



Dorset Council

Date: Tuesday, 14 February 2023
Time: 6.30 pm
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

All members of Dorset Council are requested to attend this meeting of the Full Council.

Chief Executive: Matt Prosser, County Hall, Colliton Park, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services
Meeting Contact susan.dallison@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda.

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Agenda

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| 1. APOLOGIES | |
| To receive any apologies for absence. | |
| 2. MINUTES | 5 - 34 |
| To confirm the minutes of the meeting held on 20 th October 2022. | |
| 3. DECLARATIONS OF INTEREST | |
| To disclose any pecuniary, other registrable or non-registrable interests as set out in the adopted Code of Conduct. In making their decision councillors are asked to state the agenda item, the nature of the interest and any action they propose to take as part of their declaration. | |
| If required, further advice should be sought from the Monitoring Officer in advance of the meeting. | |

4. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements from the Chairman of Council.

5. PUBLIC PARTICIPATION - QUESTIONS AND STATEMENTS

A period of 30 minutes is allocated to receive and respond to questions and statements on the business of the Council in the following order:

(a) Questions and statements from Town and Parish Councils;

(b) Questions and statements from those living or working in the Dorset Council area;

A person or organisation can ask either 2 questions, or 2 statements or 1 question and 1 statement at each meeting. No more than 3 minutes shall be allowed for any one question or statement to be asked/read.

The full text of the question or statement must be received by 8.30am on 9th February 2023.

Details of the Council's procedure rules can be found at:

[Council Procedure Rules](#)

6. PUBLIC PARTICIPATION - PETITIONS AND DEPUTATIONS

A period of 15 minutes is allocated to receive and respond to petitions in accordance with the council's petitions scheme.

A period of 15 minutes is allocated to receive and respond to deputations in accordance with the council's constitution.

The petitions scheme and procedures relating to deputations can be viewed at:

[Council Procedure Rules](#)

7. ANNOUNCEMENTS AND REPORTS FROM THE LEADER OF COUNCIL AND CABINET MEMBERS

To receive any announcements and reports from the Leader of Council and members of the Cabinet.

8. QUESTIONS FROM COUNCILLORS

To receive questions submitted by councillors. The deadline for receipt of questions is 8.30am on Thursday 9th February 2023.

9. BUDGET STRATEGY AND MEDIUM-TERM FINANCIAL PLAN

35 - 138

To consider the Budget recommendations from Cabinet.

Appendix 2 to the report to be published as soon as it becomes available.

10. COMMUNITY GOVERNANCE REVIEW - PARISHES OF THE VALE OF ALLEN GROUP, THE WINTERBORNE FARRINGDON GROUP, CHICKERELL AND WEYMOUTH - DRAFT RECOMMENDATIONS 139 - 166

To consider a report by J Andrews, Service Manager Democratic & Electoral Services.

11. CALENDAR OF MEETINGS 2023-2024 167 - 184

To adopt the 2023/24 Calendar of Meetings.

12. PAY POLICY STATEMENT 2023-2024 185 - 202

To consider a report by N Adam, Service Manager for HR Advisory Services.

13. URGENT ITEMS

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

14. EXEMPT BUSINESS

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

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

There is no scheduled exempt business.

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DORSET COUNCIL

MINUTES OF MEETING HELD ON THURSDAY 20 OCTOBER 2022

Present: Cllrs Val Pothecary (Chairman), Barry Goringe (Vice-Chairman), Tony Alford, Jon Andrews, Rod Adkins, Mike Barron, Pete Barrow, Shane Bartlett, Pauline Batstone, Laura Beddow, Derek Beer, Richard Biggs, Dave Bolwell, Alex Brenton, Cherry Brooks, Piers Brown, Ray Bryan, Andy Canning, Graham Carr-Jones, Simon Christopher, Kelvin Clayton, Susan Cocking, Tim Cook, Toni Coombs, Jean Dunseith, Beryl Ezzard, Tony Ferrari, Spencer Flower, Les Fry, Simon Gibson, Matthew Hall, Paul Harrison, Brian Heatley, Jill Haynes, Ryan Hope, Rob Hughes, Nick Ireland, Sherry Jespersen, Carole Jones, Stella Jones, Nocturin Lacey-Clarke, Robin Legg, Cathy Lugg, David Morgan, Louie O'Leary, Jon Orrell, Emma Parker, Mike Parkes, Andrew Parry, Mary Penfold, Bill Pipe, Byron Quayle, Belinda Ridout, Mark Roberts, Maria Roe, David Shortell, Jane Somper, Gary Suttle, Clare Sutton, Roland Tarr, David Taylor, David Tooke, Bill Trite, David Walsh, Peter Wharf, Kate Wheller, Sarah Williams and John Worth

Apologies: Cllrs Robin Cook, Janet Dover, David Gray, Andrew Kerby, Rebecca Knox, Howard Legg, Molly Rennie, Julie Robinson and Andrew Starr

Also present remotely: Cllrs Mike Dyer, Paul Kimber, Ryan Holloway and Gill Taylor.

Officers present (for all or part of the meeting):

Susan Dallison (Democratic Services Team Leader), Aidan Dunn (Executive Director - Corporate Development S151), Jonathan Mair (Director of Legal and Democratic and Monitoring Officer), Matt Prosser (Chief Executive), Kate Critchel (Senior Democratic Services Officer), Lindsey Watson (Senior Democratic Services Officer), Jacqui Andrews (Service Manager for Democratic and Electoral Services), George Dare (Senior Democratic Services Officer) and Joshua Kennedy (Apprentice Democratic Services Officer)

29. Tributes to Her Late Majesty Queen Elizabeth II

The following councillors paid tribute to Her Late Majesty Queen Elizabeth II: - Cllr Val Pothecary (Chairman), Cllr Spencer Flower, Cllr Nick Ireland, Cllr Clare Sutton, Cllr Les Fry, Cllr Bill Pipe, Cllr David Walsh, Cllr Louie O'Leary, Cllr Mary Penfold and Cllr Belinda Ridout.

This was followed by a minute's silence.

30. **Apologies**

Apologies for absence were received from Cllrs Janet Dover, Molly Rennie, Robin Cook, Howard Legg, David Gray, Mike Dyer, Andrew Starr and Julie Robinson.

31. **Minutes**

The minutes of the meeting held on 14 July 2022 were confirmed and signed by the Chairman.

32. **Declarations of Interest**

Cllr Mary Penfold declared a non-pecuniary interest in respect of minute 41 because she was the Council's representative on SCOPAC – the Standing Conference on problems associated with the Coastline. She continued to advise that the Monitoring Officer had advised that as a decision about governance arrangements for harbours did not relate directly to the work of SCOPAC, she would speak and vote on the item.

33. **Chairman's Announcements**

There were no Chairman's announcements to report.

34. **Public Participation - Questions and Statements**

Public questions and the responses from the Leader of the Council or appropriate portfolio holder were set out in appendix 1 to these minutes.

35. **Public participation - petitions and deputations**

There were no petitions or deputations to report.

36. **Announcements and Reports from the Leader of Council and Cabinet Members**

The Leader of Council advised councillors that his bulletin would be published following the meeting and he report included the following: -

- Support in respect of the cost of living
- The 'Homes for Ukraine' scheme
- Investment Zones and
- The current budget challenges

37. **Questions from Councillors**

A copy of the councillor questions and the responses are attached at Appendix 2 to these minutes.

In a response to a supplementary question from Cllr Jon Andrews, question 2, the Portfolio Holder for Highways, Travel and Environment gave assurance to the Sherborne ward councillors that their concerns had been noted and a way forward was being addressed.

In response to a further supplementary question from Cllr Jon Andrews in respect of question 3, the Portfolio Holder for Highways, Travel and Environment would contact Cllrs Andrews and Hall after the council meeting.

In a response to a supplementary question from Cllr Clare Sutton, the Portfolio Holder for Children, Education, Skills, and Learning indicated that the Executive Director for People – Children had written to the Chairman of People and Health Scrutiny Committee confirming that a report would be coming forward in the future on Dorset schools' exclusion rates.

38. Refreshed Council Plan 2022-24

The Portfolio Holder for Corporate Development and Transformation presented the refreshed Council Plan for 2022-24. The document set out the key strategic position and the councils aims, ambitions and key targets for the council going forward. In setting out the report, the Portfolio Holder proposed the recommendation.

The recommendation was seconded by Cllr S Jespersen.

In response to questions, the portfolio holder advised that the plan set out the strategic aims. The delivery plan, being presented at the all-member webinar, would set out the proposed actions. In response to a question relating to development and the local plan, the Portfolio Holder indicated the portfolio holder for planning had previously explained the current position in respect of this matter.

Decision

That the refreshed Council Plan 2022-24 and the new strategic delivery plan be approved.

39. Community Governance Review: Parishes in the Vale of Allen group, the Winterborne Farringdon Group, Chickerell and Weymouth

The Leader of the Council set out the procedural report and proposed its recommendations. This was seconded by Cllr Piers Brown.

Decision

That the terms of reference for a community governance review as set out in Appendix 1 of the report to Council on 20 October 2022, be adopted.

40. **Update on role of Health and Wellbeing Boards in the Integrated Care System**

The Portfolio Holder for Adult Social Care and Health presented the report and proposed the recommendation.

The Director of Public Health advised that the recommendation aimed to ensure that the Health and Well-being Board developed into an effective interface with the integrated care partnership and the work of the new integrated care board to deliver the integrated care strategy. This work involved both Dorset Council and BCP.

The recommendation was seconded by Cllr Jane Somper.

Decision

That an addition to the terms of reference of the Health and Wellbeing Board be agreed, so that it becomes the strategic board for the place-based partnership developing in the Dorset Council area, as part of the Dorset Integrated Care System.

41. **Governance Arrangements for Harbours**

The Leader of the Council presented a proposal that Harbour Management become an executive function of Dorset Council, with the Portfolio Holder undertaking the responsibility of duty holder, and the existing Harbours Committee becoming an advisory committee making recommendations to the Executive.

In response to questions, the Chairman of the Harbours Committee advised that whilst the advisory committee would still benefit from the advice and expertise provided by the independent members, the proposed change would streamline and accelerate the decision-making process.

The Chairman of the Harbours Committee further confirmed that harbour related decisions would be able to come forward in the future to meetings of scrutiny committee for appropriate challenge.

It was proposed by Cllr Spencer Flower seconded by Cllr M Roberts

Decision

- (a) That the harbour function becomes an Executive function with the Portfolio Holder for Highways, Travel and Environment assuming the responsibility of Duty Holder.
- (b) The existing Harbours Committee becomes an advisory committee under Section 102(4) of the Local Government Act 1972.

42. **Election of Chairman and Vice-Chairman of the Audit & Governance Committee**

It was proposed by Cllr Nick Ireland seconded by Cllr M Hall that Cllr Richard Biggs be appointed Chairman of the Audit and Governance Committee for the remainder of the municipal year.

There were no other nominations.

It was proposed by Cllr Nick Ireland seconded by Cllr Beryl Ezzard that Cllr Robin Legg be appointed Vice-Chairman of the Audit and Governance Committee.

It was proposed by Cllr Les Fry seconded by Cllr John Worth that Cllr Susan Cocking be appointed Vice-Chairman of the Audit and Governance Committee.

In response to a point of order, the Monitoring Officer confirmed that council procedure rule 30 did not indicate that a vacancy could not be filled at the next appropriate meeting of council. Therefore, the vote to appoint a vice-chairman could continue.

Upon being put to the vote, Cllr Susan Cocking was appointed Vice-Chairman of the Audit and Governance Committee for the remainder of the municipal year.

Decision

- (a) That Cllr Richard Biggs be elected the Chairman of the Audit and Governance Committee for the remainder of the municipal year 2022-23.
- (b) That Cllr Susan Cocking was elected Vice-Chairman of the Audit and Governance Committee for the remainder of the municipal year 2022-23.

43. **Dispensation Report**

It was proposed by Cllr Spencer Flower and seconded by Cllr Nick Ireland

Decision

That a dispensation for Cllr Janet Dover from attending meetings of the Council for a period of 6 months commencing on 12th November 2022, by reason of ill health, be approved.

44. **Urgent items**

There were no urgent items

45. **Exempt Business**

There was no exempt business to report.

Appendix 1 - Public Participation Q&A's
Appendix 2 - Councillor Q&A's

Duration of meeting: 6.00 - 8.52 pm

Chairman

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**Full Council
20 October 2022**

Questions and Statements submitted for the Public Participation Period

Question 1 – submitted by Miranda Tunnicliffe

Maintenance of drains and gullies in the Park District, Weymouth.

At a public meeting on 7th October 2022, attended by Wessex Water, Dorset Highways, Local Councillors, BRIC, Dorset Council Flood Risk Managers and local residents, it was established there is a problem with the maintenance of drains and gullies in the Park District in Weymouth.

The gullies are the metal grates that cross the pavement and taking water from the household drainpipes into the road. The drains clear surface water from the road and alleyways.

The current maintenance procedure relies on a six monthly or annual inspection carried out by Dorset Highways.

An examination conducted by residents has concluded this is ineffective. Many drains are still blocked.

Due to the ineffective maintenance programme, residents are required to report each blocked drain to Dorset Highways on the DC website.

Highways then come out to clear the drain catch pits. If a vehicle is obstructing the drain this will get recorded. Highways will return to the obstructed site three times to see if it is accessible. If still obstructed, the job is abandoned.

As there is very limited parking in the area, it is rare that the operation is successful if the drain happens to be in a parking space. This explains the high number of blocked drains in the area. This current practice is totally inefficient and a waste of money.

Local residents are prepared to assist with clearing the cars, if we had prior notice. It would be easier if this work could be done on a street-by-street basis in the future to allow for effective and efficient maintenance of the drains. Which as you can agree is essential in this flood risk area.

Historically, there was a method of parking in the district in the 1950's which involved parking on one side of the street one day and the other the next. It was called 'odds and evens parking'. A version of this could help to make sure cars are cleared without inconveniencing drivers too much.

There also seems to be no schedule of works to clear the gullies throughout Weymouth. The majority of them are clogged with weeds, which is not a good look for the town.

Question:

Will Dorset Highways work with local residents to deal with the current blocked drains, start a programme for cleaning the gullies and review the clearly ineffective policy of returning to jobs in parking spaces three times without alerting the residents that they need access?

Response from Cllr R Bryan Portfolio Holder for Highways, Travel and Environment

Dorset Council links the scheduled cleaning of gullies to the roads that are gritted as part of our winter maintenance works. Roads on the salted network have their gullies cleaned annually. Roads such as the Park District that are not on the standard salting routes, do not have their gullies cleared on a scheduled basis. Instead, these are responded to if any issues are identified. This is usually following routine inspection, or in response to enquiries raised by members of the public. This is in accordance with Dorset Council's Maintenance Plan. Members of the public who use our website to report issues with gullies are kept up to date with the progress of their enquiry through our digital asset management system.

We are committed to continue working with local residents on these issues. As an action from the public meeting on the 7th of October, a walkabout has been arranged with the Community Highways Officer and representatives of the Community Group. This will take place at 9:30 on the 25th of October.

With regards to maintaining access to gullies needing to be cleared, we do contact residents where necessary and have provided cones to maintain access. It's good to hear that local residents are prepared to assist with clearing the cars. It would be a great help if the residents could assist with ensuring that the cones are not moved, and cars don't park when the cones are put out.

Question 2 – submitted by Julie-Ann Booker on behalf of Dorset Action on Pensions**Government consultation on Local Government Pension Schemes in respect of reporting and accounting for climate change risks**

These questions were prepared for submission to the Pension Committee on 21 September which was postponed. It has yet to be rescheduled. The next set date for the committee is 29 November which is past the closing date for the Government consultation on local government pensions. For this reason it is being submitted to Full Council for a response.

On 1 September 2022 the Government published an Open Consultation on Local Government Pension Schemes governance and reporting of climate change risks (1). The consultation runs until 24 November 2022.

This consultation seeks views on proposals to require Local Government Pension Scheme (LGPS) administering authorities in England and Wales to assess, manage

and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

The proposals set out in the consultation are broadly similar to the current requirements for private pension schemes, and encompass the same four areas of governance, strategy, risk management and metrics and targets. However, a key difference is that the proposed requirements will apply to all Local Government Pension Fund administering authorities from 2023/24, regardless of fund size.

The TCFD published a set of recommendations in 2017 with the aims of improving assessment, management, and disclosure of climate-related financial risks.

To achieve these aims in the LGPS, reporting will need to be clear, comprehensive and consistent, as well as timely, verifiable and comparable across the sector, in line with the TCFD's principles for effective disclosure.

The consultation sets out Government proposals to ensure that reporting both at administering authority and at scheme level meets these standards, and delivers proper accountability to members, locally and across the scheme.

High quality reporting on climate risks is central to the TCFD's recommendations. The aim is to enable stakeholders to understand as fully as possible their climate exposures and the administering authorities approach to addressing those risks, in the short, medium and long term.

Questions: The consultation proposals include improved transparency requirements in the future, open and accessible for all stakeholders and pension members. In the spirit of this, and on the assumption that Dorset Council will submit a response to the consultation, what arrangements are Dorset Council making to consult with Dorset pension fund members on the council's submission, and what is being done to make pension fund members aware of the Government's consultation and their right to make individual submissions?

- (1) <https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-governance-and-reporting-of-climate-change-risks/local-government-pension-scheme-england-and-wales-governance-and-reporting-of-climate-change-risks>

Response from Cllr Peter Wharf

Dorset Council is the administering Authority for the Local Government Pension Scheme and hosts the Pension Fund Committee. The Committee comprises not only members of Dorset Council but also members of BCP Council and a scheme member representative appointed by those trade unions whose membership includes members of the pension scheme. Decisions about the timing of its meetings and whether or how the Committee chooses to respond to any consultation are matters for the Committee and not for Dorset Council alone. In my capacity as vice Chair of the Dorset County Pension Fund I will speak with the Chairman of the Committee, Cllr Andy Canning, and seek his views to most appropriate way to respond to the consultation.

Question 3 - submitted by Helen Sumbler

In response to a question I raised at Place and Resources Scrutiny Committee in 25 March 2021 about the lack of Implementation Plan 4 to cover 2020-23, the response was that “Instead of writing an Implementation Plan for an old Local Transport Plan written by predecessor councils (Dorset County Council and Bournemouth & Poole Borough Councils which no longer exist), Dorset Council with BCP Council has begun work on 1 new joint Local Transport Plan for 2022-2038 to align with the 2 new Local Plans for Dorset and BCP.”

However, in the new Delivery Plan for 2022 to 2024, reference is made to the old Bournemouth, Poole and Dorset Local Transport Plan 2011 to 2026, despite the lack of a current implementation plan in support of this LTP.

As the adoption of the Dorset Council Local Plan has been delayed to 2026, what are the milestones for the preparation, consultation and publication of the joint Local Transport Plan for 2022-2038 that aligns with this new Local Plan?

Response from Cllr Ray Bryan Portfolio Holder for Highways Travel and Environment

The production of LTP4 has been delayed while the council awaits new Local Transport Plan guidance from the Department for Transport. The new guidance had been expected in spring 2022 but the latest government announcement is that a consultation on the new guidance will be launched in autumn 2022. A detailed programme will be developed to produce and publish a new LTP once the guidance is available.

Question 4 – submitted by Helen Sumbler and as the Co-ordinator of the Dorset CAN Transport Team

In the absence of a current implementation plan, how is Dorset Council going to publicise and inform members of the public about expenditure on the transport network, and about projects and their priorities, until the new Local Transport Plan and its accompanying Implementation Plan are published?

Response from Cllr Ray Bryan Portfolio Holder for Highways Travel and Environment

A review of LTP3 is currently being undertaken. This forms part of initial baselining and evidence gathering that will help to inform the development of the new joint LTP. A report will be submitted to the Place and Resources Scrutiny Committee in Spring 2023.

Question 5 - submitted by Peter Robertson

Given that all three of Dorset Council's proposed Investment Zones are each adjacent to nationally and internationally protected sites for nature, will the Council follow the lead set by Solent Freeport and only accept Investment Zone status for any of these sites on the basis that the full suite of current environmental protections are maintained with no dilution to the planning process?

Question 6 – submitted by Peter Robertson

Will you also commit to consulting with Natural England, Environment Agency, the RSPB (who manage Radipole Lake nature reserve), Dorset Wildlife Trust (who manage Winfrith and Tadmoll Nature Reserve) and Portland Bird Observatory (who manage land on Portland) on the development of proposals for these three Investment Zones at the earliest opportunity?

Response by Cllr Spencer Flower

Investment Zones

Dorset Council has been named as one of 38 authorities that Government recognise as being keen to be involved. The paper is not saying that these areas will benefit from an Investment Zone and is clear on the process by which Zones are allocated or awarded other than to say they want to deliver Zones across all parts of the UK.

Historically the process of awarding Enterprise Zone status and Freeports has been competitive and expect any selection process to require Dorset to set out the benefits to government of awarding Investment Zone status.

Dorset Council has on Friday submitted three Expressions of Interest to government for potential Investment Zones in Dorset. These are:

- 1) Weymouth – several regeneration sites around the waterside at Weymouth harbour and marina. The proposal is to redevelop disused sites to provide homes and jobs, with opportunities for commercial and leisure developments. These sites are within the adopted Weymouth Town Centre Masterplan.
- 2) Portland – the port area, offering opportunities for commercial and business operations, and a residential site in Castletown. It should be noted that the proposed location for an energy recovery facility at Portland Port (currently going through the planning process) is explicitly excluded from the Expression of Interest.
- 3) Wool – a site adjacent to the existing Dorset Innovation Park to build on the success there by offering further investment and development opportunities for key sectors including advanced engineering and manufacturing.

Currently the guidance accompanying Investment Zones states “when proposals come forward for Investment Zones, they will benefit from a liberalised planning

process.” There is, as yet no detail about what this process may be or how it will be implemented alongside the existing planning process. Local Development Orders (LDO’s) are referenced within the expression of interest documentation and may be a mechanism used to prepare Investment Zones. LDO’s require engagement and formal consultation with the statutory agencies and public before implementation and are also required to comply with both the Environmental Impact Assessment Regulations and the Habitats Regulations. Should any of the council’s submitted sites be successful in reaching the next stage of the process the council will examine both the process and any accompanying guidance before formally committing.

It is understood that these new Investment Zones will accelerate development of infrastructure to drive economic growth by offering tax breaks for potential investors and simplified, reduced regulation and planning processes. The aim is to attract new investment to create jobs.

It is not yet known when the government will announce decisions on Expressions of Interest for Investment Zones.

We should welcome any opportunity to attract investment, improve infrastructure, and create jobs here in Dorset. The three proposed locations offer great potential for economic development and are suitable for this kind of activity.

Our Expressions of Interest do not represent a commitment by government or by Dorset Council. We await further detail from government so we can assess the potential pros and cons of an Investment Zone before making any formal commitment following council processes.

Any opportunities should support and enhance the ambitions set out in the Dorset Plan and meet the economic development aspiration leading to improved social mobility, the latter being of particular concern to members across this chamber.

Question 7 – submitted by Caz Dennett

Is it time for Dorset Council to invest for good?

In May this year I publicly withdrew my services as a Senior Safety Consultant at Shell. I could no longer tolerate their unwillingness to address the harms they know their operations are doing to our environment.

Continued dangerous plans to expand and extract new oil and gas reserves, which the International Energy Agency say must stay in the ground to halt greenhouse gas emissions, is already enough reason to end relations.

However, their operations are also inherently unsafe and irresponsible, failing on Environment, Social and Governance expectations. Their disregard for the health, safety and well-being of their operational environments is immoral, and according to some court action outcomes, illegal.

Operations in the Niger Delta, Nigeria, sees millions of litres of oil spilled, making the area completely unsafe as a human and wildlife habitat, extensive water and land

contamination mean people cannot farm or fish, or access clean drinking water. Local ecology is devastated, the UN have ordered these companies to repair the damage and restore the environment, which they ignore.

Last month the BBC published their investigative documentary Under Poisoned Skies, an expose of excessive and undeclared gas flaring in the Basra oil fields in Iraq. Unnecessary and preventable flaring causes deathly air pollution, unliveable communities and is directly related to high cases of childhood leukaemia and cancers. The oil companies flare gas (a by-product of oil extraction), because it is more profitable to burn it than to capture, store and use it for energy.

The people who live in the communities that are now surrounded by oil production facilities say they are merely sacrifice zones.

How comfortable are Councillors and the Council, knowing that investments the Council has in oil & gas is funding childhood leukaemia and cancers, unliveable environments and sacrificed communities?

Now is the time to use our council tax money to fund something for good, such as a sustainable liveable future, therefore will Dorset Council set a plan to move all its finances i.e. pension investments, bank accounts, insurance policies, etc to sustainable accounts and financial products?

References:

Under Poisoned Skies BBC Documentary
<https://www.bbc.co.uk/programmes/p0d34rtt>

<https://www.bbc.co.uk/news/science-environment-62917498>

Niger Delta spills: In total (all operators) between 2015 and 2021 there were almost 5,000 spills = 235,000 barrels / 37 million litres of oil (Source: National Oil Spill Detection and Response Agency (NOSDRA) / www.nosdra.oilspillmonitor.ng)

Response from the Cllr Peter Wharf Deputy Leader and Portfolio Holder for Adult Social Care and Health

Thank you Ms Dennett for your question.

Dorset Council does use Council tax money to fund something good – it uses the money to fund local services for local people.

Any surplus balances are invested in accordance with the treasury management strategy which is agreed annually by full Council. The Council'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.

The primary duty of the Pension Fund Committee is to ensure that contributions to the pension fund by scheme members and their employers are invested appropriately to make returns sufficient to pay pensions and other scheme benefits

as they fall due. The Pension fund committee is currently reviewing its long-term investment strategy as part of a planned three yearly review. The strategy will be formally approved by the Pension Fund Committee in the middle of next year and will need to strike the right balance between equities and fixed income, UK and global investments, public and private markets, active versus passive investments as well as taking into account the Climate Emergency, sustainability and other environmental, social and governance issues.

Question 8 – submitted by Jenny Lennon-Wood Secretary of Dorset Trades Union Council

Question

Weymouth and Portland's economy has been in decline since the 1990s, leaving a deprived community dependent on low-paid, insecure jobs. Dorset Council has repeatedly dismissed proposals by Dorset Trades Union Council (DTUC) and Weymouth and Portland Action on Wages (WeyPAW) to address the resultant poverty and deprivation. Can you provide substantiated evidence of any Dorset Council actions that have created, or enabled the creation of, well-paid, good quality jobs in Weymouth and Portland (W&P) or succeeded in persuading local employers to improve the pay and conditions of existing jobs?

Statement from Jenny Lennon-Wood

In 2019, DTUC and WeyPAW sought Dorset Council's leadership on social mobility. We presented proposals for the Council to assess and tackle poverty incomes and job insecurity in W&P. We were told that our proposals would be considered during the development of the Economic Growth Strategy. When published, this strategy acknowledged concerns about deprivation in W&P but offered no specific remedial measures and ignored our proposals. As the Council had shown no interest in investigating poverty in W&P and seeking solutions, we undertook the research ourselves. Our report, *Forgotten Towns – Weymouth, Portland and the coastal economy*, traces the economic decline from major job losses following the 1990s closure of Navy and MoD sites, through government and local authority decisions that left the community dependent on tourism, to the current deprivation and lack of opportunities. We identify areas requiring more research: the experiences of those affected by the economic decline; the continuing efforts of local people to mitigate its effects; and the community's desire for genuine involvement in decision-making.

Question 9 – submitted by Professor Philip Marfleet

Question

A new report, *Forgotten Towns – Weymouth, Portland and the coastal economy*, provides detailed, compelling evidence of economic decline and increased social deprivation in South Dorset. Will Dorset Council finally accept responsibility for its negligence in addressing these issues and undertake to join, without delay, a task force to focus actively upon remedial policies?

Statement

Dorset Council has on several occasions declined to recognise the acute economic and social problems in Weymouth & Portland. It seems that councillors of the majority group wish to avert their eyes from the reality. We are providing an opportunity for the Council to take a different approach.

Our new report sets out in detail the record of decline in South Dorset over several decades starting with the loss of 6,500 jobs at defence sites and in many private businesses in the 1990s. The report presents compelling evidence of the predicament of local communities, and particularly of young people who face a “cul-de-sac” effect in which low wages and thin job prospects prompt them to leave – often, they never return.

The implications for Dorset are alarming. We have an aging population and a workforce in which the young are voting with their feet. Years ago, planners in Dorset talked about a “demographic timebomb” ... and the timebomb is ticking relentlessly.

In February 2019 Councillor Gary Suttle told this meeting in a personal statement that for decades the Council and its predecessor had failed to provide policies that could address economic decline and social deprivation, and that inadequate infrastructure held back development. Almost three years later there’s been no progress. Weymouth & Portland is still among the coldest of “cold spots” in the UK for social mobility, with levels of family poverty that shame us all.

Economic policies based upon neoliberal principles have since the 1990s played the key role in determining the fate of Weymouth & Portland, asserting that “the market” will provide growth and prosperity. It’s against this background that local authorities and development agencies have abstained from constructive engagement, producing in South Dorset a record of headlong economic decline and multiple deprivation.

Nationally, it’s clear that discredited neoliberal policies lie behind the paralysis and near-collapse of the present Government - with profound implications for many members of this Council. We can learn from these failures – nationally and locally. Our report proposes a series of sustained interventions to provide critical infrastructure and support for the most disadvantaged in a low-wage, seasonal economy. An “investment zone” won’t do the job – the last thing we need in Weymouth & Portland is a bonfire of planning regulations and more ill-paid, highly exploitative employment.

Dorset’s Local Enterprise Partnership – the LEP – has agreed to join a task force to look urgently at the crisis in Weymouth & Portland. Will this Council accept the findings of our report and do the same?

Finally - even since our report was written, the cost-of-living crisis has intensified alarmingly. Hardest-hit are the most vulnerable families. Councillors - doing nothing or implementing piecemeal measures - is not an option.

Response from Cllr T Ferrari Portfolio Holder for Economic Growth, Assets and Property (Joint response to Questions 8 & 9)

This report has already been aired in the press, can I read my comment to the Echo about its contents:

I understand Weymouth quite well, I live here, Weymouth and Portland do need support.

I welcome every intervention that highlights the support that Weymouth and Portland needs. As Dorset Council, supported actively by our MP, we have been having conversations with Government. Our argument, during the first round of Levelling Up was that W&P needed Levelling Up just as much as many northern towns. The Navy leaving us was just as serious an economic impact as a mine or a steel works closing. Our case was that the Government's measure was not fine grained enough. Dorset may be wealthy on average but Weymouth and Portland are not. In the latest round of Levelling Up the Government supported our argument and improved our category so we have more chance of money in this round.

Having said we welcome all evidence that supports our case, the report itself is disappointing.

One of its four recommendations is that Dorset should implement the Real Living Wage. Dorset, supported by the Trade Unions, joined the collective bargaining agreement for all Councils. We don't negotiate our staff's salaries, it is done nationally. If they agree the Real Living Wage that is what we will pay. If not we don't intend to break the collective bargaining agreement.

They also recommend the LEP should promote meaningful investment in road, rail and infrastructure. The LEP has been closed down, for some time now, as a Government vehicle for delivering finance. About 80% of their staff have moved on. They never had a major role in rail or road policy, now they have none.

The last two recommendations are exactly what Dorset should not be doing. The report recommends "undertaking a review", "establishing an action group", "commissioning a wider review", obviously the first review wasn't enough and "creating a liaison group". This is Weymouth at its worst, lots of talk and no action.

So what should be happening in Weymouth? Actually exactly what Dorset Council is doing now. We have taken out the rails, done a fabulous job on improving Customs House Quay, worked with partners to improve the station forecourt and with it the first experience of visitors arriving by train, opened a Children's Home on Dorchester Road to keep Weymouth children in need of accommodation closer to family, friends and school, underpinned Old Castle Road to stop it collapsing cutting off the houses at the end, gave a new allotment in Preston to Weymouth Council, put solar panels on a number of schools and Council buildings around town, these reduce our carbon footprint and also replace (the now very expensive gas), buildings include Westfield College, Bincombe Valley and Conifers schools, opened the Nest shop for families finding times tough in Littlemoor and agreed with Government that they will give Weymouth £100m to raise and repair the harbour walls to cope with the effects

of climate change, an enormous some of money about equal to Weymouth Town Council's budget for the next 30 years.

This is the sort of practical improvement that Dorset Council should be doing, not setting up commissions and action groups to waste more time and more money.

We don't need another commission, we know what needs to happen and we are proud of our track record of steadily delivering major improvements to the town.

Can I add just a few brief comments to address Jenny Lennon-Wood's question regarding jobs.

The council continues to support job creation in Dorset. Specifically in Weymouth and Portland the council have:

- Relocated the Chesil Children's Locality Team (approximately 115 staff) from Dorchester to the Weymouth office;
- Approved planning permissions for a range of residential, commercial and leisure developments including:
 - o 500 houses at Littlemoor Road, Weymouth
 - o New commercial developments at Osprey Quay in Portland
 - o New retail units at Mercery Road, Weymouth

Which will bring hundreds of permanent, high quality jobs to town.

As mentioned above we have progressed or completed the rails, Customs House Quay, the station forecourt, the Children's home, Old Castle Road and won Government support for the absolutely enormous harbour wall improvements. Added to the works on the approved planning applications, these projects will deliver hundreds of jobs for contractors and local suppliers lasting for decades into the future.

Question 10 – submitted by Tracee Cossey

Along with the RSPB, the Wildlife Link and the National Trust, DorsetCAN has serious misgivings about the introduction of 'investment zones' as a way forward for **sustainable** growth within Dorset.

The fact that Dorset Council is delaying their own Local Plan by two and a half years exposes Dorset communities, our wildlife and our environment to unwanted speculative developers taking advantage of out -of- date policies and capitalising on difficulties in demonstrating a 5 -year land supply. On top of this, investment zone legislation proposes the removal of cumbersome planning regulations .

DorsetCAN/I supports an agenda of sustainable growth so that we can meet our county target of net zero by 2050. In the light of the objections nationwide as well as the precariousness of our own situation, can we have a commitment from Dorset

Council that you will not allow any environmental standards to be relaxed in the name of 'investment'?

Response from Cllr Spencer Flower

See response to Qs 5&6

Question 11 – submitted by Tracee Cossey

We know that Council has been committed to a **Climate and Ecological Emergency Strategy** since 2021. I feel that the fact that this is an Emergency is being forgotten by us. Can the **Climate and Ecological Emergency Strategy** please be included in the 'Strategies that support all 5 themes' column, of the Dorset Council Delivery Plan, rather than at the top of the (renamed) 'Protecting our natural environment, wildlife and ecology column' so that we can be sure that all the priorities within the Council Plan need to consider their impact on our commitment to Net Zero by 2050 for the whole county?

Response from Cllr Ray Bryan Portfolio Holder for Highways, Travel and Environment

The refreshed Council Plan 2022-24 sets out our commitment and continued focus on the Climate and Ecological Emergency as one of our five overarching priorities. This means that our commitment to drive the ambitions within the strategy will be approached at the most strategic level, influencing how we transition our own operations and how we develop policies that impact on Dorset. This priority reflects our commitment to the natural environment with outcomes related to carbon neutrality and climate risks, positive land management including the protection of local wildlife, efficient management and maintenance of our highways, coasts and greenspaces and an improved harbour service offer. As highlighted in the council plan, many of the priorities are cross-cutting and our commitment to embed the principles of the climate and ecological strategy into how we run as an organisation remains steadfast.

Question 12 – submitted by from Vicki Elcoate

The Government has made a recent policy statement (September 23rd 2022) which relaxes the approach to planning for onshore wind energy developments. Dorset Council's Climate and Ecological Emergency Strategy says that: "deployment of onshore renewable energy [has] stagnated since 2016 due to planning restrictions imposed & removal of all subsidies". The Government's current Growth Statement says: "The government will unlock the potential of onshore wind by bringing consenting in line with other infrastructure". Will Dorset Council now adopt a more proactive approach to the development of onshore wind developments, where appropriate, and help deliver clean, cheap and renewable energy for Dorset more rapidly?

Response from Cllr David Walsh Portfolio Holder for Planning

The Government's Growth Plan is seeking to accelerate delivery of infrastructure, including prioritising the delivery of National Policy Statements for Energy and bringing onshore wind planning policy in line with other infrastructure. This is a positive commitment to changing the current position and we are awaiting further detail and associated updates to national planning policy in order to enable changes at the local level. In the meantime, planning decisions need to accord with the current National Planning Policy Framework. Dorset Council remains committed to securing a carbon-neutral Dorset and work will continue on reviewing existing development plan policies, in tandem with the Climate and Ecological Emergency Strategy, to secure this commitment. This is likely to be through a package of measures aimed at maximising energy efficiency, delivering renewable energy through the most appropriate sources for Dorset, enhancing our natural places and biodiversity and promoting climate change resilience.

