None directly from this report.

Environmental

None directly from this report.

Economic Development

None directly from this report.

Risk Management (including Health & Safety)

The budget process should ensure that the 2017/18 budget estimates are robust. The council has general reserves to cover any unforeseen circumstances and the level of the reserves is assessed using a risk based methodology.

Human Resources

There are some the savings that have already been agreed involve changes to some staffing structures. There is an agree HR process for making these changes which will be followed.

Consultation and Engagement

The budget proposals have been subject to review by Scrutiny. In addition there have been various member and staff briefings on the budget.

Appendices

Appendix 1 – New Homes Bonus

Appendix 2 – High Level Financial Forecast

Appendix 3 – Budget options

Appendix 4 – Capital Programme

Background Papers

Budget Report February 2016

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author: Jason Vaughan

Telephone: 01305 838233

Email: jvaughan@dorset.gov.uk

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New Homes Bonus Modelling - WDDC

Key	2016/17	2017/18	2018/19	2019/20
	£	£	£	£
Year 1 Allocation - confirmed	352,833			
Year 2 Allocation - confirmed	277,585			
Year 3 Allocation - confirmed	326,397	326,397		
Year 4 Allocation - confirmed	528,151	528,151		
Year 5 Allocation - confirmed	452,325	452,325	452,325	
Year 6 Allocation - confirmed	346,506	346,506	346,506	346,506
Year 7 Allocation - Provisional		293,787	293,787	293,787
Year 8 Estimate			275,000	275,000
Year 9 Estimate				275,000
A Total Received	2,283,797	1,947,166	1,367,618	1,190,293
B Base Budget	1,843,815	1,190,293	1,190,293	1,190,293
C Reduction in Base Budget		653,522	0	0
D Once Off Funding		756,873	177,325	0

Key

- A** Is the actual funding received in respect of New Homes Bonus funding
- B** The amounts built into the base budget
- C** The change in the base budget (B) to take account of the new 4 year funding
- D** Difference between the amount received (A) and the amount built into the base budget (B)

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High Level Summary of Medium Term Financial Forecast

Updated - January 2017

West Dorset

This is the central case estimate of the changes to the Council's Finances over the next 3 years. This forecast will continually be updated for known changes and best

Budget Item	Annual Change		
	2017/18 £'000	2018/19 £'000	2019/20 £'000
Budget Changes			
Revenue Support Grant Reduction	605	377	307
Tariff Adjustment			114
New Homes Bonus - net effect	654	0	0
Reduction in HB Admin Grant	29	30	30
Reduction in LCTS Admin Grant	2	5	5
Business Rates	232	(75)	(83)
Rural Funding	(89)	(89)	(89)
Inflation on Non Pay Budgets	94	144	147
Changes to staffing costs	441	120	131
Referendum	(95)		
Land Charges		48	135
Waste Partnership		47	38
Gross Gap if no action taken	1,871	606	734
Cumulative Gap assuming budgets balanced each year	1,871	2,478	3,212
Actions to address budget gap			
Council Tax	(206)	(207)	(207)
Increase in taxbase	(50)	(25)	(25)
Savings already agreed	(822)	(61)	
Options for consideration by Members - See Appendix 3	(793)		
Total of Actions	(1,871)	(293)	(232)
Cumulative of Actions	(1,871)	(2,164)	(2,396)
Annual Remaining Gap	0	314	502
Remaining Cumulative Gap	0	314	815

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Budget Options for Member Approval

These options relate to decisions which require Member approval

Option	£'000s
Increase council tax by £5 for a Band D property, as included within the Government Finance Settlement	206
Build in Investment Income into base budget instead of contributing to the Corporate Projects reserve	633
Use CIL admin charges to fund staff costs operating CIL	68
Use of DCLG Neighbourhood planning funding for costs of supporting the work of neighbourhood plans	15
Staffing redesign and the creation of Dorset Coastal Partnership	35
Income generation from West Dorset Harbours so that they breakeven	40
Charge Dorchester BID for Levy Collection	2
Total Budget Options for Members Approval	999

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Capital Programme 2016/17 - 2017/18

Scheme	Budget			Funded By				
	2016/17	2017/18	Total	Capital Receipts	Section 106	Corporate Projects Reserve	Grants	Total Funding
	£	£	£	£	£	£		£
Lyme Regis Harbour Office	199,034	0	199,034	0		199,034		199,034
Partnership IT	97,525		97,525	97,525				97,525
New Vehicles	71,780		71,780	71,780				71,780
South Walks House Retention	254,825		254,825	254,825				254,825
Dorchester Retail Scheme	328,991		328,991			328,991		328,991
West Bay Deep Water Berth Design	64,919		64,919	64,919				64,919
West Bay Deep Water Berth Construction	950,000		950,000			950,000		950,000
Lyme Regis Phase 4	4,031,108		4,031,108				4,031,108	4,031,108
Lyme Regis Beach Management Plan	66,000		66,000				66,000	66,000
West Bay Beach Management Plan	55,000		55,000				55,000	55,000
Parking in Dorchester	155,350		155,350			155,350		155,350
Open Market Homebuy Scheme	55,170		55,170	55,170				55,170
Housing Initiatives	1,126,235		1,126,235	1,126,235				1,126,235
Dorchester Leisure Centre Retention	438,146		438,146			438,146		438,146
Shire Hall	2,700,641		2,700,641			1,200,641	1,500,000	2,700,641
Sherborne Community Arts Centre	600,000		600,000		100,000	500,000		600,000
Lyme Regis Phase 5	200,000		200,000			200,000		200,000
	11,394,724	0	11,394,724	1,670,454	100,000	3,972,162	5,652,108	11,394,724

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Executive Committee **9th February 2017** **Business Review – Quarter 3 2016/17**

For Decision

Portfolio holder

Corporate – Cllr Peter Barrowcliff

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

Christian Evans – Financial Performance Manager

Statutory Authority

The accounts must be approved by the Chief Finance Officer by 30th June and the Audit & Governance Committee by 30th September each year.

1. Purpose of Report

- 1.1 To provide the strategic overview of the Council's performance, risk, revenue and capital expenditure and income as at the end of December 2016, and the projected outturn for the 2016/17 financial year.

2. Officer Recommendations

That members:-

- 2.1 (a) Note the latest position and the projected outturn for the year in respect of the 2016/17 revenue and capital budgets.

(b) Approve the use of £20,000 from the projected Democratic Service underspend for legal support as detailed in paragraph 5.2.

(c) Approve the carry forward requests as detailed in appendix 3.

3. Reason for Decision

- 3.1 The report contains the strategic position of the Council's finances combined with Corporate Performance statistics. Members have a responsibility under the Local Government Act to regularly review the Council's financial position and this report fulfils this requirement.

4. Background and Reason Decision Needed

- 4.1 The budgets shown in Appendix 2 are 'controllable costs'. This is expenditure / income where the Heads of Service has influence. Capital charges (depreciation) and service charges are not shown. A comparison of the profiled budget against the actual expenditure and income to date has been made by the budget holders with assistance from Financial Services. The budget holder has then made an assessment of the likely outturn for the financial year, which has been compared to the budget to identify any potential outturn variances. If there is a projected variance, then the budget holder has to provide a comment explaining the reason and outline what corrective action is being taken.

5. Report

- 5.1 The predicted outturn on the revenue budget monitoring report is estimated to show a £234,885 favourable variance. This is a total variance of 2.4% against the 2016/17 budget requirement of £9,825,922.
- 5.2 Legal services continue to manage several unforeseen staffing absences. As at the end of December the additional costs of agency and locum staff to cover these absences is projected to be £20,000 per authority. This situation will continue to be monitored closely. Subject to the recommendation being agreed, the amount will reduce the Democratic Service favourable variance at year end.

Key Revenue / Performance issues to date

- Car parking - income is well above budget, however a number of projects are planned for the car parks. This will be funded from the additional income rather than relying on reserves.
- Salaries – vacancy management throughout the 12 services by Heads or Service / Corporate Managers has led to a number savings.
- Property – continual recruitment issues for qualified Property staff has led to the need to employ a number of agency staff.
- Revenues & Benefits – performance has until recently not been reaching the required targets. Performance has improved in quarter 3 but there is still work to do to reach the target.
- Development Services Improvement plan – the improvement plan is in full flow and performance is continuing to improve each quarter.

Current / future issues

- Affordable Housing – it is unlikely that the target for 2016/17 will be met. Longer term there is a high risk that the overall affordable housing needs will be met.
- Land Charges – performance has been poor but a new improvement plan has been implemented and additional resource has been utilised to improve performance. This will need to be closely monitored over the coming months.
- A new corporate complaints procedure should enable complaints to be dealt with quicker as performance is currently not reaching the target

- Building Control – Income in this area continues to be an issue with increased competition from the private sector and a reduction in developments coming forward.
- Planning Development Control income has dropped considerably during the last quarter. Two planning enquires has also incurred considerable cost.

Capital

5.3 The predicted overall scheme variance showing on the Capital Budget Monitoring appendix 4 is £452,293 favourable against a total scheme budget of £33,346,764.

Key Capital project issues

- A number of the allocated to funding schemes will be carried forward to 2017/18 due to slippage.
- The considerable Lyme Regis Phase 4 project is likely to be on budget which is a big achievement.
- The Lyme Regis Harbour Office extension design and build contract will be hopefully awarded shortly.
- The Housing Initiatives Extra Care Scheme development in Dorchester has started, completion is due in September 2017.

5.4 Appendix 1 shows the current predicted revenue budget variances for each of the Council's services in graph format.

5.5 Appendix 2 sets out for each service, the significant favourable and adverse revenue variances projected for the year, together with the budget holder's comments and actions being taken to address them. It also provides an assessment of the key performance areas for each service and operational risks. All high risks are shown in greater detail.

5.6 Appendix 3 shows the revenue carry forward requests.

5.7 Appendix 4 shows the latest capital budget monitoring position.

5.8 Appendix 5 provides the current treasury management position compared to the position at 31 March 2016. It shows the average interest rates achieved both on the debt and investments of the Council and their total values.

6. Corporate Plan

6.1 Finance currently appears under the Developing Successful Partnerships aim as being a well managed Council.

7. Financial Implications

7.1 The projected favourable variance of £234,885 against the revenue budget would increase the level of the General Reserve.

8. Risk Management (including Health & Safety)

- 8.1 High and very high risks are reported in detail in Appendix 2. Service risk registers can be found in the Councils performance system (QPR).
- 8.2 There is a risk the Council will overspend its budget for the year.

9. Appendices

- 9.1 Appendix 1 – Graph showing the predicted outturn position of the 12 services
- Appendix 2 – Overall service reviews of the revenue, performance & risk
- Appendix 3 – Revenue carry forward requests
- Appendix 4 – Capital budget monitoring
- Appendix 5 – Treasury management update

10. Background Papers

- 10.1 The Council's financial information system
- 10.2 The Council's corporate performance system (QPR)

11. Footnote

- 11.1 Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

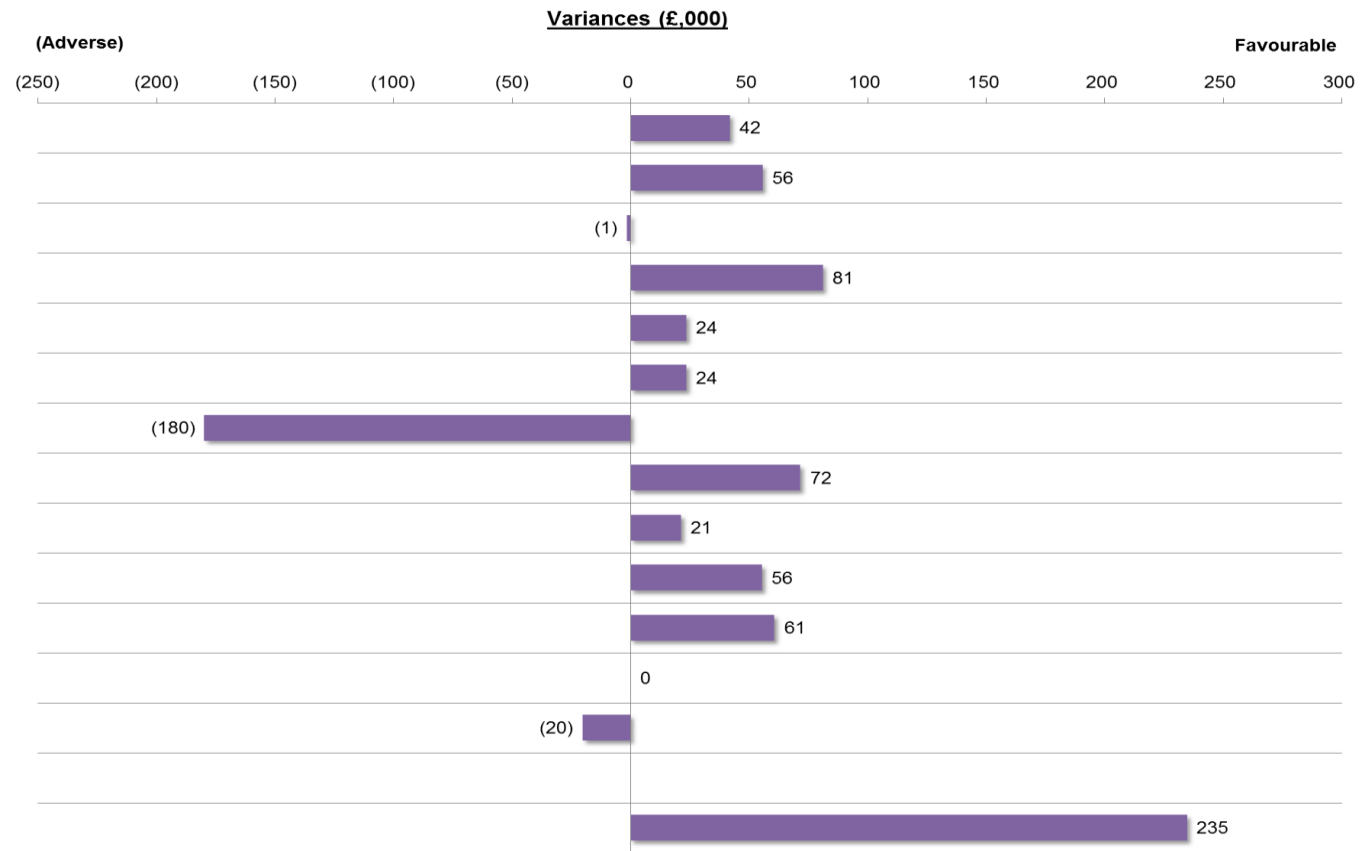
Report Author: Christian Evans – Financial Performance Manager

Telephone: 01305 838312

Email: cevans@dorset.gov.uk

WDDC Budget Monitoring - Quarter 3 2016/17

Appendix 1



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Business Review

West Dorset District Council

Period: **Quarter 3 (1st October to 31st December 2016)**

Service	Prediction (£)	Head of Service/ Corporate Manager
Financial Services	38,000 (F)	Julie Strange
Corporate Finance	51,700 (F)	Julie Strange
Revenues & Benefits	1,326 (A)	Stuart Dawson
Business Improvement	81,238 (F)	Penny Mell
Community Protection	23,668 (F)	Graham Duggan
Housing	23,700 (F)	Clive Milone
Planning Development Management & Building Control	179,665 (A)	Jean Marshall
Community & Policy Development	71,722 (F)	Hilary Jordan
Economy, Leisure & Tourism	21,462 (F)	Nick Thornley
Assets & Infrastructure	55,591 (F)	David Brown
Democratic Services & Elections	60,795 (F)	Jacqui Andrews
Human Resources & Organisational Development	0	Bobbie Bragg
Legal Services	20,000 (A)	Robert Firth

Overall predicted variance	234,885 (F)
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(F) = Favourable variance prediction

(A) = Adverse variance prediction

Financial Services

Head of Service – Julie Strange

(Accountancy, Audit, Exchequer, Corporate Planning & Performance, Corporate Finance, Corporate Procurement, Risk Management and Insurance)

Executive Portfolio Holder – Cllr Peter Barrowcliff

Revenue summary – Financial Services

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	505,691	There are 3 finance positions which have not yet been filled leading to a £22,000 favourable variance. Internal audit fees have been shared with North Dorset District Council leading to an overall saving. West Dorset's share is £20,000 favourable.
Supplies & Services	135,874	
Transport	2,257	
Net expenditure	643,822	
Q3 Predicted variance	42,000 (F)	
Q2 Predicted Variance	0	
Q1 Predicted variance	0	

Revenue summary – Corporate Finance

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / action
Employees	962,228	External audit fees are set nationally, they have been reduced this year leading to a £20,000 saving. A £20,000 salary saving has been achieved due to a post not being filled at present. Pension Added Years costs have been reduced by £8,000. £7,700 salary savings have been achieved within the Senior Leadership Team.
Premises	(200,183)	
Supplies & Services	585,323	
Transport	1,974	
Interest	(581,016)	
Grants	(12,177,213)	
Net expenditure	(11,408,887)	
Q3 Predicted variance	55,700 (F)	
Q2 Predicted Variance	0	
Q1 Predicted variance	0	

Key performance data

Percentage of creditor payments by BACS					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	94%	⚠	100%	✔	100%	✔
Q3 2016/17 Target	95%		95%		95%	
FY 2016/17 Target	95%		95%		95%	
FY 2015/16 Actual	90.62%		99.85%		99.83%	

[NDDC] 560 out of the 594 creditor payments have been made by BACS during Q3. There is still a number of cheques being processed but as the teams merge there will be a joint process. This will reduce the amount of cheques issued.