Question 13 – submitted by from Vicki Elcoate

The planned closure of one of Bridport's long standing and popular businesses has shone a light on inflexible policies about renewables and energy conservation in old buildings. Leaker's Bakery in Bridport said in a statement: "Sadly the current climate of escalating costs puts us in a position of uncertainty. In tandem with rising costs of raw ingredients, our energy costs particularly are unsustainable – our plans for solar panels were not allowed (conservation) and any heat reclamation has been ruled out in our old building". In Dorset Climate Action Network's response to the new Local Plan we argued for a more flexible approach in Dorset Council's policies on renewables and energy conservation in Conservation Areas and on historic buildings. Will Dorset Council now adopt a more flexible approach and make it easier to install renewable energy – such as solar - on older buildings?

Response from Cllr David Walsh Portfolio Holder for Planning

Dorset Council's Climate and Ecological Emergency Strategy and Action Plan aims to secure a carbon-neutral future for Dorset. However, we also have a statutory responsibility to give great weight to the conservation of designated heritage assets. These need not be conflicting objectives and so it is important to find sensitive solutions to reduce fossil fuel energy use in ways that minimise harm to such assets, whether through improved energy efficiency measures or appropriate renewable energy installations. In order to achieve this outcome we intend to provide more guidance to affected owners and tenants to help with finding solutions which reduce carbon emissions and energy costs but in ways that are appropriate to the heritage asset

Question 14 – submitted by Jane Ashdown

Earlier this month (October 4th), Cabinet members approved a recommendation from Councillor Walsh to adopt a revised timetable for the production of the Dorset Council Local Plan. This revised timetable pushes the prepublication submission

date to the last quarter of 2024. The statement by Councillor Walsh to Cabinet makes no commitment to any form of public consultation during the two years that the new Plan will be in preparation, but only that, “it **may** (my emphasis) be necessary to add additional consultation stages” (1.14). Public consultation should be at the heart of this next phase of Plan development in order to achieve what Councillor Flower has called “the best possible Local Plan that reflects the needs and aspirations of Dorset’s residents.” What is the Council’s plan for public engagement and consultation over the period of Plan preparation?

Question 15 – submitted by Michael Allen

It is now 18 months since Dorset Council received over 9,000 responses to the public consultation on the draft Local Plan. The Council has acknowledged that many of those responses were highly critical of the Local Plan and of the Development Strategy that lies at its heart; and has stated that the Local Plan should change to reflect this strong expression of public opinion. But the Council has not published an overview of the public critique, nor a clear statement of what changes will be needed in the Plan, in the way that was done with the separate and earlier document the Climate and Ecological Emergency Strategy. The effect of this silence by the Council is that the citizens, organisations, local authorities, landowners and potential developers are all kept in ignorance of the thinking which will affect both the future Plan and the well-being of the County. The new Local Development Scheme timetable, approved by the recent Cabinet Meeting, implies yet further delay and uncertainty. When does DC intend to publish its summary of the consultation and tell the public in more detail how it intends to respond to the comments?

Question 16 – submitted by Peter Bowyer Dorset CPRE

Has the Dorset Council obtained government permission to extend the period for the Dorset Local Plan?

Question 17 – submitted by Peter Bowyer Dorset CPRE

When will the full Council be discussing the proposed delay to the Dorset Local Plan?

Question 18 – submitted by Giles Watts

The Council has announced a delay to the Local Plan of two-and-a-half years. The Dorset Deserves Better (DDB) Alliance remains concerned about the length of the delay and how this may lead to unwanted, speculative development. Nevertheless, we are pleased that the Council will now have the time to respond fully to the public consultation, to the additional evidence that has been gathered, and to the changes in planning guidance and national legislation which are planned by the Government. Taken together, these factors appear to be so radical as to justify a complete re-think of the Local Plan, and therefore a fresh round of public consultation. Will the Council

publish a detailed timetable for what it intends to do between now and December 2024 and what further public consultation will take place?

Response to Qs 14, 15, 16, 17, 18 from Cllr David Walsh Portfolio Holder for Planning

As several questions have been submitted covering the same issues around the local plan timetable, I intend to give a single answer covering them all.

In relation to our previous discussions with Government, we are waiting to hear from the new Minister, Simon Clarke, and will let you know as soon as we do.

The programme for the next stages of local plan preparation is set out in the revised Local Development Scheme that was agreed by Cabinet this month.

At the 'publication' stage, a full draft plan will be published, and everyone will have the opportunity to make comments. All the representations received at that stage will be considered by the inspector who holds the public examination into the plan.

As recognised in the questions, we had a large number of responses to the previous consultation, all of which will be taken into account in revising the plan. The changes to the plan will need to be agreed by Cabinet and Full Council, and officers' recommendations for changes will be in the papers for those meetings.

As stated in the report to Cabinet, if it is later decided that an additional stage of consultation is needed before coming to these decisions, then a further amendment to the programme would need to be agreed by Cabinet.

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**Full Council
20 October 2022**

Questions submitted by Councillors

Question 1 – submitted by Cllr Maria Roe

UK homes leak the most heat in Europe primarily because of lack of insulation. This costs people even more money and the cost of heating a home has almost doubled even with the recent government support.

People are having to make the choice between heating or eating. Health issues amongst the vulnerable and elderly will increase because of lack of heating this winter. In Dorset the most badly affected areas are West Dorset with 28% and North Dorset with 23% of homes insulated.

Upgrading homes with insulation is the cheapest way to solve these problems.

The performance report for Healthy Homes in Dorset over a 15-month period from March 2021 to June 2022 is as follows:

In Dorset 20 homes have had cavity wall insulation installed. 107 homes have had loft insulation, and 24 homes have had both cavity wall insulation and loft insulation.

Enquiries to Healthy Homes Dorset from the public have rapidly increased but more money is urgently needed from government. This is an emergency.

What is Dorset Council doing to lobby government so that the people of Dorset are supported to insulate their homes?

Response from Cllr Ray Bryan

Dorset Council is committed to influencing government on this issue. It influences government not only directly through responding to public consultations and contributing when invited to comment on policy and funding mechanisms, but also indirectly through its membership of the Association of Local Energy Officers (ALEO) and National Energy Action (NEA), the national fuel poverty charity.

Question 2 submitted by Cllr Jon Andrews & Cllr Matt Hall

On behalf of your two Sherborne Town Dorset council members would like collaboratively to ask the following questions.

On February the 10th 2022 a section of a house wall was damaged on one of the narrowest parts of the 274-mile long A30 that runs through Sherborne. This caused a safety issue that needed to be fixed ASAP. The road safety team did an excellent job were onsite on the 11th and made the decision to shut the A30 and consequently the narrow Cornhill. The road was closed for approximately 2.5 months until the site was surveyed, and possible solutions were sought and scaffolding repositioned. The road

is now partially open but after eight months the issue has not been resolved and temporary three-way traffic lights control the traffic causing huge delays on the A30. Unfortunately, this wall is part of a private residence and due to current legislation around confidentiality the details of any negotiation or repair has to be kept confidential.

This matter has caused extreme disruption to the people and businesses of Sherborne as it one of only two routes from west to east through the town and being an ancient market town and one of the most historic and beautiful towns in Dorset with narrow streets, has seen large numbers of cars and commercial vehicles clogging up the streets as some of you might have experienced when attending the recent civic service in honour of the late Queen Elizabeth.

The public naturally are exasperated as to why this issue has taken so long to fix as we are now into the ninth month. I know the local MP has been asking questions and I would ask that Dorset Council firstly explain to the public all the negotiation with the property owner that have gone on. Also, why the Temporary Traffic regulation order (TTRO) has been extended until September 2023 and most importantly when work will start on the Kitt Hill issue?

Response by Cllr Ray Bryan

I recognise how disruptive the closure and traffic light control has been for people wanting to use the A30 through Sherborne. After the wall forming part of the main building for 52 Acreman Street was hit on 10 February 2022, we have sought to keep everyone using the road safe while we work with the landowner to provide a permanent solution. Once the wall had been temporarily stabilised, we removed the diversion and setup traffic lights to reduce the disruption. Rebuilding the wall is a complex and technical task, for which there are only a limited number of specialist contractors with the right experience to carry out the work.

I can confirm that officers and myself have been in continual dialogue with the owners of property since the unfortunate accident that damaged the wall. Both Highways and Building Control have provided continued guidance so that the highway is kept safe and that the owners of the property can arrange for the necessary repairs. We are continuing our dialogue over this matter I can assure colleagues and the community of Sherborne that we are seeking a resolution as quickly as possible.

I would also like to clarify that the 18 month traffic notice that runs until September 2023 is the same as it's always been (it hasn't been extended) and has never been an indication of how long we expect the disruption to last.

Question 3 submitted by Cllr Jon Andrews & Cllr Matt Hall

Due to the ongoing problems on the adjacent Kitt Hill and the traffic control that was already in place it was decided that the major junction improvement work on the Newell in Sherborne would be brought forward which was a sensible suggestion. I have to say I am very impressed with the Dorset highways team for the effort and work they have put into this project so far. However, it seems that the anticipated

finish date of mid to the end of October will come and go. This is not only frustrating the highways team but also local residents. I understand that during the initial stage of the work in August of this year, whilst excavating the site that an 11000-volt cable was discovered and luckily was not broken during excavation. This could have resulted in extreme injury or even fatality. This I am informed s because the electricity companies plans were not correct. I am now being informed that the electricity company cannot complete the movement of this cable until mid-November. Can the portfolio holder for highways update council as to when the movement of this cable will commence, and the workforce can get back to the excellent job they are already doing?

Response by Cllr Ray Bryan

It is extremely frustrating that the electric company's plans were inaccurate. On the 5th of August 2022, a high voltage electricity cable was discovered on site at the Marston Road Junction Improvement Scheme. This cable was not on the plans provided by the electricity company (SSEN).

Unfortunately the cable position meant that it would need to be moved to allow certain sections of the works to proceed, and prompt action was taken to notify SSEN. Works on site continued on the areas not affected by the uncharted cable.

SSEN officers have visited the site and passed the work to their contractor. The timescales involved for the mobilisation of SSEN means that the junction works will now most likely not be complete by 14th November. We are pushing SSEN to progress this work as quickly as possible. Once we have the SSEN date, we will then be able to programme the remaining works and provide an updated programme.

Question 4 & 5 submitted by Clare Sutton

On 21st September the Dorset Echo reported on Dorset schools' exclusion rates. The four with the highest rates were all in Weymouth and Portland, that is, ALL our secondary schools. Of these, the exclusion rates of the 'top two', one of which is in my ward, were 5 times the England average.

Whilst I completely understand that exclusions are sometimes necessary for the benefit of other pupils and the school as a whole, and that Dorset Council has limited influence in relation to Academy schools, there is clearly a pattern here. For all the talk of 'Levelling Up', I think we're all aware that Social Mobility scores for Weymouth and Portland are among the very worst in the country, and those who have read the Forgotten Towns report by Philip Marfleet and Jenny Lennon-Wood will have a better understanding of why.

In this context, my questions are:

1. What support does Dorset Council provide to excluded young people and their parents/carers to enable them to have a successful school life when they return to education?

2. What more can Dorset Council do to ensure that the disparity of opportunity between young people from Weymouth and Portland and their counterparts elsewhere in Dorset is reduced?

Response by Cllr Andrew Parry

Dorset Children's Services are delivered locally by a multi-agency team, including family workers, Educational Psychologists, Specialist Teachers, Inclusion Leads and Youth Workers, who are able to wrap around schools, children and families. Each school has a link family worker, Inclusion Lead, EP and Specialist Teacher. Joint planning meetings are held in each school termly and follow the graduated approach.

The Dorset Education Board (DEB) is a system leadership board for education in Dorset, independently chaired by the former Education Minister, Stephen Twigg. The Board has a number of foci, particularly to promote multi-agency and close peer working to raise standards, to close the disadvantaged attainment gap and to ensure all our children and young people thrive in their education. Board members include representation from Chesil.

We have developed strong and trusting relationships with all of our academy trusts, including the ones in Chesil. This has led to good collaboration, support and challenge. The academies in Chesil work closely with their Education Challenge Lead and other locality staff. An example of this is the excellent reading project which was trialled across Chesil schools and due to its success is growing further this year.

Local Inclusion Partnership meetings take place monthly in each locality. The one in Chesil is attended by the Chesil schools and locality staff. They focus on children who are at risk of being permanently excluded, those with a high number of suspensions and those who are at risk of missing education. The locality suspension and exclusion data is shared with the schools at this meeting, and decisions are made in relation to individual children who need additional support to ensure they have a successful school life. In addition, each school has regular Inclusion meetings and Inclusion Panels attended by their link Inclusion Lead.

We hold fortnightly inclusion oversight board meetings which are multi-agency and prioritise vulnerable groups. The board focuses on ensuring that rapid action is taken where a child is not in full time education. We also have weekly Inclusion Team Manager briefings where there is strong focus on children with a social worker who are not in full-time education.

These processes have led to improvements in several areas, for example in our work with children missing education (CME). In August of last academic year, 97% of CME were no longer missing education. This is an increase of 10% on the previous academic year.

Permanent exclusions from Dorset schools reduced to 31 in the academic year 2021/22, with zero primary age permanent exclusions. This is a significant improvement on previous years, brought about through a whole system focus on

good inclusive practice and building the skill and capacity of school staff to meet the needs of the children in their schools. This has included therapeutic thinking training, a relational practice forum and a Dorset-wide Inclusion Conference. Permanent exclusions in Chesil have decreased by two thirds since 2018 /19.

Suspensions in Dorset, including in the Weymouth and Portland area, have been increasing, as they are nationally following the disruption of the pandemic. The work that locality teams are doing with all our partners, including schools and academies to improve inclusive practice continues to be a focus. We are collecting live attendance and suspension data from our schools, which allows us to have a more robust focus on children with repeated suspensions.

Question 6 – submitted by Cllr Kelvin Clayton

There has been much talk about growth recently. In January 2021, the Royal Town Planning Institute published a research paper *Net Zero Transport*. For a county like Dorset it provides a vision of the near future that has “net zero transport at the heart of its growth, while protecting and enhancing the rural character of its villages...and surrounding countryside.” Based on the idea of ‘15-minute communities’, “areas of growth are planned to achieve high levels of self-containment and facilitate local living.” “Car ownership is discouraged through the design of the public realm”, through the development of “integrated, frequent and affordable public transport on strategic mobility corridors” and through the repurposing of secondary country roads into car-free ‘living lanes’ that “enable residents of smaller towns and villages to access essential services, facilities and mobility hubs by bike without fear of fast moving traffic”.

Has Dorset Council considered placing such a vision at the heart of its growth strategy?

Doing so would, of course, require the total integration of its Local Plan, its Local Transport Plan, and its Climate & Ecological Emergency Strategy. Is such an integration something this Council would consider?

Response by Cllr Ray Bryan

Thank you for your question.

Taking action to address the Climate and Ecological Emergency and deliver economic growth requires a joined-up approach across the council and with wider partners.

There are important synergies between the Dorset's Economic Growth Strategy which recognises the role that transport plays in creating healthier lifestyles, better access to jobs, combating climate change and improving air quality; the council's Climate and Ecological Emergency Strategy which commits to helping Dorset become a carbon-neutral County by 2050; the emerging Dorset Local Plan which plays a key role managing the location of development and promoting the provision of active travel and the use of public transport; and the Local Transport Plan which considers improvements to all major forms of transport to support the economic,

social, and environmental improvement of the Dorset area. The council is awaiting new Local Transport Plan guidance from the Department for Transport before starting work on producing a new LTP. Following delays in publishing this guidance it is now expected in Spring 2023.

Further integration of these strategies will be explored during their preparation and review. However full implementation of many interventions within these strategies would be dependent on securing significant funding.

Questions 7 & 8 – submitted by Cllr Belinda Bawden

1. Volunteers in Lyme Regis and Charmouth have been working with the West Country Rivers Trust to monitor water quality and liaising with water companies, the Environment Agency and local councils to investigate and mitigate the effects of excess sewage discharges. Since the ‘Citizen Science’ work of the River Lim monitoring group and the Lower Char Community Project got underway this year, unacceptable numbers of sewage discharges have been identified in the rivers and the sea and frightening levels of e-coli and intestinal enterococci have been reported in the sea. In this context, my questions are:

Could Dorset Council help us locally by engaging with the water companies, Environment Agency and river monitoring groups to ensure the best water quality monitoring processes are put in place, that any problems are swiftly investigated and that the mechanisms already requested (by a fellow river monitor to the Head of Planning on 12th October – see attached) in the planning system to ensure all natural and man-made mitigations and improvements to environmental health are undertaken to be put in place **before** applications are approved?

2. Would Dorset Council write to the Secretary of State for Environment, Food and Rural Affairs to urge the government not to scrap environmental and health protections but instead strengthen them to ensure we protect and enhance our natural freshwater and marine resources to boost the opportunities for nature-based solutions to the climate and ecological crises and for the natural environment of Dorset, upon which the economy and health and well-being of our residents depends?

Response from Cllr David Walsh - Q1

Dorset Council, in its role as the local planning authority, engages with water companies, the Environment Agency, the local flood risk authority and a host of other stakeholders when preparing statutory development plans to ensure that effective planning policies are in place for managing planned future growth. We also consult such organisations on certain planning applications which have implications for the water environment. In reaching decisions, the local planning authority will consider the expert advice of specialist consultees and, where it is deemed necessary, can refuse applications if they are likely to lead to unacceptable harm. We may also require mitigation to be put in place prior to development commencing if this is needed to ensure the development is acceptable, as long as it is capable of coming

forward in a timely manner. This is not always justified and in such situations we would not be in a position to withhold planning consents. There are also occasions where the longer term delivery of key infrastructure is funded through the Community Infrastructure Levy whereby each development contributes a proportionate cost towards its future delivery, and we can secure this through a legal agreement. We therefore need to consider each case on its merits. However, the local planning authority should not duplicate the statutory responsibilities of other bodies or organisations and we will take advice from expert consultees if there is any doubt about where responsibilities lie.

Response from Cllr Ray Bryan - Q2

Working closely with organisations such as the Environment Agency that has a key role in maintaining and improving water quality, Dorset Council is committed to delivering on the ambitions contained within its climate and ecological emergency strategy. There are a number of legislative frameworks within which we can operate and we also continue to liaise with government on how existing environmental protections can be enhanced. Under the Environment Act 2021, there is a mandate for a Local Nature Recovery Strategy. Dorset Council also responded to the government's recent 'Nature Recovery Green Paper: Protected Sites and Species' consultation in May 2022. This included future options for wildlife designated sites. In the consultation response we supported options which provided even greater protection to the most important wildlife sites emphasising the need for protected sites to be given the same level of protection that is currently given to European sites. Dorset Council places great value upon the protection and stewardship of our unique environment, reflected in commitments expressed in our policies, including statutory local plans and our Climate and Ecological Emergency Strategy.

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Recommendation to Full Council 14 February 2023

Budget strategy and medium-term financial plan (MTFP)

For Recommendation to Council

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): All

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Aidan Dunn

Title: Executive Director - Corporate Development
(S151 Officer)

Tel: 01305 221000

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Report Status: Public

Recommendation:

Full Council to approve:

1. the revenue budget summarised in Appendix 1;
2. the increase in general council tax of 1.9987% and 1.9987% in the social care precept, providing a band D council tax figure for Dorset Council of £1,905.93; an overall increase of 3.9974%;
3. the council tax resolution in Appendix 2;
4. to note the council tax base agreed by the S151 Officer earlier in this budget setting process;
5. no change to the current scheme of Local Council Tax Support as set out in this report;
6. the capital strategy set out in Appendix 3 and note the review in progress around the current capital programme and emerging bids;
7. the treasury management strategy set out in Appendix 4;

8. the assumptions used to develop the budget strategy and Medium-Term Financial Plan (MTFP), as set out throughout this report and summarised in Appendix 5;
9. the recommended balances on earmarked reserves and on general funds, including the minimum level of the general fund, the application of a further £3.5m of reserves to support the safety valve agreement, and the repurposing of £3m of the Council's other reserves for spend-to-save investment in transformation;
10. the fees and charges policy set out in Appendix 6;
11. in making these recommendations, Council is requested to consider and agree the responses to the recommendations and comments made as part of the budget scrutiny process (Appendix 7);
12. recommendations 1-6 from the 8 December 2022 Harbours Advisory Committee meeting regarding fees and charges, budgets and asset management plans;
13. agree and recommend to Council the flexible use of £5.3m of capital receipts for the purposes of transforming the Council's asset portfolio over the next three to five years. Work with DLUHC is ongoing to confirm this.

Reason for Recommendation

The Council is required to set a balanced revenue budget, and to approve a level of council tax as an integral part of this. A balanced budget is essentially one where all expenditure is funded by income without unsustainable use of one-off or short-term sources of finance.

The Council is also required to approve a capital strategy, a capital programme and budget, and a treasury management strategy, each of which are included with this report.

The draft budget proposals have been considered by the Place and Resources Scrutiny Committee and by the People and Health Scrutiny Committee and their recommendations are set out in appendix 8 for Council consideration.

1. Executive summary

This report sets out proposals for Dorset Council's 2023/24 revenue and capital budgets and summarises the medium-term financial plan (MTFP), which covers the following four years to 2027/28. The report also includes the capital strategy and the treasury management strategy.

The budget proposals are built around the priorities identified in the Dorset Council Plan and were considered by the Dorset Council Scrutiny Committees on 10 and 12 January 2023. This paper contains details of Cabinet's responses to the matters raised by those Committees.

This budget continues to reflect members' priorities of resource allocation into front line services wherever possible and this is reflected in the areas of growth set out in the analysis in this paper.

In recent years, the Council's budget setting has taken place against a backdrop of a pandemic. Whilst the prominence of this global event may have waned, the impact is still being felt, not only through the virus still presenting itself and causing serious illness and death, but also in the aftermath of health and care systems coping with the continuing impact and the emerging arrangements, post-pandemic.

This budget is being set against a global economic backdrop of high inflation, economic volatility, a cost-of-living crisis and industrial action across many public services.

This paper also provides an update on funding announced in the local government finance settlement on 19 December 2022.

2. Financial implications

All covered within the report.

3. Well-being and health implications

None specifically identified in this report.

4. Climate implications

Protecting Dorset's natural environment is a key priority area, as articulated in the refreshed Council plan. Work is continuing to ensure that Council-wide approaches are embedded into both our operations and decision-making, and progress has been very strong with reductions in emissions of 26% from 2019 based on a number of significant financial commitments, including:

- The £10m Dorset Council capital has been invested into key areas such as fleet transition, electric vehicle infrastructure, street light replacements and estates.
- The £19m Salix Public Sector Decarbonisation scheme is now largely complete, with measures installed on over 200 buildings. Carbon emission reductions of around 20% on Dorset Council buildings have been achieved.
- An additional £2.7m has been secured for public electric vehicle infrastructure via the LEVI fund.
- The Low Carbon Dorset programme has completed projects with a total value of £15.1m, with another £2.3m total value contracted to complete by the end of January. The total value of projects is therefore likely to be £17.4m, and of this around £9m is match funding.
- Of the £4.5m allocated to Dorset for the Shared Prosperity Fund, around £400k has been provisionally allocated to support existing programmes.

- £385k of additional capital (including £285k of government funding) has been allocated to Healthy Homes Dorset programme to support Dorset Residents with home energy efficiency measures.
- £1.3m has been secured from Defra for Dorset to run the Farming in Protected Landscape scheme, which is being run by the Dorset AONB.
- Significant bids for funding have also been submitted to the Homes Upgrade Grant the Net Zero Pioneer funds.
- Appendix 1a shows the budget for climate change support costs of £0.2m. In addition to this there is further funding for climate change which sit within the relevant service areas.

As part of the ongoing re-alignment of resources towards the climate and ecological programme, during this financial year a Corporate Director has been appointed and four additional officers have now been added to the sustainability team. A climate and ecology operational group and Corporate Leadership Team (CLT) sub-group is now in operation, alongside a dedicated programme manager and programme support resources.

Communications support is now well embedded into the programme, and revenue support has been provided from the transformation team alongside wider Council support for the Low Carbon Dorset project. Significant officer time from throughout Dorset Council is now committed to running projects such as electric vehicle infrastructure, fleet and estates transformation. It is expected that this corporate approach and realignment of resources will accelerate further during the next few years.

5. Other Implications

Nothing specific.

6. Risk assessment

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

Current Risk: High

Residual Risk: High

The Council is required to set a balanced budget. The financial climate remains extremely challenging, and the risks therefore remain high for all local authorities as we aim to deliver value for money and financial sustainability in a highly volatile environment.

The Council is forecasting an overspend in 2022/23. The Quarter 3 financial management report provides analysis of that estimate and is a separate item on the same agenda as this report.

The provisional local government finance settlement was published on 19 December 2022 and, though the Council is still working through the detail of some of this, headline conclusions and assumptions are set out in this report.

The short-term nature of the settlement is again a risk and affects our ability to plan for strategic service delivery in the longer term. This Council continues to call for a longer-term, rolling settlement which would provide greater certainty over resource levels.

Despite the mitigations and the governance framework around strategic and financial performance that the Council has in place, the S151 Officer deems the risk still to be *high*. Pressures continue to build in the Medium-Term Financial Plan (MTFP) and around the High Needs Block (HNB) of the Dedicated Schools Grant (DSG).

7. Equalities impact assessment

The budget is a framework for the Council to achieve its priorities and the requirement to achieve a balanced budget is delivered through a number of key assumptions, and the delivery of programmes of transformational change.

The overall budget framework has not been the subject of a separate equality impact assessment but the programmes and changes upon which delivery of the budget will depend will themselves be assessed.

8. Appendices

1. High-level consolidated revenue budget summary and directorate budget summaries
2. Council tax resolution (for the Council report only)
3. Capital strategy 2023-2028
4. Treasury management strategy 2023/24
5. Summary of financial planning assumptions
6. Fees and charges policy 2023/24
7. Response to the issues raised by the Scrutiny committees
8. Harbours Advisory Committee budget proposals for 2023/24

9. Background papers

[Medium term financial plan and budget update to Cabinet 4 October 2022](#)

10. Introduction, context and priorities

- 10.1 The refreshed Dorset Council Plan 2022-24 was agreed by Council in October 2022. The plan is underpinned by five key priorities for 2022-24 and details the steps we will take to deliver our vision to make Dorset a great place to live, work and visit.

Driving economic prosperity - We will support sustainable economic growth across the county, enabling high-quality jobs through improvements to productivity, sustainability, and accessibility, creating great places to live, work and visit.

Creating stronger, healthier communities - We will enable our residents, working with partners, to develop strong networks of support and maintain strong communities. We will focus on the most vulnerable in our communities to improve wellbeing and reduce inequality through collaboration between public services, community leaders, residents and voluntary groups.

Creating sustainable development and housing - We will work with government, registered housing providers, community land trusts and local housing partners to deliver affordable, suitable and decent housing. We will ask for their support to help us promote our climate and ecological priorities by providing sustainable services such as rainwater harvesting, solar panels and other such approaches.

Protecting our natural environment, climate and ecology - We will improve access to, and use of, Dorset's environment in a sustainable way which protects it for future generations.

Becoming a more responsive, customer focused council - We will continue to be responsive, fair, and efficient in how we deliver services to our customers by listening and learning from their experiences. We will strive to constantly improve with an emphasis on innovation and working with you in a collaborative approach.

- 10.2 Aligned to the Dorset Council Plan, Cabinet has approved the Transformation Plan, which described the approach that the Council is taking to redesigning services, so that the Council's priorities can be met with the funding available.
- 10.3 Significant progress has been made in delivering on these priorities. However, the Covid-19 pandemic and now the cost-of-living crisis continues to prove to be a huge challenge. The impact on the Council's financial position and performance has been dramatic as income levels have fallen while service demand and expenditure has increased. There is still a substantial amount of risk and volatility around our assumptions, and this is covered in more detail later in this report. The local government finance settlement has been broadly positive despite some of the policy detail needing clarification.
- 10.4 The challenge for 2023/24 and beyond continues to be how will the Council achieve a balanced budget whilst continuing to provide high quality services for the residents of Dorset.
- 11. Environmental volatility and uncertainty and budget assumptions**
 - 11.1 It is extremely difficult to estimate how future inflation and other global events will be felt by local authorities. However, we are required by law to

set a balanced budget and we must build our MTFP and budget strategy with the best information and knowledge we have available and with clarification around the risks involved and the mitigations supporting them.

- 11.2 The latest budget assumptions are shown in the table in appendix 5 for transparency. It should be noted that these are forecasts of what will happen on top of the base budget that was built for 2023/24. We should also be clear that there are cases where the reader may disagree with the assumptions – there may be a challenge around the level at which we have set inflation, for example.
- 11.3 The approach to inflation for 2023/24 has been to include pay inflation of 4% and to add 6% for general inflation. The Council expects a continuation of good contract management practice with suppliers to ensure productivity, efficiency and sustainability are also reviewed at the same time as the scope for price increases. The Council’s budgets are essentially cash limited and we cannot therefore afford to award full inflationary uplifts for all service contracts.
- 11.4 As well as general inflation, the budget proposals make provision for further, specific inflation where we know that this is going to be necessary – and in some cases, where we have received specific grant from Government to deliver this, such as the expectations around increases in care markets resulting from increases in the minimum wage. A summary of price increases built into the budget across directorates, in addition to general inflation, is shown in the table below.

| | Original assumption 2023/24 | Revised assumption 2023/24 |
|------------------------------|------------------------------------|-----------------------------------|
| Council tax increase | <2% | <2% |
| Council tax base growth | 0.75% | 1.2% |
| Social Care Precept | 1% | 2% |
| Business rates growth | 0.50% | 4.67% |
| Pay award | 2.00% | 4.00% |
| General inflation | 2.50% | 6.00% |
| Increase in fees & charges | 2.50% | 5.00% |
| Pension deficit contribution | 0% +£750k | 0% -£988k |

12. Fees and charges

- 12.1 An average increase in fees and charges that the Council levies has also been estimated at 5%. For some services the charges will be higher, and in others it will be lower.
- 12.2 The Council has also developed a fees and charges policy for full implementation from 2023/24. This is attached at Appendix 6. The policy has been through the Corporate Leadership Team and Senior Leadership Team and has also been considered by the Place & Resources Overview

Committee on its way to Cabinet and Full Council as part of this budget strategy.

- 12.3 Implementation and subsequent monitoring to ensure the success of policy objectives is a significant step towards the Council covering more of its costs and placing less demand on general funding. Increasing income also comes with increased risk, however, especially when operating in a competitive market. As revenues grow, so does risk and the resource required to manage new business efficiently.

13. Provisional local government finance settlement

- 13.1 The local government finance settlement was announced on 19 December 2022. It followed the publication of a finance policy statement on 12 December that set out Government's intentions for the local government finance settlement for the next two years.
- 13.2 The Council is still working through the detail of the statement, but the headlines and assumptions we are making and including in the budget strategy are set out below and throughout the rest of this report.
- 13.3 Headline information for the sector is shown in the table below, for the five years Dorset Council has been established. More detail follows on the Council's own draft settlement figures.

| Illustrative Core Spending Power of Local Government: | | | | | |
|--|----------|----------|----------|----------|----------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| | £m | £m | £m | £m | £m |
| Settlement Funding Assessment | 14,559.6 | 14,796.9 | 14,809.7 | 14,882.2 | 15,671.1 |
| Compensation for under-indexing the business rates multiplier | 400.0 | 500.0 | 650.0 | 1,275.1 | 2,204.6 |
| Council Tax Requirement excluding parish precepts ¹ | 27,767.8 | 29,226.9 | 30,308.2 | 31,922.5 | 33,838.4 |
| Improved Better Care Fund | 1,837.0 | 2,077.0 | 2,077.0 | 2,139.8 | 2,139.8 |
| New Homes Bonus | 917.9 | 907.2 | 622.3 | 556.0 | 290.6 |
| Rural Services Delivery Grant | 81.0 | 81.0 | 85.0 | 85.0 | 85.0 |
| Winter Pressures Grant ² | 240.0 | - | - | - | - |
| Social Care Support Grant | 410.0 | - | - | - | - |
| Social Care Grant ³ | - | 1,410.0 | 1,710.0 | 2,346.4 | 3,852.0 |
| Market Sustainability and Fair Cost of Care Fund | - | - | - | 162.0 | - |
| ASC Market Sustainability and Improvement Fund ⁴ | - | - | - | - | 562.0 |
| Lower Tier Services Grant | - | - | 111.0 | 111.0 | - |
| ASC Discharge Fund | - | - | - | - | 300.0 |
| Services Grant | - | - | - | 822.0 | 464.2 |
| Grants rolled in | 231.6 | 232.3 | 238.1 | 238.6 | - |
| Funding Guarantee | - | - | - | - | 136.0 |
| Core Spending Power | 46,444.9 | 49,231.4 | 50,611.4 | 54,540.5 | 59,543.8 |
| Change in CSP (£ millions) | | 2,786.5 | 1,380.0 | 3,929.1 | 5,003.3 |
| Change in CSP (%) | | 5.66% | 2.73% | 7.20% | 8.40% |

Settlement Funding Assessment (SFA)

- 13.4 SFA is the local share of business rates and revenue support grant (RSG). Members will recall that Dorset Council has received no RSG up until this point – in fact our RSG was negative and was offset by the Government by using the central share of business rates. However, for the 2023/24 settlement, Government has rolled some other grants into RSG meaning that Dorset Council now receives £654k from this funding source.

- 13.5 Contextually, RSG nationally is being increased by CPI% for 2023/24 before grants are rolled in so those that continue to receive it will benefit from this funding growth. Dorset Council finds this a particularly unhelpful aspect of the national funding arrangements.

Business rates

- 13.6 The business rates multiplier is being frozen at 0.499 but councils will be compensated for this through S31 grant. The exact quantum of this is unclear at present until we complete our own business rates modelling work.
- 13.7 Dorset Council does not simply take the headline figures for business rates budgets from the settlement, this means we do not set a budget which has the same core spending power (CSP) uplift as the settlement. Dorset Council has allowed for around £2m increase in the business rates yield in 2023/24 but there is too much risk in setting a less prudent estimate before the NNDR1 figures are produced. The Council does its own calculations based on circumstances we understand better locally than are modelled in Government's formula.

Council tax

- 13.8 The announcements have confirmed that the existing limit for a local referendum will be raised to 3% – so a proposal to increase council tax by 3% or more will trigger a local referendum. There is also provision for councils with social care responsibilities to raise the adult social care precept by a further 2%. These changes apply for 2024/25 as well as 2023/24. Dorset Council has not yet made any policy decisions around council tax levels beyond 2023/24.
- 13.9 These budget proposals include a core council tax increase of 1.9987% and an adult social care precept increase of 1.9987%. The proposed total increase is therefore 3.9974%, which results in an annual band D council tax charge of £1,905.93. This is an increase of around £1.40 per week on the 2022/23 charge. The council tax charges proposed for each band for 2023/24, for Dorset Council only, are set out in the table, below.

| 2023/24 | Band A | Band B | Band C | Band D | Band E | Band F | Band G | Band H |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Core | £1,110.84 | £1,295.98 | £1,481.12 | £1,666.26 | £2,036.54 | £2,406.82 | £2,777.10 | £3,332.52 |
| Social Care Precept | £159.78 | £186.41 | £213.04 | £239.67 | £292.93 | £346.19 | £399.45 | £479.34 |
| Total | £1,270.62 | £1,482.39 | £1,694.16 | £1,905.93 | £2,329.47 | £2,753.01 | £3,176.55 | £3,811.86 |

- 13.10 The council has calculated its tax base as 152,424 band D equivalent properties, compared with 150,617.9 for the previous year. The Council is also anticipating a £1.6m surplus on the council tax collection fund for 2022/23 and this is factored into the 2023/24 budget as one-off funding.

Public sector pay

- 13.11 Public sector pay costs increased significantly in 2022/23 with the implementation of the £1,925 increase across all spinal column points. This added around 8% to Dorset Council's pay bill.
- 13.12 As noted earlier, for 2023/24 the assumed pay increase is 4%, which amounts to approximately £6m.
- 13.13 The national living wage (NLW) will increase by 9.7% to £10.42 from 1 April 2023. It will apply to people aged 23 and above, and the Government continues to aim for a NLW which is two-thirds of median incomes by 2024.

Delaying charging reform – repurposed funding

- 13.14 Government has already announced that charging reforms for adult social care will be deferred by two years from the planned implementation date of October 2023. What is now clear is that £1.265bn in 2023/24 and £1.877bn in 2024/25 will be distributed as additional funding to the social care grant as a repurposing of that funding. More details on Dorset Council's share of the fund are below.

New grant funding for discharge

- 13.15 £300m in 2023/24 and £500m in 2024/25 is being made available nationally. This is 50% of the funding announced for this purpose at the Autumn Statement – NHS England will receive the other 50%. Funds will have to be pooled through the Better Care Fund (BCF) process, but this is in addition to the existing BCF rather than repurposing. More details on Dorset Council's share of the fund are below.

Ringfenced grant to support capacity and discharge

- 13.16 Nationally, £400m in 2023/24 and £683m in 2024/25 is being provided in a separate, ringfenced grant for capacity and discharge. More details on Dorset Council's share of the fund are below.

Fair cost of care funding

- 13.17 £162m nationally is being made available in each of the next two years to support further work on the fair cost of care. This started in 2022/23 and is therefore a continuation of the funding to support work in this area. Dorset Council receives £1.2m through this fund.

Services grant

- 13.18 The Services Grant will be reduced from £822m to £464.2m nationally. The Government suggests this is to account for the cancellation of the increase in National Insurance Contributions and to route some funding to the Supporting Families programme.
- 13.19 The distribution of the remaining grant will continue to follow the Settlement Funding Assessment as previously. Dorset's allocation of this grant amounts to £1.7m compared with £3.1m in 2022/23.

New homes bonus

- 13.20 The New Homes Bonus will continue in 2023/24 with a new round which will attract no legacy payments. Dorset Council's allocation is £1.8m in 2023/24, compared with £3.8m in 2022/23. This reduction had been assumed in our budgeting work.

Rural services delivery grant

- 13.21 The rural services delivery grant will remain unchanged, Dorset Council's share is £2.5m in 2023/24.

Lower tier services grant

- 13.22 The lower tier services grant (£111m nationally) and a proportion of expired new homes bonus legacy payments (£276m nationally) will be repurposed to guarantee that all authorities will see an increase in Core Spending Power (CSP) of at least 3%, before additional council tax income is factored in.
- 13.23 Dorset Council's position is such that we do not benefit from this fund as our increase in CSP is above 3%.

Dedicated Schools Grant (DSG)

- 13.24 The Government has announced the extension to the statutory override for the DSG for the next three years from 2023/24 to 2025/26. In practical terms this means that the cumulative overspend on the DSG will not fall to be funded from the Council's reserves but will instead continue to be treated as a separate, negative reserve on the Council's balance sheet.
- 13.25 Council's approval is also sought for the Council's safety valve agreement with the Department for Education (DfE) in the form of an additional £3.5m of reserves in 2023/24 to reduce the cumulative overspend. Previous planning assumptions were that this would be funded from the revenue budget.

Dorset Council core spending power (CSP) changes

- 13.26 The table below sets out year-on-year changes in the published CSP figures. The settlement was broadly in line with our expectations. Additional funding for social care was provided but this will be neutral to the budget and is as described above in this report, with further detail in the service-specific areas below.

| Illustrative Core Spending Power of Dorset Council: | | | | | |
|---|---------|---------|---------|---------|---------|
| | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
| | £m | £m | £m | £m | £m |
| Settlement Funding Assessment | 43.6 | 44.3 | 44.3 | 44.3 | 46.6 |
| Compensation for under-indexing the business rates multiplier | 1.4 | 1.8 | 2.3 | 4.5 | 7.8 |
| Council Tax Requirement excluding parish precepts1 | 241.3 | 251.5 | 263.9 | 276.0 | 292.2 |
| Improved Better Care Fund | 10.4 | 12.1 | 12.1 | 12.5 | 12.5 |
| New Homes Bonus | 3.8 | 3.0 | 1.7 | 3.8 | 1.8 |
| Rural Services Delivery Grant | 2.4 | 2.4 | 2.5 | 2.5 | 2.5 |
| Winter Pressures Grant2 | 1.7 | - | - | - | - |
| Social Care Support Grant | 2.9 | - | - | - | - |
| Social Care Grant3 | - | 9.0 | 9.4 | 13.3 | 22.3 |
| Market Sustainability and Fair Cost of Care Fund | - | - | - | 1.2 | - |
| ASC Market Sustainability and Improvement Fund4 | - | - | - | - | 4.0 |
| Lower Tier Services Grant | - | - | 0.4 | 0.4 | - |
| ASC Discharge Fund | - | - | - | - | 1.7 |
| Services Grant | - | - | - | 3.1 | 1.7 |
| Grants rolled in | 1.1 | 1.1 | 1.2 | 1.2 | - |
| Core Spending Power | 308.7 | 325.2 | 337.7 | 362.7 | 393.2 |
| Change in CSP (£ millions) | | 16.5 | 12.6 | 25.0 | 30.5 |
| Change in CSP (%) | | 5.35% | 3.86% | 7.40% | 8.41% |

14. Local council tax support (LCTS) scheme

- 14.1 Dorset Council was established on 1 April 2019 and, since then, has applied a 90% LCTS. This was initially agreed by the Shadow Executive and Shadow Council and is subsequently confirmed by the Cabinet and Full Council each year.
- 14.2 LCTS replaced the National Council Tax Benefit Scheme in 2013. It is means tested and is based on customers' circumstances. If successful, an applicant can reduce their council tax liability by up to 100%. In line with government criteria, the Dorset scheme provides that older people and working age customers who are vulnerable may receive a reduction of up to 100% of their council tax liability. For working age customers who are not vulnerable, awards are capped at 90%.
- 14.3 So, for example, a working-age customer who is not vulnerable has a council tax charge of £2,000 per year. Based on their income and household circumstances, they are entitled to maximum council tax support. The maximum support is limited to 90% of the charge, so their award would be £1,800 and they will still have to pay the remaining £200.
- 14.4 The cost of the LCTS scheme is met by the collection fund in the same way as council tax discounts, exemptions and reliefs. The cost of the scheme for the 2021/22 was £29m, the cost of the scheme in 2022/23 will be advised as part of the current year's outturn reporting.
- 14.5 In preparing this budget strategy report, consideration has been given to the current scheme to assess if it is still fit for purpose. Officers have reviewed the scheme and propose no changes for 23/24. We have given full consideration to the effectiveness of the scheme and the impact of covid 19 and the cost-of-living crisis on our current customers and are satisfied that no proposals should be made at this time.
- 14.6 We continue to monitor the scheme and have scheduled a full review during 2023/24. Any potential modelling and option changes which will be

subject to full, detailed public consultation to ensure Dorset residents continue to receive the most suitable, affordable support.

- 14.7 As part of the Autumn Statement 2022 it was announced that Local Authorities would be provided with funding under the Council Tax Support fund. Recipients of LCTS with a balance to pay in respect of the 2023/24 liability will be awarded £25 towards reducing any sum due. If the total amount to pay is less than £25 they will be granted the amount due up to £25 as accounts cannot be placed in credit. Customers will not need to claim this additional support as entitlement will be calculated and applied on their behalf.
- 14.8 As of 1 December 2022, Dorset Council was providing LCTS to 22,320 claimants.

15. Flexible use of capital receipts

- 15.1 Dorset Council is undertaking a service reconfiguration of both its Assets & Property department and Regeneration and Economic Development functions.
- 15.2 A whole-system approach to converging these two strategic functions will lead to the delivery of restructuring leading to transformation. £5.3m of previously unallocated capital receipts will be used to fund the service reconfiguration, structural changes, and operating model refinements to provide the Council with a centralised, corporate landlord property and asset management approach as agreed by Cabinet in November of 2020.
- 15.3 Changes will result in increased strategic capacity, new business partnering roles into the services, additional delivery capacity, and further operational support capability to identify and drive additional land and asset reviews to release surplus sites generating further longer-term revenue savings for the authority whilst providing land holdings primarily for residential and economic development activities.

16. MTFP process and budget development

- 16.1 The budget approved in February 2022 showed there was a MTFP gap, including planned savings, of £20.775m from 2023/24 to 2026/27, of which £15.069m arose in 2023/24.
- 16.2 Following on from a review of our assumptions and accumulating cost and demand pressures, the budget gap moved on as summarised in the table below, which was presented to Cabinet on 4 October 2022.

| | |
|--|--------------------|
| Budget Gap as at 18/01/22 | £15,069,868 |
| Increase in tax base growth | (£650,853) |
| Increase in central grants | (£880,000) |
| Increase in specific grants | (£11,956,608) |
| Additional estimate for pay award | £2,898,034 |
| Additional estimate for inflation | £11,219,553 |
| Additional income from fees and charges | (£2,068,056) |
| Additional estimate for energy | £952,807 |
| Supporting DSG plan | £3,500,000 |
| Fair cost of care allocations | £7,773,668 |
| Reduce MRP | (£1,000,000) |
| Reduce interest paid for capital programme | (£1,000,000) |
| Additional income | (£598,000) |
| Reduce Adult Care Packages | (£5,692,372) |
| Reduce LAC packages | (£1,291,350) |
| Adults & Housing pressures | £1,468,634 |
| Place pressures | £3,600,504 |
| Children pressures | £3,614,830 |
| Corporate pressures | £4,235,008 |
| Estimated cost of increments | £3,500,000 |
| Additional 2022/23 pay award | £6,848,345 |
| Adults & Housing savings | (£300,000) |
| Place savings | (£4,825,856) |
| Corporate savings | (£377,358) |
| Reduction of Transformation | (£5,000,000) |
| Budget Gap as at 22/09/22 | <u>£29,040,798</u> |

16.3 It was clear that rising demands were having an impact on the MTFP and increased the budget gap from £15m to £29m. Cabinet requested that officers should work with their Portfolio Holders and Lead Members to consider a wide range of transformation and efficiency savings that would close the budget gap.

16.4 Over the time since then, officers have worked through a number of savings and transformation options to help close the budget gap. This information was shared with all members at informal briefings. This work has enabled the budget gap to be closed as follows:

| | |
|---|--------------|
| Budget Gap as at 22/09/22 | £29,040,798 |
| Increase in council tax yield | (£3,424,528) |
| Increase in business rates growth | (£2,008,443) |
| Change in grants | (£1,218,085) |
| Change in inflation | £80,221 |
| Change of DSG support to reserves | (£3,500,000) |
| Decrease in Adults pressures/savings | (£6,100,900) |
| Decrease in Corporate pressures/savings | (£1,451,699) |
| Decrease in Children's pressures/savings | (£1,250,026) |
| Decrease in Place pressures/savings | (£967,831) |
| Reduction of pay estimates built in centrally | (£2,199,193) |
| Change in LGPS secondary rate | (£1,738,000) |
| Change in collection fund surplus | (£1,600,000) |
| Reduction in contingency | (£1,262,314) |
| Use of grant funding | (£2,500,000) |
| Reduction in rent recovered | £100,000 |
| Budget Gap as at 22/12/22 | <u>£0</u> |

17. Setting a balanced budget

- 17.1 In the October budget report to Cabinet, we reflected that all budget work needs process and method, and these must be structured around a framework – in this case, a draft statement of principles – to be used in developing the budget. The principles were intended to be constructed as helpful language to be used to describe how we would do our work to balance the budget and take difficult decisions about how to deliver the priorities and outcomes in the Council Plan. The principles are:
- i) we will not balance the budget strategy by using reserves
 - ii) resource allocation will be driven by the Dorset Council Plan and priorities
 - iii) services should be protected where possible but clearly demonstrate value for money and improved efficiency
 - iv) we should seek to maximise the savings from becoming a unitary council
 - v) we will develop short-term and long-term transformational savings plans
 - vi) we will continue to take an increasingly commercial approach
 - vii) we will use best practice around business cases for our decision making and we will be open to invest to save opportunities
 - viii) budgets should be realistic to achieve the objectives of the council and we must hold ourselves to account for their delivery and sound financial management.
- 17.2 These principles were in turn built upon the Council's priorities as set out in the plan approved by Council and summarised earlier.
- 17.3 Aligned to the Dorset Council Plan, Cabinet approved the Transformation Plan, which described the approach that the Council will take to redesigning services, so that the Council's priorities could be met with the funding available.
- 17.4 Significant progress has been made in delivering on these priorities. However, the legacy of the Covid-19 pandemic, and the rapid rise in inflation have had a dramatic impact on the Council's financial position and performance. There is still a substantial amount of risk and volatility around our assumptions.
- 17.5 The Council continues to face cost pressures specifically relating to the state of the global economy and these have been well documented in quarterly financial management reports to Cabinet, in specific briefings and in the budget update provided for Cabinet in October. More detail on budget movements is shown in the appendices to this paper and these should be read alongside the directorate updates below.

18. New financial strategy

- 18.1 During 2021/22, as part of the response to the challenge of complex financial management during the pandemic, the Cabinet agreed a new financial management strategy statement.
- 18.2 The previous strategy had been written as a short-term policy prior to Local Government Reorganisation (LGR) and was mainly concerned with seeing the Council through the first year or so as a new organisation. However, the pandemic caused a pause in many areas of work, including on the financial strategy, meaning it was only approved by Cabinet on 8 November 2021.
- 18.3 The strategy was subsequently revised and approved by Cabinet as part of the review of the outturn for 2021/22 and preparations for the budget round for 2023/24. It brings together many aspects of the Council's business including financial management, commercialism, procurement, treasury, investments and reserves and is a document which underpins all financial management, including this budget strategy. It is essential reading alongside this report and will continue to be updated annually as part of the budget preparation work.
- 18.4 The only notable – and exceptional - departure from the financial management strategy for 2023/24 is that £3.5m of contributions from reserves are being used to support the SEND strategy through the safety valve agreement with the DfE. This was previously planned to come from revenue budget contributions, but reserves will be used instead in 2023/24 to make a one-off contribution to reduce the cumulative debt. Funding has been earmarked for this purpose.

19. Summary budget proposals

- 19.1 Analysis of budget movements and savings is set out in the individual Directorate/Service sections of this report and in the appendices. If adopted, this budget strategy will deliver a balanced budget in 2023/24 and the following gaps, still to be resolved, for the following years of the MTFP.

| | Previous Year Budget 2022-23 | MTFP Yr1 Budget Setting 2023-24 | MTFP Yr2 2024-25 | MTFP Yr3 2025-26 | MTFS Yr4 2026-27 | MTFP Yr5 2027-28 |
|-------------------------|------------------------------|---------------------------------|------------------|------------------|------------------|------------------|
| DC net Budget | 333.226 | 347.262 | 368.858 | 382.781 | 395.212 | 413.403 |
| DC Funding resources | 333.226 | 347.262 | 355.044 | 363.628 | 372.448 | 381.508 |
| Gap (Surplus) / Deficit | 0.000 | 0.000 | 13.815 | 19.153 | 22.763 | 31.895 |

20. Directorate-level context updates

- 20.1 This section of the report deals with the budget contexts for each of the Council's directorates.

Adults Services & Housing

- 20.2 Adults and Housing have had a busy year supporting the system with the demand from Hospital Discharges with no additional funding. Through the ICB, partners are seeking a way forward to rebalance demand across the out of hospital pathway, improve system resilience and improve outcomes for people.
- 20.3 A step towards this is the accelerator programme which is jointly funded with our health colleagues through the Better Care Fund. This is a positive step forward which aims to deliver new bedded reablement services, investment in creating capacity across the community to support long-term care through homecare and a model of trusted assessment which will minimise hospital assessment for on-going care need and speed up the discharge process.
- 20.4 In year, a national fund of £1.36bn was allocated to support changes to the fee levels paid by local authorities, and the associated reform of commissioning systems that will be required. The Council was required to do three things to access the fund:
- undertake 'cost of care' exercises for 65+ care homes and 18+ domiciliary care settings;
 - develop a market sustainability plan, using the cost of care exercises as a key input to identify risks in the local market, with a final plan to be submitted in February 2023; and
 - submit a spend report detailing how funding allocated for 2022/23 is being spent in line with the fund's purpose.
- 20.5 Dorset Council was allocated £1.152m in 2022/23 which was used alongside additional, non-recurrent funding from health, to move towards paying the fair cost of care to its providers based on the findings from the cost of care exercise.
- 20.6 As set out in the Autumn Statement, the government is making available up to £2.8 billion of additional funding in 2023/24 and up to £4.7 billion in 2024/25 to support adult social care and hospital discharge. The biggest funding increase for adult social care in history.
- 20.7 This will put the adult social care system on a stronger financial footing and improve the quality of and access to care for those who need it, and includes:
- £600 million in 2023/24 and £1 billion in 2024/25 will be allocated through the Better Care Fund to support hospital discharge, helping people regain or maximise independence as soon as possible and freeing up NHS beds for those who need them;

- £1.3 billion in 2023/24 and £1.9 billion in 2024/25 will be distributed to local authorities through the Social Care Grant, ringfenced for adult and children's social care;
 - £400 million in 2023/24 and £680 million in 2024/25 will be distributed to local authorities through a ringfenced grant for adult social care.
- 20.8 The overall 2023/24 budget proposed for Adults and Housing is £160.641m before savings. This includes £19.412m of additional funding as set out below:
- pay-related cost increases and utility increases (£2.409m)
 - increases in care market costs (£11.649m)
 - housing general inflation (0.056m)
 - fees and charges increase (-£1.445m)
 - market sustainability and fair cost of care (£3.997m)
 - cost of discharge programme (£1.746m)
 - cost to support reforms (£1.0m).
- 20.9 The above pressures have been offset by 2023/24 transformation savings (£3.40m), tactical savings (£2.873m) and additional grant funding of (£7.185m) as follows:
- £1.746m through the Better Care Fund to support hospital discharge, helping people regain or maximise independence as soon as possible and freeing up NHS beds for those who need them;
 - £3.997m to support the Market Sustainability Plan and Fair Cost of Care to be fully delivered by 2025;
 - £1.443m for additional social care support.
- 20.10 The total net budget for Adults and Housing for 2023/24 is £147.183m, an increase of £5,953m.
- 20.11 Adult Social Care and Housing have developed a ten-year plan that will look to deliver improved outcomes and greater financial sustainability to manage future demand and market sustainability. The programme looks to deliver prevention, short term care, quality, and sustainability through six programmes of work.
- 20.12 There are risks within all budgets, particularly those demand led services that sit within Adults and Housing services. All modelling and strategic budget planning has been based on the best information and projections available. However, pressures and demands are subject to change, and this can have a significant budgetary impact. For example, in December 2022 there has been a 30% increase in people and families presenting to us as being homeless, or at risk of being homeless. This has placed pressure on our capacity to either prevent homelessness or find people a

settled home to live in. Performance in preventing and relieving homelessness has been good but this masks an underlying increase in demand which requires investment in measures to find settled housing options for people in need of a home.

- 20.13 Plans are being developed to recalibrate the current plans to transform the approach to homelessness and to remove the reliance on expensive bed and breakfast accommodation to relieve homelessness. Because of the sharp 30% increase in homelessness need and demand, and a broader rise in need for supported, adapted or affordable homes, this requires an expansion of the approach to prevent homelessness so that it succeeds at this scale and finds suitable alternative housing for greater numbers of people in need. The transformation plans will be calibrated so that there is effective investment of Government grants and Council resources to save the current £1.5 million spent on Bed and Breakfast accommodation and provide a cost-effective way to prevent and relieve homelessness.

Children’s Services

- 20.14 The overall budget proposed for Children’s Services is an increase of £3.368m, to £77.804m, an increase of 4.5%.
- 20.15 The Directorate’s ambitious, five-year transformation plan is a key component of the 2023/24 budget, along with the *Dorset Children Thrive* locality model and closer working with partners from various agencies, delivering six priorities, including all children and young people within Dorset having the best start to life. Remodelling budgets to deliver these priorities remains a critical activity.
- 20.16 2023/24 will be the third year of the Children’s Services transformation programme, with projected in-year savings of £3m. There have also been savings of £0.935m for the third year of The Harbour project in Weymouth.
- 20.17 Budget increases centre on two main themes for 2023/24; pressures that impact all council services, such as pay inflation, general inflation and cost of increments and pay awards (£5.586m); and specific budget increases for Children’s services, totalling £2.47m.
- 20.18 Specific budget increases cover nine areas designed to support Children’s priorities, including the best start to life for all children and young people. A summary is provided in the table below.

| Area | Description | £m |
|---------------------------------|--|-------|
| Pay related and General changes | As per all Directorates, additional funding for pay awards, increments and other pay adjustments. This also includes fees and charges and gas and electricity changes. | 5.586 |

| Area | Description | £m |
|--|--|-------|
| High Needs Block Recharge update | The School and Early Years Finance (England) Regulations 2022 have been reviewed to identify appropriate expenditure for the HNB recharge. Changes annually. | 0.328 |
| Special Guardianship Order increased costs | Increase in the number of children with SGOs, therefore reducing the number of Children in Care. After a transitional period, financial allowances are assessed. | 0.250 |
| Children who Are Disabled Services - Intensive Support Packages | Increased need in support packages for children with complex needs to live at home. This covers overnight short breaks demand and cost pressures. | 0.695 |
| Impact of the National Transfer Scheme for Unaccompanied Minors | Dorset's revised Nation Transfer Scheme threshold is 67 (from 47). This is part of an Unaccompanied Minors strategy. This requirement is to fund non-placement costs (e.g. Social Workers, Interpreters, Personal Assistants). | 0.366 |
| Children's Advice and Duty Service (ChAD) - New staffing structure | Formalise ChAD as a 7-day service, including bank holidays and weekends, operating from 8am – 8pm only during this time. | 0.300 |
| Inflationary increase in Premature Retirement Compensation budget | Children's Services hold Premature Retirement Costs, Dorset Council's Pensions team have advised that these need to be increased to match nationally agreed pension increases. | 0.180 |
| Leaving Care service development | The number of Care Leavers in Dorset will exceed the number of Children in Care this year. To fulfil our statutory responsibilities and ensure the best life chances, additional posts are required to support these young people. | 0.150 |
| Keeping In Touch service capacity | Additional posts to ensure court-ordered contact between child and family can be facilitated. | 0.105 |
| Growing our own: Student Social Workers | Part of a strategy to have 21 Student Social Worker positions by 2025 | 0.100 |

20.19 The Children in Care model has been updated to reflect the cost of the current cohort in 2023/24, assumed new entrants and leavers, inflation

- and the application of the transformation programme as most transformation projects within Children's affect the Children in Care cohort, now and in the future.
- 20.20 Nationally, Children's Services budgets are under significant pressures. Understanding the national context and identifying appropriate risks is important when setting a budget. There is one clear message; Children's Services nationally are experiencing significant service pressures and will potentially be subjected to a major policy shift within the next 1-2 years.
- 20.21 The County Council Networks (CCN) states the national picture for part of Children's Services budgets
- "With demand and costs rising each year, councils overspent their Looked After Children budgets by £450m last year – a 9% overspend."
- 20.22 Dorset does buck this trend though, for example through the locality model and maintaining early help services, the 2021/22 outturn position was £0.8m, or 1%, over budget.
- 20.23 However, Dorset Council is not immune to the experiences of other local authorities, particularly the weekly costs of external providers. The 2021 Competition and Markets Authority (CMA) report into Children's Social Care stated;
- "The CMA's market study found that large private sector providers of fostering services and children homes appear to be making higher profits in England and Wales than the CMA would expect in a well-functioning market. This suggests that local authorities may be paying more for these services than they need to..."
- 20.24 The Sufficiency Strategy for Dorset Council is delivering the creation of more in-house residential provision, and investing in our fostering service, however this takes time to deliver and is a challenge with the current construction market.
- 20.25 The Association of Directors of Children's Services (ADCS) have highlighted Nationally an increase in the number of children being taken into care while waiting long periods for children and adolescent mental health services [CAMHS], often at significant cost.
- 20.26 Children's Services are likely to experience a major policy change during 2023 as the Children's Social Care reforms (based on the MacAlister independent review) are announced:
- "The review's final report argued that the current children's social care system was "increasingly skewed to crisis intervention, with outcomes for children that continue to be unacceptably poor and costs that continue to rise". It concluded that "for these reasons, a radical reset is now unavoidable".
- 20.27 The report said that without fundamental changes the number of children in care would increase from the current level of 80,000 to 100,000 in 2032.

It also said that costs could increase from £10bn to £15bn per year. It indicated that implementing its recommendations would lead to 30,000 more children living safely and thriving with their families by 2032 compared with the current trajectory.

- 20.28 The report set out its conclusions and recommendations in the areas of family help, child protection, family, the care market, the care experience and the workforce.” (Source: House of Lords Library).
- 20.29 Dorset is already implementing many of the independent report’s recommendations, however a full assessment will be required when more detail is available. Additional funding may be announced to support the implementation of the review’s recommendations.
- 20.30 Dorset Council is part of the National Transfer Scheme for Unaccompanied Asylum-Seeking Children (UASC). Nationally set thresholds have risen from a requirement to take 47 to 67 unaccompanied children during 2022/23, and potentially will change again during 2023/24. Home Office funding does not necessarily cover the full costs for supporting these young people, and therefore this remains a risk.
- 20.31 In summary, there is still significant risk within the 2023/24 Children’s Services budget, including the delivery of the ambitious transformation programme, wider demand pressures, appropriate funding and support from partner organisations and expected policy change.
- 20.32 To mitigate some of this risk, ringfenced Social Care grant of £3.7m has been made available to the Directorate. This grant will provide a degree of stability as Children’s services enters what could be a very challenging and changeable period.

Place Directorate

- 20.33 The overall budget proposed for the Place Directorate is an increase of £4.962m, to £86.718m, just over 6%. Gross expenditure is £155m, with £68m of income earned, specific grants, or other contributions.
- 20.34 The approach for developing the Place Directorate budget for 2023/24 attempts to take account of much of the turbulence seen in the current year. The primary issue is to deal with the impact of high inflation as experienced on a national level, as well as funding the national pay awards. Where possible, Place Directorate has attempted to mitigate these rising costs through increases in fees and charges and absorbing other service-specific pressures through savings measures.
- 20.35 It should be acknowledged that the budget as proposed has uncertainty in some areas meaning that it is not risk-free. The major issues in each area are discussed below.
- 20.36 The main components of the budget increase are:
- pay awards and other related central adjustments £7.519m

- energy cost pressures £1.066m
 - service-specific pressures £1.476m
 - savings proposals £5.119m
- 20.37 Our arrangements for energy costs are via a purchasing consortium and is known as LASER. Costs are known for the period October 2022 to September 2023, but costs for the second half of the year are not yet clear. This is the same arrangement that has been in place for Dorset Council since inception, but the risk of inadequate budget setting for 2023/24 is considerably higher than in previous years due to the significant price rises seen in the international energy market.
- 20.38 The current year has benefitted from favourable prices in relation to our recyclate disposal. Forecasting for recyclate prices is notoriously difficult, given the nature of the global markets. Nonetheless, we are proposing a small improvement compared with the current year's budget (not the actual performance) and at the same time highlight this risk as a potential call on contingency to act as a buffer against the market volatility. Setting the budget for recyclate price can never be considered risk-free.
- 20.39 Additional funding is proposed to be added to the budget for service specific pressures, but only where there is a near unavoidable commitment to do so. The major items within the service specific pressures are:
- funding of inflation with Waste contracts £958k
 - Dorset Travel £360k
 - vehicle fuel £250k
 - flood defence staffing £150k
 - Waste Operations – part year of collection crew £106k
 - Waste Strategy – from 1 January 2023 legislation relating to persistent organic pollutants will be enforced (£100k).
- These are partly offset by service specific new income for rent receivable for Coombe House and South Walks House.
- 20.40 Dorset Travel is facing cost pressures of circa £2.5m in the current year. There is a national picture where all aspects of travel, but especially SEND transport, are facing significant cost increases - well above the rate of inflation. There are two things of note within these budget proposals regarding travel. Firstly, significant emphasis is now being placed on transport transformation, with the intention to reduce overall cost. Whilst it is hoped that transformation will reduce costs, there is the contingency budget which could be used to mitigate the risk. Secondly, given the wide range of issues facing Dorset Travel and in some recognition of these issues, the budget has been increased by £360k.

20.41 The vehicle fuel budget has been increased by 6% as part of the default budget assumptions and by a further £250k for fuel-specific pressures. This is to reflect the high price increases seen during the summer of 2022, resulting in a considerable forecast of overspend for the current year. At the time of writing, vehicle fuel prices have been on a slow but steady reduction, but the risk remains. The addition of a further £250k should address vehicle fuel prices in 2023/24 if there is no deterioration. It is also worth noting a potential but unconfirmed rise in vehicle fuel duty as part of the Government's spring budget statement, which is not budgeted for.

20.42 There is a total of £5.119m of savings assumed within the proposed budget, which budget holders will need to deliver. Three of the most significant savings proposals are:

- reduction in the running costs of the property estate due to disposals £531k
- net savings arising from the customer transformation programme £500k
- net savings arising from the transport transformation programme £250k.

The remainder of the savings proposals (£3.838m) are numerous and are not set out in full here especially given that a small number of these are sensitive and still subject to consultation. However, these can be summarised as:

- Additional income generation £2.771m
- Service efficiencies £707k
- Staffing and vacancy factors £360k

The largest income generation targets sit within Parking (£1.355m), Assets and Property in relation to rent reviews (£400k) and waste chargeable and trading services (£355k).

Service efficiencies includes reduction on spend on interims (£250k) and a reduction in assumptions relating to recycle price (£160k).

20.43 The Harbours Advisory Committee met on the 8 December 2022 and set out the harbours 2023/24 budget considerations. For reference, the reports are attached as an appendix 8 to this report. The proposals are based on assumptions and principles that are consistent with those used for the rest of the Dorset Council budget but acknowledging that any surplus generated remains ringfenced for each individual harbour. There are no specific items arising to draw to the attention of Cabinet or Council.

Public Health Dorset

20.44 Public Health Dorset is a shared service established to provide public health functions to the two unitary authorities, Dorset Council and BCP Council. In order to fulfil statutory duties to improve health and wellbeing,

and reduce inequalities in health, both Councils receive a ring-fenced grant from the Department of Health and Social Care. This is passed to councils via the DLUHC. The grant must be used to provide mandated public health services, but it can also be used to support wider interventions to improve health and wellbeing.

- 20.45 Each of the Councils retains part of the grant to deliver services outside the scope of the shared service agreement, but still within grant conditions. Grant allocations for 2023/24 are not yet available.

Corporate Services

- 20.46 The overall budget proposed for Corporate Services is an increase of £5.2m, to £35.574m.
- 20.47 The proposals incorporate identified budget pressures of £5.8m partially offset by cost reductions of £0.5m. The increase is largely related to pay, pension and inflationary changes together with reductions in some income streams. Further details are identified in Appendix 1.
- 20.48 Corporate Services consists of the Corporate Development Directorate, Business Insight, Intelligence and Communications, and the Legal and Democratic Services teams.
- 20.49 The role of Corporate Services is threefold:
- to provide direct support and services to residents (e.g., the Revenues and Benefits team and the Land Charges Service)
 - to support colleagues in the Place Directorate, in Children's Services and in the Adults and Housing Directorate so they can provide the best services they can within financial and legal constraints
 - to provide those essential corporate services required of an organisation of our size and scale.
- 20.50 During 2022/23 the department has continued to provide crucial services which have enabled the Council to function as well as continuing to deliver significant front-line response including business grants, enhanced business rates reliefs, and other national initiatives.

21. Transformation and savings opportunities

- 21.1 Savings proposals and additional income targets included within the budget proposals are summarised in the table, below.

| | Savings | Additional Income |
|-----------------------|----------------|-------------------|
| Adults | (£4,773,000) | (£1,500,000) |
| Children's | ✓ (£3,935,000) | |
| Corporate | (£33,850) | (£85,000) |
| Place | (£2,348,013) | (£2,771,310) |
| Total Service Savings | (£11,089,863) | (£4,356,310) ✓ |
| Central Finance | (£4,750,312) | |
| Total Savings | (£15,840,175) | (£4,356,310) |

21.2 Work continues to identify savings and transformation over the longer term for continuing input into the MTFP and the budget strategy. This work is regularly reviewed through the relevant Boards and Committees.

22. Risk

General uncertainty, the pandemic and a single-year settlement

22.1 There is risk in any set of budget proposals. Like every council – and Government itself - we are facing a number of potential scenarios each of which carry varying levels of volatility and uncertainty in our planning assumptions. Whilst Government has provided some policy ambition for 2024/25, these aims will be subject to the regular process of consultation as well as national and global events between now and when the next settlement is announced.

22.2 The Council is limited in what can be done at this stage to mitigate much of the environmental and economic risk, but we will remain focused on delivery of the work programmes required to support services to Dorset's residents, within the budget available. Continuous monitoring of the agreed budget will be key to ensuring we keep abreast of the operating environment and make important, well-informed, timely decisions about our activities and their consequences.

Dorset Council post-LGR

22.3 Dorset Council is fortunate in that local government reorganisation enabled it to reduce its cost base, identify adequate resources to see it through its early years and set a robust reserves strategy for the future. But reserves cannot be relied on as a sustainable source of finance, we can only spend them once and doing so reduces our capacity to mitigate the risks that reserves provide for, as well as reducing resilience against unknown future events (see budget principles and the section on reserves elsewhere in this paper).

Inherent volatility in demand

22.4 Even without the impact of Covid-19 and then the cost-of-living crisis, there was considerable risk around our planning assumptions for growth in demand and pressure on costs. The funding proposals set out in this

paper provide for reasonable forecasts of growth in demand for Adults' Services and Children's Services but both locally and nationally, demand for people services continues to challenge capacity and budgets.

Transformation and savings risks

- 22.5 There is also inherent risk in any transformation programme or other tactical savings plan in ensuring the right work is done in sufficient time to realise savings in line with the plan. These things are not always entirely within the Council's control – some will involve consultation, others require specific resources to be deployed to deliver them and as we saw during the pandemic, sometimes these plans cannot be delivered because officer time and effort is reprioritised elsewhere.

Inflation

- 22.6 There is also still significant inflationary pressure in the economy. The November inflation rate eased slightly to 10.7% and opinion remains divided on whether this is a shorter-term, temporary phenomenon, or whether it will be longer-term, and sustained. Either way, it is important for the Council to include an element of price increases in its financial plans although we cannot provide for all of this because our budgets are effectively cash limited.
- 22.7 Our approach to inflation is therefore to provide for general inflation at 6% and further specific inflation within service budgets where we know there will be particular pressures. It will be necessary for us to continue to carry out effective contract management so that we ensure that a robust and value for money approach is taken to supplier increases. We cannot afford to simply increase contract prices by inflation. We will work positively with our supply chain to discuss all aspects of contract performance – including pricing – but this must be within the context of overall affordability within the Council's budget. It is also the reason that we are recommending that some of the unallocated funding from the settlement is added to contingency for the time being.

High Needs Block

- 22.8 Dorset Council, like many other authorities nationally, has an accumulated overspend on the High Needs Block (HNB) of the Dedicated Schools Grant (DSG).
- 22.9 The Regulations in place to provide for the current accounting treatment of this deficit were due to fall away on 1 April 2023 but this has now been deferred until 1 April 2026. The immediate risk of this overspend falling to the Council to fund has therefore subsided but longer-term risk remains that the overspend will fall to be funded by councils.
- 22.10 Dorset Council is already implementing an ambitious plan to deliver additional, high-quality capacity and to achieve outstanding provision within the budget envelope, but this will take time as well as the resources

the Council has already committed to the programme. Dialogue with DfE continues.

Future national strategy implementation

- 22.11 There is considerable risk around the implementation of future national strategies for care services. We know that adult social care cap and associated reforms have been deferred for two years but as we have seen, additional funding is still being provided.
- 22.12 There are further reforms which will impact on the MTFP in due course and these will be built into the Council's financial model as and when more policy and financial detail is available.

Risk management and reporting

- 22.13 The Council has robust governance and reporting processes around risk and concerns around containing expenditure within the budget can be escalated through this framework at any time. The S151 Officer is required to provide assurance as part of the budget strategy, and this is set out later in this report.
- 22.14 The S151 Officer has also commissioned SWAP to review the work that has been done to underpin the assurance statement that is given in this budget report and that will be reported to the Audit and Governance Committee in due course.

23. Reserves, balances, contingency and resilience

General funds

- 23.1 The balance of Dorset Council's general fund closed at £33.2m on 31 March 2022. Any overspend in the current year will impact on that balance unless it is financed via the use of other reserves.
- 23.2 In 2018 the Shadow Council commissioned an independent report from the Chartered Institute of Public Finance and Accountancy (CIPFA) which recommended that the Council should retain a minimum of 5% of its budget requirement as a general fund reserve. The S151 Officer recommends this approach is continued for 2023/24 and with reference to the net budget requirement calculation set out in Appendix 1, Council is recommended to agree a minimum level for the general fund of £17.35m.
- 23.3 However, as in previous years with similar risk and volatility of planning assumptions, prudence would suggest that it would be better to hold a higher level of general reserves to provide for risks which are not mitigated through specific, earmarked, reserves. Council is therefore recommended to set a level of general reserve at double the value of this minimum level, £34.7m and that the operating range therefore be set at £17.35m to £34.7m. Outside of these parameters, intervention will be required to lower or raise the general fund balance.