[WDDC] 1,780 out of the 1,781 creditor payments have been made by BACS during Q3.

[WPBC] 1,849 out of the 1,851 creditor payments have been made by BACS during Q3.

Quarter	NDDC	WDDC	WPBC
Q3 15/16	91.85	99.90	99.90
Q4 15/16	94.65	99.94	99.95
Q1 16/17	91.81	99.95	99.89
Q2 16/17	95.09	99.95	100.00
Q3 16/17	94.28	99.94	99.89

Percentage of non-disputed invoices paid within 30 calendar days (creditor payments)					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	100%	✔	97%	✔	96%	✔
Q3 2016/17 Target	95%		95%		95%	
FY 2016/17 Target	95%		95%		95%	
FY 2015/16 Actual	98.87%		87.20%		94.53%	

[NDDC] 649 out of 651 non-disputed invoices to date were paid within 30 days during Q3.

[WDDC] 1,736 out of 1,781 non-disputed invoices to date were paid within 30 days during Q3.

[WPBC] 1,786 out of 1,852 non-disputed invoices to date were paid within 30 days during Q3.

Services continue to show improvements in processing times which will be helped further when the Intelligent Scanning module is implemented in late January. Ahead of this the Creditors team are going to be meeting with administrative officers to demonstrate the processes involved and ensure teams are prepared for when the module goes live.

Quarter	NDDC	WDDC	WPBC
Q3 15/16	98.21	92.71	94.33
Q4 15/16	98.63	79.44	92.81
Q1 16/17	98.62	88.37	92.05
Q2 16/17	98.04	92.98	89.97
Q3 16/17	98.69	97.47	96.44

Overall General Fund predicted variances per Quarter (Favourable/Adverse)			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	£234,703 (F)	£234,885 (F)	£230,565 (F)
Q2 2016/17 Actual	£373,136 (F)	£410,068 (F)	£20,442 (F)
Q1 2016/17 Actual	£121,779 (F)	£80,234 (F)	£101,607 (A)

Key risk areas

7 Service operational risks have been identified for Financial Services:-

Very High Risks	0
High Risks	0
Medium Risks	1
Low Risks	6

Revenues & Benefits

Head of Service – Stuart Dawson

(Council Tax, Business Rates, Housing Benefit, Fraud)

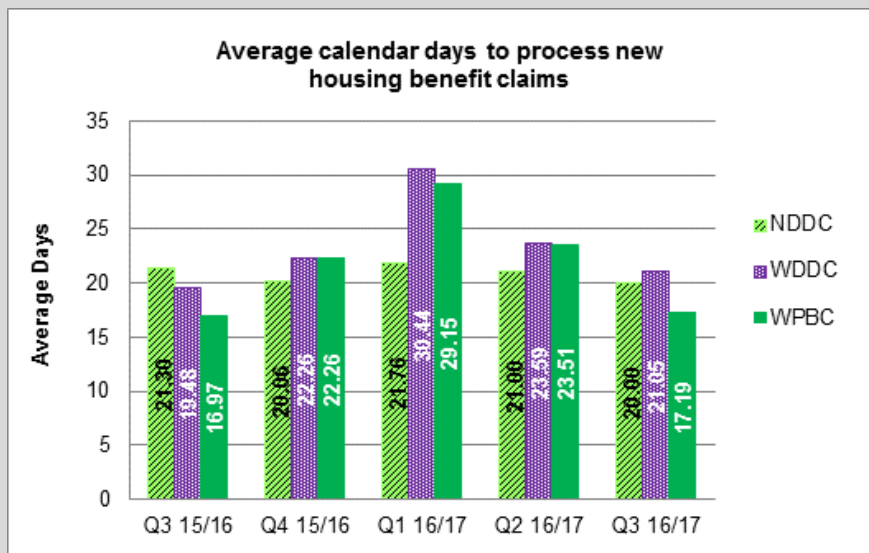
Executive Portfolio Holder – Cllr Peter Barrowcliff

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	1,332,779	Housing Benefit figures can vary greatly depending on the level of overpayments, recovery of overpayments and homeless accommodation demand.
Transport	24,015	
Supplies & Services	396,512	
Payments to clients	30,750,000	
Income	(31,883,585)	
Net expenditure	619,721	
Q3 Predicted variance	1,326 (A)	
Q2 Predicted Variance	0	
Q1 Predicted variance	8,097 (A)	

Key performance data

Average calendar days to process new housing benefit claims				Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	20 days	21.05 days	17.19 days		
Q3 2016/17 Target	19 days	18 days	18 days		✓
FY 2016/17 Target	19 days	18 days	18 days		✓
FY 2015/16 Actual	23.50 days	23.84 days	21.91 days		



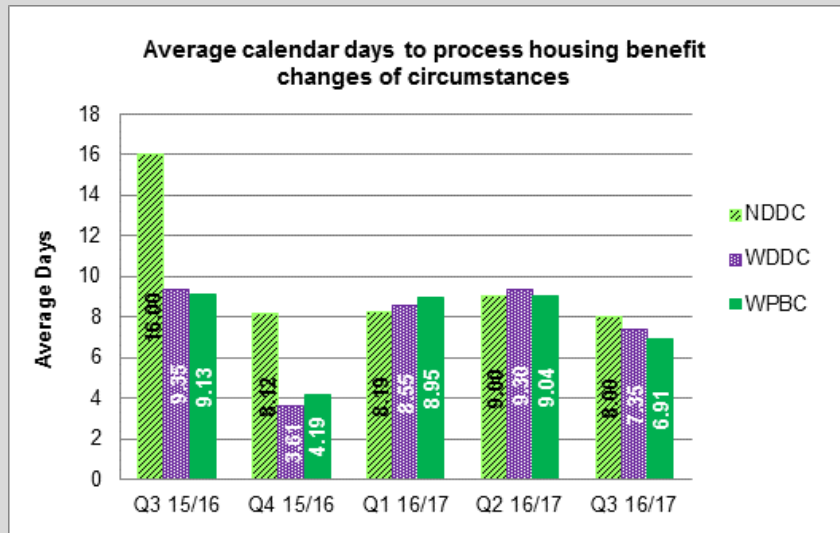
[NDDC] Actual number of new Housing Benefit claims processed is unavailable at this time.

[WDDC] 305 new Housing Benefit claims were processed during this period.

[WPBC] 376 new Housing Benefit claims were processed during this period.

As a result of a number of factors, a backlog of work developed in Q1. A recovery plan was subsequently designed and implemented which has led to ongoing improvements in Q2 and Q3. It is projected that these improvements will continue into Q4.

Average calendar days to process housing benefit changes of circumstances				Aim	↓
Authority	North Dorset		West Dorset		Weymouth & Portland
Q3 2016/17 Actual	8 days	✔	7.35 days	⚠	6.91 days
Q3 2016/17 Target	10 days		7 days		7 days
FY 2016/17 Target	10 days		7 days		7 days
FY 2015/16 Actual	13.06 days		6.82 days		7.38 days



[NDDC] Actual number of Housing Benefit change of circumstances processed is unavailable at this time..
 [WDDC] 2,529 Housing Benefit change of circumstances were processed during this period.
 [WPBC] 3,020 Housing Benefit change of circumstances were processed during this period.

As a result of a number of factors, a backlog of work developed in Q1. A recovery plan was subsequently designed and implemented which has led to ongoing improvements in Q2 and Q3. It is projected that these improvements will continue into Q4.

Number of Housing Benefit New Claims and Changes			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	Awaiting data	2,834	3,396
Q2 2016/17 Actual	Awaiting data	4,047	4,714
Q1 2016/17 Actual	2,494	4,770	5,420
Q4 2015/16 Actual	n/a	7,965	8,246
Q3 2015/16 Actual	n/a	3,083	3,432
Q2 2015/16 Actual	n/a	3,814	4,118

Percentage of Council Tax collected (cumulative)					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	85.50%	⚠	87.40%	⚠	85.43%	
Q3 2016/17 Target	85.91%		87.42%		85.26%	
FY 2016/17 Target	98.10%		98.16%		96.30%	
FY 2015/16 Actual	98.10%		98.16%		96.30%	

[NDDC] Awaiting data from SVPP.

[WDDC] £63,974,980 collected out of £73,201,725 as at 31/12/16.

[WPBC] £33,169,499 collected out of £38,826,349 as at 31/12/16.

Collection has been affected by a number of factors including that customers are now able to spread instalments over 12, rather than 10 months.

Please note this KPI is cumulative throughout the year.

Percentage of Council Tax collected (cumulative)

Quarter	NDDC	WDDC	WPBC
Q3 15/16	85.91	87.42	85.26
Q4 15/16	98.10	98.16	96.30
Q1 16/17	29.83	30.47	29.33
Q2 16/17	57.52	56.50	57.12
Q3 16/17	85.50	87.40	85.43

Percentage of Business Rates collected (cumulative)					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	84.50%	⚠	85.63%	⚠	83.69%	
Q3 2016/17 Target	84.71%		85.94%		86.15%	
FY 2016/17 Target	97.65%		97.78%		97.64%	
FY 2015/16 Actual	97.65%		97.78%		97.64%	

[NDDC] Awaiting data from SVPP.

[WDDC] £27,418,761 collected out of £32,018,280 as at 31/12/16.

[WPBC] £15,440,991 collected out of £18,449,251 as at 31/12/16.

Collection has been affected by a number of factors including that customers are now able to spread instalments over 12, rather than 10 months.

Please note this KPI is cumulative throughout the year.

Percentage of Business Rates collected (cumulative)

Quarter	NDDC	WDDC	WPBC
Q3 15/16	84.71	85.94	86.15
Q4 15/16	97.65	97.78	97.64
Q1 16/17	33.32	32.17	31.95
Q2 16/17	57.90	58.58	58.54
Q3 16/17	84.50	85.63	83.69

Key risk areas

6 Service operational risks have been identified for Revenues & Benefits:-

Very High Risks	0
High Risks	0
Medium Risks	0
Low Risks	6

Business Improvement

Head of Service – Penny Mell

(Change Management implementation, Business Transformation, Customer Services, Communications, dorsetforyou.com, Graphic design & Printing, Consultation, IT Support, IT Development)

Executive Portfolio Holders – Cllr Peter Barrowcliff, Cllr Alan Thacker

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	1,144,782	<p>A £20,000 telecoms saving is likely due to the continued rationalisation of telephone lines and usage, together with a £20,000 underspend in salaries due to vacancies. The new Dorset4you system is likely to be purchased after this financial year end, a carry forward has been requested in the main report together with a carry forward request to support IT Project Delivery.</p> <p>Additional income by the Customer Contact Centre has been achieved by supporting the Bridport office.</p> <p>A saving of £18,555 has been achieved by reducing the publications of 'Guide to Services' and this will be captured as part of the implementation of savings as agreed within the Communications Service.</p>
Premises	5,555	
Transport	3,383	
Supplies & Services	975,540	
Income	(406,558)	
Net expenditure	1,722,702	
Q3 Predicted variance	81,238 (F)	
Q2 Predicted Variance	18,500 (F)	
Q1 Predicted variance	13,000 (F)	

Key performance data

Percentage of telephone calls answered by a Customer Services Advisor				Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	96%	88%	90%		
Q3 2016/17 Target	92%	92%	92%	✓	⚠
FY 2016/17 Target	92%	92%	92%		
FY 2015/16 Actual	n/a	93.32%	89.05%		

[NDDC] 3,349 out of the 3,501 calls made were answered by a Customer Advisor during Q3.

[WDDC] 6,920 out of the 7,887 calls made were answered by a Customer Advisor during Q3.

[WPBC] 7,267 out of the 8,076 calls made were answered by a Customer Advisor during Q3.

[WPBC/WDDC] The average speed at which calls are answered remains good at 19.36 seconds for West Dorset and 20.52 seconds for Weymouth and Portland.

Customer Services no longer take benefits or council tax calls however data for the Revs & Bens service indicates that during Q3: 16,760 calls were answered from 21,309 received = 78.65%

Percentage of telephone calls answered by a Customer Services Advisor

Quarter	NDDC (%)	WDDC (%)	WPBC (%)
Q3 15/16	95.46	87.57	87.57
Q4 15/16	89.22	90.14	92.30
Q1 16/17	93.90	85.40	88.30
Q2 16/17	93.21	87.12	90.90
Q3 16/17	95.84	87.74	89.98

Percentage of telephone calls abandoned				Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	3%	7%	4%		
Q3 2016/17 Target	6%	6%	6%	✓	✓
FY 2016/17 Target	6%	6%	6%	✗	✓
FY 2015/16 Actual	n/a	5.43%	3.57%		

[NDDC] 90 out of the 3,501 calls made were abandoned during Q3.


[WDDC] 544 out of the 7,887 calls made were abandoned during Q3.

[WPBC] 356 out of the 8,076 calls made were abandoned during Q3.

[WPBC/WDDC] Over the last 3 month reporting period, the average time at which a West Dorset customer abandons their call is 32 seconds. Over the same reporting period, the average time at which a Weymouth and Portland customer abandons their call is 1 minute 22 seconds. To help reduce our abandoned call rate further, we have shortened the initial automated message that customers hear when calling the general numbers. This set of data will be available in the Q4 report.

Quarter	NDDC	WDDC	WPBC
Q3 15/16	3.43	3.34	
Q4 15/16	8.73	8.13	4.83
Q1 16/17	3.70	12.60	8.10
Q2 16/17	3.34	11.04	4.49
Q3 16/17	2.37	6.90	4.41

Number of phone calls received by Customer Services			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	3,501	7,887	8,076
Q2 2016/17 Actual	4,494	10,644	9,659
Q1 2016/17 Actual	5,100	12,802	11,607
Q4 2015/16 Actual	5,501	10,164	8,752
Q3 2015/16 Actual	n/a	9,580	10,545
Q2 2015/16 Actual	10,057	11,404	14,612

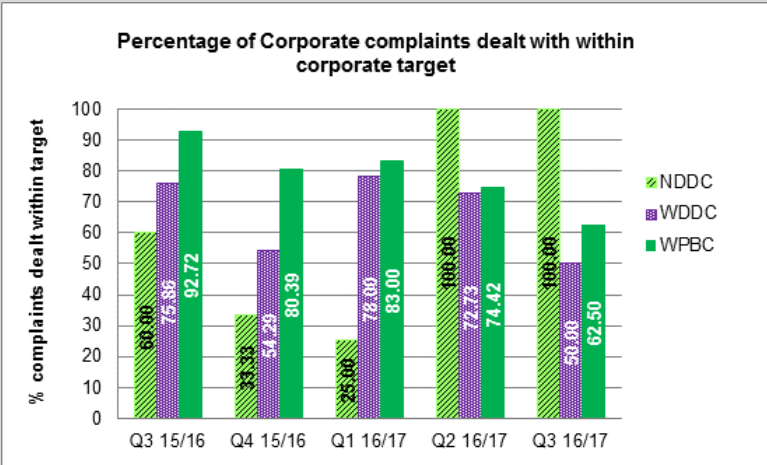
Percentage of Corporate complaints dealt with within Corporate target (Stage 1: 10 working days, Stage 2 and 3: 15 working days)			Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland	
Q3 2016/17 Actual	100%	50%	63%	
Q3 2016/17 Target	80%	80%	80%	
FY 2016/17 Target	80%	80%	80%	
FY 2015/16 Actual	n/a	66.22%	81.86%	

[NDDC] 4 out of the 4 corporate complaints (excl DCC complaints) dealt with within Q3 were completed within corporate targets.

[WDDC] 16 out of the 32 corporate complaints dealt with within Q3 were completed within corporate targets.

[WPBC] 20 out of the 32 corporate complaints dealt with within Q3 were completed within corporate targets.

We have recently introduced a new corporate complaints procedure for Dorset Councils Partnership, under the guidance of the Local Government Ombudsman. The new procedure is designed to improve customer satisfaction by ensuring that most complaints are resolved at first point of contact, efficiently and effectively. Then, only the most serious complaints are subject to further review. This will allow the Councils to deal with complaints quickly. The new Corporate Complaints procedure was implemented on Monday 28th November. The first set of data relating to this new procedure will be included in the Q4 report.