Other reserves and reserves strategy

- 23.4 As well as the general fund, the Council has other earmarked reserves which are set aside to mitigate against specific risks that may arise during the year or beyond. These reserves cannot be repurposed without impacting on the mitigation they provide against the risk profile of the organisation. A fuller narrative on risks and reserves was provided as part of the 2021/22 outturn [report](#) to Cabinet and no change to those reserves is proposed at this stage other than for the general fund and for the support for the safety valve agreement.
- 23.5 In its policy announcement on 12 December, Government signalled its intention to sustain focus on the levels of councils' reserves, particularly given the substantial increases in balances seen at some councils during the pandemic years. The Government will explore a potential user-friendly publication on local authority reserves, using data currently collected through the local authority revenue expenditure and financing (outturn) statistics. The exact use to which this information will be put remains uncertain at this stage.

Contingency budget

- 23.6 It is prudent for any organisation to set a contingency budget to provide for unforeseeable circumstances arising during the year. The key is to set the contingency budget as accurately as possible, so it strikes a good balance between allowing the organisation to manage risk whilst not causing a diversion of material funds away from front line services where there are clearly continuing pressures.
- 23.7 For 2022/23, the contingency budget was set at £9.5m and provided for some fairly specific risks around inflation and pay award costs being in excess of funding provided in services own base budgets. These risks remain, although our assumptions are that they will be at a level that causes less risk and pressure for the contingency budget. Despite this however, it is still recommended that the Council sets the contingency budget at £8.2m. This represents 2% of the net budget.

Resilience

- 23.8 The proposed level of the general fund, the specific, earmarked reserves available, and the contingency budget all support resilience alongside a robust budget process that has taken place during the budget setting process.
- 23.9 The Council is also continuing to develop its value for money framework and reports are regularly taken to Audit & Governance Committee on this subject. Value for money is a key and continuing cornerstone of good governance and it is essential that it is embedded in every financial decision we make. Given the financial pressures that are building in the system, and continuing price and demand pressures on the Council's budgets, value for money is essential in managing what are essentially cash-limited funds whilst delivering excellent value services for residents.

24. Capital programme

- 24.1 The Council's capital programme was impacted significantly by the pandemic and EU exit in particular, and the problems this has caused with the supply chain, and now inflation in the construction sector continue to cause slippage.
- 24.2 In presenting the Qtr2 finance report to Cabinet in November, the Portfolio Holder for Finance, Cllr Gary Suttle, indicated that a review of the programme would be needed as the Council could be trying to deliver too many projects. Since then, further work has been started to review existing projects as well as new bids coming forward for 2023/24, but this work has not yet concluded.
- 24.3 At this stage, the S151 Officer is therefore advising against further projects being approved as part of the budget setting process. It is possible that some currently approved projects will cease or be deferred as part of the current review, and this will allow the programme to be reprioritised.
- 24.4 As long as we proceed within the currently agreed capital total, there will be no further pressure on the revenue budget. The treasury management budget itself is also currently outperforming its targets due to slippage in the capital programme, high cash balances available for investment and reduced borrowing. These factors allow some headroom for capital spend in 2023/24 if that is the result of the review work. Staying within our agreed capital total will not put further pressure on the revenue budget in 2023/24. There are currently bids for £47m for 2023/24 but these are not being considered until the review work concludes.
- 24.5 No new detail is therefore provided for the capital programme over and above what was approved in the 2022/23 budget, as updated by quarterly financial management reports. The headlines can therefore be summarised as:
- £106.2m of slippage brought forward from previous years into 2022/23
 - £149.3m in total of funding that has been approved for 2022/23 in the capital programme
 - £48.2m of spending that was approved for 2023/24.
- 24.6 The agreed capital programme to 31/03/2024 therefore amounts to £197.5m. As well as the outcomes from the current review, there are also likely to be further projects and programmes that arise during the year through funding from external resources, and these will be incorporated into the programme and reported to Cabinet each quarter.
- 24.7 Members might however, wish to note and agree the proposals to continue with a capital contingency budget and a minor works budget. Both of these currently work well and allow flexibility to address

unforeseeable pressures that arise in the year without recourse to Cabinet in advance.

- 24.8 The commitment to the capital programme in this budget round therefore amounts to almost £301.6m in total.

25. Engagement with and scrutiny of the budget

- 25.1 The proposals set out in this budget strategy and MTFP have been developed over a considerable period. The Council operates a ten-year, rolling financial model and this is consolidated into a five-year MTFP, the first year of which is the budget. Although the proposals for 2023/24 have therefore been some time in the making, it is in the year of preparation that any budget proposals come under most scrutiny.

- 25.2 In order to make the development of the budget inclusive, there have been a number of briefing sessions for members during the year. There are also specific directorate-focused arrangements in place for Portfolio Holders and Lead Members and any member can ask questions or request information about financial management at any point.

- 25.3 As well as quarterly financial reports to Cabinet to keep all members abreast of budget development, there is also a separate and specific paper on early stages of budget process, principles and strategy which went to Cabinet in October 2022. Following this, was a good level of member engagement before during and after the two informal briefing events that took place prior to the meeting of the People and Health Scrutiny Committee and the Place and Resources Scrutiny Committee on 7 January 2023. Feedback from both Committees along with Cabinet responses is set out in appendix 7.

- 25.4 Cabinet received all of these, post-scrutiny proposals for consideration and recommendation to full Council in February 2023.

26. Consultation, communication and equality

- 26.1 The 2022/23 budget proposals are driven by the Dorset Council Plan and priorities. The Plan was initially agreed by Council in February 2020 following wide consultation with partners, the public, local businesses, Town and Parish Councils, employees and other stakeholders throughout Dorset. More than 1,600 responses were received through the consultation, and these were used to shape - and continue to shape - the new Council's priorities, as reflected in the budget proposals and MTFP.

- 26.2 The Executive Director for Place also leads consultation with the business sector and managers throughout the organisation share information regularly with businesses in the supply chain to ensure they are aware of and can contribute to the conversations around priorities and resources.

27. Other factors influencing budget strategy development

- 27.1 The Council's **Transformation Plan** is aligned to help deliver the Council plan and is focused on:

- a) Being more commercial – Modernising the way we operate to ensure we are business friendly, to behave in a more business-like way and commission as one council.
 - b) Putting our customers first – Working together to design and deliver modern, accessible services to our customers.
 - c) Delivering climate and ecological priorities – Ensuring our change programme delivers in line with our climate and ecological strategy.
 - d) Making the best use of our assets and leading economic growth – Reviewing the council buildings and properties to ensure best use and value of assets and help drive prosperity whilst adopting a focus on places and spaces.
 - e) Implementing a digital, intelligent, data led approach – Using our data to help us predict demand and improve our prevention agenda.
 - f) Working with the Integrated Care System – Working with partners to transform our care services by removing traditional divisions between services, and ensure people and communities get the support and care that they need
- 27.2 The **Property Asset Management Strategy** continues to be implemented as the Council “right-sizes” its estate after convergence of the predecessor councils’ property portfolios. The plan describes the options to acquire, retain and divest property that will help us deliver transformed services, generate capital receipts, reduce running costs and help the Council operate in a modern and efficient way.
- 27.3 The Asset Management Strategy dovetails with the **Dorset Workplace Strategy** which enables the Council to deliver better services more flexibly in a range of ways to meet Dorset residents’ needs.
- 27.4 Delivering better value is also the aim of our developing **Commercial Strategy**. Cabinet has previously approved a new Procurement Strategy and we now look to strengthen our commercial approach further with the **fees and charges policy** (appendix 6)
- 28. S151 Officer assurance**
- 28.1 Part 2 (Section 25) of the Local Government Act 2003 requires officers with responsibilities under s151 of the Local Government Act 1972 to make a statement regarding the robustness of estimates and the adequacy of reserves at the time the budget is set.
- 28.2 There are also other safeguards aimed at ensuring local authorities do not over-commit themselves financially. These include:
- the Chief Financial Officer's powers under section 114 of the Local Government Act 1988, which requires a report to the Cabinet and to all

members of the local authority if there is or is likely to be unlawful expenditure or an unbalanced budget;

- the Local Government Finance Act 1992, which requires a local authority to calculate its budget requirement for each financial year, including the revenue costs which flow from capital financing decisions. The Act also requires an authority to budget to meet its expenditure after taking into account other sources of income. This is known as the balanced budget requirement;
- the Prudential Code, introduced under the Local Government Act 2003, which has applied to capital financing and treasury management decisions;
- the assessment of the financial performance and standing of the authority by the external auditors, who give their opinion on the council and the value for money it provides as part of their annual report to those charged with governance.

28.3 The robustness of the budget critically depends on the maintenance of a sound financial control environment including effective financial management in each of the Council's service directorates. Dorset Council's scheme of financial management sets out the responsibilities of all those involved in managing budgets and incurring commitments on behalf of the Council. The revised financial strategy statement is also a key document in setting out financial management arrangements, responsibilities and strategy for the Council.

28.4 Whilst financial projections are based on realistic assumptions, known demand and well-formed models, some budgets are subject to a degree of estimation error as actual expenditure can be determined by factors outside of the Council's control, for example demand for provision for adults with complex needs. Some activity is also subject to more volatility and things can change very quickly and unexpectedly.

28.5 It is also generally not appropriate or affordable to increase budgets simply to reflect overspends in current or previous years. A reasonable degree of challenge to manage within the resources available is necessary and monitoring of expenditure, in order to take corrective action if necessary, is particularly important during a time of budget reductions.

28.6 The Council has well-developed arrangements for financial monitoring during the year. Budget performance is reported quarterly through the Cabinet and scrutinised by a number of other committees, including Audit & Governance Committee. There is also a well-defined model of finance staff working as business partners alongside service managers to support financial management and control. The Council's financial management system also operates on a self-service basis, enabling all officers to interrogate financial information at any point in time.

- 28.7 Finance business partners routinely report to Directorate Leadership Teams each month and the S151 Officer meets weekly with the Cabinet Member for Finance, Commercial & Capital Strategy. There is also an officer group - Capital Strategy and Asset Management Group (CSAM) - that monitors progress against the current capital programme and deals with the pre-Cabinet governance arrangements for managing the bidding and financing process for all capital expenditure proposals to Cabinet.
- 28.8 Member involvement in budget development has been extensive again this year, particularly through meetings of the Performance Leadership Board, regular update reports to the Portfolio Holder, Leader and Deputy Leader, the wider Cabinet and in all-member briefings.
- 28.9 The budget itself has also been subjected to all-councillor scrutiny, firstly through two briefing sessions, led by Portfolio Holders and Executive Directors, then more formally through the People and Health, and the Place and Resources Scrutiny Committees which were held in January 2023. These budget proposals have therefore been developed by the Council's officer group, led by the Executive Directors, and with significant input from members, and co-ordination by the finance team. In order to gain further assurance about the affordability of the Council's strategy and plans, each Executive Director is taking personal responsibility for their budget through a formal sign-off process which will also form part of their performance assessment during the year.
- 28.10 The Internal Audit Service have worked alongside the Council observing the budget setting process. They have provided me with a reasonable assurance opinion that the process has been based on sound evidence, assumptions and principles.
- 28.11 Taking all these factors into consideration, I consider that the estimates prepared in line with the strategy explained in this report to be robust. In more "normal" times, I also consider the levels of reserves, as set out earlier in this report, to be adequate for the risks that the Council is currently able to anticipate. The deferring of the end date of the Regulations around the DSG overspend is helpful in providing this assurance but the longer-term risk remains and the Council is focused on delivering the strategy which will eventually remove this risk.
- 28.12 Despite the steps taken to gain assurance and the processes, controls and monitoring that the Council has in place, the challenge and complexity of managing activity and associated expenditure within these estimates should not be underestimated. Against the backdrop of the events of the last two and a half years, and our inability to be more certain over funding arrangements beyond the first year of our MTFP, the future will therefore remain challenging and balancing future years' budgets will require sustained transformation. Continued, close monitoring – as referenced in our processes, above - will be required during the year and prompt action will be needed if performance and forecasts vary materially from budget

29. Summary and conclusions

- 29.1 The financial climate remains extremely challenging. Although the Spending Review will allow us to make progress in many key areas of transformation and service improvement, a single-year settlement for local government still hampers our ability to invest effectively in future service strategy.
- 29.2 There are clearly still challenges ahead meaning the Council started planning for 2023/24 early to develop and implement robust plans to fit within our assumed budget envelope and to keep all members well informed around budget development and strategy.
- 29.3 Members of the two scrutiny committees have considered the information in the draft budget proposals as part of their scrutiny processes and their feedback and recommendations are set out in Appendix 7 for Council's consideration.
- 29.4 Whilst I believe these budget estimates to be robust and that reserves are adequate, significant risk remains due to the global economic environment.

Aidan Dunn

Executive Director of Corporate Development

Footnote:

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

Appendix 1a

Subjective analysis of budget 2023/24

| | Original Budget | 2023-24 | | | | £'000 Movement in Balances | £'000 Net Budget (2023-24) |
|--|-----------------|----------------|----------------------|-----------------------|----------------|----------------------------|----------------------------|
| | £'000 Pay | £'000 Non-Pay | £'000 Fees & Charges | £'000 Grants /Funding | | | |
| People – Adults & Hsg | 28,151 | 197,416 | (61,858) | (16,525) | 0 | 147,183 | |
| Service user related | 181 | 176,613 | (50,251) | (8,126) | 0 | 118,417 | |
| Adult Care Ops | 19,708 | 469 | (4,829) | (106) | 0 | 15,241 | |
| Commissioning | 2,999 | 10,657 | (2,938) | (4,291) | 0 | 6,426 | |
| Director Office | 717 | 4,180 | 0 | (2,272) | 0 | 2,625 | |
| Housing | 4,161 | 5,495 | (3,841) | (1,730) | 0 | 4,086 | |
| Building Better Lives | 386 | 2 | 0 | 0 | 0 | 387 | |
| Corporate Development | 29,738 | 84,696 | (10,847) | (73,470) | (1,616) | 28,501 | |
| Finance & Commercial | 11,303 | 78,475 | (7,316) | (73,470) | 0 | 8,993 | |
| Human Resources | 5,709 | 307 | (2,079) | 0 | (442) | 3,495 | |
| Digital & Change | 2,903 | 97 | (102) | 0 | (732) | 2,166 | |
| ICT Ops | 5,556 | 4,321 | (1,329) | 0 | (1) | 8,547 | |
| Director | 28 | 7 | 0 | 0 | 0 | 35 | |
| BI & Performance | 1,269 | 19 | 0 | 0 | 0 | 1,288 | |
| Comms & Engagement | 995 | 173 | (21) | 0 | 0 | 1,146 | |
| Community Grants | 393 | 977 | 0 | 0 | (38) | 1,333 | |
| Superfast Broadband | 645 | 41 | 0 | 0 | (403) | 282 | |
| Chief Executive's Office | 937 | 170 | 0 | 0 | 0 | 1,107 | |
| Dorset Care Record | 0 | 109 | 0 | 0 | 0 | 109 | |
| Place | 66,461 | 88,756 | (63,673) | (4,572) | (254) | 86,718 | |
| Economy, infrastr, growth | 23,230 | 45,253 | (28,820) | (3,682) | (645) | 35,335 | |
| Place | 31,888 | 34,466 | (25,478) | (557) | 659 | 40,978 | |
| Customer Services, Libraries, Archives | 6,836 | 2,362 | (1,019) | (333) | 0 | 7,845 | |
| Director's Office | 532 | (415) | (1) | 0 | 0 | 115 | |
| Assets & Property | 3,627 | 6,829 | (8,234) | 0 | 53 | 2,275 | |
| Climate & Ecological | 349 | 262 | (121) | 0 | (321) | 169 | |
| People - Children | 48,159 | 45,867 | (7,383) | (8,445) | (394) | 77,804 | |
| Quality and Assurance | 2,852 | 152 | (371) | (19) | 0 | 2,614 | |
| Care & Protection | 20,622 | 38,008 | (227) | (664) | 0 | 57,740 | |
| Commissioning & Partnerships | 7,615 | 141 | (2,318) | (1,447) | (394) | 3,597 | |
| Education & Learning | 13,005 | 3,316 | (2,960) | (1,560) | 0 | 11,802 | |
| Director's | 4,065 | 4,249 | (803) | (4,756) | 0 | 2,756 | |
| DSG Recharge | 0 | 0 | (704) | 0 | 0 | (704) | |
| Legal & Democratic | 5,731 | 2,771 | (1,429) | 0 | 0 | 7,073 | |
| Assurance | 1,046 | 540 | (61) | 0 | 0 | 1,525 | |
| Democratic & Electoral | 1,064 | 2,065 | (108) | 0 | 0 | 3,021 | |
| Land Charges | 617 | 1 | (987) | 0 | 0 | (369) | |
| Legal | 3,004 | 165 | (273) | 0 | 0 | 2,896 | |
| Public Health | 3,882 | 22,092 | (12,637) | (13,336) | 0 | 0 | |
| Public Health | 3,882 | 22,092 | (12,637) | (13,336) | 0 | 0 | |
| Central Finance | 6,938 | 10,370 | (6,697) | (29,218) | 18,589 | (18) | |
| General funding | 5,233 | 52 | (2,697) | (29,105) | 0 | (26,518) | |
| Capital financing | 0 | 9,560 | (4,000) | 0 | 10,381 | 15,941 | |

| | | | | | | |
|---------------------------|---------|---------|-----------|-----------|--------|------------------|
| Contingency | 0 | 0 | 0 | 0 | 8,207 | 8,207 |
| Precepts | 0 | 738 | 0 | (112) | 0 | 626 |
| Retirement Costs | 1,705 | 21 | 0 | 0 | 0 | 1,726 |
| Total Non Schools | | | | | | |
| Budget 2023/24 | 189,060 | 451,967 | (164,524) | (145,566) | 16,324 | 347,262 |
| Schools Budget | 0 | 301,420 | 0 | (301,420) | 0 | 0 |
| Budget Req 23/24 | 189,060 | 753,388 | (164,524) | (446,986) | 16,324 | 347,262 |
| Business Rates Top Up | | | | | | (50,199) |
| Rev Support Grant (RSG) | | | | | | (654) |
| Council Tax Surplus | | | | | | (292,109) |
| New Homes Bonus | | | | | | (1,825) |
| Rural Services Del. Grant | | | | | | (2,475) |
| | | | | | | <u>(347,262)</u> |

Appendix 1b

Cost type analysis – budget 2023/24

| Cost Type | Original Budget 2023/24 £'000 |
|---------------------------------------|-------------------------------|
| Internal Charges (Expenditure) | 8,957 |
| Authority (Democratic) Costs | 1,868 |
| Pay Related Costs | 189,060 |
| Premises Related Costs | 21,481 |
| Transport Related Costs | 24,426 |
| Supplies and Services | 411,835 |
| Transfer Payments | 129,761 |
| Levies & Precepts | 738 |
| Third Party (Contracted Out) Payments | 153,444 |
| Net Schools Budget | 878 |
| Contingency and Movement in Reserves | 16,324 |
| Gross Expenditure | 958,772 |

| | |
|------------------------------|------------------|
| Government Grants (Specific) | (446,986) |
| Income, Fees & Charges | (164,524) |
| Gross Income | (611,510) |

| | |
|---------------------------|----------------|
| Budget Requirement | 347,262 |
|---------------------------|----------------|

| | |
|-------------------------------|----------------|
| Council Tax | 292,109 |
| Business Rates | 50,199 |
| New Homes Bonus | 1,825 |
| Rural Services Delivery Grant | 2,475 |
| Revenue Support Grant | 654 |
| Total Funding | 347,262 |

* This includes an estimate for schools and public health budgets

Appendix 1c

Dorset Council summary movements in budget 2022/23 to 2023/24

| | Adjusted base budget 22/23 | Current base budget 23/24 |
|------------------|----------------------------|---------------------------|
| Adults & Housing | £141,229,707 | £147,183,031 |
| Children's | £74,435,901 | £77,804,438 |
| Corporate | £30,324,762 | £35,574,345 |
| Place | £81,755,647 | £86,718,280 |
| Central | £3,833,784 | (£18,246) |
| Total | £331,579,801 | £347,261,848 |
| Funding | (£331,579,801) | (£347,261,848) |

Summary of Additional Social Care Grant Funding

| Dorset Council Additional Social Care Grant funding | 2023/24 |
|--|---------|
| Social Care Grant increase | £8.96m |
| New Adult Social Care Grant (market sustainability) | £3.99m |
| New discharge funding | £1.75m |
| Total | £14.70m |

Appendix 1d

Adults Services & Housing – summary of movements

| | £ |
|---|---------------------|
| Adults and Housing base budget position 2022/23 after adjustments | £141,229,707 |
| Pay inflation | £978,547 |
| General Inflation | £10,293,974 |
| Fees and Charges income | (£1,444,868) |
| Gas and Electricity costs | £9,702 |
| Reduction in NI Levy | (£165,476) |
| Cost of increased pension fund contributions | £372,100 |
| Cost of increments & pay award (estimate) | £1,213,711 |
| Pressures | |
| ASC data based modelling pressure | £968,634 |
| Savings | |
| Enhanced Community Reablement | (£500,000) |
| Enhanced Shared Lives | (£150,000) |
| Developing Day Opportunities | (£150,000) |
| Commissioned Community Care | (£1,500,000) |
| Dorset Care Framework 2 | (£350,000) |
| Shared Cost NHS | (£250,000) |
| Resource / Process redesign | (£500,000) |
| BCF Uplift | (£1,373,000) |
| Additional income | |
| Additional income from Adults | (£1,500,000) |
| Adults and Housing current base budget for 2023/24 | £147,183,031 |
| | |
| Increase in base | £5,953,324 |

Appendix 1e

Corporate Development and Legal & Democratic Services – summary of movements

| | £ |
|---|--------------------|
| Corporate Services base budget position 2022/23 after adjustments | £30,324,762 |
| Pay inflation | £1,196,217 |
| General inflation | £741,328 |
| Fees and Charges income | (£200,479) |
| Gas and Electricity costs | £0 |
| Reduction of NI Levy | (£208,217) |
| Additional cost of LGPS | £542,200 |
| Cost of increments & pay award | £1,972,783 |
| Pressures | |
| Leadership Support additional posts | £70,440 |
| DCR Contract obligations | £109,000 |
| ICT net pressures | £634,700 |
| Apprenticeship levy costs | £55,040 |
| Additional legal capacity | £268,883 |
| External Audit increase of costs | £186,538 |
| Savings | |
| Electoral supplies and services reduction | (£33,850) |
| Additional income | |
| Legal income | (£85,000) |
| Corporate current base budget for 2023/24 | £35,574,345 |
| Increase in base | £5,249,583 |

Appendix 1f

Place – summary of movements

| | £ |
|--|--------------------|
| Place base budget 2022/23 after adjustments | £81,755,647 |
| Pay inflation | £2,284,847 |
| General inflation | £2,713,568 |
| Fees and Charges income | (£2,123,267) |
| Gas and Electricity costs | £1,066,713 |
| Coombe House & SWH Rental Income | (£498,000) |
| Reduction of the NI Levy | (£381,932) |
| Additional cost of the pension fund contribution | £952,100 |
| Cost of increments & pay award | £4,093,887 |
| Pressures | |
| Waste – new crews at Ferndown and Shaftesbury | £106,040 |
| Waste – estimate of POPS | £100,000 |
| Waste strategy – unfunded inflation | £958,000 |
| Dorset Travel cost pressure | £360,000 |
| Flood defence team | £150,000 |
| Additional fuel costs | £250,000 |
| Coombe House SEN Travel pressure | £50,000 |
| Savings | |
| Transport | (£250,000) |
| Asset & Property | (£906,000) |
| Place Services | (£622,013) |
| Customer Services, Libraries and Archives | (£570,000) |
| Additional Income | |
| Asset & Property | (£400,000) |
| Place Services | (£696,310) |
| Highways and parking | (£1,655,000) |
| Customer Services | (£20,000) |
| Place current base budget for 2023/24 | £86,718,280 |
| Increase in base | £4,962,633 |

Appendix 1g

Children's Services – summary of movements

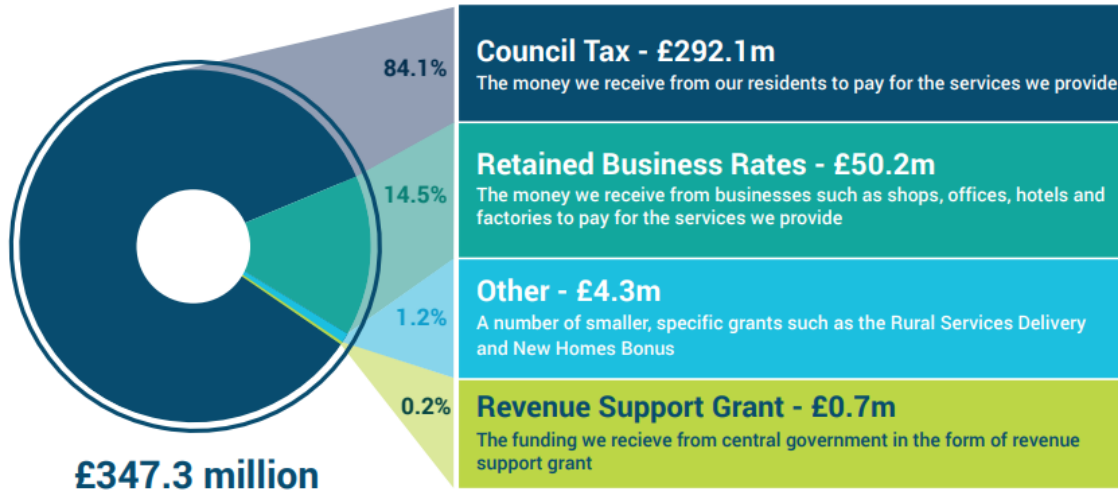
| | £ |
|---|---------------------------|
| Children's base budget position 2022/23 after adjustments | £74,435,901 |
| Pay inflation | £1,569,446 |
| General inflation | £1,856,029 |
| Fees and Charges income | (£148,218) |
| Gas and Electricity costs | £37,080 |
| Reduction of NI Levy | (£272,700) |
| Additional cost of pension fund contributions | £647,200 |
| Cost of increments & pay award | £1,897,096 |
| <u>Pressures</u> | |
| HNB recharge removal | £327,510 |
| Fostering rates/SGO rates/Retention | £250,000 |
| cWad Services - Intensive Support Packages | £695,000 |
| USAC | £365,500 |
| chAD - new staffing structure | £300,000 |
| Care Leaver report | £150,000 |
| Keeping in touch service capacity | £105,000 |
| Student Social Workers | £100,000 |
| Increase in Premature Retirement Compensation budget | £179,700 |
| <u>Savings</u> | |
| Children's Home Project | (£935,000) |
| Our Family Digital Offer | (£500,000) |
| Family Hubs | (£500,000) |
| Mockingbird | (£500,000) |
| Holistic Safeguarding | (£1,000,000) |
| 0-25/Conception to settled adulthood | (£500,000) |
| Additional funding for Social Care | (£755,106) |
| Children's current base budget for 2023/24 | <u>£77,804,438</u> |
| | |
| Increase in base | £3,368,537 |

Appendix 1h

Central budgets – summary of movements

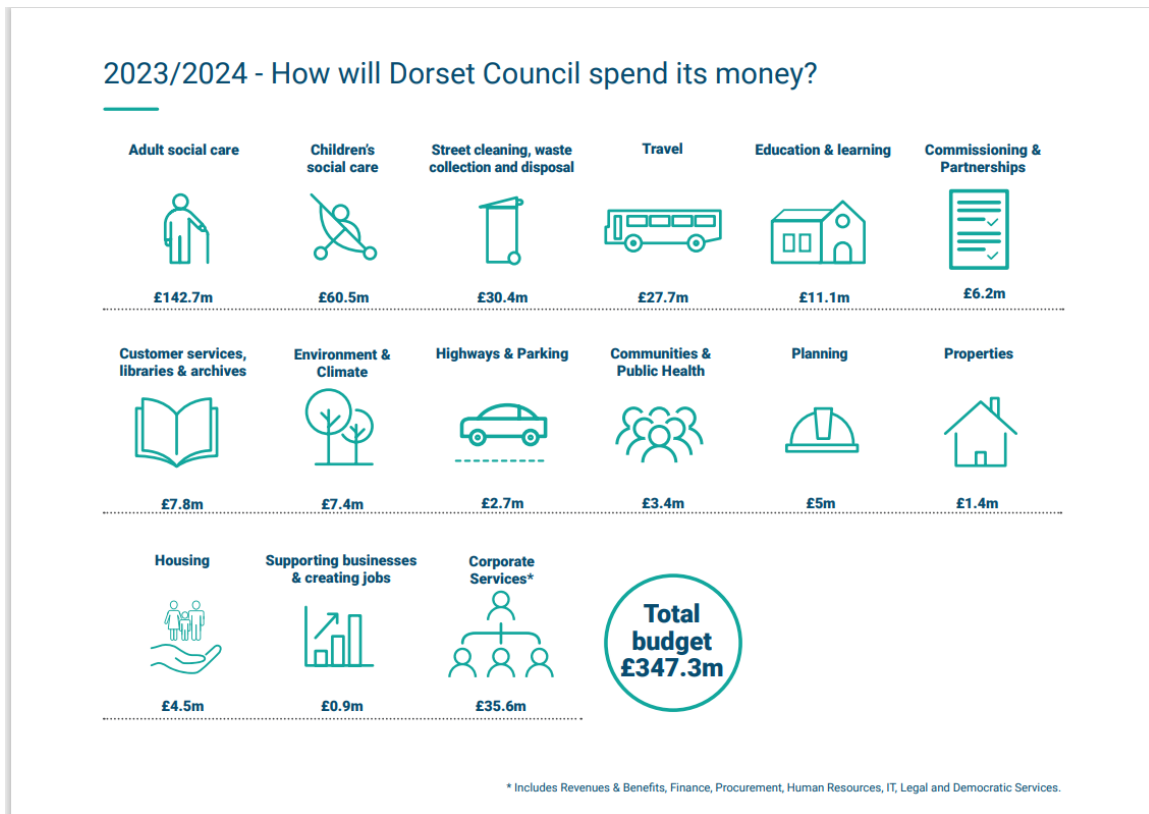
| | £ |
|--|-------------------------|
| Central Finance base budget position 2022/23 after adjustments | £3,833,784 |
| Change in funding | £898,282 |
| LGPS | (£988,000) |
| Contribution from Health | (£2,500,000) |
| Reduction in contingency | <u>(£1,262,312)</u> |
| Central Finance current base budget for 2023/24 | <u>(£18,246)</u> |
| | |
| Decrease in base | (£3,852,030) |

Appendix 1i Sources of funding



Appendix 1j

How the budget is spent



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Appendix 2

Council tax resolution

(for Council paper only, intentionally blank for Cabinet and Scrutiny Committees reports)

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Appendix 3

Capital strategy

1. Introduction

- 1.1. This capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
- 1.2. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years to come. They are therefore subject to both a national regulatory framework and a local policy framework, summarised in this report.
- 1.3. This report is prepared in line with the requirements of the Chartered Institute of Public Finance and Accountancy's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code).

2. Capital expenditure and financing

- 2.1. Capital expenditure is where the Council spends money on assets, such as property or vehicles, that will be used for more than one year. In local government this includes spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what is treated as capital expenditure, for example, land and building assets costing less than £25k are generally not capitalised and are instead charged to revenue in the year of purchase.
- 2.2. The Council's planned capital expenditure is summarised in the table below. (As highlighted in the budget strategy report, significant slippage is expected between years and this is not reflected in the figures below.)

Table 1: Prudential Indicator: Estimated Capital Expenditure (£m)

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|--|------------|-----------|-----------|-----------|
| Projects with full external funding | 23 | 0 | 0 | 0 |
| Projects with partial external funding | 56 | 3 | 6 | 3 |
| Projects with no external funding | 70 | 44 | 39 | 35 |
| TOTAL | 149 | 47 | 45 | 38 |

- 2.3. Service managers bid annually for approval of capital projects.
- 2.4. The Capital Strategy and Asset Management Group (CSAMG) appraises all bids based on a comparison of service priorities against financing costs and makes proposals to Cabinet. The final capital programme is then presented to Cabinet and then Council for approval. Capital projects with the most beneficial impact on the revenue budget will be prioritised. The Council also intends to repurpose assets for better service delivery.
- 2.5. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative).

Table 2: Capital Financing (£m)

| | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---------------------------------|------------|-----------|-----------|-----------|
| Grants and contributions | 53 | 2 | 2 | 2 |
| Capital receipts applied | 0 | 0 | 0 | 0 |
| Reserves | 0 | 0 | 0 | 0 |
| Minimum Revenue Provision (MRP) | 10 | 10 | 12 | 13 |
| Other revenue contributions | 0 | 0 | 0 | 0 |
| Debt | 86 | 35 | 31 | 23 |
| TOTAL | 149 | 47 | 45 | 38 |

- 2.6. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as minimum revenue provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance.
- 2.7. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt. The Council's estimated CFR is as follows:

Table 3: Prudential Indicator: Estimated Capital Financing Requirement (£m)

| | 31-Mar 2022 Actual | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|-------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Capital Financing Requirement | 345 | 360 | 400 | 440 | 475 |

- 2.8. When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2023/24.
- 2.9. The capital programme does not assume any application of capital receipts as financing at this stage. A decision about the use of capital receipts will need to be taken by Cabinet as they can either be used to finance new capital expenditure, or flexibly to finance revenue transformation costs.

Treasury Management

- 3.1. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account.

Borrowing strategy

- 3.2. The Council's main objective when borrowing is to achieve a low and certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between short-term loans and long-term, fixed-rate loans where the future cost is known. The Council does not borrow to invest for the primary

purpose of financial return and therefore retains full access to the Public Works Loans Board (PWLB).

- 3.3. Projected levels of the Council’s total outstanding debt, which comprises borrowing, Private Finance Initiative (PFI) liabilities and leases, are shown below and compared with the Capital Financing Requirement.

Table 4: Prudential Indicator: Capital Financing Requirement and Gross Debt (£m)

| | 31-Mar 2022 Actual | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|--|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Capital Financing Requirement | 345 | 360 | 400 | 440 | 475 |
| External Debt (incl. PFI & leases): | | | | | |
| External borrowing | 181 | 175 | 215 | 244 | 280 |
| Other debt liabilities | 24 | 23 | 22 | 21 | 20 |
| Total Debt | 205 | 198 | 237 | 265 | 300 |
| Internal Borrowing | 140 | 162 | 163 | 175 | 175 |

- 3.4. Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Council expects to comply with this requirement in the medium-term, as shown in the table above.
- 3.5. To compare the Council’s actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing assuming that cash and investment balances are kept to a minimum level of £20m at each year-end. Whilst a useful comparator, constraints on the Council’s ability to repay existing borrowing would make it difficult (and costly) to implement this strategy. The table below shows that the Council expects to remain borrowed above its liability benchmark over the medium-term.

Table 5: Borrowing and the Liability Benchmark (£m)

| | 31-Mar 2022 Actual | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|-----------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Outstanding borrowing | 181 | 175 | 215 | 244 | 280 |
| Liability benchmark | 6 | 75 | 145 | 199 | 250 |

- 3.6. The Council is legally obliged to set an affordable borrowing limit (the “authorised limit”) for external debt each year, and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the authorised limit.

Table 6: Prudential Indicator: Authorised Limit and Operational Boundary for External Debt (£m)

| | 2022/23 Limit | 2023/24 Limit | 2024/25 Limit | 2025/26 Limit |
|----------------------------|------------------|------------------|------------------|------------------|
| Authorised Limits: | | | | |
| Borrowing | 449 | 420 | 460 | 495 |
| PFI and leases | 34 | 35 | 35 | 35 |
| Total External Debt | 483 | 455 | 495 | 530 |

| | | | | |
|------------------------------|------------|------------|------------|------------|
| Operational Boundary: | | | | |
| Borrowing | 429 | 400 | 440 | 475 |
| PFI and leases | 29 | 30 | 30 | 30 |
| Total External Debt | 458 | 430 | 470 | 505 |

Treasury investments strategy

- 3.7. Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or purely for financial gain are not generally considered to be part of treasury management (see paragraphs 4 and 5 below).
- 3.8. The Council's policy on treasury investments is to prioritise security and liquidity over yield, that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the Government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation.
- 3.9. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to purchase and the Council may request its money back at short notice.

Table 7: Cash and Treasury Investments (£m)

| | 31-Mar 2022 Actual | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|-----------------------------------|--------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Cash and cash equivalents | 46 | 30 | 20 | 20 | 20 |
| Treasury investments | 149 | 90 | 70 | 45 | 30 |
| Total cash and investments | 195 | 120 | 90 | 65 | 50 |

- 3.10. The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses.
- 3.11. Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Section 151 Officer and staff, who must act in line with the treasury management strategy approved by Council each year. The Audit and Governance Committee is responsible for scrutinising treasury management decisions, and regular reports on treasury management activity are presented to this committee.
- 3.12. The Council's Treasury Management Strategy, Appendix 4, includes further details of the Council's borrowing and treasury investments.