Percentage of Corporate complaints dealt with within corporate target

Quarter	NDDC (%)	WDDC (%)	WPBC (%)
Q3 15/16	60.00	75.86	92.72
Q4 15/16	33.33	54.24	80.39
Q1 16/17	25.00	78.00	83.00
Q2 16/17	100.00	72.73	74.42
Q3 16/17	100.00	50.00	62.50

Key risk areas

23 Service operational risks have been identified for Business Improvement:-

Very High Risks	0
High Risks	3
Medium Risks	6
Low Risks	6

Stronger Together team capacity and capability is inadequate to manage and implement change programme with learning from change programmes not reviewed and shared				
CURRENT SCORE		Planned risk reduction initiatives As service business requirements are identified and defined, additional temporary resources to be procured where necessary to effectively deliver change. Skills matrix to identify current skillset against desired competencies, personal and team development plans to inform training programme. Ensure approach to achievements and lessons learnt are carried through during life and end of programme.	TARGET SCORE	
Impact	4		Impact	3
Likelihood	4		Likelihood	3
Risk Score	16		Risk Score	9
Risk Rating	HIGH		Risk Rating	MEDIUM

Loss of IT Network & Systems				
CURRENT SCORE		Planned risk reduction initiatives Implement local recovery centre. Test Disaster Recovery/Business Continuity plan at least annually. Ensure restoration priorities are established and understood by the organisation. Services to have local fail over arrangements.	TARGET SCORE	
Impact	5		Impact	2
Likelihood	2		Likelihood	2
Risk Score	10		Risk Score	4
Risk Rating	HIGH		Risk Rating	LOW

Loss, disruption or interception of electronic data				
CURRENT SCORE		Planned risk reduction initiatives A range of technical solutions are in place within the IT infrastructure to help secure the Partnership's data and prevent data loss. As a PSN organisation, the Partnership is also subject to annual PSN compliance regime including PEN testing. As well as these technical measures, work is underway to improve the Partnership's Information Governance arrangements under the leadership of the Partnership's Information Governance Officer. As the Partnership progresses, particularly with SMART working, IT users and their role within maintaining data security is critical and within Business Improvement work is currently underway to review these arrangements. This work is being supported by the Cyber Security Audit which has just completed.	TARGET SCORE	
Impact	5		Impact	3
Likelihood	3		Likelihood	1
Risk Score	15		Risk Score	3
Risk Rating	HIGH		Risk Rating	LOW

Community Protection

Head of Service – **Graham Duggan**

(Environmental Health, Licensing, Community Safety, CCTV, Parks & Open Spaces, Waste & Cleansing – Client role)

Executive Portfolio Holder – **Cllr Alan Thacker**

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	630,707	Salary saving from a vacant post and increased licensing income has contributed to the favourable position. Food hygiene training income is down due to a reduction in courses being run. Courses will cease next year due to the growth of the on-line provision.
Premises	26,318	
Transport	19,701	
Supplies & Services	3,206,814	
Payments to clients	4,565	
Income	(265,548)	
Net expenditure	3,622,557	
Q3 Predicted variance	23,668 (F)	
Q2 Predicted variance	23,368 (F)	
Q1 Predicted variance	5,368 (F)	

Key performance data

Percentage of catering premises achieving high levels of food hygiene (rated 4 or 5)				Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	92%	96%	96%		
Q3 2016/17 Target	90%	90%	90%		✓
FY 2016/17 Target	90%	90%	90%		✓
FY 2015/16 Actual	90.87%	95.97%	96.49%		

[NDDC] 418 out of 457 catering premises are rated 4 or 5 under the National Food Hygiene Rating Scheme.

[WDDC] 1,001 out of 1,039 catering premises are rated 4 or 5.

[WPBC] 423 out of 439 catering premises are rated 4 or 5.

The service continues to focus on improving poor performers to raise standards even further in the DCP.

Quarter	NDDC	WDDC	WPBC
Q3 15/16	88.88	95.47	95.67
Q4 15/16	90.87	95.97	96.49
Q1 16/17	91.34	95.97	96.37
Q2 16/17	91.34	95.93	96.83
Q3 16/17	91.46	96.34	96.36

Percentage of Environmental Protection service requests responded to within 3 working days				Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	100%	98%	96%		
Q3 2016/17 Target	95%	95%	95%	✓	✓
FY 2016/17 Target	95%	95%	95%		
FY 2015/16 Actual	100%	97.64%	97.28%		

[NDDC] 167 out of 167 Environmental Protection service requests were responded to within 3 working days during Q3.

[WDDC] 594 out of 607 Environmental Protection service requests were responded to within 3 working days.

[WPBC] 297 out of 311 Environmental Protection service requests were responded to within 3 working days.

Quarter	NDDC	WDDC	WPBC
Q3 15/16	100.00	98.28	97.35
Q4 15/16	100.00	96.21	97.18
Q1 16/17	99.63	98.88	96.93
Q2 16/17	98.63	98.69	99.10
Q3 16/17	100.00	97.86	95.50

Kilograms of household waste (landfill and recycling) collected per household (cumulative)				Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q2 2016/17 Actual	353 Kg/hh	337 Kg/hh	316 Kg/hh		
Q2 2016/17 Target	355 Kg/hh	355 Kg/hh	310 Kg/hh	✓	⚠
FY 2016/17 Target	640 Kg/hh	640 Kg/hh	640 Kg/hh		
FY 2015/16 Actual	692 Kg/hh	605 Kg/hh	612 Kg/hh		

This is a revised KPI for 16-17 to make the set of KPI's more comparable and challenging targets have been set. Household waste arising's can vary with the economic situation and DWP has limited influence.

WDDC & NDDC targets have been reverted to the 15-16 values and will be reviewed for 2017-18.

Please note this KPI is cumulative throughout the year.

Q2 2016/17 is the latest data available from the Dorset Waste Partnership.

Quarter	NDDC	WDDC	WPBC
Q2 15/16	351.41	307.12	306.36
Q3 15/16	523.88	465.23	461.17
Q4 15/16	681.88	604.71	612.42
Q1 16/17	178.13	185.23	149.47
Q2 16/17	333.24	337.08	316.21

Kilograms of residual (landfill) household waste per household (cumulative)				Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q2 2016/17 Actual	139 Kg/hh	164 Kg/hh	149 Kg/hh		
Q2 2016/17 Target	140 Kg/hh	168 Kg/hh	156 Kg/hh	✓	✓
FY 2016/17 Target	280 Kg/hh	340 Kg/hh	310 Kg/hh		
FY 2015/16 Actual	281 Kg/hh	276 Kg/hh	298 Kg/hh		

This is a revised target and will help show where re-use and recycling initiatives need to be focused.

WDDC & WPBC targets have been reverted to the 15-16 values and will be reviewed for 2017-18.

Please note this KPI is cumulative throughout the year.

Q2 2016/17 is the latest data available from the Dorset Waste Partnership.

Quarter	NDDC	WDDC	WPBC
Q2 15/16	141.32	149.63	149.73
Q3 15/16	209.45	203.77	226.45
Q4 15/16	281.13	275.92	298.21
Q1 16/17	70.08	79.32	66.67
Q2 16/17	139.22	164.03	148.71

Percentage of household waste sent to re-use, recycling and composting				Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q2 2016/17 Actual	61%	51%	51%		
Q2 2016/17 Target	60%	50%	50%	✓	✓
FY 2016/17 Target	60%	50%	50%		
FY 2015/16 Actual	59%	54%	51%		

Recycling rates are amongst the best in the UK. DWP is refreshing its recycling campaign in areas where performance has reduced.

Q2 2016/17 is the latest data available from the Dorset Waste Partnership.

Quarter	NDDC	WDDC	WPBC
Q2 15/16	58.37	51.35	50.94
Q3 15/16	60.58	63.58	50.44
Q4 15/16	57.39	51.73	52.56
Q1 16/17	60.67	51.69	55.40
Q2 16/17	60.50	51.00	50.80

Number of missed household waste collections			Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland	
Q3 2016/17 Actual	911	789	1,120	
Q2 2016/17 Actual	916	1,058	1,406	
Q1 2016/17 Actual	750	1,076	1,216	
Q4 2015/16 Actual	642	1,208	1,485	
Q3 2015/16 Actual	579	1,660	1,517	
Q2 2015/16 Actual	548	992	3,240	
Q1 2015/16 Actual	674	1,072	3,410	

Performance in the DCP area is comparable to other partner councils. In 2017-18 data will also be shown as a % of total number of collections. Performance good in comparison to other waste partnerships.

Key risk areas

10 Service operational risks have been identified for Community Protection:-

Very High Risks	0
High Risks	0
Medium Risks	3
Low Risks	7

Housing

Head of Service – Clive Milone

(Strategic Housing, Homelessness Prevention, Housing Advice & Support, Housing Allocation, Private Sector Housing, Empty Homes, Home Improvement Agency, Supported Housing)

Executive Portfolio Holder – Cllr Timothy Yarker

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	654,011	There have been a number of unfilled posts throughout Housing. Bed and breakfast costs have been less than anticipated. Redundancy costs have been made recently reducing the overall favourable variance.
Premises	73,300	
Transport	7,048	
Supplies & Services	269,038	
Income	(167,100)	
Net expenditure	836,297	
Q3 Predicted variance	23,700 (F)	
Q2 Predicted variance	73,300 (F)	
Q1 Predicted variance	28,300 (F)	

Key performance data

Total number of households on the Housing Register			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	791	1,384	1,381
Q2 2016/17 Actual	720	1,320	1,321
Q1 2016/17 Actual	692	1,246	1,272
Q4 2015/16 Actual	695	1,152	1,265
Q3 2015/16 Actual	628	1,015	1,134

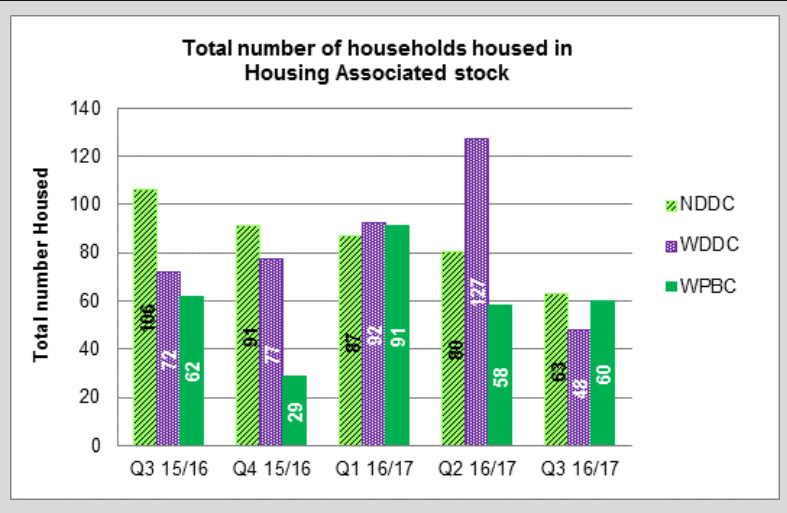
All three registers continue to grow slowly. This is expected with no overriding cause for concern, as demand for social housing exceeds supply.

Total number of households on the Housing Register

Quarter	NDDC	WDDC	WPBC
Q3 15/16	628	1,015	1,134
Q4 15/16	695	1,152	1,265
Q1 16/17	692	1,246	1,272
Q2 16/17	720	1,320	1,321
Q3 16/17	791	1,384	1,381

Total number of households housed in Housing Associated stock			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	63	48	60
Q2 2016/17 Actual	80	127	58
Q1 2016/17 Actual	87	92	91
Q4 2015/16 Actual	91	77	29
Q3 2015/16 Actual	106	72	62

The numbers of applicants housed within the three authorities reflect a decrease for WDDC, but we have no control over the number properties void and ready to be advertised. Some properties although advertised, are not ready for occupation until the following quarter which could reflect previous high numbers.

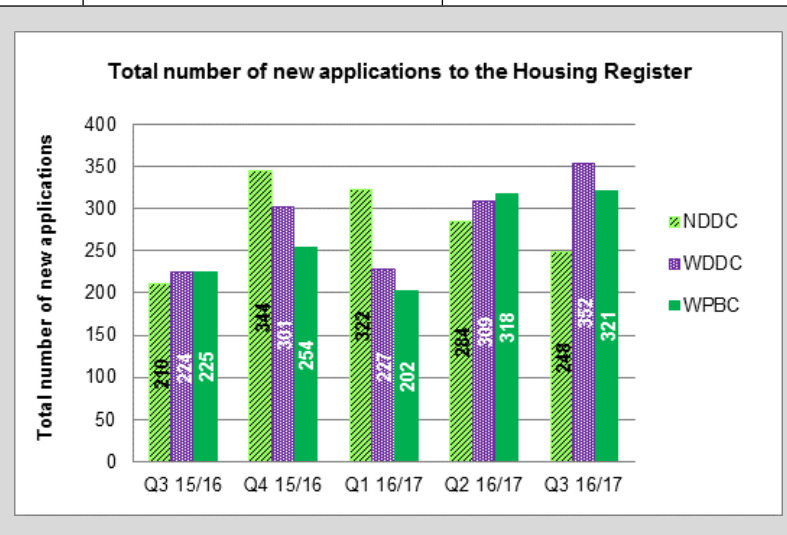


Total number of new applications to the Housing Register			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	248	352	321
Q2 2016/17 Actual	284	309	318
Q1 2016/17 Actual	322	227	202
Q4 2015/16 Actual	344	301	254
Q3 2015/16 Actual	210	224	225

The average of new applications to the housing register is steadily increasing, which is reflected in the number of households on the housing register.

The sharp increase in the housing applications for WDWP is a more accurate reflection of the work being done by the staff.

The figures across the partnership are now being collected in a consistent manner.

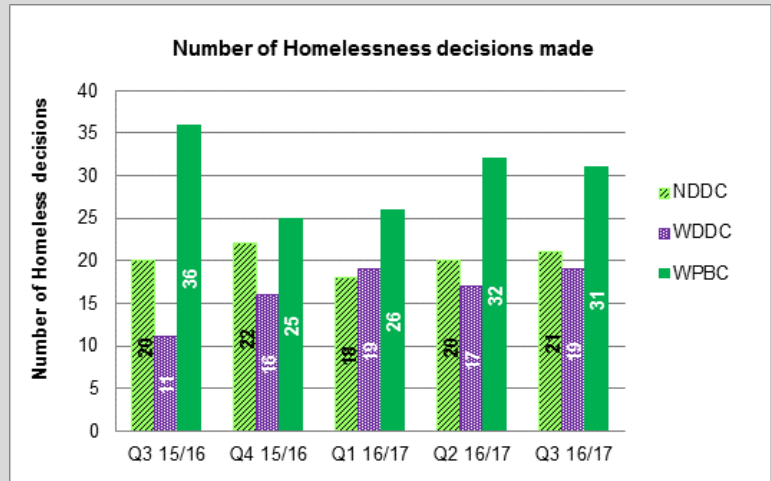


Number of homelessness decisions made			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	21	19	31
Q2 2016/17 Actual	20	17	32
Q1 2016/17 Actual	18	19	26
Q4 2015/16 Actual	22	16	25
Q3 2015/16 Actual	20	11	36

[NDDC] There has been no marked increase in the number of homelessness cases for NDDC. The increase in acceptances for the quarter is down to the 33 working days an officer has to make a decision with some cases being worked over two quarters.

[WDDC/WPBC] The number of homeless cases taken over the year for WDWP remains fairly steady with acceptances still quite low.

It is expected with the continued impact of welfare reform that affordable housing is going to become harder to find and the rate of homeless applications and acceptances are likely to increase across the partnership.



The homeless cases accepted during the 3rd quarter of 2016/17 were:

Period	NDDC	WDDC	WPBC
Q3 16/17	13	10	12
Q2 16/17	20	12	32
Q1 16/17	14	6	10

Key risk areas

14 Service operational risks have been identified for Housing:-

Very High Risks	0
High Risks	1
Medium Risks	6
Low Risks	7

Loss of Homelessness Prevention Grant				
CURRENT SCORE		Planned risk reduction initiatives	TARGET SCORE	
Impact	4	Loss of Government grant to fund initiatives to prevent/limit homelessness. This is worth approximately £250,000 to the Partnership, with the loss of the grant applicable from April 2016. In WDDC, the reserve might last for 3 or 4 years, but not beyond. Beyond this, certain prevention initiatives would have to cease.	Impact	4
Likelihood	4		Likelihood	3
Risk Score	16		Risk Score	12
Risk Rating	HIGH		Risk Rating	MEDIUM

Planning Development Management & Building Control

Head of Service – Jean Marshall

(Major Projects & Developments, Listed Building and Conservation, Trees, Planning Enforcement, Building Control)

Executive Portfolio Holders – Cllr Ian Gardner, Cllr Alan Thacker

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	1,407,419	Consultants' fees for the Dorchester Prison public enquiry and development at Yetminster will cost approximately £70,000. Increased competition and a significant reduction in large building schemes has led to a predicted £68,000 adverse variance. Vacancies and the implementation of the new structure has led to a favourable variance.
Transport	27,996	
Supplies & Services	157,692	
Income	(1,223,400)	
Net expenditure	369,707	
Q3 Predicted variance	179,665 (A)	
Q2 Predicted variance	117,228 (F)	
Q1 Predicted variance	15,491 (A)	

Key performance data

Number of valid applications received – by application type – North Dorset					
Month	Major	Minor	Other	Misc*	TOTAL
December	0	16	39	61	116
November	1	18	47	123	189
October	0	35	48	108	191
September	2	26	32	129	189
August	1	25	52	112	190
July	2	25	39	116	182
June	5	32	70	104	211
May	4	29	54	74	161
April	1	27	72	112	212

*Misc includes Pre-apps and PDs
Levels of applications have dropped during Q3. Although there is often a fall off in December the numbers are considerably lower than anticipated particularly for smaller scale miscellaneous applications. This has had an impact on fees received, see below.

Number of valid applications received – by application type – West Dorset					
Month	Major	Minor	Other	Misc*	TOTAL
December	2	12	35	62	111
November	6	40	86	102	234
October	5	36	98	102	241
September	6	23	67	60	162
August	6	43	84	70	203
July	5	41	91	69	206
June	2	39	82	65	188
May	3	43	93	84	223
April	6	34	109	68	217

*Misc includes Pre-apps and PDs
Levels of applications have dropped during Q3. Although there is often a fall off in December the numbers are considerably lower than anticipated across all application types. This has had a significant impact on fees received see below.

Number of valid applications received – by application type – Weymouth & Portland					
Month	Major	Minor	Other	Misc*	TOTAL
December	0	6	19	18	43
November	2	9	38	29	78
October	1	9	27	29	66
September	0	6	12	22	40
August	2	13	25	16	56
July	0	16	23	23	62
June	2	11	38	34	85
May	3	14	35	18	70
April	1	17	23	23	64

*Misc includes Pre-apps and PDs
Levels of applications have dropped during Q3. Although there is often a fall off in December the numbers are considerably lower than anticipated particularly for smaller scale householder (others) and miscellaneous applications. This has had an impact on fee income, see below.