4. Investments for Service Purposes

- 4.1. The Council may make investments to assist local public services, including making loans to or investing in local service providers, including its own subsidiaries. In light of the public service objective, the Council may be willing

to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

5. **Commercial Activities**

- 5.1 The Council may invest in property or other commercial activities purely or mainly for financial gain, but local authorities must not borrow to invest primarily for financial returns. As financial return is the main objective, the Council may accept a higher level of risk on commercial investments than with treasury investments. The value and risks of commercial investments must remain proportionate to the size of the Council, and contingency plans must be put in place should expected yields not materialise.

6. **Revenue Budget Implications**

- 6.1. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue (gross financing costs), offset by any investment income receivable (net financing costs).
- 6.2. Estimated financing costs are summarised in the table below and shown as a proportion of the Council's estimated net revenue stream (the amount funded from council tax, business rates and general government grants).

Table 8: Prudential Indicator: Estimated financing costs (£m)

| | 2022/23 Forecast | 2023/24 Budget | 2024/25 Budget | 2025/26 Budget |
|---|-----------------------------|---------------------------|---------------------------|---------------------------|
| Interest Payable | 8.3 | 9.6 | 10.6 | 11.6 |
| Minimum Revenue Provision (MRP) | 10.0 | 10.0 | 12.0 | 13.0 |
| Gross Financing Costs | 18.3 | 19.6 | 22.6 | 24.6 |
| Proportion of net revenue stream | 5.9% | 6.1% | 7.0% | 7.4% |
| Less Investment Income | -3.5 | -4.0 | -4.0 | -4.0 |
| Net Financing Costs | 14.8 | 15.6 | 18.6 | 20.6 |
| Proportion of net revenue stream | 4.7% | 4.9% | 5.7% | 6.2% |

- 6.3. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP) and is calculated with regard to the then Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance), most recently issued in 2018. The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, included as Annex 2 to the Treasury Management Strategy.

6.4. Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years may extend many years into the future. The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable and sustainable.

7. Knowledge and Skills

7.1. The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. The Council supports junior staff to study towards relevant professional qualifications.

7.2. Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite. Arlingclose are employed as the Council's treasury management advisers.

Appendix 4

Treasury management strategy

1. Introduction

- 1.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council 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 financial risk are therefore central to the Council's prudent financial management.
- 1.2 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to the CIPFA Code. This report also covers the requirements of statutory guidance last issued in 2018 by the then Ministry of Housing, Communities and Local Government (MHCLG) regarding both Minimum Revenue Provision (MRP) and local government investment.

2. Treasury Management Advisers

- 2.1 The Council employs professionally qualified and experienced staff with responsibility for making borrowing and investment decisions. Officers are supported by external advisers who are specialists in their fields. The Council currently employs Arlingclose Limited as treasury management advisers.
- 2.2 This approach ensures that the Council has access to a wide pool of relevant market intelligence, knowledge and skills, that would be very difficult and costly to replicate internally. However, whilst advisers provide support to the internal treasury function, final decisions on treasury matters always remain with the Council.

3. External Context (Economic Background and Outlook)

- 3.1 Treasury management decisions made by the Council must take into consideration external factors, particularly the wider economic backdrop and the outlook for financial markets and interest rates.
- 3.2 The major external influences on the Council's treasury management activity in 2023/24 are expected to be the ongoing impact from the war in Ukraine, continuing high levels of inflation, higher interest rates and a challenging economic outlook. A detailed economic commentary and interest rate forecast produced by Arlingclose is included in Annex 1.

4. Local Context

- 4.1 Each of Dorset Council's six predecessor councils had different balance sheets and different capital programmes, and each had therefore developed different treasury management strategies to suit their individual circumstances. Dorset Council continues to develop its own strategy to meet the needs of its combined balance sheet and capital programme. Existing

borrowing and investment positions will continue to be reviewed to achieve an appropriate balance between cost and risk.

- 4.2 The Council's balance sheet summary and forecast are shown in table 1 below.

Table 1: Balance Sheet Summary (£m)

| | 31-Mar 2022 Actual | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|---|-----------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Capital Financing Requirement (CFR) | 345 | 360 | 400 | 440 | 475 |
| Less PFI and other lease finance liabilities | 24 | 23 | 22 | 21 | 20 |
| Loans CFR (underlying borrowing requirement) | 321 | 337 | 378 | 419 | 455 |
| External borrowing | 181 | 175 | 215 | 244 | 280 |
| Internal Borrowing | 140 | 162 | 163 | 175 | 175 |
| Total Borrowing | 321 | 337 | 378 | 419 | 455 |
| Cash & cash equivalents | 46 | 30 | 20 | 20 | 20 |
| Treasury investments | 149 | 90 | 70 | 45 | 30 |
| Total Cash and Investments | 195 | 120 | 90 | 65 | 50 |

- 4.3 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 Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
- 4.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation over the medium term.
- 4.5 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £20m at each year-end to maintain sufficient liquidity but minimise credit risk.
- 4.6 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

Table 2: Liability Benchmark (£m)

| | 31-Mar 2023 Forecast | 31-Mar 2024 Budget | 31-Mar 2025 Budget | 31-Mar 2026 Budget |
|------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Outstanding borrowing | 175 | 215 | 244 | 280 |
| Less cash and investments | 120 | 90 | 65 | 50 |
| Net loans requirement | 55 | 125 | 179 | 230 |
| Plus liquidity allowance | 20 | 20 | 20 | 20 |
| Liability benchmark | 75 | 145 | 199 | 250 |

5 Borrowing Strategy

- 5.1 As at 31 December 2022, the Council held £159 million of loans as part of its strategy for funding this year's and previous years' capital programmes. External borrowing as at 31 December 2022 is summarised in Table 3 below.

Table 3 External borrowing as at 31 December 2022

| | 31.12.22 Balance £m | 31.12.22 Average Rate % | 31.12.22 Average Maturity (years) |
|---------------------------------|------------------------------------|--|--|
| Public Works Loan Board | 62.4 | 4.1 | 20.9 |
| Banks (fixed-term) | 25.6 | 4.7 | 54.6 |
| Banks (LOBO) | 11.0 | 4.6 | 54.0 |
| Local authorities (long-term) | 15.0 | 4.4 | 37.0 |
| Local authorities (short-term) | 0.0 | 0.0 | 0.0 |
| Other lenders (fixed-term) | 45.0 | 3.9 | 43.9 |
| Total External Borrowing | 159.0 | 4.2 | 36.6 |

- 5.2 The chief objective of the Council and its predecessors when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should long-term plans change is a secondary objective.
- 5.3 The Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With interest rates on borrowing high relative to returns on investments it is likely to be more cost effective in the short term to use internal resources rather than external borrowing.
- 5.4 This strategy has enabled the Council to reduce net borrowing costs (despite foregone investment income) and to reduce overall treasury risk. The benefits of internal and/or short-term 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 Council with this 'cost of carry' and breakeven analysis.
- 5.5 The predecessor councils had previously raised a significant proportion of their long-term borrowing from the PWLB but the Council will also consider long-term loans from other sources including banks, pension funds and other local

authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.

- 5.6 Alternatively, the Council may arrange forward starting loans, 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 Council may borrow short-term loans to cover unplanned cash flow shortages.
- 5.7 The Council's approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board) and any successor body
 - any institution approved for investments (see below)
 - any other bank or building society authorised to operate in the UK
 - any other UK public sector body
 - UK public and private sector pension funds (including the Dorset County Pension Fund)
 - capital market bond investors, and
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local Council bond issues.
- 5.8 In addition, capital finance may be raised by the following methods that are not borrowing, but are classed as other debt liabilities:
- leasing
 - hire purchase
 - Private Finance Initiative (PFI)
 - sale and leaseback.
- 5.9 UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lend the proceeds to local authorities. As this is a more complicated source of finance than the PWLB, any decision to raise capital financing from this route will therefore be the subject of a separate report.
- 5.10 The Council holds one Lender's Option Borrower's Option (LOBO) loan for £11m where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost.
- 5.11 Short-term and variable rate loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below.

- 5.12 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 Council 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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.
- 5.13 Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP) and is calculated with regard to statutory guidance. The guidance requires the Council to approve an Annual MRP Statement each year, and this is included as Annex 2 to this Treasury Management Strategy.

6. Treasury Investments Strategy

- 6.1 The Council holds significant levels of invested funds, representing income received in advance of expenditure plus balances and reserves held. Cash, cash equivalents and investments held on 31 December 2022 are summarised in Table 4 below.

Table 4: Cash and Treasury Investments (£m)

| | 31.12.22 Balance |
|--|---------------------|
| Cash and Cash Equivalents: | |
| Banks & Building Societies (unsecured) | 2.4 |
| Money Market Funds | 39.0 |
| Less Dorset LEP Balances* | -4.7 |
| Total Cash and Cash Equivalents | 36.7 |
| Treasury Investments: | |
| Debt management office | 34.8 |
| Cash plus and short-dated bond funds | 11.3 |
| Strategic bond funds | 9.0 |
| Equity income funds | 33.6 |
| Property funds | 23.6 |
| Multi asset income funds | 5.6 |
| Total Treasury Investments | 117.9 |
| Total Cash and Investments | 154.6 |

(*The Dorset Local Enterprise Partnership's bank balances are held in the same NatWest Bank interest group as Dorset Council's bank balances, meaning interest is only charged if this interest group as a whole is overdrawn.)

- 6.2 The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council'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 Council 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.

- 6.3 As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments.
- 6.4 The Council has investments of approximately £80m in externally managed strategic pooled investment vehicles (bond, equity, multi-asset and property funds) where short-term security and liquidity are lesser considerations, and the objectives instead are regular revenue income and long-term price stability.
- 6.5 Under International Financial Reporting Standard (IFRS) 9, the accounting treatment for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its internally managed treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 6.6 The Council may invest its surplus funds with any of the counterparty types in table 5 below, subject to the cash limits (per counterparty) and the time limits shown.

Table 5 Treasury investment counterparties and limits

| Sector | Time limit | Counterparty limit | Sector limit |
|---|-------------------|---------------------------|---------------------|
| The UK Government | 50 years | Unlimited | n/a |
| Local authorities & other government entities | 25 years | £30m | Unlimited |
| Secured investments * | 25 years | £30m | Unlimited |
| Banks (unsecured) * | 12 months | £15m | Unlimited |
| Building societies (unsecured) * | 12 months | £15m | £30m |
| Registered providers (unsecured) * | 5 years | £15m | £30m |
| Money market funds * | n/a | £30m | Unlimited |
| Strategic pooled funds | n/a | £20m | £150m |
| Real estate investment trusts | n/a | £20m | £100m |
| Other investments * | 5 years | £15m | £30m |

- 6.7 ***Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. 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. For entities without published credit ratings, investments may be made either where external advice indicates the entity to be of similar credit quality.

- 6.8 **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 generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
- 6.9 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies 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. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.
- 6.10 **Banks and building societies (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. See below for arrangements relating to operational bank accounts.
- 6.11 **Registered providers (unsecured):** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
- 6.12 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 6.13 **Strategic pooled funds:** Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. These funds have no defined maturity date, but are available for withdrawal after a notice period,

therefore their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

- 6.14 **Real Estate Investment Trusts (REITs):** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 6.15 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.
- 6.16 **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £10m per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
- 6.17 **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council'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.
- 6.18 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.
- 6.19 **Other information on the security of investments:** The Council 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, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

- 6.20 When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council 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 Council's cash balances, then the surplus will be deposited with the UK Government or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.
- 6.21 **Investment limits:** the maximum that will be lent to any one organisation (other than the UK Government) will be £30 million. A group of entities under the same ownership will be treated as a single organisation for limit purposes. Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £10 million in operational bank accounts count against the relevant investment limits.
- 6.22 Limits are also 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 6 Additional investment limits

| | Cash limit |
|---|-------------------|
| Any group of pooled funds under the same management | £50m per manager |
| Negotiable instruments held in a broker's nominee account | £50m per broker |
| Foreign countries | £25m per country |

- 6.23 **Liquidity management:** The Council monitors its cash flow forecasting on a daily basis 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 Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast. The Council will spread its liquid cash over at least three providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

7. Treasury Management Prudential Indicators

- 7.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 7.2 **Security:** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. Arlingclose calculate the credit score by applying a score to each investment (AAA = 1, AA+ = 2 etc.) and taking the average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

- 7.3 The target for the portfolio average credit score is 6.0.
- 7.4 **Liquidity:** The Council 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.
- 7.5 The target level of cash available within three months is £30m. In addition, the Council aims to hold a minimum of £10m readily available in same day access bank accounts and/or Money Market Funds.
- 7.6 **Interest rate exposure:** This indicator is set to control the Council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.
- 7.7 The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be £1.0m.
- 7.8 **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Table 7 Maturity structure of borrowing

| | Upper Limit | Lower Limit | Complied Yes/No |
|----------------------|--------------------|--------------------|------------------------|
| Under 12 months | 25% | 0% | Yes |
| 12 Months to 2 Years | 25% | 0% | Yes |
| 2 Years to 5 Years | 25% | 0% | Yes |
| 5 Years to 10 Years | 35% | 0% | Yes |
| 10 Years to 20 Years | 45% | 0% | Yes |
| 20 Years to 30 Years | 45% | 0% | Yes |
| 30 Years to 40 Years | 45% | 0% | Yes |
| 40 Years to 50 Years | 45% | 0% | Yes |
| 50 Years and above | 75% | 0% | Yes |

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

7.10 **Long-term treasury management investments:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The prudential limits on the long-term treasury management investments will be £100m.

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

8. Financial Derivatives:

8.1 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).

- 8.2 The Council 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 Council 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.
- 8.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 8.4 In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.

9. Markets in Financial Instruments Directive (MiFID)

- 9.1 The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Section 151 Officer believes this to be the most appropriate status.

10. Other Options Considered

- 10.1 The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Section 151 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 | Higher investment balance leading to a higher impact in |

| | | |
|--|--|---|
| | by higher investment income | 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 |

11 Non-treasury Investments

Service Investments

- 11.1 The Council may make investments to assist local public services, including making loans to or investing in local service providers, including its own subsidiaries to support local public services and stimulate local economic growth.
- 11.2 The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. The Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments and assesses the risk of loss before entering into and whilst holding service loans.
- 11.3 The Council may invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered and the Council assesses the risk of loss before entering into and whilst holding shares.
- 11.4 The value and risks of service investments must remain proportionate to the size of the Council. As at 31 March 2022, the Council held service loans to town and parish councils, local charities and other organisations totalling £3.0m and shares in subsidiaries valued at £33,000.

Commercial Investments

- 11.5 The Council may invest in property or other commercial activities purely or mainly for financial gain, but local authorities must not borrow to invest primarily for financial returns. As financial return is the main objective, the Council may accept a higher level of risk on commercial investments than with treasury investments.
- 11.6 The value and risks of commercial investments must remain proportionate to the size of the Council, and contingency plans must be put in place should expected yields not materialise. The Council has no investments held purely or mainly for financial gain.

Annex 1: Economic Background, Credit Outlook and Interest Rate Forecast (Arlingclose January 2023)

Economic background

The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.

The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.

The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.

The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.

The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.

Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has

seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.

Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

Credit outlook

Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.

The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from negative to stable.

There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.

However, the institutions on Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

Interest rate forecast (December 2022)

Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

Underlying assumptions:

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.

- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

Forecast:

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.
- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

| | Current | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
|----------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Official Bank Rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.50 | 0.75 | 1.00 | 1.00 | 1.00 | 1.25 | 1.50 | 1.75 | 1.50 | 1.25 | 1.25 | 1.25 |
| Arlingclose Central Case | 3.50 | 4.00 | 4.25 | 4.25 | 4.25 | 4.25 | 4.00 | 3.75 | 3.50 | 3.25 | 3.25 | 3.25 | 3.25 |
| Downside risk | 0.00 | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 3-month money market rate | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.50 | 0.75 | 1.00 | 1.00 | 1.00 | 1.25 | 1.50 | 1.75 | 1.50 | 1.25 | 1.25 | 1.25 |
| Arlingclose Central Case | 3.00 | 4.40 | 4.40 | 4.40 | 4.35 | 4.30 | 4.25 | 4.00 | 3.75 | 3.50 | 3.40 | 3.40 | 3.40 |
| Downside risk | 0.00 | 0.50 | 0.75 | 0.75 | 0.75 | 0.75 | 0.75 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 5yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.43 | 3.60 | 3.80 | 3.80 | 3.80 | 3.70 | 3.60 | 3.50 | 3.40 | 3.30 | 3.30 | 3.30 | 3.30 |
| Downside risk | 0.00 | 0.80 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 10yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.47 | 3.50 | 3.60 | 3.60 | 3.60 | 3.60 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Downside risk | 0.00 | 0.80 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 20yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.86 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 | 3.85 |
| Downside risk | 0.00 | 0.80 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 50yr gilt yield | | | | | | | | | | | | | |
| Upside risk | 0.00 | 0.70 | 0.80 | 0.90 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Arlingclose Central Case | 3.46 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 | 3.60 |
| Downside risk | 0.00 | 0.80 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%

PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%

Annex 2: Annual Minimum Revenue Provision Statement 2023/24

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The *Local Government Act 2003* requires the Council to have regard to the then Ministry of Housing, Communities and Local Government's *Guidance on Minimum Revenue Provision* (the MHCLG Guidance) most recently issued in 2018.
2. The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the MHCLG Guidance.
 - For capital expenditure incurred before 1st April 2008 MRP will be determined as 4% of the capital financing requirement in respect of that expenditure.
 - For capital expenditure incurred after 31st March 2008, MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. MRP on purchases of freehold land will be charged over 50 years. MRP on expenditure not related to fixed assets but which has been capitalised by regulation or direction will be charged over 20 years.
 - For assets acquired by leases or the Private Finance Initiative, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
 - Where former operating leases will be brought onto the balance sheet due to the adoption of the *IFRS 16 Leases* accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or incentives, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.
4. Capital expenditure incurred during 2023/24 will not be subject to a MRP charge until 2024/25 or later.

Appendix 5

Summary of financial planning assumptions

| | Original assumption 2023/24 | Revised assumption 2023/24 |
|------------------------------|--|---|
| Council tax increase | <2% | <2% |
| Council tax base growth | 0.75% | 1.2% |
| Social Care Precept | 1% | 2% |
| Business rates growth | 0.50% | 4.67% |
| Pay award | 2.00% | 4.00% |
| General inflation | 2.50% | 6.00% |
| Increase in fees & charges | 2.50% | 5.00% |
| Pension deficit contribution | 0% +£750k | 0% -£988k |

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Fees and Charges Policy

A corporate approach to effective management of fees and charges will ensure the Council maximises commercial opportunities to generate income on the delivery of chargeable services

This Policy underpins Dorset Council's principles of setting and reviewing fees and charges as the Council moves through a programme of transformation and will be subject to review to ensure that it continues to reflect the needs and aspirations of the Council

Draft v2 dated 16 12 22

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Introduction

As with other Local Authorities, the Council is facing continuing financial pressures following years of reduced funding and the need to generate income locally. Making the best use of the ability to generate income from fees and charges is therefore important to the Council. Of the many services provided by the Council, many are centrally funded or managed through council tax.

Being more commercially minded where fees and charges are concerned will enable the Council to be in a better place to continue to meet funding challenges. The pandemic has shown how much residents rely on the council services and has exposed further the budget constraints on delivery of services, the revenue from fees and charges is therefore essential to sustain future delivery.

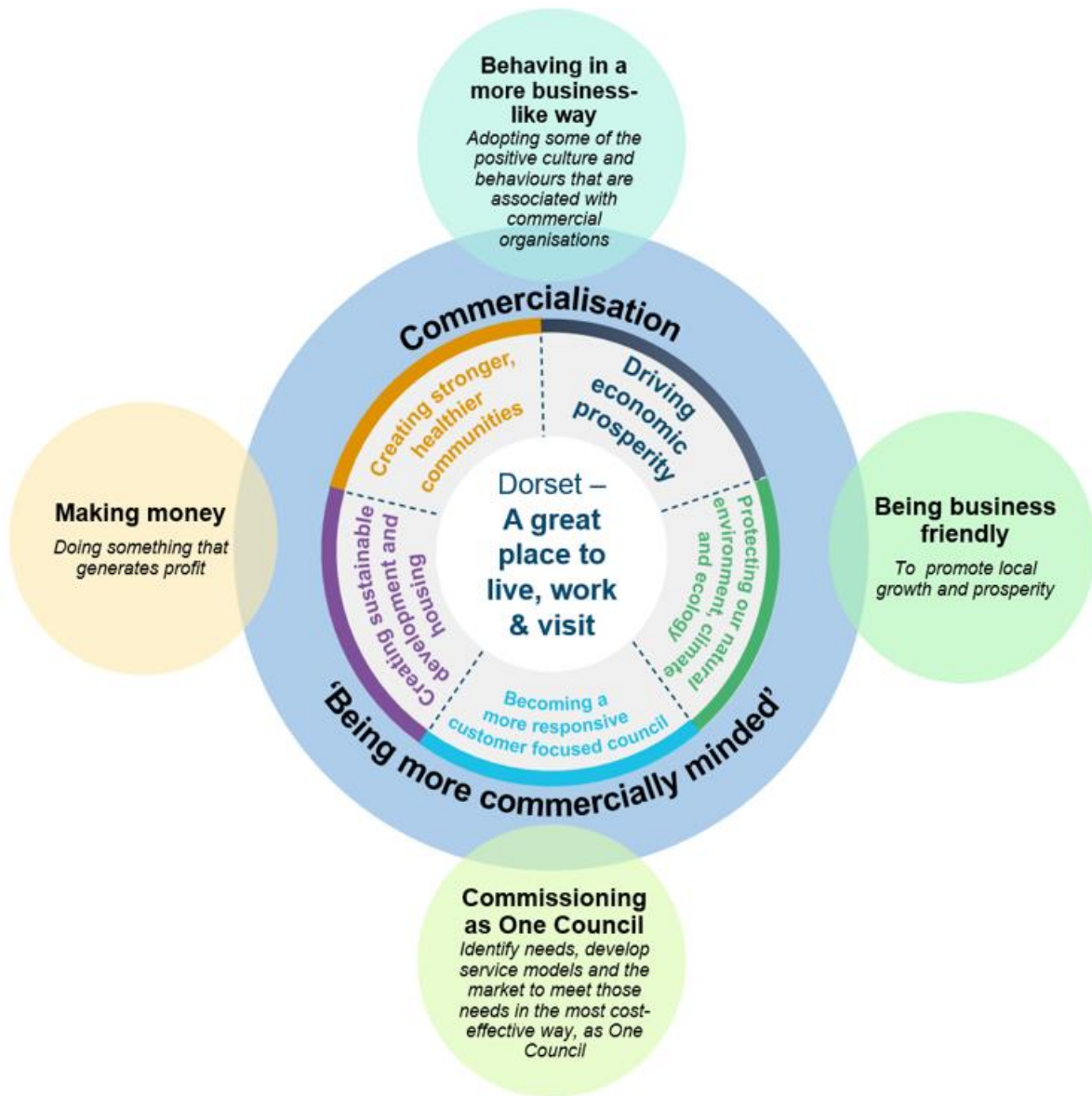
The purpose of this Fees and Charges Policy is to provide a consistent approach in setting, monitoring, and reviewing fees and charges, and applies to fees and charges for discretionary services and trading activities across the Council. This Policy specifies the processes for fees and charges, and provides what factors need to be taken into consideration when charges are initially set and consequently reviewed annually.

A corporate approach to commercial activity in terms of setting fees and charges ensures that chargeable services represent best value to the residents of the Council's local authority area. It supports the focus of the Corporate Plan of Dorset Council to make Dorset a great place to live, work and visit, priorities being:

- Protecting our natural environment, climate and ecology
- Creating stronger, healthier communities
- Creating sustainable development and housing
- Driving economic prosperity
- Becoming a more responsive, customer focused council

Being More Commercially Minded

The term "**Being more commercially minded**" and other terms such as commercialism, commercial, commercialisation etc mean different things to different people. The Council's Commercialisation Transformation Programme defines "Being more commercially minded" as four themes of: Behaving in a more business-like way; Being business friendly; Commissioning as One Council; and Making Money. These themes are shown below as separate, but connected, workstreams that compliments the Council's Commercial Strategy – Commissioning and Procurement in supporting the Council priorities of: Protecting our natural environment, climate and ecology; Creating stronger, healthier communities; Creating sustainable development and housing; Driving economic prosperity; Becoming a more responsive, customer focused council.



Statement

This Fees and Charges Policy sets out the policy position of the Council when it comes to fees, charges, and establishes some key principles to apply when creating or reviewing any fees or charges.

The key objectives of this Policy are to ensure that:

- all decisions on fees and charges for services and income generating activities will be taken with reference to and in support of Council priorities
- all fees and charges, and the scope for charging, will be reviewed at least annually by the Directorate concerned in consultation with Finance and Commercial as part of the budget setting process

- the full cost of delivery to be calculated and documented to enable full consideration to be given to the opportunities for improving efficiency and income from a service
- in general, fees and charges income from discretionary services should recover the full cost of delivery, except where:
 - it is not appropriate to do so, for example where services provide support to service users that helps prevent the need to access more costly or complex services later therefore it is in the interest of the Council not to apply full cost recovery
 - it is prevented by government legislation to do so
- any approach to not apply full cost recovery is agreed by the relevant Executive Director in consultation with the relevant Portfolio Holder, and if necessary, with the Section 151 Officer.

Corporate Approach

This Fees and Charges Policy sets out the Council's corporate approach that will be taken on fees and charges where the Council has discretion on what charges are set for services provided.

It is corporate led to ensure that there is an overview of all fees and charges, with clear roles and responsibilities for their management in terms of setting, annual review, cost recovery, and where applicable, agreed discounts. Being corporate led ensures that Members' drive for commerciality is applied consistently across the Council.

A corporate approach to effective management of fees and charges will ensure the Council maximises commercial opportunities to generate income on the delivery of chargeable services.

Fees and Charges

The Council provides a diverse range of chargeable services such as adult care, environmental protection, harbour berthing, collection of garden waste, planning and development control, car parking, to name just a few. Fees and charges reflect officer skills needed for the provision to deliver to a high value these high value services.

The Council receives fees and charges also from a diverse range of users that include large organisations and individual residents. This revenue is either a result of fees and charges under statutory powers (set by government) or discretionary (set by the Council)

When fees and charges are implemented, service users pay some, or all, of the cost of delivery. But when no charges are made, council taxpayers in general are subsidising the cost of delivery – potentially at the expense of the provision of another essential service to other Council residents. Fees and charges for

services are therefore considered individually, taking into account local circumstances, such as market conditions and service users.

All decisions on fees and charges for services and trading activities should support the delivery of the Council’s priorities and to be approved by the relevant Executive Director, in consultation with the relevant Portfolio Holder, and if necessary, with the Section 151 Officer and recorded as delegated decisions, as appropriate.

The Localism Act 2011 introduced the General Power of Competence (GPC) which permits councils to charge for Discretionary Services (non-statutory services) at a level that recovers the cost of delivery. This however does not permit a local authority to charge for any services rendered to an individual for which it has a statutory duty to provide unless legislation permits a specific charge to be made.

Types of Fees and Charges

The decision on any level of fees and charges should be transparent and open to scrutiny.

It is recognised that it will not always be appropriate to seek to recover the full cost of delivery, including relevant amount of organisational overhead, but should be set as a subsidised, or concession, or nominal charge. However, such decisions should be subject to prior approval by the relevant Executive Director, in consultation with the relevant Portfolio Holder, and if necessary, with the Section 151 Officer. An example of not applying full cost recovery is where services provide support to service users that helps prevent the need to access more costly or complex services later therefore it is in the interest of the Council not apply full cost recovery.

There are a range of different types of charges against different types of services, supported by individual objectives which, for the purpose of this Policy, fall across the following:

- Statutory Services
- Discretionary Services
- Commercially Trading Discretionary Services

| Statutory Services <i>Services that the Council has a duty to provide. Fees and charges set nationally</i> | |
|--|---|
| Type | Objective |
| Statutory | Charges are set by legislation |
| Statutory prohibition | No charges can be made against these services |

| Discretionary Services <i>Non-statutory services that the Council is not obliged to provide. Fees and charges set by the Council. Must not generate a surplus</i> | |
|---|---|
| Type | Objective |
| Full Cost Recovery | The Council wishes to make the service generally available but does not wish to allocate resources to the service. All costs fully recovered. |
| Subsidised | The Council believes access to the service should be widely available and is prepared to subsidise the service to ensure target groups have access. |

| | |
|---------------------|--|
| | <p>Could also be due to adverse impact a full cost recovery or commercial charging policy would have on other council services.</p> <p>Funding support will come from the revenue budget, meaning council taxpayers are subsidising this service.</p> |
| Concession | <p>The service should be widely available, with users of the service making some contribution from their own resources, but not to the full value of cost recovery. For example, organisations whose purpose is to assist the Council in meeting specific objectives in its priorities and policy framework, or which contribute to the aims of local partnerships in which the Council has a leading role.</p> <p>The funds to make up the difference are not from revenue budget and might instead come from grant funding or other fundraising.</p> <p>Concessions might also be applied as a temporary discount by generating less income in the short term but linked to a better outcome, e.g., encourage growth of a new product, increase overall uptake, in the future.</p> |
| Nominal | <p>The Council wishes the service to be fully available but sets a charge to limit inappropriate or over-use of services that would otherwise be Fully Funded.</p> |
| Fully Funded | <p>Fully Funded services are free for service users as they are funded by the Council. As these services present a direct and full cost to the Council, knowing their value is critical.</p> |

Commercially Trading Discretionary Services

Discretionary services provided as a commercial trading activity. The power to trade permits an authority to generate a surplus provided the activity occurs under a trading model, e.g., Local Authority Trading Company (LATC). Fees and charges set by the Council taking into account competitor pricing, demand, and the Council's market position

| Type | Objective |
|------------------------|---|
| Full Commercial | The Council seeks to maximise revenue within an overall objective of generating surplus as large as possible from this service. Full cost recovery model. |

| | |
|--|--|
| Commercial with Discounts | As above, but with discounted concessions being given to enable disadvantaged groups to access the service. Full cost recovery model. |
| Constrained Commercial (Full Cost Recovery) | The Council seeks to maximise income but is subject to a defined constraint – policy, competition, commitment to service users, political. Full cost recovery model. |

Charging for Discretionary Services

Where the Council provides a service that goes above the statutory requirement, that additional provision may be charged for as a discretionary service.

When setting fees and charges, the following should be considered:

1. Service users must have agreed to receive and pay for the service
2. Charges may be set differentially, allowing people to be charged different amounts
3. The income must not provide an overall surplus to the Council
4. Horizon scan other Local Authorities fees and charges
5. The market in which services are operating
6. Any market changes and whether the services need to be adapted to reflect changes
7. Introducing a new chargeable service, will require an Equalities Impact Assessment to identify and consider any impact on vulnerable groups.

The Council's position is that charges for discretionary services are to be set at the appropriate level to fully recover their costs of delivery unless there is a specific decision by the relevant Director, in consultation with the Section 151 Officer, to subsidise the service provision for policy reasons. Where setting a charge to recover full costs of delivery would lead to a negative impact on vulnerable groups, any discounts must be prior agreed with the relevant Executive Director, in consultation with the relevant Portfolio Holder, and if necessary, with the Section 151 Officer.

Full Cost Recovery as Standard

For charges to cover the actual cost of providing the service, including support services' charges and other overheads, the true cost of service delivery should be calculated, taking into account all aspects of service provision. When estimating the cost of providing a service, the previous year's actual results (in terms of activity levels and expenditure) must be considered.

| What to Consider When Calculating the Cost of Delivery | | |
|--|-----------------|---|
| Cost arising as a direct result of the service being delivered | | |
| Staff hours / salaries (incl.NI and pension contributions) | Employee travel | All materials and equipment needed to deliver the service |

| | |
|--|--|
| Indirect costs required to deliver the service | |
| Facilities (Energy costs, routine maintenance, repairs) | Corporate support services (Finance, HR, IT, etc) |

The overheads required to deliver the services can be estimated based on the previous year's internal charges plus an inflationary uplift. Consult with Finance and Commercial for support with these estimates. The cost areas quoted in the above table may need to be broken down into variable and fixed costs to model how, for example, the cost of delivery varies with the level of service demand. Where costing assumptions are made based on variables such as increased usage, this should be evidenced by an action plan detailing how this will be achieved.

Agreed Discounts

Price sensitivities of individuals and groups should be understood so that charges can be set appropriately to deliver the level of services necessary to achieve objectives.

Any discretionary service that wishes to offer a discount from the full cost recovery position requires a business case. An accurate cost of delivery will therefore be required so that the business case contains accurate financial figures and the true cost of agreeing a discount option is understood.

Business cases detailing the rationale for a discount should consider:

- Any relevant Council priorities, strategies, policies, or objectives
- The need for all charges to be reasonable and able to withstand criticisms and legal challenges
- The level of proposed discount and the service's ability to afford it
- Access to and impact on users, including the level of choice open to customers as to whether they use the Council's services
- Whether the subsidy will target all users though the standard charge being set below full cost recover or will target specific sub-groups of users

Charges may be set differentially, so that different users are charged different amounts, however, this is not intended to lead to some users cross-subsidising others. The costs of offered a service at a reduced charge should be borne by the Council rather than other recipients of the service. Approval for any discounts should be obtained from the relevant Executive Director, in consultation with the relevant Portfolio Holder, and if necessary, with the Section 151 Officer.

If an Agreed Discount cannot be approved, the full cost of recovery must be charged. If a service is not viable when charging at that level, it is appropriate to review whether the service should continue to be provided.

Portfolio Approach

While income from fees and charges should not generate an overall surplus, in some instances, services may wish to look at the income from all their products combined and take a "portfolio approach." This would allow some products to be offered at a loss, with the desired overall cost recovery position achieved from other products from within the same service that are priced more commercially. Equally, where it is not appropriate or cost effective to calculate the cost of delivery at an individual user level, charges may be set so that there is an overall full cost recovery from the delivery of a product or service.

Administration and Notification of Charges

Once set, Heads of Service must apply fees and charges to all service users.

Service users should be aware in advance that a fee is payable, and the level of the fee. This means all charges must be published on the Council's website and at any point of sale.

The Council is required to charge VAT to service users where the product or service being supplied is subject to VAT. Service users that are either exempt from or able to claim back VAT and request a quotation exclusion of VAT, are an exception.

The most economic, efficient, and effective method of income and debt collection should be used and must comply with the requirements of Financial Regulations. When collecting fees and charges income, services should use the most cost-effective method available, i.e., online or with card, thus minimising the use of cash and cheque payments and invoicing as a method of collection wherever possible.

Payment should, wherever possible, be taken in advance. If collection in arrears is necessary, invoices should be issued promptly and clearly. Additionally, an allowance for cost recovery and bad debt write-offs should be included in calculations when setting any charges that are collected in arrears.

Central Schedule of Fees and Charges

Financial and Commercial shall maintain the central Schedule of Fees and Charges. All fees and charges (including subsidies, waivers, and exemptions) must be identified, not just discretionary ones.

The central Schedule of Fees and Charges will be updated annually by Financial and Commercial, with the business areas concerned, and clearly include the date on which it was last revised. The Schedule to be published, as it is updated, on the Council's website.

Regular Price Reviews

Reviews to be conducted annually for all services fees and charges in time to inform the budget setting process.

It is the responsibility of all Heads of Services to ensure that these reviews are undertaken by service areas that offer chargeable services. For business planning purposes, the standard assumption is that all fees and charges will be increased each year based on a reasoned and careful consideration of the level of inflation to be applied. Although charges within the same service area may need reviewing at separate times in the year. Annual reviews should consider the following factors:

- Inflationary pressures, and when a flat rate uplift might not be the most appropriate option due to specific changes to the cost-of-service delivery
- Service-level budget targets, with the context of council-wide targets and advice from Finance Business Partners
- Cost of administration
- Scope for new charging areas, this might be entirely new discretionary service to deliver, or existing services that are currently not charged for
- Use stakeholder engagement and comparative data, where appropriate, to ensure that charges do not adversely affect the take up of services or restrict access to services (other than where this is a desirable outcome)
- Must not generate an unlawful surplus

If a decision is taken to not increase some fees and charges the budget shortfall that this creates will need to be bridged through other operational and cost savings. Conversely, if charges are increased above inflation this can contribute to Directorate savings targets.

Service users should be given a reasonable period of notice before the introduction of new or increased charges.

To ensure cost effectiveness and efficiency when setting and amending charging levels, the following are to be considered:

- The desirability of increasing the Council's market share, particularly in fully commercial charges, e.g., temporality reducing a fee or charge in order to stimulate demand for a service, leading to increased income generation
- Obstacles to maximising full cost recover when providing the service
- Future investment required to improve or maintain the service
- If full cost recovery would require a sudden and large uplift and may reduce market share, it may be prudent to phase-in that price rise over a longer period with a temporary Agreed Discount
- The desirability of reducing the uptake of a given service, i.e., raising charges during peak times

Annual Fees and Charges Schedule Updates

The Schedule for Fees and Charges template will be circulated annually by Finance and Commercial to the relevant business areas as part of the budget planning process. It must be completed in full, to include:

- A description of the charge
- The current price of all discretionary and statutory fees and charges
- New cost of the charge with the correct inflation rate applied
- Whether the charge is Full Cost Recovery or an Agreed Discount (or a statutory limit)

Finance and Commercial, will keep the central record of the Schedule for Fees and Charges on all service area's fees and charges for the purpose of ensuring statutory and discretionary fees are recorded accurately and set and reviewed in accordance with this Policy.

Over-Achievement and Under-Achievement of Fees and Charges

At a level deemed appropriate by the relevant service, a clear escalation process should be in place for the under – or overachievement of charges.

For an over-achievement of a charge, the simple process should be for budget holders to inform the Head of Service, the Corporate Director of the service, and the Finance Business Partner. Within the year, discussions should be then held how to use this surplus to offset any areas running an overspend within the budget/service. At the end of the year, an overachievement in charges should result in discussions on whether to amend the target of that particular fee, or charge, in line with the Council's income generation aim.

For an under-achievement of a fee or charge within a service, the budget holder, and the Finance Business Partner should attempt to mitigate an underachievement, then the Head of Service should mitigate it within their service. Failing this, the Executive Director, in consultation with the relevant Portfolio Holder, should attempt to do the same for the Directorate before further escalating the underachievement to the Section 151 Officer should the Directorate be unable to mitigate the failure to meet an income target for any fee or charge. Again, if this under-achievement takes place at the end of the year, discussions should be held to amend to a more realistic and achievable income target.

Legislation

The following legislation stipulates what local authorities can and cannot do in respect of generating income.

Local Authorities (Goods and Services Act 1970)

Local authorities have the power to enter into agreements with each other and other certain types of public bodies for the performance of certain services.

Local Government Act 2003

1. Gives local authorities the power to charge for services on a cost recover basis.
Charging:

- Only applies to discretionary services (that has the power to provide but not a duty)
 - Cannot be used where charging is specifically prohibited by other legislation
 - Cannot be used where another specific charging regime applies
 - Is limited to cost recovery
2. Trade in activities related to local authorities' functions on a commercial basis.
- Trading:
- Most be exercised through a company which has a business plan for operation.
 - Can be delivered by participating in an existing private trading venture providing that this is a company within the relevant definitions (limited partnership and limited liability partnerships are not acceptable structures for local authority trading)
 - Can be used with a view to make a profit. In a company wholly owned by a local authority, profits can be returned to the authority through a dividend or service charge to hold down Council Tax or be reinvested.

The Localism Act

Local authorities' powers and responsibilities have traditionally been defined by legislation. In simple terms, *we can only do what the law says we can*. This has often led to excessive caution and in some cases inaction as local authorities are wary of doing something new. Something may be thought as an innovative idea but because there is uncertainty whether it is allowable in law, and concern about the possibility of being challenged in the Courts, it is not actioned. The Government took the view that this needs to be addressed by the Localism Act, in that the Act sets out that local authorities instead of being able to act only where the law says they can, local authorities should be free to anything as long as they do not break other laws.

The Act includes a 'general power of competence' which gives local authorities the legal capacity to do anything that an individual can do that is not specifically prohibited. Cannot, for example, be able to impose new taxes as an individual has no power to tax. This general power gives local authorities more freedom to work in new ways to drive down costs. It gives increased confidence to do creative, innovative things to meet local people's needs.

The general power of competence does not remove any duties from local authorities; just like individuals they will continue to comply with duties placed on them.

The Act does however give the Secretary of State the power to remove unnecessary restrictions and limitations where there is a good case to do so, subject to safeguards designed to protect vital services.

Other Considerations

As well as this statutory framework, local authority decision-making is also limited by certain well know principles including obligations to act rationally, fairly and to exercise powers for their proper purpose. This means that a local authority cannot use a power given to it for one purpose in order to simply generate income. It also means that in charging for discretionary services a local authority will have to have due regard to the rationality of imposing the charge and its impact on individuals as well as its ability to generate income.

There are many other important legal, commercial, and financial considerations for local authorities undertaking commercial activities, particularly through trading companies, including:

- Company law issues
- Tax liability (corporate tax and VAT)
- Procurement law
- Employment law (e.g., TUPE and pensions)

Summary

This Fees and Charges Policy has set out the Council's position when it comes to fees and charges and has established some key principles that are required to be applied.

All chargeable services are required to follow this Policy to ensure that the Council benefits from generating income from fees and charges, and fully recover costs.

The Council recognises that the context in which it operates will evolve locally therefore this Policy will need to be updated and refreshed, as necessary, to ensure that effective management of fees and charges are maintained.

This Policy underpins Dorset Council's principles of setting and reviewing fees and charges as the Council moves through a programme of transformation and will be subject to review to ensure that it continues to reflect the needs and aspirations of the Council.

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Appendix 7

Matters raised by scrutiny committees

Will be available following scrutiny committees

Response to Scrutiny Recommendations

At their meetings, the People and Health Scrutiny Committee (10 January 2023) and Place and Resources Scrutiny Committee (12 January 2023) reviewed the draft proposals for the 2023/24 revenue budget and the assumptions used in developing them and an overview of the proposed savings and efficiencies to be made during the course of the year.

The committees raised a series of issues for Cabinet to consider prior to finalising the budget. The table below summarises the issues raised and provides a response to the consideration given.

| Issues raised by the Place and Resources Scrutiny Committee | Response |
|--|--|
| Place Directorate – Highways, Travel & Environment | |
| It is noted that Dorset Travel is facing cost pressures of circa £2.5m in the current year and particular reference is made to SEND transport, which is facing significant cost increases, well above the rate of inflation. Concern is expressed about cost increases in this area and the impact on the budget. Recognise the links to work with Children's and Adult Services to reduce costs for travel for the council. | Agreed. The SEND transport budget is under particular pressure at the moment. The travel transformation programme is examining the issues behind the cost increases and developing proposals to mitigate the pressure. |
| A comment made that it is difficult to justify increases to charges for car parking until improvements to car parks are rolled out, due to public expectation as to the service they should be getting. | Noted. The principle behind increasing car parking charges is that those residents who use car parks should pay for them, rather than the cost being funded by <i>all</i> Council Tax payers. Income generated through car park charges is ringfenced for use in highways services. |
| Place Directorate – Economic Growth, Assets and Regeneration | |
| The committee are content with the strategic approach being taken in the area of Economic Growth, Assets and Regeneration but flag a concern around whether there are sufficient staffing levels to deliver the council's aspirations in this area. | The importance of having sufficient staff to deliver the plan is recognised. The budget recommendations include the proposal to use £5.3m of capital receipts for the purposes of transforming the Council's asset portfolio over the next three to five years. Much of the £5.3M will be earmarked to buy in the additional staffing and skills needed. |
| Place Directorate – Natural Environment and Ecology | |

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| In order to provide transparency around the council's costs for climate change work, consideration should be given to how costs in this area and investments received from external sources, can be presented outside of the budget book. | Agreed. Officers will prepare a clearer way of explaining the Councils spending and investment on the Natural Environment and Ecology. This will be shared at a future meeting of the scrutiny committee. |
| The committee wish to flag up the potential risks around decisions on the council's vehicle fleet – purchase versus lease of vehicles and fuel type (electric versus hydrogen). | Noted. Officers confirmed that lease vs purchase decisions are made on a case by case basis, depending on the type of vehicle being acquired. Consideration is given to financial, environmental and technological factors. |
| Place Directorate – Planning | |
| The committee flag a concern around the national issue of a shortage of planning officers and the risk that this could potentially present to the council. | Agreed. Dorset Council's ambition is to be an employer of choice. The People Strategy has actions to support recruitment and retention |
| Place Directorate – Culture, Community and Customer Services (and budget generally) | |
| Reference is made to the detail of savings associated with other smaller council programmes - consideration to be given to the level of detail provided in future budget reports, across all budget areas, and in particular with regard to smaller service/budget areas. | Additional detail has now been provided in the budget report to Cabinet. Full detail of current budgets is available here: Budget Book - Dorset Council |
| Corporate Development Directorate | |
| The committee are content with the budget information and proposals in this area. | noted |
| Central Finance and Capital | |
| The committee support the making of representations to the Government to secure an earlier date for receipt of the Financial Settlement (October). | noted |
| A 3 to 5 year Financial Settlement should be sought from the Government. | agreed |
| Support for continued communications between portfolio holders and directorates to continue to foster a 'one-team' approach. | agreed |

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| The committee accept the inflation rate assumptions made within the budget report. | noted |
| The Government to be asked to apply a formula approach to funding, which has an understanding of the issues pertinent to the council and how these affect the council's finances. In particular the council needs to continue to lobby the Government for a better/fairer(?) deal and understanding of the financial impact on the council of providing rural services. | Agreed. The Leader and Senior officers will continue to impress upon Government how the national funding formula needs to more fairly reflect the rural costs of Dorset. |
| The committee suggest that cross party working groups be established as part of the budget setting process, to allow opportunity for informed consideration of budget proposals, to feed into the member budget informal sessions. | The Portfolio Holder for Finance, Commercial and Capital Strategy will consider the proposal in advance of the 24/25 budget process. |
| Future Finance Settlements – there is currently uncertainty around future settlements to the council and a report on the implications of this is requested to be presented to the scrutiny committee at an appropriate time. | agreed |
| There is a concern that the Government has not yet completed the methodology in respect of the cost of care funding and therefore councillors are not in a position to be able to scrutinise the complete picture. | agreed |
| Capital Programme – there is a need to continue to keep the council's Capital Programme under review in terms of its affordability and alignment with the council's priorities. | agreed |
| Issues raised by the People and Health Scrutiny Committee | |
| During the discussion on the budget for adult social care and housing, several committee and non-committee members felt that the council should explore providing affordable social housing. | noted |

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Appendix 8

Web links to the Harbours Advisory Committee budget proposals for 2023/24

[Dorset Councils Harbours Budget Request and Fees and Charges 22 - 23.pdf](#)

[Appendix 1 Financial Summary Weymouth Harbour Final.pdf \(dorsetcouncil.gov.uk\)](#)

[Fees and Charges - Appendix 2 Financial Summary Bridport.pdf \(dorsetcouncil.gov.uk\)](#)

[Fees and Charges - Appendix 3 Financial Summary Lyme Regis Harbour PDF.pdf \(dorsetcouncil.gov.uk\)](#)

[Fees and Charges - Appendix 4 Weymouth Harbour Proposed Fees 2023-24.pdf \(dorsetcouncil.gov.uk\)](#)

[Fees and Charges - Appendix 5 Bridport Lyme Regis Proposed Fees PDF.pdf \(dorsetcouncil.gov.uk\)](#)

[Minutes of the Harbours Advisory Committee - 8 December 2022](#)

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Extract from the minutes of People and Health Scrutiny Committee of 10 January 2023 in relation to item 8 Budget strategy and medium-term financial plan (MTFP)

58. Budget Strategy and Medium-Term Financial Plan

The Committee considered the Budget Strategy and Medium-Term Financial Plan. The Committee received presentations from the appropriate directors of Children’s Services, Adult Social Care, Housing, and Public Health, which are attached to these minutes. Members of the committee asked questions and received responses from the appropriate director or portfolio holder. The questions and responses are summarised in the following table:

| Questions and Issues raised by the People and Health Scrutiny Committee | Response |
|--|--|
| Adult Social Care | |
| <p>1. Recruitment was a risk factor. What are we doing to retain staff? Are there any apprenticeships?</p> | <p>This was a big challenge for the care sector. We have put in place centralised recruitment process to recruit staff.</p> <p>We were supporting staff with their wellbeing – for example training for good mental health, conflict resolution, and resilience.</p> <p>We do support Apprenticeships – we were encouraging staff into the social care system.</p> |
| <p>2. Were the hospital discharge pressures pandemic related – was the high level of demand a spike, or a longer-term issue?</p> | <p>In our assessment, the high level of demand was a combination of pandemic related and underlying demand. Covid had stopped people accessing early intervention. This would continue for some time. This was a five-year legacy, and it was why we are working on a 10-year plan.</p> |

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| <p>3. Should there be more funding coming from the NHS?</p> | <p>We have received more monies into the council this year and we have been investing these monies into the Home First programme. We were trying to address the immediate demand and we were working together as a system which was key to delivering programmes.</p> |
| <p>4. We do not have enough carers - have we taken into account the wider responsibility of people/employees who have a caring role in the community?</p> | <p>We are working on a 10-year plan so that we can try and predict the demand and have a strategy to manage that demand. If we work more on early intervention this should support carers who were employees and also people in the community.</p> |
| <p>5. In your pressures list you have £11.5m for increased care market costs. Was that enough?</p> | <p>We have used the corporate calculation and we felt that this funding was sufficient. There were some things that were outside of our control, but we think the budget is sufficient.</p> |
| <p>6. The service has done a good job and done the best job we can. The demographics of the county have an impact on the services that are provided. Have we done enough to promote on what services were available after people become discharged from hospital.</p> | <p>We were expanding the reablement service which sits within Care Dorset. We have introduced reablement beds this year which was a new service where we were helping people to regain the health and independence to go home. The beds were based in a care home environment with support to help people move back home.</p> |
| <p>7. Reablement service – will that be a 9-5 5 days a week. It was difficult to get equipment at the right time when it was needed for discharge from hospital. Will this be improved?</p> | <p>We were working with community reablement staff to try and improve this service.</p> |
| <p>8. With Adults there was a lot coming forward within the 10-year plan. Are we looking at</p> | <p>We are always looking at our assets.</p> |

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| our assets to see if we can repurpose them for the future? | |
| 9. Working together - $\frac{3}{4}$ of council taxpayers' funding was spent on Children's and Adults budgets when only 5% of the population accessed this service. Perhaps interventions with Housing would be better spent? Priority was keeping families together so are we doing enough in public transport and housing as targeted intervention? | There were attempts to get people to move into better housing which was work we do with housing associations. |
| 10. If the 10-year plan was not impacting on the 2023/24 budget what were the timescales for the 10-year plan? | The 10-year plan would impact on the 2023/24 budget, but we will bring regular updates to Cabinet. The 10-year plan would come through the People & Health Overview Committee. |
| Housing | |
| 1. Does the council have plans to set up a housing revenue account? | We do not have the scale to do this. Councils with a larger housing stock would be in a better position to do this. Homes Dorset would give opportunities for the housing team. |
| 2. What are we doing to get more housing? | We get more from Housing Associations and more from Health. We need to ensure that we have enough support from providers. |
| 3. A budget this small was very good value for money. Could we manage a deal with providers when they were looking at disposing their stock? | We do speak to registered providers constantly and do have options to purchase their stock. |
| 4. Homes Dorset could be a small player and needed some | Noted. |

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| disruption – a dynamic council providing more social housing so that other providers can become more efficient. | |
| 5. What could we as councillors do to help you provide more accommodation? | We need more funding to be more agile as and when we want to be. A report would be coming to cabinet in February to discuss the capital plans. |
| 6. We need to make a clear and concise strategy around housing as otherwise we would be in the same place next year. | Government's changes to planning policy would change viability for planning which would help local authorities. Our aspiration was to make sure we have enough housing for our residents. |
| Public Health | |
| 1. What would a 1% uplift in the Public Health Grant be used for? | It would be likely to be put into existing services, however the Joint Public Health Board would make the decision. |
| Children's Services | |
| 1. Concern that the funding on the National Transfer Scheme for unaccompanied minors was not enough and that additional funding had to be found locally for something that was a national policy. | This was an issue impacting the whole country and not just specifically for Dorset. In order to ensure that the unaccompanied minors have the right level of care we have needed to meet the additional cost which was a risk to our budget. |
| 2. Concern about that there aren't enough foster carers to meet demand, and that the budget may not be sufficient. | We regularly have campaigns to increase the number of foster carers. The budget has been reviewed and remodelled and it is felt that the budget is sufficient for this work in 2023/24. |
| 3. How will the budget risks be mitigated? | The Children's Services management team would carefully manage their budgets, but where these cannot be |

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| | <p>contained within the service alone, then the service was able to draw on the central contingency budget.</p> <p>For 2023/24 the contingency budget has been set at £8.2M.</p> <p>Finally, the council has reserves to manage the most significant financial risks.</p> |
| 4. Observation of no cuts – well done. | |
| 5. Huge thanks and comments around partnership working. | |
| 6. Pressure of £700k for Children who are Disabled Service – Intensive Support Packages. Could we be in a position where we do not spend, or overspend, this money due to a lack of carers? | There was a challenge in the number of carers and overnight short breaks available. Developing in-house accommodation and adopting the harbour approach for supporting children with disabilities. Working with adult social care to get a fairer price for in-home care. |
| 7. Was there any income from Coombe House anticipated? | Any additional income for additional places from other local authorities would come through the Dorset Centre of Excellence company rather than into the Dorset Council's budget. |
| 8. Can you explain the £3.7M additional funding social care grant? | This money was funded through the service area and was in addition to the increase in fees and charges income that was expected. |

At 12.15pm the committee adjourned for a lunch break, and it reconvened at 12.49pm.

Upon reconvening it was proposed by Cllr Orrell and seconded by Cllr Ridout that the meeting be extend beyond 3 hours. The committee agreed upon being put to vote.

During the discussion on the budget for adult social care and housing, several committee and non-committee members felt that the council should explore providing affordable social housing.

The Committee made no recommendations to Cabinet on the Budget Strategy and Medium-Term Financial Plan.

Extract from the minutes of Place and Resources Scrutiny Committee of January 2023 in relation to item 8 Budget strategy and medium-term financial plan (MTFP)

53. Budget Strategy and Medium-Term Financial Plan

The committee was invited to consider the budget proposals for 2023/24 prior to consideration at Cabinet on 23 January 2023 and Full Council on 14 February 2023. The report gave a summary of progress to date on the budget strategy and process and provided the opportunity for the scrutiny committees to review further, budget assumptions and actions being proposed to deliver a balanced and sustainable budget for 2023/24.

The Place and Resources Scrutiny Committee had the opportunity to consider the implications of the proposals on behalf of residents of Dorset and to provide constructive challenge to decision makers before a final decision was made. It was noted that the comments made by the committee would be reported to Cabinet on 23 January 2023 and taken into consideration as part of the budget setting process.

Portfolio holders and officers provided a short introduction to their budget areas as relevant and in addition, the Executive Director for Corporate Development provided an overview of Central Finance and Capital issues.

Further to the discussion held, the Chairman provided a summary of the key points raised during the discussion in relation to each area covered by the committee and noted that the points below would be submitted to Cabinet as part of the budget setting process:

Place Directorate – Highways, Travel and Environment

- It was noted that Dorset Travel was facing cost pressures of circa £2.5m in the current year and particular reference was made to SEND transport, which was facing significant cost increases, well above the rate of inflation. Concern was expressed about cost increases in this area and the impact on the budget. Recognition of the links to work with Children's and Adult Services to reduce costs for travel for the council
- A comment was made that it was difficult to justify increases to charges for car parking until improvements to car parks were rolled out, due to public expectation as to the service they should be getting.

At this point in the meeting, the committee had a ten-minute adjournment and returned at 11.43am.

Place Directorate – Economic Growth, Assets and Regeneration

- The committee were content with the strategic approach being taken in the area of Economic Growth, Assets and Regeneration but flagged a concern around whether there were sufficient staffing levels to deliver the council's aspirations in this area.

Place Directorate – Natural Environment and Ecology

- In order to provide transparency around the council's costs for climate change work, consideration should be given to how costs in this area and investments received from external sources, could be presented outside of the budget book
- The committee wished to flag up the potential risks around decisions on the council's vehicle fleet – purchase versus lease of vehicles and fuel type (electric versus hydrogen).

At this point in the meeting, it was proposed by J Andrews seconded by D Shortell and agreed by the committee, that the meeting continue beyond the 3-hour limit as set out in the Constitution.

Place Directorate – Planning

- The committee flagged a concern around the national issue of a shortage of planning officers and the risk that this could potentially present to the council.

Place Directorate – Culture, Community and Customer Services (and budget generally)

- Reference was made to the detail of savings associated with other smaller council programmes - consideration to be given to the level of detail provided in future budget reports, across all budget areas, and in particular with regard to smaller service/budget areas.

At this point in the meeting, the committee had a ten-minute adjournment and returned at 2.22pm.

Corporate Development Directorate

- The committee were content with the budget information and proposals in this area.

Central Finance and Capital

- The committee support the making of representations to the Government to secure an earlier date for receipt of the Financial Settlement (October)
- A 3 to 5 year Financial Settlement should be sought from the Government
- Support for continued communications between portfolio holders and directorates to continue to foster a 'one-team' approach

- The committee accepted the inflation rate assumptions made within the budget report
- The Government to be asked to apply a formula approach to funding, which has an understanding of the issues pertinent to the council and how these affected the council's finances
- The committee suggest that cross party working groups be established as part of the budget setting process, to allow opportunity for informed consideration of budget proposals, to feed into the member budget informal sessions.

The Chairman thanked officers and portfolio holders for their work on the budget and the committee and other councillors present for their contribution to the meeting.

Full Council

14 February 2023

Community Governance Review – Parishes in the Vale of Allen group, the Winterborne Farringdon group, Chickerell and Weymouth - Draft Recommendations

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): Vale of Allen – Cllrs P Brown and R Cook
Winterborne Farringdon – Cllr R Tarr
Chickerell – Cllrs J Dunseith and J Worth
Weymouth – Cllrs P Barrow, T Ferrari, D Gray, R Hope, B Heatley, H Legg, L O’Leary, J Orrell, C Sutton, G Taylor and K Wheller
Portland – Cllrs S Cocking, R Hughes and P Kimber

Executive Director: J Mair, Director of Legal & Democratic

Report Author: Jacqui Andrews
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Report Status: Public

Brief Summary:

To agree Draft Recommendations for Community Governance of the parishes forming the Vale of Allen Grouped Parish Council, (namely Crichel, Gussage All Saints, Gussage St Michael, Hinton and Witchampton), the parishes forming the Winterborne Farringdon Grouped Parish Council (namely Bincombe, Whitcombe, Winterborne Came, Winterborne Herrington and Winterborne Monkton) and also the parishes of Chickerell and Weymouth to be published for public consultation between 20 February 2023 and 17 April 2023.

Recommendation:

1. That the proposals set out in Appendix 1 be adopted by the Council as Draft Recommendations for the purposes of the Community Governance Review.
2. That the Draft Recommendations be published for consultation purposes from 20 February 2023 to 17 April 2023 inclusive.
3. That the results of the consultation, together with proposed Final Recommendations, be reported to Full Council on 11 May 2023.

Reason for Recommendation: To ensure that community governance arrangements within the areas specified are reflective of the identities and interests of the community in that area and achieve electoral equality.

1. Why is the Council undertaking a review?

- 1.1 A community governance review looks at the governance arrangements of parishes in the area under review and, in accordance with legislation and the Guidance issued by the Local Government Boundary Commission for England, seeks to ensure that these are reflective of the identities and interests of the community in that area, and achieve electoral equality.
- 1.2 In July 2022, Dorset Council published final recommendations following a review of all parishes falling within the Dorset Council area. In making final recommendations, Full Council agreed that the parishes within the Vale of Allen grouped parish council, Chickerell, Weymouth and the parishes within the Winterborne Farringdon grouped parish council be removed from the final recommendations. Substantial alternative proposals were submitted in response to draft recommendations in respect of these parishes and Full Council believed that further public consultation should be undertaken to seek residents' views on these proposals. The Community Governance Review legislation requires that any Review is concluded within 12 months of the publication of the Terms of Reference, so it was not possible for further consultation to be undertaken as part of the earlier Review that concluded in July 2022. For that reason, these parishes were removed from the Review, and, on 20 October 2022, Full Council agreed [Terms of Reference](#) for a further Review in respect of these parishes only - no other parishes were to be considered as part of this further Review, unless affected by any proposals. This enabled full consultation to be undertaken with local residents and other interested parties that would be affected by any governance changes that might be agreed.
- 1.3 In undertaking the Review, Dorset Council ("the Council") will comply with the requirements of Part 4 of the Local Government and Public Involvement in Health Act 2007 ("the 2007 Act") and the relevant parts of the Local Government Act 1972, and have regard to Guidance on Community

Governance Reviews issued in accordance with section 100(4) of the Local Government and Public Involvement in Health Act 2007 by the Department of Communities and Local Government and the Local Government Boundary Commission for England in March 2010.

2. What is a Community Governance Review?

- 2.1 A Community Governance Review is a legal process whereby the Council will consult with those living in the area, and other interested parties, on the most suitable ways of representing the people in the area identified in the review. This means making sure that those living in the area, and other interested groups, have a say in how their local communities are represented.
- 2.2 Section 93 of the 2007 Act allows principal councils to decide how to undertake a Review, provided that it complies with certain duties in that Act including details set out relating to consultation, the need to ensure any proposals reflect the identities and interests of the community in that area and is effective and convenient. The Council has to publish its recommendations but the manner in which the Council consults with its residents is not prescribed.

3. Initial Submission responses received

- 3.1 On 20 October 2022, Full Council approved terms of reference for a Community Governance Review for certain parishes in the Council area, looking at the existing governance arrangements and inviting representations from local councils, residents and any interested parties in respect of current and future governance arrangements.
- 3.2 Between 1 November 2022 and 28 December 2022, Dorset Council published a number of proposals for public consultation in respect of the areas under Review. As part of the consultation process, responders were invited to make alternative proposals to those published by the Council.
- 3.3 Initial submissions were reviewed by a Working Group made up of the Group Leaders and Deputy Group Leaders in preparing the Draft Recommendations set out at Appendix 1. A report of all submissions received can be viewed on the Review webpage [here](#).
- 3.4 The Draft Recommendations, once agreed, will be subject to a further period of public consultation between 20 February and 17 April 2023.

4. Considerations in preparing Draft Recommendations

4.1 In preparing draft recommendations for consideration, the Working Group has taken into consideration the Local Government Boundary Commission for England's (LGBCE) report that was prepared for the creation of Dorset Council. The LGBCE state that their final recommendations reflect the three statutory criteria of:

- Equality of representation
- Reflecting community interests and identities
- Providing for effective and convenient local government

The LGBCE concluded that their final recommendations for Dorset Council “provide for good electoral equality while reflecting community identities and interests where we have received such evidence during consultation.”

4.2 Whilst the Working Group recognised that Dorset Council are not bound by the same rules as the Commission in terms of reflecting principal council ward boundaries, the Guidance says that the principal council “should be mindful of the provisions of Schedule 2 (electoral change in England: considerations on review) to the Local Democracy, Economic Development and Construction Act 2009 in relation to reviews of district or London borough and county council electoral arrangements. These provide that when the LGBCE is making changes to principal council electoral arrangements, no unwarded parish should be divided by a district or London borough ward or county division boundary, and that no parish ward should be split by such a boundary. While these provisions do not apply to reviews of parish electoral arrangements, the LGBCE believes that, in the interests of effective and convenient local government, they are relevant considerations for principal councils to take into account when undertaking community governance reviews.” This Guidance was reiterated by the LGBCE when advice was sought and they responded on 25 May 2022 advising “The Council are not bound by the same rules as the Commission in terms of reflecting principal council ward boundaries, so you don't have to recommend a parish ward that follows the Dorset Council ward boundary. However, in the spirit of effective and convenient local government, our view would be that it might be advisable to do so.”

4.3 This was a principle that the Working Group strictly applied to all parishes in the 2021 Review that was concluded last year, and it is important to ensure that the same principles are applied to the current Review to ensure consistency and equity in the Review decision.

4.4 With regard to Council Size (the number of Councillors elected to a town/parish council), the LGBCE Guidance refers to research undertaken by Aston Business School in 1992 and also to a circular published by the

National Association of Local Councils (NALC) which broadly reflected the findings of the research undertaken in 1992. Whilst the circular is no longer promoted by NALC, the Guidance states that the pattern of Council size “appears to have stood the test of time and, in the absence of evidence to the contrary, to have provided for effective and convenient local government”. Whilst each council should be considered on its own merits, the Guidance requires the Council to bear in mind “that the conduct of parish council business does not usually require a large body of councillors” and says that a parish council’s budget and planned or actual level of service provision may be important factors in reaching conclusions on council size.

5. Draft recommendations

5.1 Parishes forming the Vale of Allen Grouped Parish Council

5.1.1 Eleven responses were received from residents or interested parties in respect of proposals affecting the parishes forming the Vale of Allen Grouped Parish Council, together with responses from the Vale of Allen Grouped Parish Council and Holt Parish Council.

5.1.2 All responses in respect of moving the community of Bradford from Pamphill parish to Witchampton parish were supportive of this proposal.

5.1.3 Four respondents and Holt Parish Council did not support the proposals with regard to governance arrangements for Gaunts Common which it was felt, by many, should sit within the Holt Parish Council.

5.1.4 The Draft Recommendation of the Working Group is set out in Appendix 1.

5.2 Option 1 and Option 2 – Weymouth, Chickerell and parishes forming the Winterborne Farringdon Grouped Parish Council ([Options consulted upon](#))

5.2.1 Eight responses were received from residents or interested parties in support of Option 1.

5.2.2 Thirty responses were received from residents or interested parties in support of Option 2, together with a submission in support from one Dorset Councillor representing the Chickerell Ward. Chickerell Town Council responded in support of Option 2.

5.2.3 Seventeen responses were received from residents or interested parties and the Dorset Council Ward Member that didn’t indicate whether they preferred Option 1 or Option 2 but objected to the proposed Warding arrangements for the current Littlemoor Ward of Weymouth Town Council.

- 5.2.4 Responses were also received from Winterborne Farringdon Grouped Parish Council that supported the proposals in part, and opposed the proposals in part.
- 5.2.5 Weymouth Town Council made a submission that didn't support either Option 1 or Option 2 but, instead, submitted an alternative option. The Weymouth Town Council proposals was supported by a Weymouth Town Councillor who made an individual submission.
- 5.2.6 The Draft Recommendation of the Working Group is set out in Appendix 1.

6. Implementation

- 6.1 Following the close of public consultation in respect of the Draft Recommendations, the Working Group will consider the responses received and propose Final Recommendations to Full Council for consideration. If Full Council chooses to accept the Final Recommendations of the Review, concluded after public consultation, it will be necessary to prepare a Reorganisation Order and publish this, making maps available for public inspection. There are also various bodies that must be notified of the changes including the Local Government Boundary Commission for England.
- 6.2 Any changes to governance arrangements of the parishes will form a Reorganisation Order that will take effect on 1 April 2024 in readiness for the next scheduled parish elections in May 2024.

7. Financial Implications

- 7.1 There are no financial implications to Dorset Council associated with this report.

8. Environmental Implications

- 8.1 There are no environmental implications associated with this report.

9. Well-being and Health Implications

- 9.1 There are no well-being and health implications associated with this report.

10. Other Implications

- 10.1 There are no other implications associated with this report.

11. Risk Assessment

11.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

12. Equalities Impact Assessment

12.1 A detailed Equalities Impact Assessment has been prepared for the earlier Review that also relates to this Review and can be found attached to the Full Council report on 15 July 2021 [here](#).

13. Appendices

Appendix 1 – Draft Recommendations

Background Papers

[Local Government Boundary Commission for England - Guidance on Community Governance Reviews](#)

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Dorset Council
Community Governance Review
Draft Recommendations

Recommendations:

1. That the proposals set out in this Appendix be adopted by the Council as Draft Recommendations for the purposes of the Community Governance Review.
2. That the Draft Recommendations be published for consultation purposes for a period of 8 weeks from 20 February 2023 to 17 April 2023.
3. That the results of the consultation, together with proposed Final Recommendations, be reported to Full Council on 11 May 2023.

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Section 1: Introduction

Dorset Council is undertaking a Community Governance Review of all the parishes within the Vale of Allen Grouped Parish Council, Chickerell, Weymouth and all parishes in the Winterborne Farringdon Grouped Parish Council. In this review, the Council will be guided by the relevant legislation in Part 4 of the Local Government and Public Involvement in Health Act 2007, the [Guidance](#) on Community Governance Reviews that the government and the Local Government Boundary Commission for England have issued (the Guidance), and [the Terms of Reference](#) for the review that were adopted by Full Council on 20 October 2022.

This Review relates to the areas named in the paragraph above and gives consideration to changes to parish areas and parish electoral arrangements. These changes include the alteration, merging, creation and abolishing of parishes; the naming of parishes, and the adoption of an alternative style for new parishes. They may also involve changes to the council size (the number of councillors to be elected to the council), and whether to divide the parishes into wards for the purposes of elections. The general principles for the proposals that the Council is making, along with the different types of recommendations, are outlined below.

Town and parish councils are the first tier of local government, and they are statutory bodies. They serve their electorates; they are independently elected by their local government electors, and they raise their own precept. Town and parish councils work towards providing local services and improving community well-being. The National Association of Local Councils describes their activities as falling into three main categories: representing the local community; delivering services to meet local needs and striving to improve the quality of life and community well-being within their areas.

Dorset Council is responsible for community governance arrangements within the Council area, and it is considered good practice to review community governance every 10-15 years.

On 1 November 2022, the Council commenced an 8-week period of consultation requesting comments on a number of options for the areas included in the review, and welcoming alternative options for consideration from the Dorset Association of Parish and Town Councils, Members of Parliament, existing parish councils, local residents and other interested organisations – the consultation closed on 28 December 2022. The review was widely publicised through the Council's website, social media, and advertisements in local libraries as well as through the parish councils themselves.

The Group Leaders and their deputies met as a working group and have given careful consideration to all submissions received. They have also taken into consideration the analytical work undertaken to determine where electoral equality is no longer met or will not be met in 2027 (the period that has to be taken into account for the purpose of the review) and have considered obvious boundary anomalies that need resolving. The working group has developed the Draft Recommendations set out in this document for consideration by Full Council.

Following the resolution of Full Council, a period of 8 weeks' consultation will be undertaken between 20 February 2023 and 17 April 2023. This consultation stage provides parish councils, electors and other interested persons or bodies with an opportunity to comment on the Draft Recommendations prior to Final Recommendations being made by Full Council on 11 May 2023.

If an alternative case is submitted, this must demonstrate that any alternative proposals are in line with the general principles of a Community Governance Review, as they are laid down in the legislation and the Guidance. The Council will endeavour to make decisions that are based on the analysis of all the evidence that is received or further information that it collects. It is therefore very important that submissions are well argued and backed by credible evidence. The Council will give careful consideration to all submissions and any new alternative proposals that it receives. They will be balanced against the legislation, the Guidance and the Council's Terms of Reference.

On 11 May 2023, Full Council will consider its Final Recommendations in this Review, which will form the basis of a new Dorset Council (Parish Areas and Electoral Arrangements) Order. The Council intends that this order will be in place in time for the next ordinary elections for the parish councils scheduled for 2024.

The Community Governance Review does not include the electoral arrangements for Dorset Council or Parliamentary seats. This is the responsibility of central government through the Local Government Boundary Commission for England and the Boundary Commission for England, respectively.

Section 2: General principles and types of recommendation

Parish areas and their boundaries

The Council has begun its review by giving consideration to the parish areas and their boundaries. In particular, the Council has sought to ensure that each parish:

- reflects the identities and interests of the different communities in the area. The Council considers that this is a 'community of identity' test, which is especially applicable to the new developments that presently cross parish boundaries.
- is effective and convenient. The Council considers that this is a 'viability' test, and the Council is keen to ensure that parishes are viable and are able to actively and effectively promote the well-being of their residents and to contribute to the real provision of services in their areas in an economic and efficient manner.
- takes into account any other arrangements for the purposes of community representation or community engagement in the area that reinforce the 'community of identity' test.

Parish grouping and electoral arrangements

The Council has considered submissions in respect of both the grouped parishes of Vale of Allen and Winterborne Farringdon and also the towns of Chickerell and Weymouth.

The Council has considered the electoral arrangements of each parish (the term “parish” includes the towns). The term ‘electoral arrangements’ covers the way in which a council is constituted for the parish, including:

- the number of councillors to be elected to the council;
- the division (or not) of the parish into wards for the purpose of electing councillors;
- the number and boundaries of any such wards;
- the number of councillors to be elected for any such ward;
- the name of any such ward.