Fee Income Q3			
Type of Fee	North Dorset	West Dorset	Weymouth & Portland
Condition Fee	£3,067	£3,828	£1,580
Non Material Amendment	£1,087	£3,483	£669
Permitted Development Case Fee	£0	£2,193	£612.20
Planning applications	£53,263.50	£165,349.50	£343,09
Pre-App	£5,497.52	£6,865	£3,938
Enforcement Case Appeals / Fees	£0	£350	£0
TOTAL	£62,915.02	£182,068.50	£41,108.20

The above figures are significantly lower in terms of income than predicted and reflect the falling off of applications during December and the nature and type of applications being received. It should be noted that applications resubmitted after a refusal do not pay a fee providing the proposal is of the same character and description and therefore whilst numbers remain reasonably level (excluding the dip in December) the associated income derived from those applications has been less. This is particularly noticeable this quarter in North Dorset and West Dorset where income is about 2/3 of the Q2 income in these authorities.

Percentage of 'Major' planning applications determined within 13 weeks or agreed extension of time					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	100%	✓	85%	✓	33% (1 of 3)	✗
Q3 2016/17 Target	70%	✓	70%	✓	70%	✗
2FY (rolling) Actual	71%	✓	65%	✓	60%	✓
2FY (rolling) Target	50%	✓	50%	✓	50%	✓
FY 2015/16 Actual	56.52%		65.71%		75.00%	

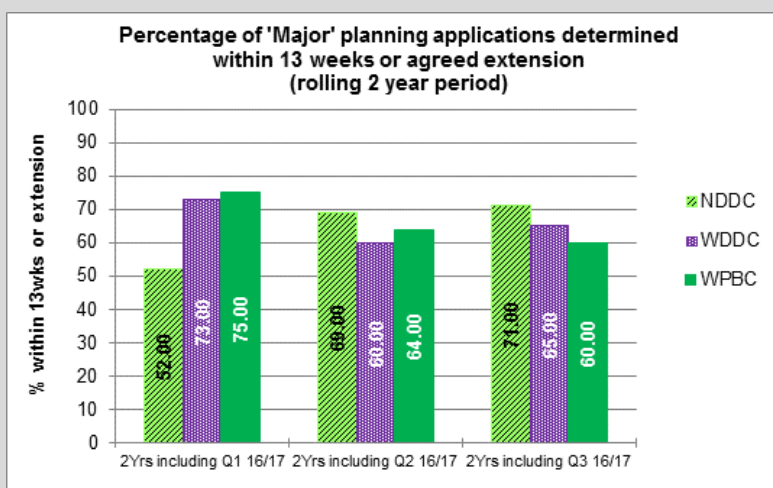
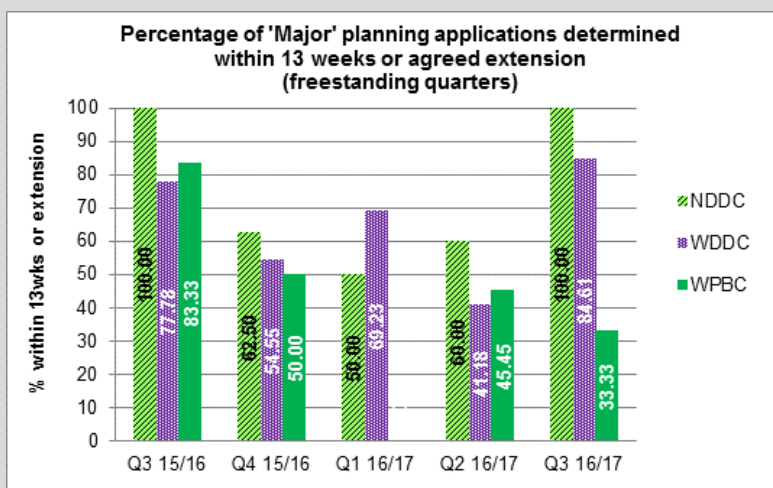
[NDDC] 4 out of 4 major planning applications have been processed within 13 weeks or agreed time extension during Q3.










[WDDC] 11 out of 13 major planning applications have been processed within 13 weeks or agreed time extension during Q3.

[WPBC] 1 out of 3 major planning applications have been processed within 13 weeks or agreed time extension during Q3.

Targets now reflect DSIP (Development Services Improvement Plan) agreed targets. (NB the national target is lower at 60%). National requirement is also that the average over the previous 2 year period (rolling) should not fall below an average of 50%. Currently this rolling national target only applies to Major applications. New national targets are likely to be introduced from April which will need to be reflected in next year's KPIs

Please note that the above figures include the clearing of the majority of outstanding "backlog cases" in WDDC.



Percentage of 'Minor' planning applications determined within 8 weeks or agreed extension				Aim	↑
Authority	North Dorset	West Dorset	Weymouth & Portland		
Q3 2016/17 Actual	84% 	75% 	73% 		
Q3 2016/17 Target	60% 	60% 	60% 		
2FY (rolling) Actual	60% 	58% 	61% 		
2FY (rolling) Target	65%	65%	65%		
FY 2015/16 Actual	60.06%	57.07%	63.87%		

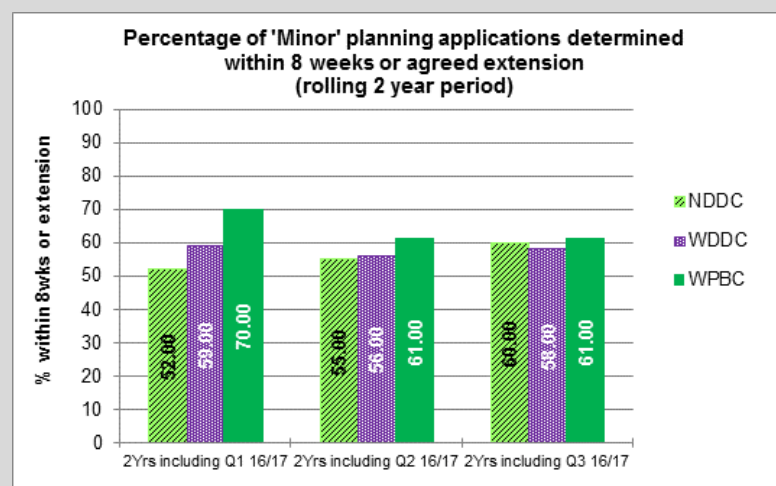
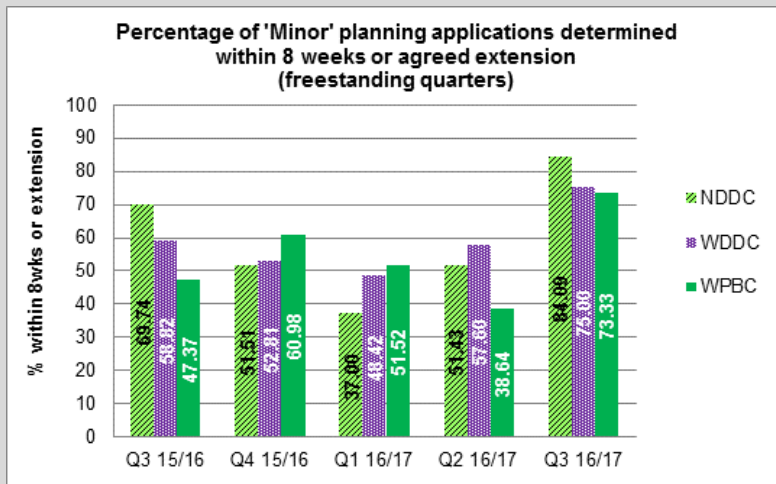
[NDDC] 74 out of 88 minor planning applications have been processed within 8 weeks or agreed time extension during Q3.







[WDDC] 102 out of 136 minor planning applications have been processed within 8 weeks or agreed time extension during Q3.

[WPBC] 33 out of 45 minor planning applications have been processed within 8 weeks or agreed time extension during Q3.

Targets now reflect DSIP agreed target. (NB National target is currently set at 65%). Government has indicated that new targets and a similar rolling indicator over a 2 year period is likely to be introduced for Minors/Others (but not necessarily the whole of these categories). New national targets are likely to be introduced later this month which will need to be reflected in next year's KPIs. The targets therefore have yet to be updated pending that announcement and have been held as at previous Q2 targets.

Please note that the above figures include the clearing of the majority of outstanding "backlog cases" in WDDC.



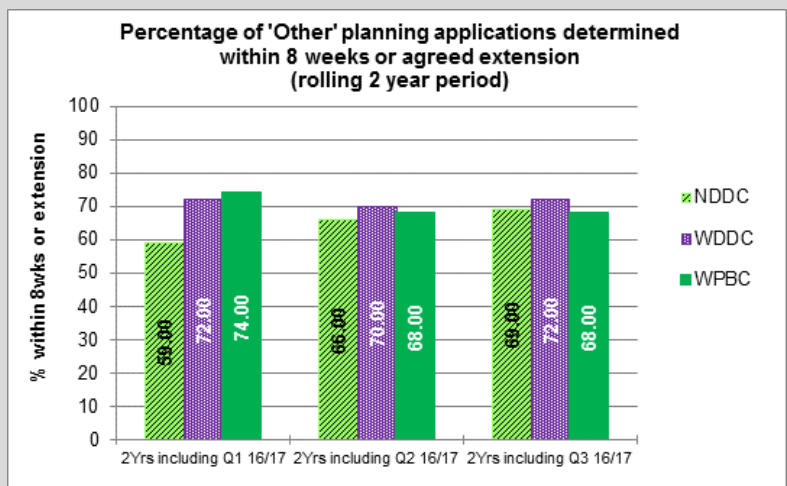
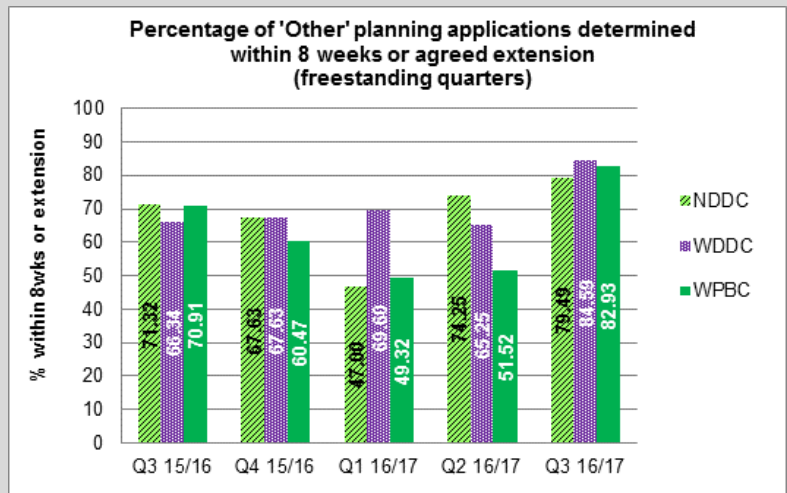
Percentage of 'Other' planning applications determined within 8 weeks or agreed extension					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	79%		85%		83%	
Q3 2016/17 Target	80%		80%		80%	
2FY (rolling) Actual	69%		72%		68%	
2FY (rolling) Target	80%		80%		80%	
FY 2015/16 Actual	68.26%		71.41%		69.23%	

[NDDC] 93 out of 117 other planning applications have been processed within 8 weeks or agreed time extension during Q3.

[WDDC] 225 out of 266 other planning applications have been processed within 8 weeks or agreed time extension during Q3.

[WPBC] 68 out of 82 other planning applications have been processed within 8 weeks or agreed time extension during Q3.

Targets now reflect DSIP agreed target. (NB National target is currently set at 65%). Government has indicated that new targets and a similar rolling indicator over a 2 year period is likely to be introduced for Minors/Others (but not necessarily the whole of these categories). New national targets are likely to be introduced later this month which will need to be reflected in next year's KPIs. The targets therefore have yet to be updated pending that announcement and have been held as at previous Q2 targets.



Total number of appeals submitted			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	16	9	3
Q2 2016/17 Actual	7	7	2
Q1 2016/17 Actual	7	7	3
Q4 2015/16 Actual	5	21	6
Q3 2015/16 Actual	3	11	5
Q2 2015/16 Actual	4	7	2

Percentage of all appeals allowed against the authority's decision to refuse planning applications					Aim	↓
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 All Apps. Actual	86%	✘	27%	✘	0%	✔
Q3 2016/17 All Apps. Target	20%		20%		20%	
FY 2015/16 Actual	35.71%		35.29%		13.33%	

[NDDC] 6 out of 7 appeals have been wholly or partially allowed against refused planning applications during Q3, of which 0 allowed was a major application. Of those allowed 0 was an overturn of officer recommendation at committee. Please note this also includes Qty x 3 Tree Works allowed at Appeal.

[WDDC] 3 out of 11 appeals have been wholly or partially allowed against refused planning applications during Q3, of which 0 allowed was a major application. Of those allowed 1 was an overturn of officer recommendation at committee.

[WPBC] 0 out of 4 appeals have been wholly or partially allowed against refused planning applications during Q3.

Percentage of appeals wholly or partially allowed against the authority's decision to refuse planning applications (freestanding quarters)

Quarter	NDDC	WDDC	WPBC
Q3 15/16	33.33	18.18	0.00
Q4 15/16	60.00	36.36	16.67
Q1 16/17	14.29	28.57	66.67
Q2 16/17	14.29	14.29	0.00
Q3 16/17	85.71	27.27	0.00

Percentage of appeals allowed against the authority's decision to refuse Major planning applications (2 Year Rolling period)					Aim	↓
Authority	North Dorset		West Dorset		Weymouth & Portland	
2FY (rolling) Majors Actual	0%	✔	44%	✘	33%	✘
2FY (rolling) Majors Target	20%		20%		20%	

[NDDC] the 0% statistic within 2 years represents 0 of 1 majors appealed.

[WDDC] the 44% statistic within 2 years represents 4 of 9 majors appealed.

[WPBC] the 33% statistic within 2 years is 1 application overturned of 3 majors appealed.

National requirement is that the average over the previous 2 year period (rolling) should not be greater than 20% of Major applications overturned at appeal (overturns of minors and other applications are not measured nationally). The Government has indicated that it is proposing to introduce different targets and to also measure performance in the future for appeal on all application types but until these are introduced current targets for majors only has been reported.

Percentage of 'Major' appeals wholly or partially allowed against the authority's decision to refuse planning applications (rolling 2 year period)

Rolling Period	NDDC	WDDC	WPBC
2Yrs including Q1 16/17	0.00	18.00	14.00
2Yrs including Q2 16/17	0.00	44.00	100.00
2Yrs including Q3 16/17	0.00	44.00	33.00

Enforcement – Number of cases received			
Authority	North Dorset	West Dorset	Weymouth & Portland
Q3 2016/17 Actual	68	69	34
Q2 2016/17 Actual	71	83	55
Q1 2016/17 Actual	42	85	62
Q4 2015/16 Actual	33	75	47
Q3 2015/16 Actual	43	77	62
Q2 2015/16 Actual	46	98	32
Q1 2015/16 Actual	59	99	63

[NDDC] 72 cases were signed off or completed within the Q3 period.
[WDDC] 107 cases were signed off or completed within the Q3 period.
[WPBC] 84 cases were signed off or completed within the Q3 period.

Please note most cases are not signed off within the quarter in which they were received. The number of cases closed has exceeded those opened this quarter but this needs to be carefully monitored to ensure workloads can be managed.

At present the number of enforcement enquiries received appears to be remaining at a high level. In order to look at the nature and type of cases being opened and investigated a new system of recording data, to give a greater understanding of the types of cases being opened and closed will be set up during Q4 so it may be possible to record partial data at the end of the year with a view to subsequently reporting more accurately on the types of enforcement case types. The amendments require alterations to the current ICT database.

Key risk areas

5 Service operational risks have been identified for Planning Development & Building Control:-

Very High Risks	0
High Risks	0
Medium Risks	3
Low Risks	2

Community & Policy Development

Corporate Manager – Hilary Jordan

(Spatial planning, Urban design, Landscape & Sustainability, Community Planning, Community Development, Housing Enabling, Planning Obligations)

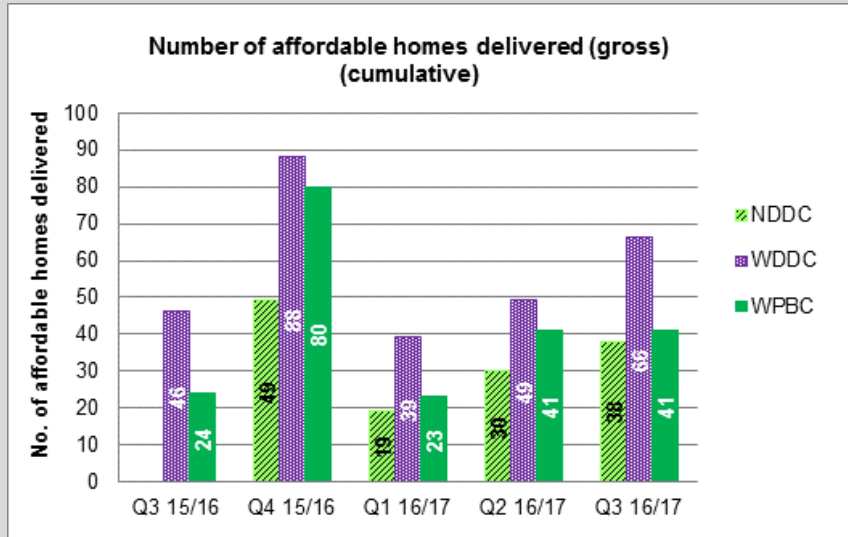
Executive Portfolio Holders – Cllr Ian Gardner, Cllr Timothy Yarker

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	448,528	There are a number of salary savings throughout Community & Policy Development. There have been savings on spending for some of the grants such as the 'Environmental improvement' grants. Self Build & Custom Housebuilding grant as well as Section 106 admin fees provides a £9,500 favourable variance.
Premises	3,283	
Transport	8,759	
Supplies & Services	1,037,586	
Payments to clients	140,747	
Income	(636,670)	
Net expenditure	1,002,233	
Q3 Predicted variance	71,722 (F)	
Q2 Predicted variance	87,960 (F)	
Q1 Predicted variance	25,410 (F)	

Key performance data

Number of affordable homes (gross) delivered (cumulative)					Aim	↑
Authority	North Dorset		West Dorset		Weymouth & Portland	
Q3 2016/17 Actual	38	✘	66	✘	41	✘
Projected Year End	50		80		41	
FY 2016/17 Target	68		100		65	
FY 2015/16 Actual	49		88		80	



[NDDC] Rented: 25, Intermediate: 13, Total: 38. Affordable homes were completed in Blandford and Charlton Marshall in this quarter. A further 12 affordable homes are due to complete by the end of the year in Okeford Fitzpaine.

[WDDC] Rented: 20, Intermediate: 46, Total: 66. This quarter affordable homes were completed in Charmouth and Chickerell. In the last quarter of this year affordable homes are due to be completed in Tolpuddle and Poundbury.

[WPBC] Rented: 18, Intermediate: 23, Total: 41. There have been no new affordable homes completed in Weymouth and Portland this quarter. New affordable homes are being developed at the Pemberley site in Littlemoor but these will not be complete until next year. Affordable homes will also be developed as part of the Curtis Field development.

Five Year Supply of Housing		
<p>This is a national requirement that has a significant impact on planning decisions.</p> <ul style="list-style-type: none"> • West Dorset and Weymouth & Portland have a joint one, as they have a joint local plan; • The formula for calculating it includes factoring in any shortfalls from previous years, so the target is adjusted each time the supply is assessed • The base date is 1 April each year, however there is a time lag due to the processing involved to calculate the target and outturn, so the latest figures are not available until a few months later. <p>April 2016 figures have now been published for West Dorset, Weymouth & Portland. North Dorset's 2016 figures will be published at the end of the year and so 2015 figures are still referred to this quarter.</p>		
	Target	Actual
North Dorset	1,723	2,333
West Dorset and Weymouth & Portland Combined	6,240 (shared with Weymouth & Portland)	6,177 (shared with Weymouth & Portland)
<p>This data indicates that West Dorset, Weymouth & Portland no longer have a five year land supply (4.9 years) but that North Dorset still meets the target.</p>		

Key risk areas

10 Service operational risks have been identified for Planning Community & Policy Development:-

Very High Risks	1
High Risks	0
Medium Risks	5
Low Risks	4

Council has inadequate supply of development land and so risks losing planning applications on appeal				
CURRENT SCORE		Planned risk reduction initiatives Five year land supply is monitored annually, and falling below target is always a risk if development sites fail to come forward. If we are without a five year supply then decisions must be based on national policy and we will have less local control. This will potentially increase the supply. In the longer term the local plan reviews provide an opportunity to increase the supply.	TARGET SCORE	
Impact	4		Impact	3
Likelihood	5		Likelihood	2
Risk Score	20		Risk Score	6
Risk Rating	VERY HIGH	Risk Rating	LOW	

Economy, Leisure & Tourism

Head of Service – Nick Thornley


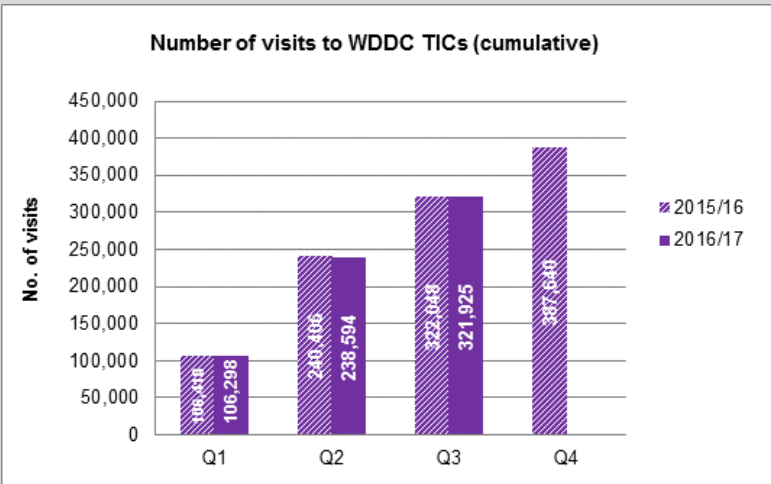
(Economic Regeneration, Business Support, Tourism & Visitor Management, Leisure & Cultural Development and Facilities, Harbour Management)


Executive Portfolio Holders – Cllr Mary Penfold, Cllr Alan Thacker

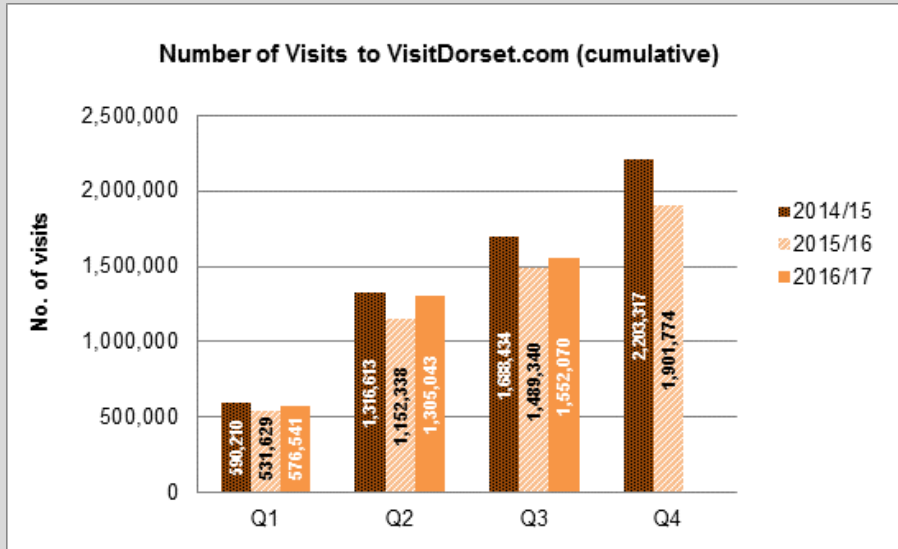
Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	1,088,899	Harbour expenditure management at West Bay through reducing costs, and increasing income from air supplies to divers has led to a predicted £20,000 favourable variance. Sports Development overall are expecting a £3,000 adverse variance, due to an increase in staff cost. Additional signage and Health & Safety works has led to a predicted £2,400 adverse variance for the Beach & Esplanade budget.
Premises	373,781	
Transport	29,495	
Supplies & Services	1,605,392	
Payments to Clients	793,447	
Income	(1,451,941)	
Net expenditure	2,439,073	
Q3 Predicted variance	21,462 (F)	
Q2 Predicted variance	600 (F)	
Q1 Predicted variance	989 (A)	

Key performance data

Number of visits to WDDC TICs (cumulative)		Aim	↑															
Authority	West Dorset																	
Q3 2016/17 Actual	321,925																	
Q3 2016/17 Target	322,047																	
FY 2016/17 Target	387,640																	
FY 2015/16 Actual	387,640																	
<p>Q3 breakdown by TIC:</p> <p>Dorchester: 39,524 (Oct 14,144, Nov 14,055, Dec 11,325)</p> <p>Bridport: 22,184 (Oct 10,178, Nov 7,045, Dec 4,961)</p> <p>Sherborne: 12,319 (Oct 4,591, Nov 4,521, Dec 3,207)</p> <p>Lyme Regis: 9,304 (Oct 5,860, Nov 2,201, Dec 1,243)</p> <p>Bridport TIC was transferred to Bridport Town Council on the 1 January 2017. Therefore, Bridport TIC figures will no longer be included from next quarter onwards. The target will be adjusted to reflect this.</p>		<p style="text-align: center;">Number of visits to WDDC TICs (cumulative)</p>  <table border="1"> <caption>Data for Number of visits to WDDC TICs (cumulative)</caption> <thead> <tr> <th>Quarter</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>106,298</td> <td>106,298</td> </tr> <tr> <td>Q2</td> <td>238,594</td> <td>238,594</td> </tr> <tr> <td>Q3</td> <td>322,047</td> <td>321,925</td> </tr> <tr> <td>Q4</td> <td>387,640</td> <td>387,640</td> </tr> </tbody> </table>		Quarter	2015/16	2016/17	Q1	106,298	106,298	Q2	238,594	238,594	Q3	322,047	321,925	Q4	387,640	387,640
Quarter	2015/16	2016/17																
Q1	106,298	106,298																
Q2	238,594	238,594																
Q3	322,047	321,925																
Q4	387,640	387,640																

Number of visits to VisitDorset.com (cumulative)		Aim	↑
Authority	Dorset Council's Partnership (DCP)		
Q3 2016/17 Actual	1,552,070		
Q3 2016/17 Target	1,465,000		
FY 2016/17 Target	1,900,000		
FY 2015/16 Actual	1,901,774		



The visit-dorset.com website is a partnership site and promotes all Dorset boroughs and districts excluding Bournemouth and Poole.

Key risk areas

14 Service operational risks have been identified for Economy, Leisure & Tourism:-

Very High Risks	0
High Risks	0
Medium Risks	3
Low Risks	11

Assets & Infrastructure

Head of Service – David Brown


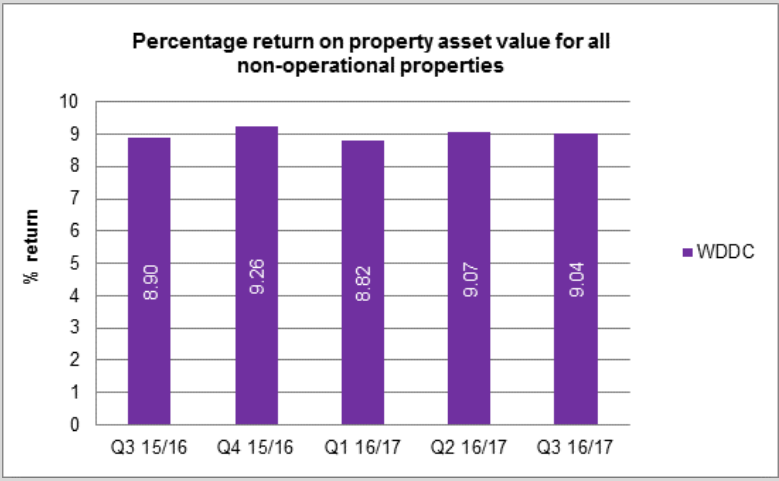
(Harbour & Coastal Infrastructure, Land Drainage, Emergency Planning, Capital Works, Property Development, Property & Facilities Management, Parking, Transport & Fleet Management)

Executive Portfolio Holders – Cllr Peter Barrowcliff, Cllr John Russell

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	1,006,355	Vacancies in the Assets & Infrastructure team are predicted to lead to a £62,000 favourable variance. Car parking income is predicted to £129,000 favourable, this will be reduced by £100,000 if the carry forward is agreed.
Premises	2,168,500	
Transport	48,127	
Supplies & Services	1,031,770	
Income	(5,579,931)	
Net expenditure	(1,325,179)	
Q3 Predicted variance	55,591 (F)	
Q2 Predicted variance	18,903 (F)	
Q1 Predicted variance	7,158 (F)	

Key performance data

Percentage return on property asset value for all non-operational properties		Aim	↑												
Authority	West Dorset														
Q3 2016/17 Actual	9%														
Q3 2016/17 Target	8%														
FY 2016/17 Target	8%														
FY 2015/16 Actual	9.26%														
<p>[WDDC] The variation in commercial yields reflects a softening in yields and revised asset valuations reported by external valuers.</p>		 <table border="1"> <caption>Percentage return on property asset value for all non-operational properties</caption> <thead> <tr> <th>Quarter</th> <th>% return</th> </tr> </thead> <tbody> <tr> <td>Q3 15/16</td> <td>8.90</td> </tr> <tr> <td>Q4 15/16</td> <td>9.26</td> </tr> <tr> <td>Q1 16/17</td> <td>8.82</td> </tr> <tr> <td>Q2 16/17</td> <td>9.07</td> </tr> <tr> <td>Q3 16/17</td> <td>9.04</td> </tr> </tbody> </table>		Quarter	% return	Q3 15/16	8.90	Q4 15/16	9.26	Q1 16/17	8.82	Q2 16/17	9.07	Q3 16/17	9.04
Quarter	% return														
Q3 15/16	8.90														
Q4 15/16	9.26														
Q1 16/17	8.82														
Q2 16/17	9.07														
Q3 16/17	9.04														

Percentage of operational council property in terms of floor area that is empty					Aim	↓
Authority	North Dorset	West Dorset	Weymouth & Portland			
Q3 2016/17 Actual	5%	0%	0%			
Q3 2016/17 Target	No target	0.25%	1.75%			
FY 2016/17 Target	No target	0.25%	1.75%			
FY 2015/16 Actual	5%	0.00%	8.04%			

<p>[NDDC] Nordon Offices approx. only.</p> <p>[WDDC] 0m² out of 10,696m² of operational floor space is currently empty.</p> <p>[WPBC] 0m² out of 3,432m² of operational floor space is currently empty. Both the North Quay property and the Portland Council Offices are now classed as Assets for Disposal and are removed from the calculation for this performance indicator.</p>	<table border="1"> <caption>Percentage of operational council property in terms of floor area that is empty</caption> <thead> <tr> <th>Period</th> <th>NDDC</th> <th>WDDC</th> <th>WPBC</th> </tr> </thead> <tbody> <tr> <td>Q3 15/16</td> <td>5.00</td> <td>0.00</td> <td>8.67</td> </tr> <tr> <td>Q4 15/16</td> <td>5.00</td> <td>0.00</td> <td>8.04</td> </tr> <tr> <td>Q1 16/17</td> <td>5.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Q2 16/17</td> <td>5.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Q3 16/17</td> <td>5.00</td> <td>0.00</td> <td>0.00</td> </tr> </tbody> </table>					Period	NDDC	WDDC	WPBC	Q3 15/16	5.00	0.00	8.67	Q4 15/16	5.00	0.00	8.04	Q1 16/17	5.00	0.00	0.00	Q2 16/17	5.00	0.00	0.00	Q3 16/17	5.00	0.00	0.00
	Period	NDDC	WDDC	WPBC																									
	Q3 15/16	5.00	0.00	8.67																									
	Q4 15/16	5.00	0.00	8.04																									
	Q1 16/17	5.00	0.00	0.00																									
Q2 16/17	5.00	0.00	0.00																										
Q3 16/17	5.00	0.00	0.00																										

Percentage of non-operational council property in terms of floor area that is empty					Aim	↓
Authority	West Dorset	Weymouth & Portland				
Q3 2016/17 Actual	4%	9%				
Q3 2016/17 Target	5%	6%				
FY 2016/17 Target	5%	6%				
FY 2015/16 Actual	1.26%	11.36%				

<p>[WDDC] 790m² out of 17,774m² of non-operational floor space is currently empty. Empty properties at Marabout Industrial Estate and Burraton Yard Units.</p> <p>[WPBC] 3,105m² out of 32,830m² of non-operational floor space is currently empty. The Harbour Provedore Store and part of the Ferry Terminal Offices has now been let. The remaining vacant space is mainly Ferry Port buildings that are vacant following the departure of Condor. Marketing on these buildings is ongoing for a two year let.</p>	<table border="1"> <caption>Percentage of non-operational council property in terms of floor area that is empty</caption> <thead> <tr> <th>Period</th> <th>WDDC</th> <th>WPBC</th> </tr> </thead> <tbody> <tr> <td>Q3 15/16</td> <td>2.60</td> <td>7.78</td> </tr> <tr> <td>Q4 15/16</td> <td>1.26</td> <td>11.36</td> </tr> <tr> <td>Q1 16/17</td> <td>1.67</td> <td>11.36</td> </tr> <tr> <td>Q2 16/17</td> <td>4.44</td> <td>11.36</td> </tr> <tr> <td>Q3 16/17</td> <td>4.44</td> <td>9.46</td> </tr> </tbody> </table>					Period	WDDC	WPBC	Q3 15/16	2.60	7.78	Q4 15/16	1.26	11.36	Q1 16/17	1.67	11.36	Q2 16/17	4.44	11.36	Q3 16/17	4.44	9.46
	Period	WDDC	WPBC																				
	Q3 15/16	2.60	7.78																				
	Q4 15/16	1.26	11.36																				
	Q1 16/17	1.67	11.36																				
Q2 16/17	4.44	11.36																					
Q3 16/17	4.44	9.46																					

Key risk areas

17 Service operational risks have been identified for Assets & Infrastructure:-

Very High Risks	0
High Risks	0
Medium Risks	7
Low Risks	7

Democratic Services & Elections

Corporate Manager – Jacqui Andrews

(Democratic Support, Electoral Registration & Elections)

Executive Portfolio Holders – Cllr Peter Barrowcliff, Cllr Mary Penfold

Revenue summary

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	281,466	A new printing contract has led to a saving of £11,500. There is a vacancy in Democratic Services leading to a £12,000 saving. Savings have also been made on implementing the 'Mod Gov' system. A saving of £15,000 has been made on Members Superannuation due to change in the pension scheme. Savings have also been achieved on Member allowances, training.
Transport	16,567	
Supplies & Services	566,398	
Income	(29,925)	
Net expenditure	834,506	
Q3 Predicted variance	60,795 (F)	
Q2 Predicted variance	86,324 (F)	
Q1 Predicted variance	25,575 (F)	

Key performance data

No KPI or volumetrics are currently reported by Democratic Services & Elections.