The Council is required by law to consider any change in the number or distribution of the local government electors which is likely to occur in the period of five years beginning with the day when the Review started. The Draft Recommendations take into account the electorate as the Council has projected it to 2027.

The Council has also given careful consideration to representations made in respect of the current warding arrangements of the parish councils. In considering whether a parish should be divided into wards for the purposes of elections to the parish council, the Council is required by legislation to consider the following:

- whether the number, or distribution, of the local government electors for the parish would make a single election of councillors impracticable or inconvenient;
- whether it is desirable that any area or areas of the parish should be separately represented on the council.

It is important that warding arrangements should be clearly and readily understood by and should have relevance for the electorate in a parish; they should reflect clear physical and social differences within a parish, whether urban or rural: one parish but comprising different parts. In addition, ward arrangements should have merit - not only should they meet the two tests laid down in the legislation, but they should also be in the interests of effective and convenient local government. The additional costs of multiple ward elections should not be wasteful of a parish’s resources.

In allocating parish councillors to parish wards, the Council has been particularly mindful of the government’s Guidance that “it is an important democratic principle that each person’s vote should be of equal weight so far as possible, having regard to other legitimate competing factors, when it comes to the elections of councillors” to a parish council. While there is no provision in legislation that each parish ward councillor should represent, as nearly as may be, the same number of electors, the Council concurs with the Guidance that it is not in the interests of effective and convenient local government, either for voters or councillors, to have significant differences in levels of representation between different parish wards. The Council has therefore attempted to ensure that the ratio of electors to councillors across the different wards of a parish is equitable insofar as that is practical.

Section 3: Evidence

In undertaking the Review, Dorset Council has taken into account key data for each parish and parish ward. The range of data used is as follows:

Electorate size and housing development data: Analysis of the present sizes of parish councils in the area together with the 5 year projected electorate. The 5 year projected electorate has been calculated using information about the scale and exact locations of expected future housing developments within the Council area. It is also based on the Council's housing development plans as set out in the Local Plan.

May 2019 Elections data: The Council has used the Returning Officer's data on the number of nominations at the last ordinary elections for the parishes in May 2019 relative to the number of seats, including the numbers of parish councillors that did not go through the process of nomination and election and who were therefore co-opted to the parish council to fill vacancies that remained unfilled at those elections.

Responses to the Initial Submissions consultation: the Council has considered responses to the consultation between 1 November 2022 and 28 December 2022 (the first of two public consultations planned for the Community Governance Review). All responses received can be viewed on the Community Governance Review page of the Council's website [here](#).

Responses to these Draft Recommendations: Responses to the proposals contained in these Draft Recommendations in a consultation period that will run from 20 February 2023 to 17 April 2023 will be carefully considered.

Council size: The legal minimum number of parish councillors for each council is five (Section 16, Local Government Act 1972). The National Association of Local Councils (NALC) considers that a council of no more than the legal minimum of five members is inconveniently small, and it considers that a practical working minimum should be seven (NALC Circular 1126/1988). The government's Guidance makes the point that "the conduct of parish council business does not usually require a large body of councillors" (Guidance, paragraph 157).

There is no requirement in legislation that the number of councillors should be proportional to electorate size. The view given in the Guidance is as follows: "In considering the issue of council size, the Local Government Boundary Commission for England is of the view that each area should be considered on its own merits, having regard to its population, geography and the pattern of communities. Nevertheless, having regard to the current powers of parish councils, it should consider the broad pattern of existing council sizes. This pattern appears to have stood the test of time and, in the absence of evidence to the contrary, to have provided for effective and convenient local government." (Guidance, paragraph 156).

With regard to parish wards, the Guidance adds another consideration, which is that the levels of representation and the ratios of electors to parish councillors should be broadly equitable. This report has already noted the emphasis in the Guidance "that each person's vote should be of equal weight so far as possible, having regard to

other legitimate competing factors, when it comes to the election of councillors”
(Guidance, paragraph 166).

Section 4: Final assessment and draft recommendations

Recommendation 1 – Vale of Allen Grouped Parish Council (Parishes of Crichel, Gussage All Saints, Gussage St Michael, Hinton and Witchampton)

Based upon the evidence currently available, Dorset Council, on balance, considers that a community governance change would:

- help to better reflect the local identities and interests of the community;
- help to secure a more effective and convenient governance of the area.

During the initial consultation period, 12 responses were received from local residents and from the Vale of Allen Grouped Parish Council and Holt Parish Council. Whilst not received directly by Dorset Council, a copy of an email has been received sent by Pamphill and Shapwick Parish Council to Vale of Allen Parish Council advising that there was no objection to their proposal to move an area currently in the parish of Pamphill to the parish of Witchampton.

Responses supported moving the area of Bradford from the parish of Pamphill to Witchampton, and no adverse comments were made in respect of the proposal to move part of Hinton to Witchampton. These areas are shown marked in green and yellow on the plan attached – Vale of Allen Recommendation No.1.

Responses opposed the initial proposals to change the parish arrangements for the Gaunts Common area moving parts from the parish of Holt to Hinton and parts from the parish of Hinton to Holt. Respondents suggested that the parish boundaries should remain as they are or the whole of the Gaunts Common area should be moved to the parish of Holt, so the community wasn't split. As changes had not been sought by the residents of Gaunts Common, the Council determined that it was appropriate to leave the parish boundaries for Hinton and Holt as currently drawn (as amended by the 2021 Community Governance Review).

Recommendation: Dorset Council's draft recommendation is to make the changes to the current governance arrangements as set out in Map Recommendation No.1 moving the area marked in green from the parish of Pamphill to the parish of Witchampton, and moving the area marked in yellow from the parish of Hinton to the parish of Witchampton.

Recommendation 2 - Chickerell

Initial proposals formed part of the public consultation that was undertaken from 1 November – 28 December 2022 with an option to move parts of the parish of Chickerell to the parish of Weymouth. The responses to this proposal are set out in the Weymouth recommendation below.

Based upon the evidence currently available, Dorset Council, on balance, considers that a community governance change would:

- help to better reflect the local identities and interests of the community;
- help to secure a more effective and convenient governance of the area.

The current governance arrangements for Chickerell are as follows:

| Parish Ward | Number of councillors | Electorate 2022 | Electorate 2027 | Electors per councillor 2027 |
|-------------------------|-----------------------|-----------------|-----------------|------------------------------|
| Charlestown & Littlesea | 4 | 1733 | 1780 | 445 |
| Chickerell Village | 6 | 3205 | 4179 | 697 |

The current governance arrangements for the Parish Council do not achieve electoral equality, and it is the Government's Guidance that "it is not in the interests of effective and convenient local government either for voters or councillors, to have significant difference in levels of representation between different parish wards". Dorset Council recommends a change to councillor numbers for each Ward as follows – the proposal retains the same overall number of councillors for the parish of Chickerell but the distribution between the 2 wards is proposed to change to achieve electoral equality:

| Parish Ward | Number of councillors | Electorate 2022 | Electorate 2027 | Electors per councillor 2027 |
|-------------------------|-----------------------|-----------------|-----------------|------------------------------|
| Charlestown & Littlesea | 3 | 1733 | 1780 | 593 |
| Chickerell Village | 7 | 3205 | 4179 | 597 |

Recommendation: Dorset Council's draft recommendation is to change the distribution of councillor numbers to achieve electoral equality.

Recommendation 3 – Weymouth

Based upon the evidence currently available, Dorset Council, on balance, considers that a community governance change would:

- help to better reflect the local identities and interests of the community;
- help to secure a more effective and convenient governance of the area.

During the 8-week consultation exercise that ran from 1 November 2022 to 28 December 2022, a number of representations were received from Weymouth Town Council, Chickereil Town Council, Winterborne Farringdon Grouped Parish Council and local residents commenting on options set out for community governance of the areas of Weymouth, Chickereil and the parishes forming the Winterborne Farringdon Grouped Parish Council.

The Options put forward for comment can be found in [the Consultation paper](#). The Council received 8 responses in support of Option 1 and 31 responses in support of Option 2. In addition, alternative proposals were put forward by Weymouth Town Council and Winterborne Farringdon Parish Council which can be found on the submissions pages of the website [here](#).

Whilst considering each of the proposals in detail, Dorset Council noted that the suggested new wards put forward by the Town Council resulted in a significant number of parish wards being split by Dorset Council ward boundaries, something which the Guidance says should be avoided wherever reasonably practicable. It was recognised that the existing parish ward boundaries are split by Dorset Council ward boundaries as a result of the creation of Weymouth Town Council at the same time as the creation of Dorset Council when the ward boundaries of each were not known. In order to rectify this, Dorset Council has drafted a revised warding proposal for its Draft Recommendations, basing town council wards on the existing Dorset Council wards and recommending 24 councillors.

Dorset Council carefully considered the representations put forward by the residents of Littlemoor in respect of the proposed warding of the area, including the area of land that currently sits in the parish of Bincombe, but were not persuaded by the arguments that the new area of land should be separate from the existing wards. The area that currently sits within the Bincombe parish is largely undeveloped, and the Council were of the view that occupants of any new development would consider themselves to be part of the community of Littlemoor and Preston.

Dorset Council recognises that Weymouth Town Council do not agree with the LGBCE that the principal council wards recognise local communities. Dorset Council undertakes to work with Weymouth Town Council when the LGBCE next reviews Dorset Council warding arrangements, to put forward a proposal that both parties feel represents the communities within the parish of Weymouth, based on the recommendations set out in this review. Whilst the LGBCE will not change the outer parish boundary, their powers do enable them to make alterations to warding arrangements within the parish. Dorset Council will work with the Town Council to develop a proposal that both feel reflects the communities at the time of that Review of Dorset Council warding arrangements. However, in the meantime, Dorset Council will follow the Guidance that states that the parish wards and principal council wards should not cross wherever reasonably practicable.

Of the 8 responses from individuals supporting Option 1 that included areas of Chickerell within the Weymouth boundary, 5 did not provide any commentary on the reason for their support for this option. The remaining 3 respondents felt that residents living in parts of Chickerell better identified with Weymouth as their community. Other issues were raised about the impact on levels of council tax, but this is not a factor that can be taken into account when undertaking a community governance review.

Of the 29 responses from individuals supporting Option 2 that excludes areas of Chickerell from being taken within the Weymouth boundary, 6 did not provide any commentary on the reason for their support of this option. The remaining respondents referred to viability of Chickerell Town Council, their sense of community and social identity being within Chickerell, the impact of any change on potential growth of the area, and again the issue of council tax was raised. A number of respondents commented that the proposed council size of 24 councillors was too high.

Dorset Council were persuaded by the arguments submitted in favour of retaining the current Chickerell boundaries (as set out in Option 2 of the original consultation document) and this proposal will now form the Draft Recommendations for further consultation.

Whilst Winterborne Farringdon Grouped Parish Council supported the move of the southern boundary of Bincombe where a large scale development is proposed, they did not support the move of properties within the area marked "C" on the plan attached to their submission encompassing Nightingale Drive at this time. They expressed concern that this may impact on electoral equality of Dorset Council's ward boundaries, and may also make their own parish potentially unviable. Dorset Council considered this submission carefully but felt that in the interests of good community governance, that the residents of the Nightingale Drive area should reside within a single parish, and not be split across 2 different parishes.

Weymouth Town Council's submission included a suggestion to extend the southern boundary of the parish from its position at the centre of the now demolished Ferry Bridge at Small Mouth Cove to the centre point of the existing Ferry Bridge some 100m to the south. Dorset Council supports this move and the boundary change now forms part of the Draft Recommendations.

Suggested names for the Wards were not submitted as part of the initial consultation exercise and Dorset Council would welcome views on the names proposed, set out in the table below. Separate warding maps are set out below.

Recommendation: Dorset Council's draft recommendation is to revise parish and ward boundaries as identified in Map Recommendation No.3 and to recommend councillor numbers as follows:

| Parish Ward | Number of councillors | Electorate 2022 | Electorate 2027 | Electors per councillor 2027 |
|---------------------------|-----------------------|-----------------|-----------------|------------------------------|
| Lanehouse | 1 | 1113 | 1113 | 1113 |
| Littlemoor & Preston West | 2 | 3681 | 4089 | 1873 |
| Littlemoor & Preston East | 2 | 4350 | 4350 | 2160 |
| Melcombe Regis | 2 | 3548 | 3970 | 1985 |
| Nottingham | 1 | 177 | 498 | 498 |
| Radipole West | 2 | 3929 | 3870 | 1935 |
| Radipole East | 2 | 3424 | 3406 | 1703 |
| Rodwell & Wyke West | 2 | 3517 | 3730 | 1865 |
| Rodwell & Wyke South | 2 | 3519 | 3732 | 1866 |
| Rodwell & Wyke East | 2 | 3938 | 4153 | 2077 |
| Upwey & Broadwey | 2 | 3846 | 4246 | 2123 |
| Westham West | 2 | 3670 | 3773 | 1887 |
| Westham East | 2 | 3231 | 3797 | 1899 |

Recommendation 4 - Winterborne Farringdon

Based upon the evidence currently available, Dorset Council, on balance, considers that a community governance change would:

- help to better reflect the local identities and interests of the community;
- help to secure a more effective and convenient governance of the area.

The current governance arrangements for Winterborne Farringdon are as follows:

| Parish | Number of councillors | Electorate 2022 | Electorate 2027 | Electors per councillor 2027 |
|-------------------------|-----------------------|-----------------|-----------------|------------------------------|
| Bincombe | 3 | 435 | 843 | 281 |
| Whitcombe | 2 | 20 | 19 | 10 |
| Winterborne Came | 3 | 37 | 36 | 12 |
| Winterborne Herringston | 2 | 23 | 22 | 11 |
| Winterborne Monkton | 3 | 58 | 61 | 20 |

The current governance arrangements for the Grouped Parish Council do not achieve electoral equality, and it is the Government's Guidance that "it is not in the interests of effective and convenient local government either for voters or councillors, to have significant difference in levels of representation between different parish wards". Having taken account of areas of Bincombe moving within the parish of Weymouth, Dorset Council therefore recommends a change to councillor numbers as follows:

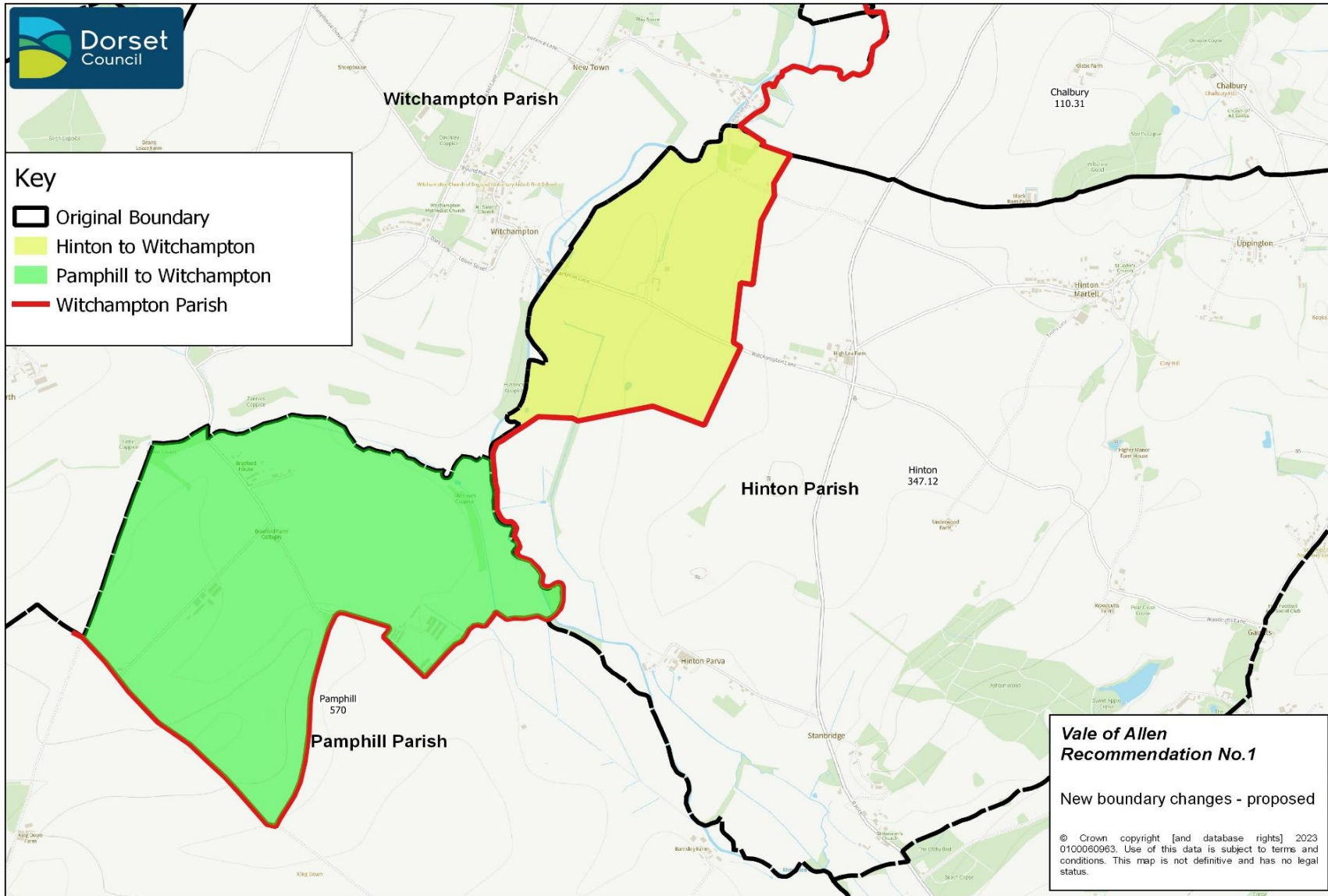
| Parish | Number of councillors | Electorate 2022 | Electorate 2027 | Electors per councillor 2027 |
|------------------|-----------------------|-----------------|-----------------|------------------------------|
| Bincombe | 3 | 435 | 101 | 34 |
| Whitcombe | 2 | 20 | 19 | 10 |
| Winterborne Came | 2 | 37 | 36 | 18 |

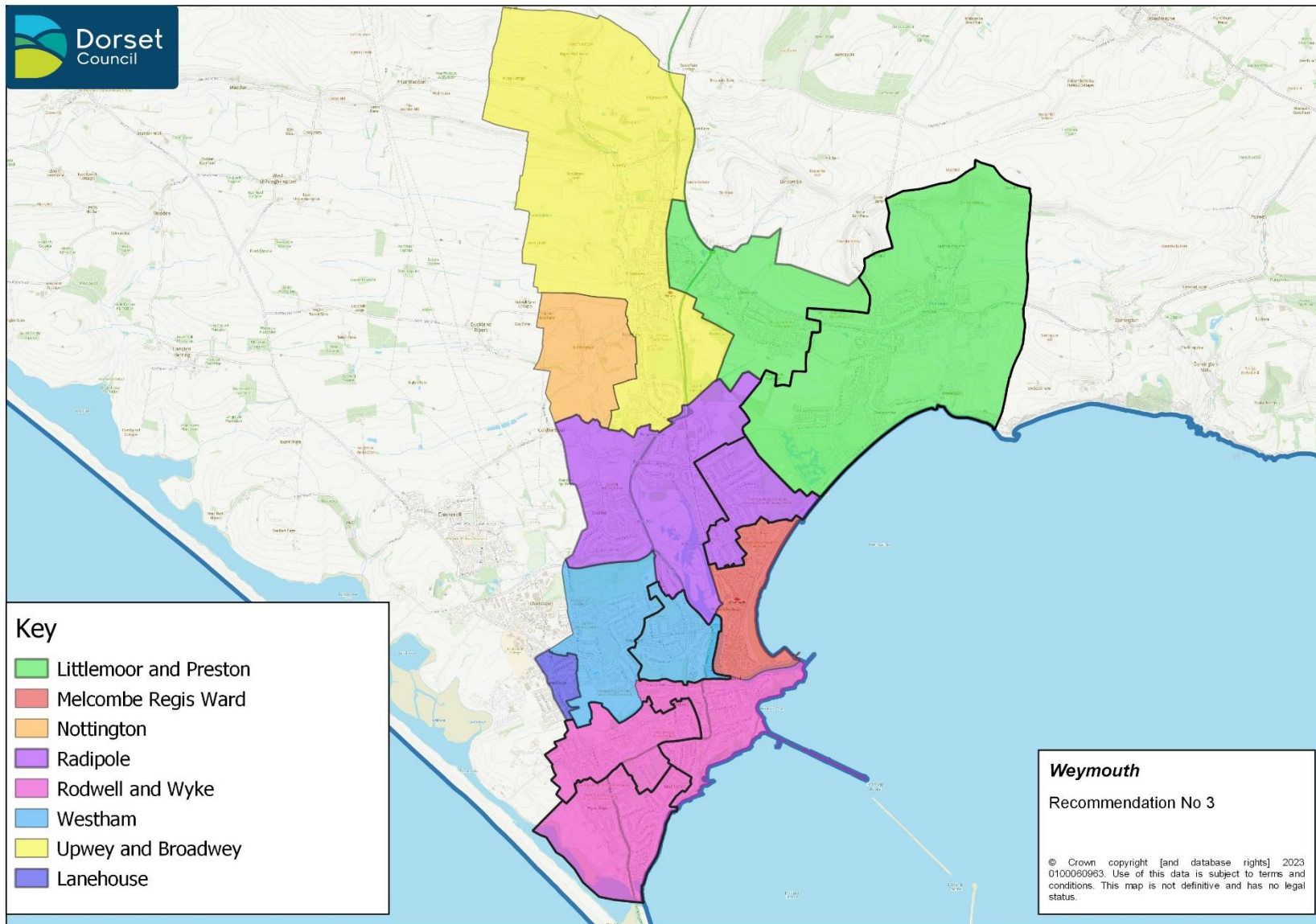
| | | | | |
|-------------------------|---|----|----|----|
| Winterborne Herringston | 2 | 23 | 22 | 11 |
| Winterborne Monkton | 2 | 58 | 61 | 30 |

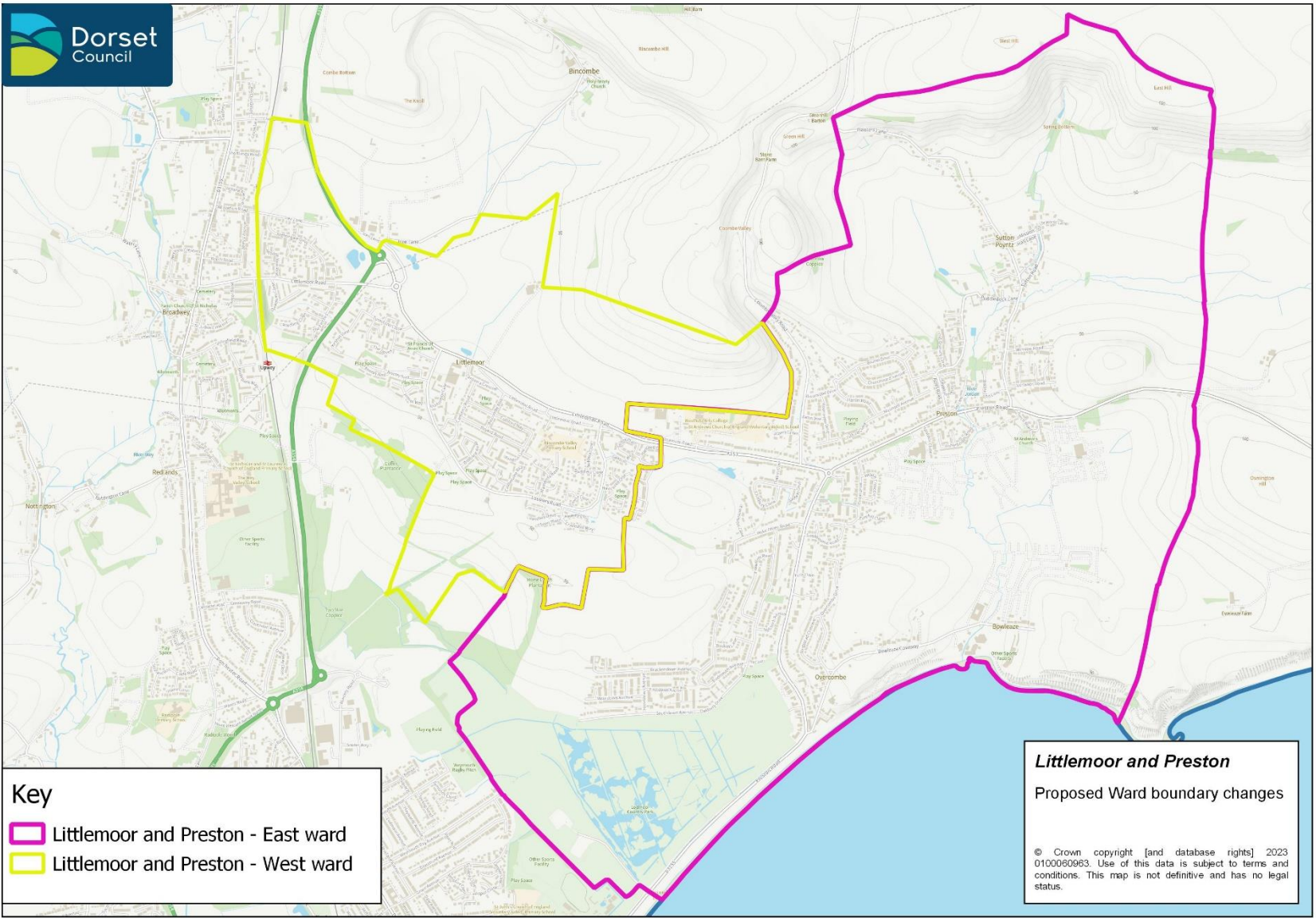
Maiden Castle - Currently, the entrance and approach to Maiden Castle lies within Winterborne Monkton parish. The Winterborne Farringdon Grouped Parish Council have proposed that the whole of the Maiden castle site, is moved within the parish of Winterborne Monkton as currently 2/3rd of the site is already in this parish with only approximately a 1/3rd being within the Winterborne St Martin parish. It is suggested by the Winterborne Farringdon Grouped Parish Council that such a change would not impact on Winterborne St Martin parish as there would be no issues of representation and no burden or loss of income for the affected parishes. They believe that moving the boundary to unite the castle with its landscape would allow a more coherent case for the ongoing preservation and protection of its approaches in the future. No representations were received in respect of this proposal during the initial public consultation, so Dorset Council is proposing this change as part of its Draft Recommendations.

Loscombe – Winterborne Farringdon Grouped Parish Council’s view is that Loscombe protrudes discordantly into Whitcombe parish. They state that few properties are involved and whilst the Parish Council has no strong feelings, they suggest that a more coherent western boundary for Loscombe would be to follow the A352 rather than the line of the old road that was lost after the 1769 Turnpike Act diverted the road. No representations were received in respect of this proposal during the initial public consultation, so Dorset Council is proposing this change as part of its Draft Recommendations.

Recommendation: Dorset Council’s draft recommendation is to change councillor numbers to achieve electoral equality and to amend the parish boundaries as reflected in Map Recommendation No.4 Map.





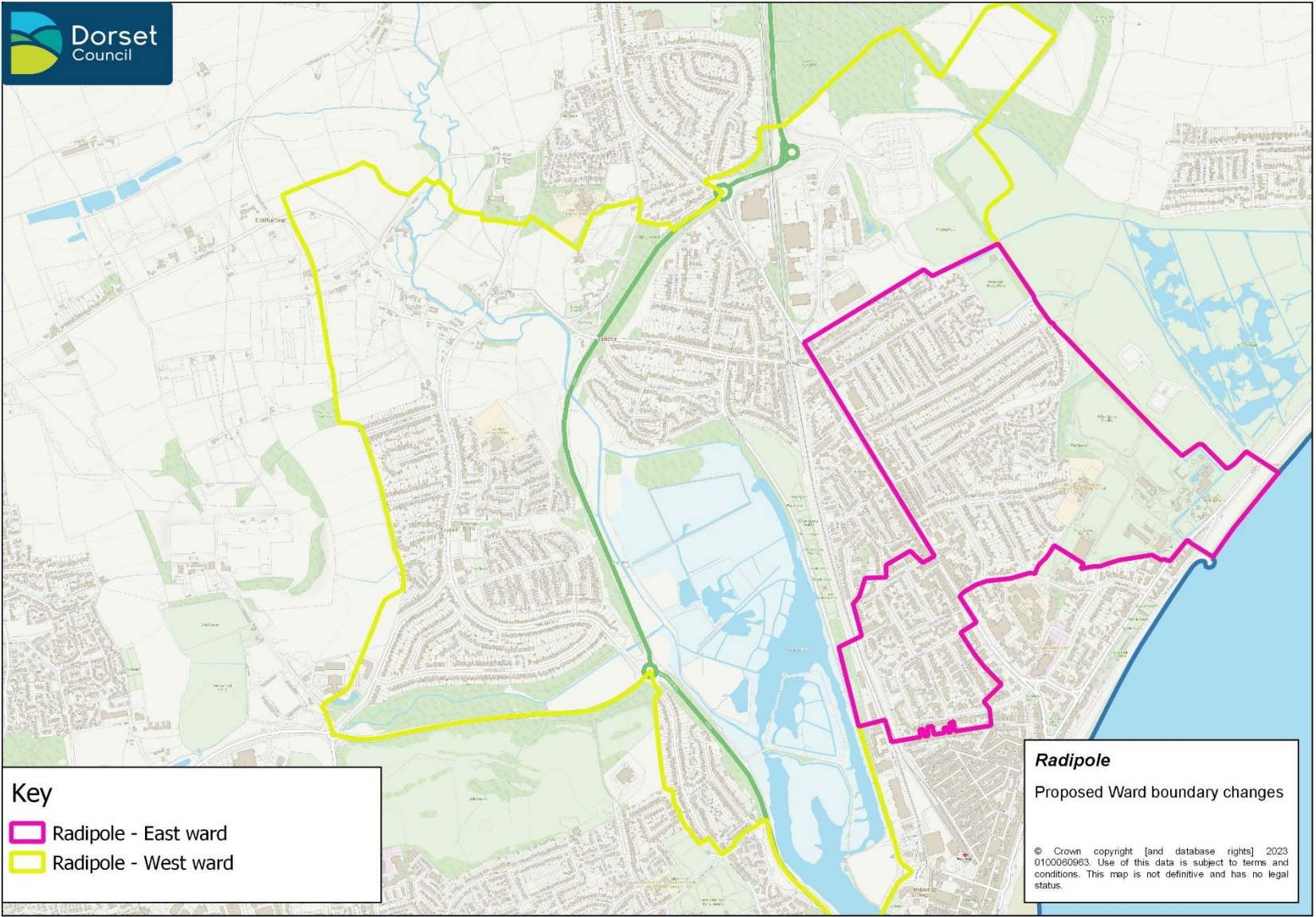


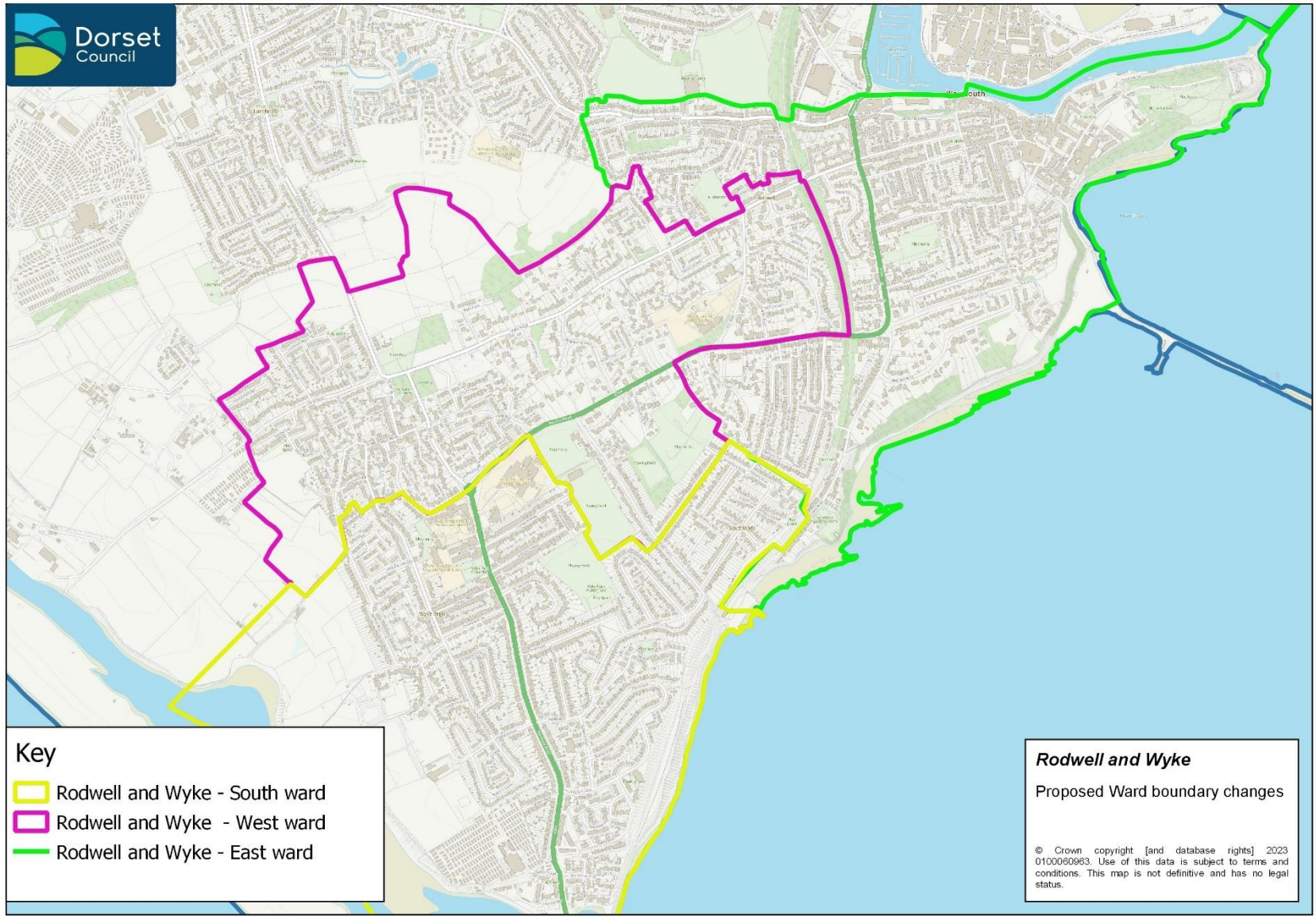
Key

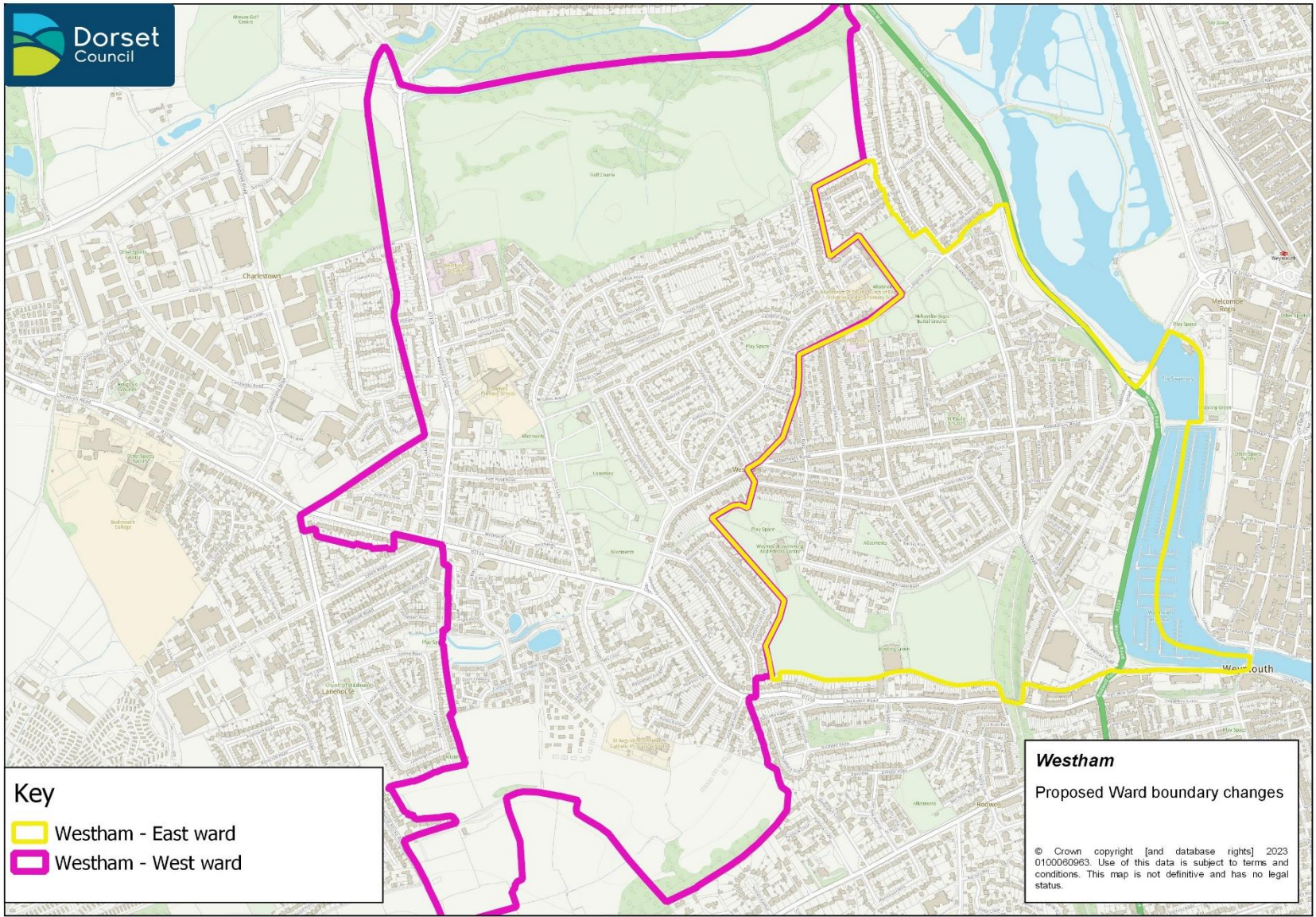
- Littlemoor and Preston - East ward
- Littlemoor and Preston - West ward