Key risk areas

7 Service operational risks have been identified for Democratic Services & Elections:-

Very High Risks	0
High Risks	0
Medium Risks	0
Low Risks	7


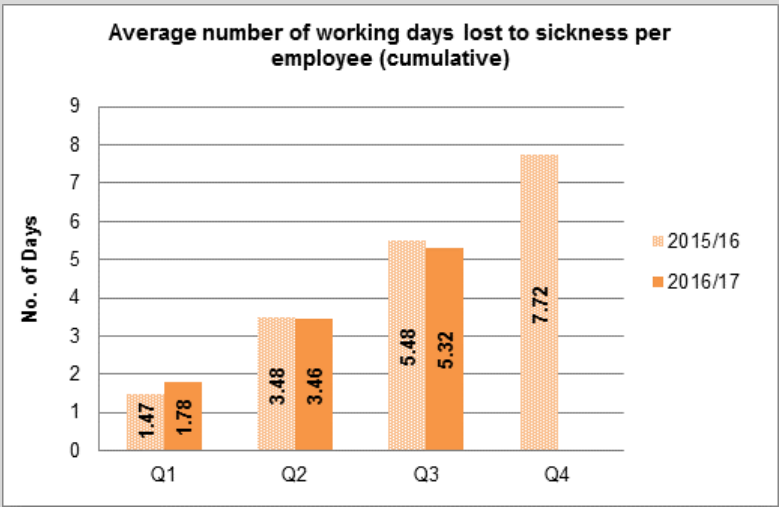
Human Resources & Organisational DevelopmentCorporate Manager – **Bobbie Bragg**

(HR Policy, Recruitment, Workforce Planning, Staff Performance, Health & Safety)

Executive Portfolio Holders – **CIlr Peter Barrowcliff****Revenue summary**

Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	222,886	This budget is currently predicted to be on target.
Transport	1,772	
Supplies & Services	26,305	
Net expenditure	250,963	
Q3 Predicted variance	0	
Q2 Predicted variance	2,885 (F)	
Q1 Predicted variance	0	

Key performance data

Average number of working days lost to sickness per employee (cumulative)		Aim	↓															
Authority	Dorset Council's Partnership (DCP)																	
Q3 2016/17 Actual	5.32 days																	
Q3 2016/17 Target	5.25 days																	
FY 2016/17 Target	7.00 Days																	
FY 2015/16 Actual	7.72 Days																	
<p>Average FTE figure is based on a comparison of data supplied for the ONS Quarterly surveys as at March and December 2016.</p> <p>[DCP] The Q3 figure of 5.31 days per FTE employee compares with a corresponding figure of 5.48 days for last year. The proportion of days lost for long term absence fell from 60% to 40% whilst days lost for short term absence increased from 40% to 60%.</p> <p>Please note this KPI is cumulative throughout the year.</p>		 <table border="1"> <caption>Average number of working days lost to sickness per employee (cumulative)</caption> <thead> <tr> <th>Quarter</th> <th>2015/16</th> <th>2016/17</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>1.47</td> <td>1.78</td> </tr> <tr> <td>Q2</td> <td>3.48</td> <td>3.46</td> </tr> <tr> <td>Q3</td> <td>5.48</td> <td>5.32</td> </tr> <tr> <td>Q4</td> <td>7.72</td> <td>7.72</td> </tr> </tbody> </table>		Quarter	2015/16	2016/17	Q1	1.47	1.78	Q2	3.48	3.46	Q3	5.48	5.32	Q4	7.72	7.72
Quarter	2015/16	2016/17																
Q1	1.47	1.78																
Q2	3.48	3.46																
Q3	5.48	5.32																
Q4	7.72	7.72																

Key risk areas

6 Service operational risks have been identified for Human Resources & Organisational Development:-

Very High Risks	0
High Risks	0
Medium Risks	2
Low Risks	4

Legal Services

Corporate Manager – Robert Firth


(Legal, Deputy Monitoring Officer, Land Charges)


Executive Portfolio Holders – Cllr Peter Barrowcliff

Revenue summary

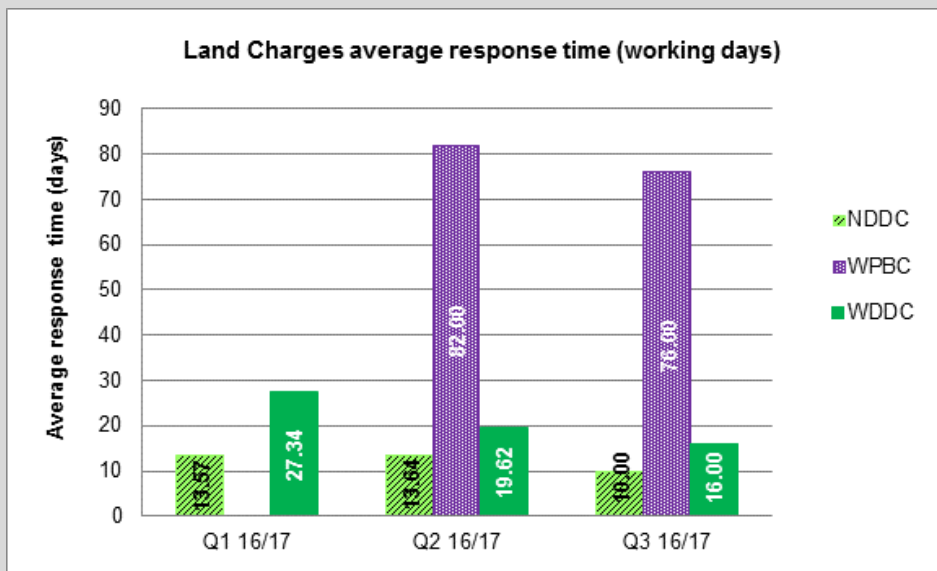
Subjective analysis	Full Year Current Budget 2016/17 (£)	Comments / actions
Employees	456,538	Additional agency staff and locum requirements in Legal Services has led to a predicted £20,000 adverse variance. Land Charges is predicted to be on target.
Transport	816	
Supplies & Services	103,496	
Income	(206,500)	
Net expenditure	354,350	
Q3 Predicted variance	20,000 (A)	
Q2 Predicted variance	19,000 (A)	
Q1 Predicted variance	0	

Key performance data

Maintain progress towards improvement against all action plan milestones to improve service		
Authority	West Dorset	
All Action plan milestones remain on target. Material slowdown did occur due in particular to the loss of project support for a number of months. An interim land charges manager / project support has now been secured which should enable stalled projects to be reinvigorated. The duration of this support will need to be kept under review and further funding may be needed if the initial duration period does not prove sufficient.		

Reduce the backlog of searches on a quarter by quarter basis until able to deliver target of average turnaround for land charges searches over quarter to be within 15 working days the date of first registration		
Authority	West Dorset	
Land Searches backlog figure at the end of Q2 2016/17 = 663 Land Searches backlog figure at the end of Q3 2016/17 = 504		
This remains on target identifying a further circa 24% reduction in the backlog of Land Charges searches on top of the previous Q2 reduction. However, speed of reduction continues to be a challenge.		

Average days to process Land Charge searches (working days)				Aim	↓
Authority	North Dorset		West Dorset		Weymouth & Portland
Q3 2016/17 Actual	10 Days	✓	76 Days	✗	16 Days
Q3 2016/17 Target	15 Days		15 Days		15 Days
FY 2016/17 Target	15 Days		15 Days		15 Days
FY 2015/16 Actual	n/a		n/a		n/a



[NDDC] 398 Land Charges searches were processed during Q3. NDDC staff continue to provide assistance to the other land charges teams, although, targets remain well within acceptable levels. Over the next two quarters NDDC land charges staff are likely to face a number of additional challenges including gradual migration over to SWH and consequential changes to IT. It is very likely that this will have an impact on search turnarounds; however, every effort will be made to minimise potential disruption.

[WDDC] 771 Land Charges searches were processed during Q3. Whilst the overall turnaround times clearly remain unacceptably high, progress in reducing the backlog continues and provided this can be sustained then this will gradually filter through into turnaround times. During Quarter 3 delivery of various projects to help address the backlog slowed materially due to the loss of internal project support as a result of secondments and the inability to secure interim managerial support pending service redesign. As from the beginning of January this interim support has now started and consequently there is reason to be optimistic that projects can now progress more expeditiously. Equally positive is that momentum is now starting to build in respect of progressing what is now being identified as a corporate initiative to improve data quality. Improving data capture and retrieval has been identified as a key element to resolving West Dorset land charges challenges for a number of years. However, timing in relation to this is critical and on-going short term funding for limited data cleansing in relation to land charges searches may still be needed whilst the project gradually takes shape.

[WPBC] 476 Land Charges searches were processed during Q3, representing approximately a 10% increase on the previous quarter. Following identification of issues during Q1 regarding turnaround times for Weymouth searches, measures introduced to address this have continued to produce results. Whilst Q3 overall outturns produce an average turnaround just outside target, monthly data returns identify that as at 23rd December the date of the oldest search was down to 8 working days. Whilst the latest figures are therefore well within target, underlying challenges which were previously identified do still remain and will gradually be tackled as part of service redesign e.g. progressing training of newer land charges staff and the effect of staff taking leave / being ill on what is currently still a small team. For now the aim will be to gradually phase out the short term measures that were introduced to resolve the backlog issue; this will also require careful monitoring.

Key risk areas

6 Service operational risks have been identified for Legal Services:-

Very High Risks	0
High Risks	2
Medium Risks	1
Low Risks	3

Reputational risks to the Council as a result of historic and current search backlogs in Land Charges				
CURRENT SCORE		Planned risk reduction initiatives	TARGET SCORE	
Impact	3		Maintain focus on action plan. Consultants now in place and helping to progress process changes. Further temporary resource identified to increase medium term resilience. Delivery of critical improved managerial capacity currently to take place as part of service redesign of land charges with provisional target date (subject to adequate resource and IT accessibility) circa February 2017. Backlog has begun to show some signs of reduction (over 20% in 5 months). Further and quick reductions remain as the critical target.	Impact
Likelihood	5	Likelihood		1
Risk Score	15	Risk Score		1
Risk Rating	HIGH	Risk Rating		LOW

Issues arising from lack of resilience / staffing issues / process issues - both historic issues and on-going				
CURRENT SCORE		Planned risk reduction initiatives	TARGET SCORE	
Impact	3		Continuing implementation of action plan and on-going review of outcomes, this remains on track. Regular discussions with staff via Huddles and Team meetings. Likely to change with gradual improvements to backlog.	Impact
Likelihood	5	Likelihood		2
Risk Score	15	Risk Score		6
Risk Rating	HIGH	Risk Rating		LOW

Future Issues

<p>Legal: the need to maintain and secure a resilient service particularly in the provision of property related legal matters is already and is likely to remain a key challenge. To the extent that this cannot be achieved by way of recruitment which is exceptionally challenging due to current market conditions, then alternative but more expensive options (e.g. locums) are already being explored.</p> <p>Land Charges: ongoing implementation of the action plan to address land charges issues will continue to impact on service provision although this is being carefully managed and mitigated so far as possible. The speed at which it has been possible to introduce change has also been impacted by other issues outside the control of the unit, including in particular the national introduction of the new CON29 forms (Standard forms used for submitting a Land Charges search). The benefits of the action plan measures already implemented are under review; at this stage it is too early to reach any definitive conclusions as to the extent to which further measures (in addition to those that are still being progressed), may be needed but this may have an impact on budgets going forward. The convergence of the land charges units across the partnership will also have an impact on service but in the future is likely to make a positive contribution to issues of resilience.</p>
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Quarter 3

WDDC Revenue Budget Carry Forward requests 2016/17

Appendix 3

Service	Section	Purpose / Project	Description	Authority: WDDC / Shared	Amount
Assets & Infrastructure	Car Parks	Resurfacing works	Resurfacing works to various car parks – work on a tendering exercise is currently underway but this may well be required to be carried forward.	WDDC	£100,000
Land Charges		Performance Action Plan	In quarter 2 2016/17 £60k was allocated to fund an additional 1.3 FTE. At the time it was the best guess at how much resource was needed to take us forward to do searches and provide adequate supervisory support. Full recruitment against this remains so the request is to carry this funding forward to 17/18 to continue the work on improving the performance of the West Dorset Land Charge service.	WDDC	£60,000
Business Improvement	IT	New D4U computer system	Dorsetforyou software system is likely to be concluded after the current financial year end and therefore it is requested that the budget within the 2016/17 accounts for WDDC's contribution to the procurement is carried forward to 2017/18.	WDDC (Shared)	£40,500
Business Improvement	IT	Smart Working	Use underspends on Projects and Equipment to cover the expected significant increase in demand for this budget.	WDDC (Shared)	£50,000
Business Improvement	Comms	LGR consultaion and customer access staffing	Requested that the public consultation budget which will be unspent this year is carried forward to next financial year to put towards LGR consultaion and customer access staffing cost pressures in 2017/18.	WDDC (Shared)	£3,000
Land Charges	Land Charges	Purchase Software & Data Migration	In 2016/17 a total of £25k (per council) was allocated to Land Charges to allow for new IT software and data migration. Progression on this has been delayed to ensure that the process can form a part of a larger tender for Planning software across all 3 councils. Request is to carry forward both the WDDC and WPBC allocations to 17/18 to cover eventual costs.	WDDC (Shared)	£25,000
Total					£278,500

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West Dorset District Council

Overall scheme budget					Current year budget			Commentary
Scheme	Budget Holder	Total Scheme Budget	Predicted Total Expenditure	Estimated Scheme Variance	2016/17 Budget	Current Year Expenditure to 31/12/2016	Predicted 2016/17 Variance	
		£	£	£	£	£	£	
Corporate - Cllr Peter Barrowcliff								
Partnership IT	P Mell	184,000	184,000	0	97,525	600	72,525	A full detailed work plan will be produced for 2016/17. We have commenced a project to enhance connectivity at some of our key locations. This project is currently being scoped and costed, but the anticipated spend for this particular project is £25,000.
Environmental Protection & Assets - Cllr John Russell								
New Vehicles	D Brown	108,000	108,000	0	71,780	64,500	7,280	This is a general provision held for the replacement of vehicles. We have had to purchase a new JCB Telehandler for Lyme Regis Harbour Master at a cost of £64,500.
Dorchester Retail Scheme	D Brown	1,400,000	1,400,000	0	378,991	24,008	354,983	Purchase of church has been completed and a lease granted to allow continued occupancy for the time being. Consideration is being given to the potential future demolition costs and consents required to deal with this once the facility is vacated. A study has been undertaken and presented to Executive for alternative retail proposals for the Charles Street site, and in parallel to some consolidation of site studies, soft market testing is being undertaken to determine likely current retail occupier interest.
West Bay Deep Water Berth Design	D Brown	150,000	150,000	0	64,919	4,250	20,000	Main detailed design and build contract tender return 28.10.16, to be followed by submission of grant application for fisheries elements of the work. Allocation for construction is in West Bay Harbour Wall scheme. Some payments for design and construction supervision will follow during the construction and contract maintenance periods.
West Bay Harbour Wall	D Brown	950,000	950,000	0	950,000	0	300,000	Main detailed design and build contractor appointed December 2016, to be followed by submission of grant application for fisheries elements of the work. Planned construction by May 2017. Some contract payments including retention will follow during the 52 week contract maintenance period.

Overall scheme budget					Current year budget			Commentary
Scheme	Budget Holder	Total Scheme Budget	Predicted Total Expenditure	Estimated Scheme Variance	2016/17 Budget	Current Year Expenditure to 31/12/2016	Predicted 2016/17 Variance	
		£	£	£	£	£	£	
Lyme Regis Env. Imps Phase 4	D Brown	18,400,000	18,140,000	260,000	4,031,108	401,188	3,629,920	Main contract complete and final account settled. Slope monitoring, landscaping maintenance and environmental/ecological mitigation works continuing. Supervising consultant accounts close to being settled following audit of main contract accounts. Overall scheme outcome expected to be within EA and DCC funding budgets and WDDC's final contribution should therefore remain at £600,000. Main contract complete.
Lyme Regis Env. Imps Phase 5	D Brown	200,000	200,000	0	200,000	0	200,000	Budget agreed at December 2016 Executive Committee for investigatory and preparatory works, spend mainly to be in 17/18 - £150,000 – with the remainder in 18/19. Major scheme to be developed in conjunction with Environment Agency once investigatory works complete.
Dorchester Park & Ride Site	D Brown	240,000	240,000	0	155,350	0	155,350	Project delayed pending the outcome of the Local Plan publication and decision. Funding is not in place irrespective of this issue and needs to be obtained from appropriate partners, assuming agreement to proceed is given. As part of a current transport study for Dorchester this matter is in consideration with DCC and whether the scheme might now be dismissed, or if there are some alternative possibilities that could be considered.
Lyme Regis Coast Protection Works, Beach Management Plan	D Brown	274,600	274,600	0	65,790	65,790	0	This project is 100% EA Grant Funded. The purpose of the scheme is to maintain local beaches to enhance coastal defences, flood protection and reduce the wave over topping risk. Sands and gravels are dredged from local waters and navigation channels to provided material with the additional benefit of maintaining navigable channels to the harbour. We have submitted a funding bid via the EA MTP Capital Refresh Programme to continue the existing works for a further 4 years. Consideration is being given to submitting a further PAR (Project Appraisal Report) to the PAB (Project Appraisal Board) for funding approval this will need to be submitted before DATE.
Lyme Regis Harbour Office	D Brown	200,000	200,000	0	199,034	2,475	196,559	Addition of an upper floor to the existing Harbour Office. This project and the design brief has taken some while to be produced, and budget constraints are influencing the final design which has not yet been resolved. Work is in hand however and it is hoped the design and build contract project may soon be awarded.

Overall scheme budget					Current year budget			Commentary
Scheme	Budget Holder	Total Scheme Budget	Predicted Total Expenditure	Estimated Scheme Variance	2016/17 Budget	Current Year Expenditure to 31/12/2016	Predicted 2016/17 Variance	
		£	£	£	£	£	£	
West Bay Coast Protection Works, Beach Management Plan	D Brown	330,900	330,900	0	54,686	54,686	0	This project is 100% EA Grant Funded. The purpose of the scheme is to maintain local beaches to enhance coastal defences, flood protection and reduce the wave over topping risk. Sands and gravels are dredged from local waters and navigation channels to provided material with the additional benefit of maintaining navigable channels to the harbour. We have submitted a funding bid via the EA MTP Capital Refresh Programme to continue the existing works for a further 4 years. Consideration will be given to submitting a new PAR (Project Appraisal Report) to the PAB (Project Appraisal Board) for funding approval. This will need to be submitted by Sept 2017.
Housing - Cllr Timothy Yarker								
Open Market Home Buy Scheme	H Jordan	320,000	264,830	55,170	55,170	0	40,702	Expenditure of £320,000 was approved to enable eight households to purchase shared ownership properties on the open market. The scheme is administered by South West Homes. Eight properties have been funded though at a cost of £264,830. Three loans have now been repaid totalling £119,265.
Housing Initiatives	H Jordan	1,903,000	1,903,000	0	1,126,235	123,289	1,012,946	£519,790 committed to an Extra Care Scheme in Dorchester. This development has now started on site and the first payment of £122,990 was paid in April, the remaining £396,800 will be paid on completion, due September 2017. A two year agreement to provide support to CLT's has been finalised with Wessex Community Assets and £18,000 has now been paid for the first year.
Enabling - Cllr Mary Penfold								
Dorchester Leisure Centre Phase 1	N Thornley	5,280,000	5,280,000	0	438,146	0	438,146	Discussions are still on-going with the building contractor with regard to the resolution of the last remaining defects. For this reason the retention sum has not yet been released by Dorset County Council (the contract client) and WDDC made no payments in 2015-16. It is expected that all matters will be resolved in 2016-17.

Overall scheme budget					Current year budget			Commentary
Scheme	Budget Holder	Total Scheme Budget	Predicted Total Expenditure	Estimated Scheme Variance	2016/17 Budget	Current Year Expenditure to 31/12/2016	Predicted 2016/17 Variance	
		£	£	£	£	£	£	
Shire Hall - Main Project	D Brown	2,706,264	2,706,264	0	2,700,631	406,604	2,419,115	Discussions are still on-going with the building contractor with regard to the resolution of the last remaining defects. For this reason the retention sum has not yet been released by Dorset County Council (the contract client) and WDDC made no payments in 2016-17 - with the exception of the purchase of a disability pool hoist, the cost of which will be deducted from the sum paid to the building contractor. It is expected that all matters will be resolved in 2017-18.
Sherborne Community Arts Centre	N Thornley	700,000	562,877	137,123	637,123	0	637,123	The project is on hold. An offer of funding of upto £500,000 of this allocated budget has been made to Sherborne Town Council for the refurbishment of the Digby Hall on condition that it provides improved arts facilities for the town and hosts a tourist information service. However, the town council has now indicated that it is not pursuing the Digby Hall project as originally expected and will not be seeking district council financial support. A report will be presented to the Executive Committee in 2017 outlining options for how best to use the allocated district council funding in order to enhance arts facilities in Sherborne.
WDDC Totals		33,346,764	32,894,471	452,293	11,226,488	1,147,390	9,484,649	

31 st Mar 2016	Average Rate (%)	Current Portfolio	31 st Dec 2016	Average Rate (%)
£ 3,525,000	2.78	Debt PWLB	£ 2,425,000	2.78
3,525,000	2.78	Total Debt	2,425,000	2.78
		Current Investments		
		Property Funds		
4,523,826	5.47	LAMIT property fund	4,416,363	5.29
2,510,788	4.55	LIME property fund	2,570,030	4.33
		Units Funds		
4,052,512	0.89	Payden Sterling Reserve Fund	4,065,921	0.78
3,680,981	3.69	Elite Charteris Premium Fund	4,244,137	3.14
363,391	n/a	WAY Charteris Gold Portfolio Fund	520,344	n/a
3,362,547	3.76	UBS Multi Asset Income Fund	3,374,068	3.84
997,749	1.25	City Financial Diversified Fixed Interest Fd*	1,000,188	4.92
2,721,179	7.51	Schroders Unit Trust Ltd	3,050,695	7.05
2,289,692	3.76	City Financial Multi Asset Income Fund	2,399,021	2.48
2,597,037	2.98	M&G Global Dividend Fund	3,264,735	3.88
		Supranational/Corporate Bonds		
1,001,742	1.12	GE Capital UK Funding FRN (9/5/16)	-	-
2,190,359	4.25	Leeds BS Covered Bond 4.25% 17/12/18	2,151,978	4.25
2,238,005	4.75	Yorkshire BS Covered Bond 4.75% 12/4/18	2,180,433	4.75
2,007,725	0.98	Leeds Build. Society FRN (01/10/19)	2,005,488	0.96
		Money Market Funds		
1,100,000	0.41	Blackrock sterling liquidity	3,000,000	0.20
1,100,000	0.43	DB Advisors managed sterling	3,000,000	0.23
850,000	0.41	Goldman Sachs liquid reserves	3,000,000	0.23
850,000	0.46	Standard Life sterling liquidity (prev. Ignis)	3,000,000	0.25
850,000	0.52	Federated sterling liquidity	3,000,000	0.31
		Deposits		
1,000,000	0.50	Santander reserve account	1,000,000	0.23
1,500,000	0.35	HSBC Instant Access account	1,500,000	0.25
379,000	0.25	HSBC call account	380,000	0.15
2,500,000	0.43	Handelsbanken liquidity account	2,500,000	0.32
-	-	Barclays Bank (20/02/17)	2,500,000	0.29
-	-	Lloyds Bank (09/02/17)	2,500,000	0.88
44,666,533		Total Investments	60,623,401	
41,141,533		Net (Debt)/Investments	58,198,401	

*Transferred from City Financial Defensive Global Bond Fund.

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Executive Committee 9 February 2017 Treasury Management Strategy Statement and Investment Strategy 2017/2018

For Recommendation To Council

Portfolio Holder(s)

Corporate

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

J Symes, Financial Resources Manager

Statutory Authority

The Local Government Act 2003 requires the Council to prepare a Treasury Management Strategy Statement, an Annual Investment Strategy and set prudential indicators.

Purpose of Report

- 1 To consider the Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy for the coming year. To set prudential indicators, and to review the policy on Minimum Revenue Provision.

Officer Recommendations

- 2 That Members recommend to Council:
 - (i) Approval of the Treasury Management Strategy Statement and Investment Strategy 2017/2018
 - (ii) The Minimum Revenue Provision Policy set out in Appendix C of the Treasury Management Strategy Statement
 - (iii) The Prudential Indicators set out in Appendix C of the Treasury Management Strategy Statement
 - (iv) The 2017/2018 Authorised borrowing limit

Reason for Decision

- 3 Full Council adopted the CIPFA Treasury Management Code of Practice on 6th May 2004. This requires a Treasury Management Strategy Statement and an Annual Investment Strategy to be approved by Full Council on an annual basis.

Report

- 4 The Treasury Management Strategy Statement and an Annual Investment Strategy is rather technical by necessity in order to comply with legislation, regulation and codes of practice. To ensure that this technical area is adequately scrutinised the Council has Treasury Management briefings that meets regularly throughout the year which reviews all treasury activity and is open to all Councillors to attend.
- 5 The Council has a portfolio of both investments and debt resulting from events such as borrowing for building works and the sale of the housing stock. The Council chooses not to repay its debts because of the cost of disinvestment and the subsequent penalties attached to it. Net investment returns continue to significantly contribute to the Authority's Corporate Projects Reserve.
- 6 The Treasury Management Strategy Statement details the Council's investment strategy, explains the institutions (counterparties) with whom the Council is permitted to invest and the limits related to the size of investments with institutions.
- 7 The Council uses external Treasury Management Advisors who provide expert advice on all treasury issues and their expertise has been used to develop the strategy for 2017/2018.
- 8 Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. This is undertaken by the Chief Financial Officer (CFO) under delegated powers and reports quarterly to Executive Committee.
- 9 The Authority and its advisors, Arlingclose Ltd, regularly update our recommended Sovereign and Counterparty list after analysis and ongoing monitoring of a variety of indicators including credit ratings, share prices and corporate information. A list of approved investment counterparties and limits is included in the TMSS at Table 2.
- 10 Investment advice on duration will always reflect credit developments as well as credit outlook and may often be below the maximum limit within the TMSS.
- 11 Our treasury advisors gave a presentation on the latest treasury management developments and also introduced the changes made to the coming year's strategy statement. The draft strategy was considered by Members at the Treasury Management briefing on 30th January 2017.

Minimum Revenue Provision

- 12 Since 1st April 2008, the Council has had discretion to set a policy on the amounts set aside to repay debt. This is called the Minimum Revenue Provision. For 2017/2018 it is proposed to continue with the current policy as outlined in Appendix C of the Treasury Management Strategy Statement 2017/2018.

Implications

Financial

The approach the Council takes on managing its debt and investments has a direct impact on the Council's finances in terms of the costs to the Revenue Budget.

Risk Management

Only investing with Counterparties on the approved list seeks to limit the Council's exposure to investment risk. However, this risk cannot be eliminated.

Appendices

Appendix 1 – Treasury Management Strategy Statement and Annual Investment Strategy 2017/2018.

Background Papers

Draft Treasury Management templates supplied by Arlingclose Ltd, Treasury Management Advisors.

All member Treasury Management briefing meeting on 30th January 2017.

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author & Contact: John Symes, Financial Resources Manager

Telephone: 01305 252341

Email: j.symes@dorset.gov.uk

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WEST DORSET DISTRICT COUNCIL
Treasury Management Strategy Statement
2017/2018

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Table 2: Approved Investment Counterparties and Limits

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7. Other Items

Appendices

- A. Arlingclose Economic & Interest Rate Forecast November 2016
- B. Existing Investment & Debt Portfolio Position
- C. Prudential Indicators and Minimum Revenue Provision Statement 2017/2018

Treasury Management Strategy Statement 2017/18

1. Introduction

In May 2004 the Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year.

In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Authority Investments* in March 2010 that requires the Authority to approve an investment strategy before the start of each financial year.

This report fulfils the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.

The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Authority's treasury management strategy.

Revised strategy: In accordance with the CLG Guidance, the Authority will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of its investment balance.

2. External Context

Economic background: The major external influence on the Authority's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for at least two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank is expected to look through inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.

Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to lower GDP growth. However, the prospect of a leaving the single market has dented business confidence and resulted in a delay in new business investment and, unless counteracted by higher public spending or retail sales, will weaken economic growth in 2017/18.

Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The

Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.

The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April - June 2017) and the German federal elections (August - October 2017) have the potential for upsets.

Credit outlook: Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.

Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however continue to fall.

Interest rate forecast: The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

A detailed economic and interest rate forecast provided by Arlingclose is attached at **Appendix A**.

3. Local Context

On 31st December 2016, the Authority currently held £2.5m of borrowing and £59.4m of investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance Sheet Summary and Forecast

	31.3.16 Actual £m	31.3.17 Estimate £m	31.3.18 Forecast £m	31.3.19 Forecast £m	31.3.20 Forecast £m
CFR	10.3	10.2	10.2	10.1	10.0
Less: External borrowing	-3.5	-2.2	-1.2	-0.6	0
Internal borrowing	6.1	8.0	9.0	9.5	10.0
Less: Usable reserves	-35.2	-35.1	-31.7	-30.8	-30.8

Less: Working capital	-4.7	-4.7	-4.7	-4.7	-4.7
Investments	33.1	-31.8	-27.4	-26.0	-25.5

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Authority's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

4. Borrowing Strategy

The Authority currently holds £2.5 million of loans, a decrease of £1.3 million on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Authority does not expect to need to borrow in 2017/18. The Authority may however borrow to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £24 million.

Objectives: The Authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

Strategy: Given the significant cuts to public expenditure and in particular to local government funding, the Authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.

By doing so, the Authority is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this 'cost of carry' and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2017/18 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Authority may arrange forward starting loans during 2017/18, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Authority may borrow short-term loans to cover unplanned cash flow shortages.

Sources: The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- UK public and private sector pension funds (except Dorset Pension Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues
- UK Local Authorities

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- operating and finance leases
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised all of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, that may be available at more favourable rates.

Municipal Bond Agency: UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a joint and several guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to full Council.

LOBOs: The Authority does not hold LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate as set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost.

Short-term and Variable Rate loans: These loans leave the Authority exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below.

Debt Rescheduling: The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. Investment Strategy

The Authority holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £44.7 and £60.6 million and similar levels are expected to be maintained in the forthcoming year.

Objectives: Both the CIPFA Code and the CLG Guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Authority will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

Negative Interest Rates: If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many

other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy: Given the increasing risk and falling returns from short-term unsecured bank investments, the Authority aims to further diversify into more secure and/or higher yielding asset classes during 2017/18. This is especially the case for sums that are available for longer-term investment. The majority of the Authorities surplus cash is currently invested in short-term money market funds or unsecured bank deposits. This diversification will represent further continuation of the previous strategies adopted.

Approved Counterparties: The Authority may invest its surplus funds with any of the counterparty types in table 2 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 2: Approved Investment Counterparties and Limits

Credit Rating	Banks Unsecured	Banks Secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£2.5m 5 years	£5m 20 years	£5m 50 years	£2.5m 20 years	£2.5m 20 years
AA+	£2.5m 5 years	£5m 10 years	£5m 25 years	£2.5m 10 years	£2.5m 10 years
AA	£2.5m 4 years	£5m 5 years	£5m 15 years	£2.5m 5 years	£2.5m 10 years
AA-	£2.5m 3 years	£5m 4 years	£5m 10 years	£2.5m 4 years	£2.5m 10 years
A+	£2.5m 2 years	£5m 3 years	£2.5m 5 years	£2.5m 3 years	£2.5m 5 years
A	£2.5m 13 months	£5m 2 years	£2.5m 5 years	£2.5m 2 years	£2.5m 5 years
A-	£2.5m 6 months	£5m 13 months	£2.5m 5 years	£2.5m 13 months	£2.5m 5 years
BBB+	£1.5m 100 days	£2.5m 6 months	£2.5m 2 years	£1.5m 6 months	£1.5m 2 years
None	£1m 6 months	n/a	£5m 25 years	£100,000 5 years	£2.5m 5 years
Pooled funds	£5m per fund (Property £10m)				

This table must be read in conjunction with the notes below

Credit Rating: Investment limits are set by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

Banks Unsecured: Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Secured: Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Government: Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

Corporates: Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

Registered Providers: Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services, they retain the likelihood of receiving government support if needed.

Pooled Funds: Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Risk Assessment and Credit Ratings: Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments: The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the quality financial press. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.

When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of A- or higher.

Non-specified Investments: Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 3 below.

Table 3: Non-Specified Investment Limits

	Cash limit
Total long-term investments	£40m
Total investments without credit ratings or rated below A-	£14m
Total investments (except pooled funds) with institutions domiciled in foreign countries rated below AA+	£7m

Investment Limits: The Authority's revenue reserves available to cover investment losses were £23.5 million on 31st March 2016. In order that there is no immediate pressure on available reserves in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million (£10 million for property funds). A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

Table 4: Investment Limits

	Cash limit
Any single organisation, except the UK Central Government	£5m each
UK Central Government	unlimited
Property Funds	£10m each
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£12.5m per manager
Negotiable instruments held in a broker's nominee account	£30m per broker
Foreign countries	£10m per country
Registered Providers	£10m in total
Unsecured investments with Building Societies	£10m in total
Loans to unrated corporates	£5m in total
Money Market Funds	£25m in total

Liquidity Management: The Authority uses cash flow forecasting spreadsheets to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

6. Treasury Management Indicators

The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security: The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	Target
Portfolio average credit score	6.0

Liquidity: The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three month period, without additional borrowing.

	Target
Total cash available within 3 months	£3m

Interest Rate Exposures: This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	100%	100%	100%

Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Maturity Structure of Borrowing: This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	Lower
Under 12 months	100%	0%
12 months and within 24 months	100%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment

Principal Sums Invested for Periods Longer than 364 days: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	100%	100%	100%

7. Other Items

There are a number of additional items that the Authority is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives: Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the *Localism Act*

2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).

The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

Investment Training: The needs of the Authority's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

Staff regularly attends training courses, seminars and conferences provided by Arlingclose and CIPFA. The Treasury Management briefings include training sessions for Members.

Investment Advisers: The Authority has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is controlled by holding regular meetings and tendering periodically.

Investment of Money Borrowed in Advance of Need: The Authority may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Authority is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Authority's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £24 million. The maximum period between borrowing and expenditure is expected to be two years, although the Authority is not required to link particular loans with particular items of expenditure.

Financial Implications

The budget for investment income in 2017/18 is £0.521 million. The budget for debt interest paid in 2017/18 is £0.117 million. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Appendix A - Arlingclose Economic & Interest Rate Forecast November 2016

Underlying assumptions:

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely..

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

WEST DORSET DISTRICT COUNCIL TMSS 2017/2018

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Average
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.70	1.50	1.40	1.40	1.40	1.40	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
50-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.60	1.40	1.30	1.30	1.30	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.41
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57

Appendix B - Existing Investment & Debt Portfolio Position

	31.12.16
	£m
External Borrowing:	
Public Works Loan Board	2.5
Investments:	
MMF & Deposits	25.4
Supranational & Corporate Bonds	6.4
Payden Sterling Reserve Fund	4.0
Elite Charteris Premium Income Fund	3.6
WAY Charteris Gold Fund	1.0
City Financial Diversified Fixed Interest Fund	1.0
City Financial Multi Asset Income Fund	2.5
UBS Multi Asset Income Fund	3.5
Schroders Income Maximiser Fund	3.0
M&G Global Dividend Fund	2.5
Local Authorities Property Fund	4.0
LIME Property Fund	2.5
Total Investments	59.4
Net Investments	56.9

Appendix C - Prudential Indicators and MRP Statement 2017/2018

The Local Government Act 2003 requires the Authority to have regard to the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Authority has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Estimates of Capital Expenditure: The Authority's planned capital expenditure and financing may be summarised as follows:

Capital Expenditure and Financing	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
General Fund	0.551	8.262	1.320	-
Capital Receipts	0.118	1.129	0.500	-
Government Grants	0.339	3.693	-	-
Reserves	0.094	3.440	0.820	-
Total Financing	0.551	8.262	1.320	-

The expenditure for 2019/20 is currently nil, this will change as new capital projects are approved.

Estimates of Capital Financing Requirement: The Capital Financing Requirement (CFR) measures the Authority's underlying need to borrow for a capital purpose.

Capital Financing Requirement	31.03.17 Revised £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m
Total CFR	10.2	10.2	10.1	10.0

The CFR is forecast to fall by £0.2m over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Gross Debt and the Capital Financing Requirement: In order to ensure that over the medium term debt will only be for a capital purpose, the Authority should ensure that debt does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. This is a key indicator of prudence.

Debt	31.03.17 Revised £m	31.03.18 Estimate £m	31.03.19 Estimate £m	31.03.20 Estimate £m
Borrowing	2.2	1.2	0.6	0

Total debt is expected to remain below the CFR during the forecast period.

Operational Boundary for External Debt: The operational boundary is based on the Authority's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Authority's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise finance lease, Private Finance Initiative and other liabilities that are not borrowing but form part of the Authority's debt.

Operational Boundary	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Borrowing	19	19	19	19

Authorised Limit for External Debt: The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003 It is the maximum amount of debt that the Authority can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

Authorised Limit	2016/17 Revised £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m
Borrowing	24	24	24	24

Ratio of Financing Costs to Net Revenue Stream: This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Revised %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Fund	-3.59	-3.58	-3.57	-3.50

Incremental Impact of Capital Investment Decisions: This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax levels. The capital programme has no incremental impact on Council Tax levels.

Adoption of the CIPFA Treasury Management Code: The Authority adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in May 2004.

Annual Minimum Revenue Provision Statement 2017/2018

CLG's Guidance on Minimum Revenue Provision (issued in 2010) places a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method
- Option 2: CFR Method
- Option 3: Asset Life Method
- Option 4: Depreciation Method

NB This does not preclude other prudent methods.

MRP in 2017/2018: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Authority chooses).

A MRP statement must be agreed by Council before the start of the 2017/2018 financial year, however it can be amended during the year by Full Council.

For capital expenditure incurred before 1 April 2008 and for any future supported capital expenditure the MRP policy will be option 1, the regulatory method.

For any self financed borrowing from 1 April 2008 the policy will be option 3, the asset life method.

MRP in respect of leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

Executive Committee 9 February 2017 External Auditor Appointment For Recommendation To Council

Portfolio Holder

Cllr P Barrowcliff - Corporate

Senior Leadership Team Contact:

J Vaughan, Strategic Director

Report Author:

J Vaughan, Strategic Director

Statutory Authority

Section 7 of the Local Audit and Accountability Act 2014 (the Act) requires a relevant authority to appoint a local auditor to audit its accounts for a financial year not later than 31 December in the preceding year.

Purpose of Report

1. To agree the process for the appointment of external auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.

Officer Recommendations

2. That the Committee RECOMMEND to Council that West Dorset District Council opts into the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.
3. That the Committee RECOMMEND it delegates to the Strategic Director for Finance, responsibility to ensure that the District Council is active in supporting delivery of best value for money arrangements in light of LGR arrangements yet to be confirmed.

Reason for Decision

4. To appoint external auditors.

Background and Reason Decision Needed

5. Following the demise of the Audit Commission new arrangements were needed for the appointment of external auditors. The Local Audit and Accountability Act 2014 requires authorities to either opt in to the

appointing person regime or to establish an auditor panel and conduct their own procurement exercise.

6. As part of closing the Audit Commission, the Government novated external audit contracts to Public Sector Audit Appointments (PSAA) on 1 April 2015. The audits were due to expire following conclusion of the audits of the 2016/17 accounts, but could be extended for a period of up to three years by PSAA, subject to approval from the Department for Communities and Local Government.
7. In October 2015 the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year. This meant that for the audit of the 2018/19 accounts it would be necessary for authorities to either undertake their own procurements or to opt in to the appointed person regime.
8. There was a degree of uncertainty around the appointed person regime until July 2016 when PSAA were specified by the Secretary of State as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. The appointing person is sometimes referred to as the sector led body and PSAA has wide support across most of local government. PSAA was originally established to operate the transitional arrangements following the closure of the Audit Commission and is a company owned by the Local Government Association's Improvement and Development Agency (IDeA).
9. The main advantages of using PSAA are set out in its prospectus and are copied below; these can also be viewed as the disadvantages if the Council was to decide to undertake its own procurement.
10. It is likely that a sector wide procurement conducted by PSAA will produce better outcomes for the Council than any procurement the Council undertakes with a limited number of partners. Use of the PSAA will also be less resource intensive than establishing an auditor panel and conducting our own procurement.
11. Regulation 19 of the Local Audit (Appointing Person) Regulations 2015 requires that a decision to opt in must be made by Full Council (authority meeting as a whole). To comply with this regulation the Executive Committee is asked to make the recommendation outlined to Council.
12. The alternative is to establish an auditor panel and conduct the Council's own procurement. This is not recommended as it will be a far more resource intensive process and, without the bulk buying power of the sector led procurement, would be likely to result in a more costly service.

Timescale

13. A form of notice of acceptance must be sent by the Council before the deadline of 5pm on Thursday 9 March 2017.

Dorset Position

14. It is likely that the majority of Dorset Authorities will opt into the appointing person arrangements made by Public Sector Audit Appointments (PSAA) for the appointment of external auditors.

Implications

Corporate Plan

None directly from this report.

Financial

If the PSAA route is used there will be no financial implications. If the decision was to undertake our own procurement then there would be some resource implications.

Equalities

None directly from this report.

Environmental

None directly from this report.

Economic Development

None directly from this report.

Risk Management (including Health & Safety)

The option of appointing external auditors using the PSAA route presents little risk to the council.

Human Resources

None directly from this report.

Consultation and Engagement

None.

Appendices

None

Background Papers

None

Footnote

Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Author: Jason Vaughan

Telephone: 01305 838233

Email: jvaughan@dorset.gov.uk

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Executive Committee

9 February 2017

Support for Dorset County Museum's 'Tomorrow's Museum for Dorset' project

For Decision

Portfolio Holder:

Cllr Mary Penfold – Enabling
Cllr Ian Gardner – Planning

Senior Leadership Team Contact:

M Hamilton, Strategic Director

Report Author:

T. Hurley, Leisure Commissioning Manager
J. Allen, Cultural Development Officer

Statutory Authority:

Localism Act 2011 – 'general power of competence'.

Purpose of Report

1. To present to the committee a request from the Dorset Natural History & Archaeological Society for both a capital grant and short-term loan to support the Society's major development project. The report also seeks the committee's approval for an arrangement with Dorchester Town Council with regard to the allocation of future developer contributions to this major project.

Officer Recommendations

2. That the committee agrees to award to the Dorset Natural History & Archaeological Society the following funding as a contribution to the Society's 'Tomorrow's Museum for Dorset' project:
 - a) a grant of £150,000 from the council's Corporate Projects Reserve;
 - b) a loan of £475,000 from the Corporate Projects Reserve to be repaid with interest over 5-years in accordance with the council's Community Lending Policy.
3. That the future developer contributions for museums from the Section 106 agreement for phases 3 and 4 of the Poundbury development, which are estimated to total £141,000, be paid directly to Dorchester Town Council in accordance with an agreement whereby the Town Council agree to make a capital grant of £141,000 to the Dorset Natural History & Archaeological Society as soon as required to assist with its 'Tomorrow's Museum for Dorset' project.

4. That the Strategic Director and Section 151 Officer be given delegated authority to agree the terms of both the grant and loan agreements with the Dorset Natural History & Archaeological Society and the agreement with Dorchester Town Council in accordance with the recommendations (2) and (3) above.

Reason for Decision

5. To enable the council both to respond to the funding request from the Dorset Natural History & Archaeological Society and to work with Dorchester Town Council to enable the Society's project to benefit from future developer contributions.

Background and Reason Decision Needed

6. Dorset County Museum is an independent museum, owned and operated by the Dorset Natural History & Archaeological Society and which houses several significant geological, historical and archaeological collections. The museum's Thomas Hardy collection is the largest in the world and its importance is internationally recognised. Although located in Dorchester, the museum serves various important functions for the county as a whole (providing support to other museums) and for the nation.
7. Since 2010, visitor numbers have doubled and the museum now needs to expand its display, learning and storage facilities in order for it to meet future needs. The Society has, therefore, embarked on an ambitious development project to maximise the potential of the range of historic buildings that it occupies between High West Street and Colliton Street in Dorchester and to create new spaces for visitors and students.
8. This major development project, entitled 'Tomorrow's Museum for Dorset', comprises the following key elements:
 - new galleries to increase display areas (at present 98.5% of the collections are inaccessible to the public)
 - state-of-the-art storage facilities with better public access
 - new international-standard gallery with the capacity to host touring exhibitions
 - new learning centre
 - new shop and café on the High West Street frontage.
9. The anticipated benefits of this project are as follows:
 - enable full public access to the collections
 - create gallery space for high quality art exhibitions
 - increase annual visitor numbers from 40,000 (in 2015) to 80,000 by 2020
 - increase annual learning visits to 7,000
 - restore the Reverend White's Rectory (listed building)
 - increase the museum's economic benefit to the area by £1.78 million per year

- create new income streams to help support the museum in the future
10. The project is supported by a detailed business plan and is subject to constantly evaluation and monitoring by the HLF. There have been numerous meetings and workshops with the project's HLF Monitoring Officer and Case Officer to go through the all aspects of the business plan. In addition, the museum has employed a specialist consultancy to act as project managers and, in particular, to manage both the design team and the build programme. The consultants have extensive experience of project managing commercial, residential and heritage schemes. There are, therefore, significant control mechanisms in place to support the museum in the planning and execution of the project.
 11. A significant step forward with the project, which is estimated to cost £13.2 million, was the award of a £9.9 million grant from the Heritage Lottery Fund which is conditional on the Society securing pledges for 90% of the remaining £3.3 million from other sources by May 2017 (the deadline for the stage 2 application). At present, the Society is actively engaged in a major fundraising campaign and is seeking grants from a range of private trusts, foundations and high-net-worth individuals. To date, the project has secured pledges totalling £641,000. In addition, the project has received support from Dorchester Town Council (£25,000) and Dorset County Council (£100,000).
 12. To help meet its funding target, the Society has written to the district council requesting the following financial support:
 - one-off grant of £150,000;
 - loan of up to £475,000 to cover revenue deficit during the building works – to be repaid with interest over 5-years immediately following the completion of the project.
 13. The council can also assist the project through the allocation of developer contributions held by the council, specifically collected to enhance museums, and this money been requested by the Society. These contributions comprise a total of £23,193 of museum-only money derived from Section 106 agreements from in and around Dorchester, including Poundbury.
 14. There are several existing planning obligations in place for developments in the Dorchester area which have yet to commence and which will make relatively modest contributions to museum facilities (perhaps at least £13,000).
 15. It is the intention, therefore, for the Corporate Manager - Planning (Community and Policy Development) to allocate the contributions referred to in paragraphs 13 and 14 above to the Dorset County Museum project as and when they are received as long as the project is still in need of funding. These allocations will be undertaken in accordance with the council's Scheme of Delegation and in consultation with local members

16. In addition, it is estimated that a further £141,000 of museum-only contributions have yet be collected from Poundbury phases 3&4 (which are still under construction). It is intention of the Corporate Manager - Planning (Community and Policy Development) to allocate this money to the Dorset County Museum project following consultation with local members and relevant briefholders.
17. However, given that this money from Poundbury phases 3 & 4 will not be fully available for several years but that the Society has a pressing need for funds, it would seem appropriate to seek a mechanism whereby the museum project can benefit immediately.
18. Discussions with Dorchester Town Council have, therefore, identified a mechanism whereby the 'forward funding' of the Poundbury developer contributions can be achieved. The town council is prepared to make a grant, as soon as needed, to the Society equivalent to the anticipated contribution from Poundbury phases 3 & 4 (£141,000) on the condition that the district council (and its successor) passes these contributions to the town council as and when they become available. This arrangement would appear to be relatively low risk given the certainty that the Poundbury development will be completed and within a reasonable timescale.
19. Given the likely changes that will take place in local government over the coming years, it would seem appropriate to formalise this proposed arrangement with the town council via a legal agreement. This approach is recommended and the Executive Committee is asked to give the Strategic Director the delegated authority to agree the terms of such an agreement should this approach to funding be approved.
20. The Society is also considering bidding for 'recreation' money from the current S106 money that the council currently holds (mainly derived from Poundbury) via the on-going allocation process. Given that a significant part of the project will be to create a high quality art gallery space (which could host national touring exhibitions), it could be viewed as helping to address other deficits in cultural provision in Dorchester. Any such bid will be considered by a member panel and recommendations made to the Executive Committee in March 2017.
21. The council's support for the 'Tomorrow's Museum for Dorset' project could be key to ensuring not only the creation of a major cultural and tourist attraction for the area, but also to help secure one of the largest grants from the Heritage Lottery Fund yet seen in Dorset.
22. It should be noted that the Society leases the redundant All Saints Church in Dorchester from the council and uses the premises as its main bulk store. However, conditions in the church are far from ideal and not conducive to the long-term conservation of archaeological collections. Once the planned development project is complete, it is the intention of the Society to surrender early its lease on the Church. The council (or its successor) will need, in due course, to give consideration to the future use of this historically important building and the Society has indicated its willingness to provide assistance where needed.

Implications

23. **Corporate Plan.** *Empowering Thriving and Inclusive Communities.*
24. The district council's *Arts & Museums Support Plan 2012-17* (adopted in 2012) highlights key capital projects that will help to promote the Plan's objective of improving public access to high quality facilities. The Dorset County Museum project is specifically identified in the plan as a project worthy of council support.
25. **Financial.** The grant (£150,000) and the short-term loan (£475,000) would need to be derived from the Corporate Project Reserves. With regard to the developer contributions referred to in this report, £30,694 is currently held by the council and the additional £141,000 (estimate) is expected to be paid by the Duchy of Cornwall as part of the Section 106 agreement for phases 3 & 4 of the Poundbury development, probably over the next 5 years.
26. **Equalities.** It is important to health and wellbeing that cultural and community facilities are sufficient to meet the needs of the growing community and are in accessible locations.
27. **Economic Development.** Cultural facilities make a significant contribution to the local economy both as employers and as tourist attractions. The enhancement of these facilities can, therefore, benefit the community not only in terms of education and wellbeing, but also from an economic perspective. The Society's estimates that the project will help to more than double the museum's visitor numbers by 2020 and will increase its economic impact in the area by £1.78 million per year.
28. **Risk Management (including Health & Safety).** The council will need to ensure that no funding is released until the project is in progress and its deliverability is certain. The phased release of the council's funding may be appropriate.

Consultation and Engagement

29. The portfolio holder for Enabling (Cllr Mary Penfold) and the ward members have also been consulted on the proposals set out in this report. In addition, discussions have taken place with Dorchester Town Council with regard to the financial arrangement whereby the museum project can benefit from at an early stage from future developer contributions from Poundbury.

Appendices

30. None.

Background Papers

31. Grant application from Dorset County Museum (made via the council's Leisure Development Fund process).
32. *Arts & Museums Support Plan 2012-17*. West Dorset District Council.

Footnote

33. Issues relating to financial, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Report Authors: Tony Hurley (Leisure Commissioning Manager), Jude Allen (Cultural Development Officer)

Telephone: (01305) 252317

Email: thurley@dorset.gov.uk jallen@dorset.gov.uk