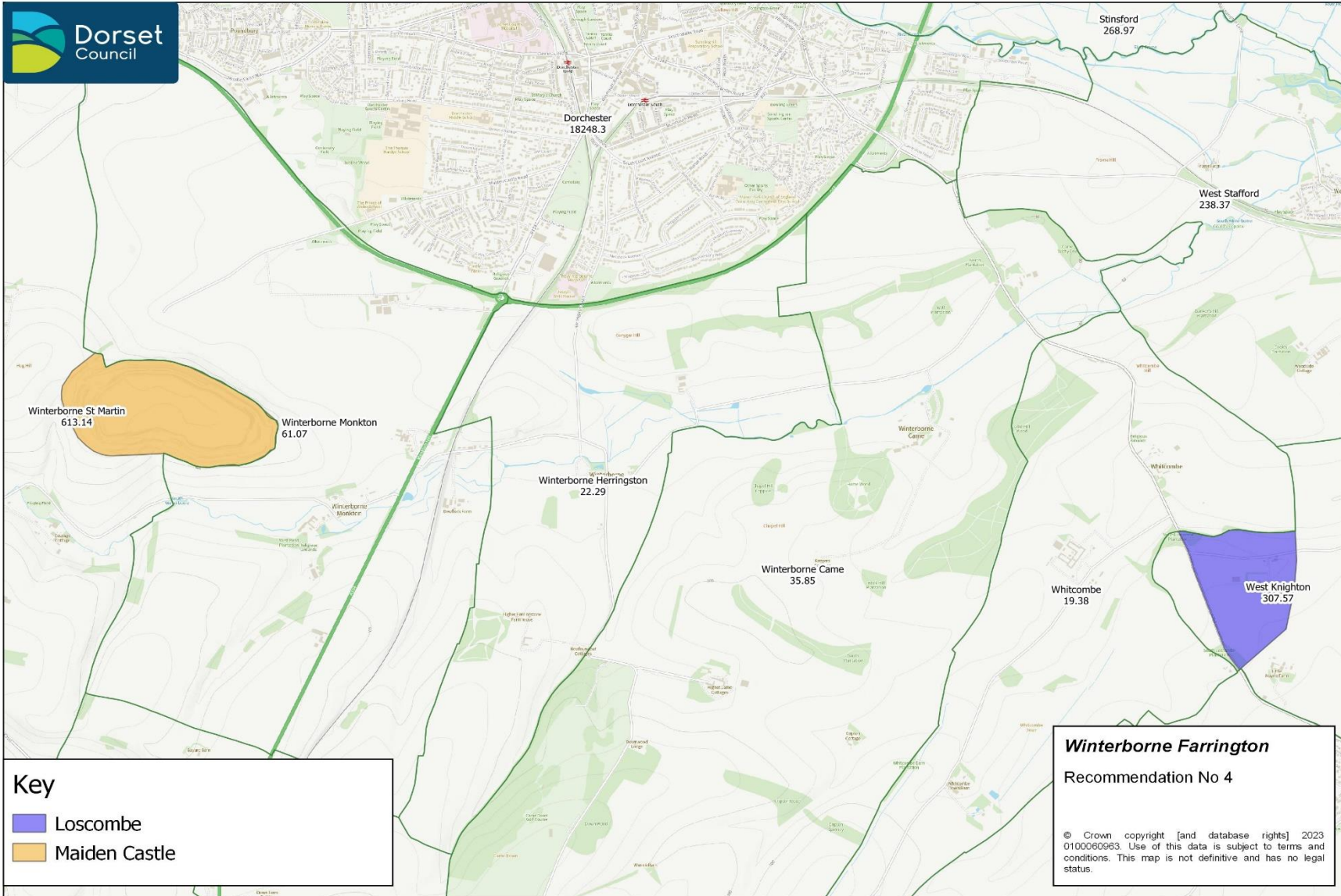
Littlemoor and Preston
Proposed Ward boundary changes

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Dorset Council

14 February 2023

Calendar of Meetings 2023-2024

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): All

Executive Director: J Mair, Director of Legal & Democratic

Report Author: Kate Critchel
Title: Senior Democratic Services Officer
Tel: 01305 252234
Email: kate.critchel@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

To consider the draft calendar of meetings for the 2023-2024 municipal year.

Recommendation:

1. That the calendar of meetings for the period May 2023 to May 2024 be approved.
2. That authority be delegated to the Director – Legal and Democratic Services to make any necessary changes, in consultation with relevant Chairmen and Vice-Chairmen, to ensure effective political management.

Reason for Recommendation:

To ensure effective political management, comply with Dorset Council procedure rules and to put into place appropriate arrangements for council committee meetings.

1. **Report**

- 1.1 The draft calendar of meetings for the municipal year 2023 to 2024 is presented to Full Council for formal adoption and is attached at appendix 1 to this report.
- 1.2 The calendar has been shared with the senior leadership team and group leaders as part of the consultation process. It was also circulated in draft form to all councillors in December 2022.
- 1.3 Throughout the year there may be some unforeseen diary clashes or changes required to the calendar to meet business need. Members are asked to give delegated authority to the Director for Legal and Democratic to make any necessary changes to the calendar of meetings, in consultation with the relevant committee Chairmen and Vice-Chairmen. This is to avoid the need to bring further reports to Full Council and to ensure effective political management.
- 1.4 Like the 2022-2023 programme, in preparing the calendar a short recess has been built into the month of August and the first week in January will also be avoided wherever possible.
- 1.5 Members are asked to approve the calendar of meetings for 2023-2024.

2. **Councillor Survey**

- 2.1 During October and November 2022, an electronic survey was sent to all councillors, asking for views and comments about the timings of Dorset Council committees. There were 54 responses received.
- 2.2 The results of the survey (as attached at appendix 2) indicated that the proposed calendar of meetings mostly meets the majority views from the survey.

3. **Financial Implications**

- 3.1 Dorset Council will apply its scheme of allowances for the travel requirements for members to attend meetings. There may also be incidental costs because of venue bookings which are chargeable. Where other venues have been used the cost of using these venues has been minimised as far as possible.

4. **Environmental Implications**

- 4.1 Careful management of the calendar of meetings prevents unnecessary meetings and helps to limit the number of avoidable journeys travelled by members of the council. Webcasting and the option to contribute remotely provides an alternative means for people to follow meetings and engage with the Council without the need to travel.

5. **Risk Assessment**

- 5.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

6. **Equalities Impact Assessment**

- 6.1 This report does not contain a new strategy, policy or function and therefore does not require an impact equality assessment.

7. **Appendices**

Appendix 1 – Calendar of Meetings for 2022-2023

Appendix 2 – Results of the Councillor Survey

8. **Background Papers**

None

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DORSET COUNCIL CALENDAR OF MEETINGS

MAY 2023 – MAY 2024

Shaded areas denote school holidays
Highlighted In italic are reserve dates

| | | |
|-----------------|---------------------------------|--------------|
| Monday 1 May | May Day Bank Holiday | |
| Tuesday 2 May | Strategic Planning Committee | 10.00 |
| Wednesday 3 May | Eastern Area Planning Committee | 10.00 |
| Thursday 4 May | <i>Licensing Sub-Committee</i> | <i>10.00</i> |
| Friday 5 May | | |

| | | |
|------------------|--------------------------------------|--------------|
| Monday 8 May | Coronation Bank Holiday | |
| Tuesday 9 May | Northern Area Planning Committee | 14.00 |
| Wednesday 10 May | | |
| Thursday 11 May | Dorset Council Annual Meeting | 18.30 |
| Friday 12 May | | |

| | | |
|------------------|--|-------|
| Monday 15 May | | |
| Tuesday 16 May | Cabinet | 10.00 |
| Wednesday 17 May | | |
| Thursday 18 May | Western & Southern Area Planning Committee | 10.00 |
| Friday 19 May | | |

| | | |
|------------------|--------------------------------------|-------|
| Monday 22 May | Appeals Committee | 10.00 |
| Tuesday 23 May | People & Health Scrutiny Committee | 10.00 |
| Wednesday 24 May | Licensing Committee | 10.00 |
| Thursday 25 May | Place & Resources Scrutiny Committee | 10.00 |
| Friday 26 May | | |

| | | |
|------------------|---|----------------|
| Monday 29 May | Bank Holiday | |
| Tuesday 30 May | | |
| Wednesday 31 May | Eastern Area Planning Committee Joint Archives Board | 10.00 14.00 |
| Thursday 1 June | | |
| Friday 2 June | | |

| | | |
|------------------|---|-------|
| Monday 5 June | The Shareholder Committee for the Dorset Centre of Excellence | 10.00 |
| Tuesday 6 June | Place & Resources Overview Committee | 10.00 |
| Wednesday 7 June | Harbours Committee | 10.00 |
| Thursday 8 June | Corporate Parenting Board | 15.00 |
| Friday 9 June | | |

| | | |
|-------------------|--|--------------|
| Monday 12 June | Audit & Governance Committee | 10.00 |
| | Joint Public Health Board | 14.00 |
| Tuesday 13 June | Pension Fund Committee | 10.00 |
| | Northern Area Planning Committee | 14.00 |
| Wednesday 14 June | <i>Licensing Sub Committee</i> | <i>10.00</i> |
| Thursday 15 June | Western & Southern Area Planning Committee | 10.00 |
| Friday 16 June | | |

| | | |
|-------------------|---------------------------------|--------------|
| Monday 19 June | Strategic Planning Committee | 10.00 |
| Tuesday 20 June | Cabinet | 10.00 |
| Wednesday 21 June | Dorset Health & Wellbeing Board | 14.00 |
| Thursday 22 June | <i>Licensing Sub-Committee</i> | <i>11.00</i> |
| Friday 23 June | | |

| | | |
|-------------------|---|-------|
| Monday 26 June | | |
| Tuesday 27 June | People & Health Overview Committee | 10.00 |
| Wednesday 28 June | Dorchester Markets Joint Informal Panel | 17.00 |
| Thursday 29 June | Shareholder Committee for Care Dorset | 10.00 |
| Friday 30 June | | |

| | | |
|------------------|--------------------------------------|-------|
| Monday 3 July | People & Health Scrutiny Committee | 10.00 |
| Tuesday 4 July | Place & Resources Scrutiny Committee | 10.00 |
| Wednesday 5 July | Eastern Area Planning Committee | 10.00 |
| Thursday 6 July | Corporate Parenting Board (informal) | 17.00 |
| Friday 7 July | | |

| | | |
|-------------------|--------------------------------|--------------|
| Monday 10 July | Appeals Committee | 10.00 |
| Tuesday 11 July | Police and Crime Panel | 10.00 |
| Wednesday 12 July | <i>Licensing Sub-Committee</i> | <i>10.00</i> |
| Thursday 13 July | Dorset Council | 18.30 |
| Friday 14 July | | |

| | | |
|-------------------|--|-------|
| Monday 17 July | Audit & Governance Committee | 10.00 |
| Tuesday 18 July | Northern Area Planning Committee | 14.00 |
| Wednesday 19 July | | |
| Thursday 20 July | Western & Southern Area Planning Committee | 10.00 |
| Friday 21 July | | |

| | | |
|-------------------|--------------------------------------|-------|
| Monday 24 July | <i>Licensing Sub-Committee</i> | 10.00 |
| Tuesday 25 July | Cabinet | |
| Wednesday 26 July | Strategic Planning Committee | 10.00 |
| Thursday 27 July | Place & Resources Overview Committee | 10.00 |
| Friday 28 July | | |

| | | |
|--------------------|---------------------------------|-------|
| Monday 31 July | | |
| Tuesday 1 August | | |
| Wednesday 2 August | Eastern Area Planning Committee | 10.00 |
| Thursday 3 August | <i>Licensing Sub-Committee</i> | 10.00 |
| Friday 4 August | | |

| | | |
|--------------------|--|--|
| Monday 7 August | | |
| Tuesday 8 August | | |
| Wednesday 9 August | | |
| Thursday 10 August | | |
| Friday 11 August | | |

| | | |
|---------------------|--|--|
| Monday 14 August | | |
| Tuesday 15 August | | |
| Wednesday 16 August | | |
| Thursday 17 August | | |
| Friday 18 August | | |

| | | |
|---------------------|--|--|
| Monday 21 August | | |
| Tuesday 22 August | | |
| Wednesday 23 August | | |
| Thursday 24 August | | |
| Friday 25 August | | |

| | | |
|--------------------|---------------------|--|
| Monday 28 August | Bank Holiday | |
| Tuesday 29 August | | |
| Weds 30 August | | |
| Thursday 31 August | | |
| Friday 1 September | | |

| | | |
|----------------------|--|-------|
| Monday 4 September | | |
| Tuesday 5 September | Cabinet | 10.00 |
| Weds 6 September | <i>Licensing Sub-Committee</i> | 10.00 |
| Thursday 7 September | Western & Southern Area Planning Committee | 10.00 |
| Friday 8 September | | |

| | | |
|----------------------|--------------------------------------|-------|
| Monday 11 September | People & Health Scrutiny Committee | 10.00 |
| Tuesday 12 September | Place & Resources Scrutiny Committee | 10.00 |
| Weds 13 September | Eastern Area Planning Committee | 10.00 |
| Thurs 14 September | People & Health Overview Committee | 10.00 |
| Friday 15 September | Appeals | 10.00 |

| | | |
|-----------------------|---|-------|
| Monday 18 September | Shareholder Committee for the Dorset Centre of Excellence | 10.00 |
| Tuesday 19 September | Pension Fund Committee | 10.00 |
| Wed 20 September | Dorset Health & Wellbeing Board | 14.00 |
| Thursday 21 September | Harbours Committee | 10.00 |
| Friday 22 September | | |

| | | |
|-----------------------|----------------------------------|-------|
| Monday 25 September | Audit & Governance Committee | 10.00 |
| Tuesday 26 September | Northern Area Planning Committee | 14.00 |
| Weds 27 September | <i>Licensing Sub-Committee</i> | 10.00 |
| Thursday 28 September | Police and Crime Panel | 10.00 |
| Friday 29 September | | |

| | | |
|---------------------|--|----------------|
| Monday 2 October | | |
| Tuesday 3 October | Cabinet | 10.00 |
| Wednesday 4 October | | |
| Thursday 5 October | Place & Resources Overview Committee Corporate Parenting Board (formal) | 10.00 15.00 |
| Friday 6 October | | |

| | | |
|----------------------|--|-----------------------|
| Monday 9 October | Shareholder Committee for Care Dorset | 10.00 |
| Tuesday 10 October | <i>Licensing Sub-Committee</i> | 10.00 |
| Wednesday 11 October | Licensing Committee | 10.00 |
| Thursday 12 October | Joint Public Health Board Dorset Council | 10.00 18.30 |
| Friday 13 October | | |

| | | |
|----------------------|--|-------|
| Monday 16 October | Strategic Planning Committee | 10.00 |
| Tuesday 17 October | People & Health Overview Committee | 10.00 |
| Wednesday 18 October | Joint Archives Board | 14.00 |
| Thursday 19 October | Western & Southern Area Planning Committee | 10.00 |
| Friday 20 October | | |

| | | |
|----------------------|----------------------------------|-------|
| Monday 23 October | | |
| Tuesday 24 October | Northern Area Planning Committee | 14.00 |
| Wednesday 25 October | Eastern Area Planning Committee | 10.00 |
| Thursday 26 October | <i>Licensing Sub-Committee</i> | 10.00 |
| Friday 27 October | | |

| | | |
|---------------------|------------------------------------|-------|
| Monday 30 October | Appeals Committee | 10.00 |
| Tuesday 31 October | People & Health Scrutiny Committee | 10.00 |
| Wed 1 November | | |
| Thursday 2 November | | |
| Friday 3 November | | |

| | | |
|---------------------|--------------------------------------|-------|
| Monday 6 November | Strategic Planning Committee | 10.00 |
| Tuesday 7 November | Cabinet | 10.00 |
| Wed 8 November | <i>Licensing Sub-Committee</i> | 10.00 |
| Thursday 9 November | Place & Resources Scrutiny Committee | 10.00 |
| Friday 10 November | | |

| | | |
|---------------------------|--|-------|
| Monday 13 November | Audit & Governance Committee | 10.00 |
| Tuesday 14 November | | |
| Wed 15 November | Dorset's Health & Wellbeing Board | 14.00 |
| Thursday 16 November | Western & Southern Area Planning Committee | 10.00 |
| <i>Friday 17 November</i> | | |

| | | |
|----------------------|--|----------------|
| Monday 20 November | The Shareholder Committee for the Dorset Centre of Excellence | 10.00 |
| Tuesday 21 November | Northern Area Planning Committee | 14.00 |
| Weds 22 November | Harbours Committee | 10.00 |
| Thursday 23 November | Place & Resources Overview Committee Corporate Parenting Board (informal) | 10.00 17.00 |
| Friday 24 November | Appeals Committee | 10.00 |

| | | |
|----------------------|---------------------------------------|-------|
| Monday 27 November | Shareholder Committee for Care Dorset | 10.00 |
| Tuesday 28 November | <i>Licensing Sub Committee</i> | 10.00 |
| Wed 29 November | Pension Fund Committee | 10.00 |
| Thursday 30 November | People & Health Overview Committee | 10.00 |
| Friday 1 December | | |

| | | |
|---------------------|--|-------|
| Monday 4 December | <i>Proposed date for Budget Day 1</i> | |
| Tuesday 5 December | Cabinet | 10.00 |
| Wed 6 December | Eastern Area Planning Committee | 10.00 |
| Thursday 7 December | Corporate Parenting Board | 17.00 |
| Friday 8 December | | |

| | | |
|----------------------|---|----------------|
| Monday 11 December | People & Health Scrutiny Committee | 10.00 |
| Tuesday 12 December | Western & Southern Area Planning | 10.00 |
| Wed 13 December | Police and Crime Panel | 10.00 |
| Thursday 14 December | Police & Crime Panel Dorset Council | 10.00 18.30 |
| Friday 15 December | <i>Licensing Sub-Committee</i> | 10.00 |

| | | |
|----------------------|----------------------------------|-------|
| Monday 18 December | | |
| Tuesday 19 December | Northern Area Planning Committee | 14.00 |
| Weds 20 December | | |
| Thursday 21 December | | |
| Friday 22 December | | |

| | | |
|---------------------|----------------------|--|
| Monday 25 December | Christmas Day | |
| Tuesday 26 December | Boxing Day | |
| Weds 27 December | | |
| Thurs 28 December | | |
| Friday 29 December | | |

January 2024

| | | |
|---------------------|--|--|
| Monday 1 January | New Year's Holiday | |
| Tuesday 2 January | | |
| Wednesday 3 January | <i>Proposed date for Budget Day 2</i> | |
| Thursday 4 January | | |
| Friday 5 January | | |

| | | |
|----------------------|--|-------|
| Monday 8 January | Strategic Planning Committee | 10.00 |
| Tuesday 9 January | | |
| Wednesday 10 January | Eastern Area Planning Committee | 10.00 |
| Thursday 11 January | Western & Southern Area Planning Committee | 10.00 |
| Friday 12 January | People & Health Scrutiny Committee (budget considerations) | 10.00 |

| | | |
|----------------------|---|-------|
| Monday 15 January | Audit & Governance Committee | 10.00 |
| Tuesday 16 January | Northern Area Planning Committee | 14.00 |
| Wednesday 17 January | Place and Resources Scrutiny Committee (budget considerations) | 10.00 |
| Thursday 18 January | | |
| Friday 19 January | Appeals Committee | 10.00 |

| | | |
|----------------------|--------------------------------------|-------|
| Monday 22 January | | |
| Tuesday 23 January | Place & Resources Overview Committee | 10.00 |
| Wednesday 24 January | Joint Archives Board | 14.00 |
| Thursday 25 January | Corporate Parenting Board (informal) | 17.00 |
| Friday 26 January | | |

| | | |
|----------------------|---|-------|
| Monday 29 January | Shareholder Committee for Care Dorset | 10.00 |
| Tuesday 30 January | Cabinet | 10.00 |
| Wednesday 31 January | Dorchester Markets Joint Informal Panel | 14.00 |
| Thursday 1 February | Police and Crime Panel | 10.00 |
| Friday 2 February | | |

| | | |
|----------------------|---|----------------|
| Monday 5 February | Appeals Committee | 10.00 |
| Tuesday 6 February | People & Health Overview Committee | 10.00 |
| Wednesday 7 February | Eastern Area Planning Committee | 10.00 |
| Thursday 8 February | Western & Southern Area Planning Committee Police and Crime Panel (Reserve date) | 10.00 14.00 |
| Friday 9 February | | |

| | | |
|-----------------------|--------------------------------|--------------|
| Monday 12 February | | |
| Tuesday 13 February | Dorset Council (Budget) | 18.30 |
| Wednesday 14 February | | |
| Thursday 15 February | <i>Licensing Sub-Committee</i> | <i>10.00</i> |
| Friday 16 February | | |

| | | |
|-----------------------|--------------------------------------|--------------|
| Monday 19 February | Audit & Governance Committee | 10.00 |
| Tuesday 20 February | Dorset Council (Reserve date) | 18.30 |
| Wednesday 21 February | | |
| Thursday 22 February | Joint Public Health Board | 10.00 |
| Friday 23 February | | |

| | | |
|-----------------------|--------------------------------------|--------------|
| Monday 26 February | Place & Resources Scrutiny Committee | 10.00 |
| Tuesday 27 February | | |
| Wednesday 28 February | | |
| Thursday 29 February | <i>Licensing Sub Committee</i> | <i>10.00</i> |
| Friday 1 March | | |

| | | |
|-------------------|------------------------------------|-------|
| Monday 4 March | Strategic Planning Committee | 10.00 |
| Tuesday 5 March | Northern Area Planning Committee | 14.00 |
| Wednesday 6 March | Harbours Committee | 10.00 |
| Thursday 7 March | People & Health Scrutiny Committee | 10.00 |
| Friday 8 March | | |

| | | |
|--------------------|---|-------|
| Monday 11 March | The Shareholder Committee for the Dorset Centre of Excellence | 10.00 |
| Tuesday 12 March | Cabinet | 10.00 |
| Wednesday 13 March | Eastern Area Planning Committee | 10.00 |
| Thursday 14 March | Western & Southern Area Planning Committee | |
| Friday 15 March | | |

| | | |
|--------------------|--|----------------|
| Monday 18 March | <i>Licensing Sub-Committee</i> | 10.00 |
| Tuesday 19 March | People & Health Overview Committee | 10.00 |
| Wednesday 20 March | Dorset's Health & Wellbeing Board | 14.00 |
| Thursday 21 March | Place & Resources Overview Committee Corporate Parenting Board (informal) | 10.00 17.00 |
| Friday 22 March | | |

| | | |
|--------------------|--------------------------------------|-------|
| Monday 25 March | Appeals Committee | 10.00 |
| Tuesday 26 March | Pension Fund Committee | 10.00 |
| Wednesday 27 March | Licensing Committee | 10.00 |
| Thursday 28 March | Place & Resources Scrutiny Committee | 10.00 |
| Friday 29 March | Good Friday | |

| | | |
|-------------------|--------------------------------|-------|
| Monday 1 April | Bank Holiday | |
| Tuesday 2 April | | |
| Wednesday 3 April | | |
| Thursday 4 April | <i>Licensing Sub-Committee</i> | 10.00 |
| Friday 5 April | | |

| | | |
|--------------------|----------------------------------|--------------|
| Monday 8 April | Strategic Planning Committee | 10.00 |
| Tuesday 9 April | Northern Area Planning Committee | 14.00 |
| Wednesday 10 April | | |
| Thursday 11 April | Dorset Council | 18.30 |
| Friday 12 April | | |

| | | |
|--------------------|--|-------|
| Monday 15 April | Audit & Governance Committee | 10.00 |
| Tuesday 16 April | Cabinet | 10.00 |
| Wednesday 17 April | <i>Licensing Sub Committee</i> | 10.00 |
| Thursday 18 April | Western & Southern Area Planning Committee | 10.00 |
| Friday 19 April | | |

| | | |
|--------------------|---------------------------------------|-------|
| Monday 22 April | Appeals Committee | 10.00 |
| Tuesday 23 April | Shareholder Committee for Care Dorset | 10.00 |
| Wednesday 24 April | Eastern Area Planning Committee | 10.00 |
| Thursday 25 April | Corporate Parenting Board (formal) | 15.00 |
| Friday 26 April | | |

| | | |
|------------------|--------------------------------|-------|
| Monday 29 April | <i>Licensing Sub-Committee</i> | 10.00 |
| Tuesday 30 April | | |
| Wednesday 1 May | | |
| Thursday 2 May | Dorset Council Election | |
| Friday 3 May | | |

| | | |
|-----------------|-----------------------------|--|
| Monday 6 May | May Day Bank Holiday | |
| Tuesday 7 May | | |
| Wednesday 8 May | | |
| Thursday 9 May | | |
| Friday 10 May | | |

| | | |
|------------------|-------------------------------|-------|
| Monday 13 May | | |
| Tuesday 14 May | | |
| Wednesday 15 May | | |
| Thursday 16 May | Dorset Council Annual Meeting | 18:30 |
| Friday 17 May | | |

| | | |
|------------------|--|--|
| Monday 20 May | | |
| Tuesday 21 May | | |
| Wednesday 22 May | | |
| Thursday 23 May | | |
| Friday 24 May | | |

| | | |
|------------------|--|--|
| Monday 27 May | | |
| Tuesday 29 May | | |
| Wednesday 29 May | | |
| Thursday 30 May | | |
| Friday 31 May | | |

Results from Councillor Survey

During October and November, a survey was sent to councillors, asking for views and comments about the timings of Dorset Council committees. 54 responses were received.

Findings

The results from the survey show that the proposed calendar of meetings mostly meets the majority views from the survey. Comments made as part of the survey show that councillors have a range of commitments and as such many councillors expressed an understanding that it would be difficult to devise a calendar of meetings that suits everybody's requirements.

Results from survey in detail

The first questions asked councillors to note what times they considered best for each committee. The options included morning, afternoon, evening, any, N/A and other.

Table 1 – Number of responses received for each committee and preferred timings of meetings

| | Morning | Afternoon | Evening | Any | N/A | Other |
|--|----------------|------------------|----------------|------------|------------|--------------|
| Full Council | 8 | 3 | 33 | 9 | 0 | 0 |
| Cabinet | 22 | 4 | 11 | 9 | 1 | 1 |
| People and Health Overview | 16 | 7 | 6 | 8 | 3 | 1 |
| People and Health Scrutiny | 16 | 7 | 6 | 8 | 4 | 1 |
| Place and Resources Overview | 22 | 6 | 7 | 6 | 3 | 1 |
| Place and Resources Scrutiny | 18 | 8 | 6 | 8 | 4 | 1 |
| Eastern Area Planning | 18 | 2 | 4 | 6 | 9 | 0 |
| Northern Area Planning | 19 | 4 | 7 | 7 | 6 | 0 |
| Western and Southern Area Planning | 19 | 2 | 4 | 7 | 7 | 0 |
| Strategic and Technical Planning | 16 | 6 | 5 | 8 | 7 | 0 |
| Audit and Governance | 15 | 3 | 5 | 11 | 4 | 0 |
| Appeals | 8 | 5 | 4 | 14 | 6 | 1 |
| Corporate Parenting | 5 | 8 | 4 | 10 | 6 | 2 |
| Harbours | 10 | 5 | 3 | 9 | 8 | 0 |
| Pension Fund | 6 | 3 | 3 | 12 | 9 | 0 |
| Police and Crime Panel | 9 | 3 | 3 | 11 | 8 | 1 |
| Licensing and Licensing Sub | 12 | 3 | 3 | 10 | 7 | 0 |
| Health and Wellbeing Board | 7 | 5 | 5 | 9 | 7 | 0 |
| Dorchester Markets Informal Joint Panel | 4 | 4 | 6 | 12 | 8 | 0 |
| Public Health Board | 6 | 6 | 3 | 11 | 6 | 0 |

The second question asked if councillors wished to make any comments about the timing of meetings and these were the responses:

- A variety of times ought to be tried for the majority participants to take part, to encourage those who have a day job, can take part, or observe.
- Appeals & licencing could be mornings or afternoons
- As I have domestic duties to perform in the shape of transporting my grandchildren to school, a 10am start to committees that I attend is ideal.
- Because Full Council is in the evenings and sometimes finish late into the evening some councillors who live an hour plus from County Hall have difficulty travelling home on winter nights. Can we start full Council meetings say at 2pm during the winter dark nights
- Day meetings simply do not work for those councillors who have a 'day job'. Daytime meetings discourage participation from younger (and less well off) people who are more likely to work full time hours.
- Ensure parking available for committee members onsite
- Evening and afternoon meetings make it more assessable for working members, currently I am unable to advise my employer when I may return from a morning meeting
- Evening meetings are not doable.
- Evening meetings for Full Council and Executive are most convenient for the public to attend.
- Formal meetings can take place during the day. Informal meetings need to cover early evening so that young people and partner organisations can attend.
- Holding meetings in the morning allows them to be prolonged if they are agenda heavy. Evening Council is difficult for those who are not close to Dorchester, particularly in terms of eating. Whilst officers can and do eat their pack lunch in the Chamber, Councillors cannot and if they have had to leave meetings elsewhere to get to Full Council, often with an hour to hour and half travel, there is little opportunity to eat. If the meeting goes on past 9pm a lot of people are flagging.
- I do understand the need from some councillors and members of the public for evening meetings, but we cannot please everyone. Many Councillors have commitments in the evenings, be that attending Town or Parish Council meetings or other organisations where many of us have commitments, such as Youth Clubs, Rotary, charity work etc. Also, DC staff's work time will need managing and support if more meetings are run in the evenings. Councillors need to recognise that when staff are working to cover an evening meeting, they will not be in the office to answer the phones during the daytime.
- I would like consideration to be given to some meeting of each committee being in the morning and some in the evening or it may be possible to alternate them. I am content with times as they stand. The only strong opinion I have is that afternoons are by far the least suitable option, especially for working Councillors
- I would suggest meetings the public regularly attend (Full Council, Cabinet and Planning) should be in the evening to make it more accessible for them to do so. Currently we exclude working age residents from engaging with our meetings. Could morning be 8am or 9am? As 10am is well into the middle of the morning and you regularly lose most of the working day. For less formal meetings can we consider using a more appropriate room. The chamber is a poor room to have a conversation

as everybody is far apart, the air conditioning is broken, it is dated, and it does not have any natural light.

- I am a member of other groups, and they are often on the same date and time. Is there any way they could be arranged so they do not clash? I do not expect action for me personally, but it might be beneficial for others as well.
- In the main I would like to see more meetings held in the evenings to encourage younger councillors who are working during the day, but I understand that with the number of meetings it is not possible. Plus, councillors need to attend Parish meetings that are held in the evenings. Dorchester Markets Panel should be held in the afternoon on a Wednesday, so the Market provider is able to attend if they wish.
- Is there a significant number of members of the public in the gallery who:
 - are not verbal protestors?
 - are unable to access an online live stream or recording?

It is noted that the public gallery barrier is not secure, work needs to be done so that the voting members of any committee are identified (e.g. names displayed digitally). This is to help any viewer of a live stream or recording. I think that more can be done to help casual viewers by highlighting where in the agenda papers the committee happens to be at any time.
- It is more valuable to have a regular day of the month so other work can be scheduled. Parish and Town council meetings usually meet in the evening and should be attended.
- It would be good to hold meetings of Full Council in the afternoons. This would have many advantages: saving on heating costs in the winter, less security would be needed because County Hall would be open anyway. Travelling a long way home in the dead of winter is not very safe or pleasant.
- Late afternoon and evening meetings are better for people who work, and we need to attract more young people (who usually work during day).
- Mornings are better (except Mondays)
- Most of the meetings are in the morning and it could be mixed up a bit to have some of the shorter meetings in the afternoon. Full Council should be moved earlier during winter, it was in the morning at Dorset County Council, and I feel better decisions are made earlier in the day.
- My only issue is that it would be helpful if Cabinet meetings were not on the morning of the last Tuesday of the month as this puts me in a difficult position where it clashes with a parish council meeting.
- Personally, I am happy with the current arrangements, but I completely appreciate that those who may wish to be more involved would find it difficult if they were in full time employment and we do want to encourage the younger people. This needs to be balanced with officer time though.
- Starting the Northern Area Planning Committee at 2pm works well. It suits members and officers who have some distance to travel, it allows plenty of time prior to the meeting to make all the IT and room arrangements and to fix things if necessary. Occasionally, if the agenda is very full, we can bring the meeting forward to 11am. I do not support evening meetings. As a rural member with nine parishes my evenings are already very full. As it is, I sometimes must send apologies to a parish council meeting because it clashes with Full Council.
- I think we should have a mix of times including evenings to make it much easier for those who work.
- The evening full council meetings are difficult for members that travel a distance as you must leave home around 4pm and do not get home until gone 10pm. If evening

meetings continue, consideration to providing sandwiches before the meeting start should be given.

- Where parents are invited to attend, then timings should be variable to suit the parents.
- Wherever possible significant meetings such as Full Council and Cabinet should be in the evening to allow councillors who work to attend. It would be good to have other meetings not just at a specific time but varied for the same reason. Residents should not have to take time off from work to attend meetings. Plus sticking to the timetable is vital - I book carers and need several weeks' notice to enable me to be at meetings.
- You cannot get full interaction with residents if you hold meetings while they are working, and you cannot encourage people to become councillors if it does not fit with their work lives

Committee Title: Full Council

Date: 14 February 2023

Report Title: Pay Policy Statement 2023/24

For Recommendation to Council

Portfolio Holder: Cllr J Haynes, Corporate Development and Transformation

Local Councillor(s): Not applicable

Executive Director: M Prosser, Chief Executive

Report Author: Natalie Adam
Title: Service Manager for HR Advisory Services
Tel: 01305 224695
Email: hradvisoryservice@dorsetcouncil.gov.uk

Report Status: Public

Recommendation:

It is recommended that the Full Council:

- (i) Note the provisions of the Localism Act and content of the Pay Policy Statement for the 2023/24 financial year.
- (ii) Approve the Pay Policy Statement for 2023/24.
- (iii) Approve the changes to the pay policy for Chief Officers determined by the Cross-Party Working Group in 2022.

Reason for Recommendation:

The Full Council is responsible for approval of the annual pay policy statement. The Cross-Party Working Group agreed that the evidence provided suggested that the council's current pay ranges may not provide sufficient headroom and flexibility to ensure that we can remain competitive when recruiting to any Chief Officer role.

1. Executive Summary

As required by the Localism Act 2011, the attached report sets out the Pay Policy Statement for Dorset Council for the financial year 2023/24.

The Act places a requirement on local authorities to produce a statement on an annual basis, setting out their policies on the remuneration of their Chief Officers, and the relationship between the remuneration of its Chief Officers and non-Chief Officers.

2. Financial Implications

None arising directly from the Pay Policy Statement. The cost of any future increase to Chief Officer salaries will be managed within budget.

3. Well-being and Health Implications

None arising directly from this report.

4. Climate implications

None arising directly from this report.

5. Other Implications

None arising directly from this report.

6. Risk Assessment

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

Current Risk: LOW
Residual Risk: LOW

7. Equalities Impact Assessment

The Localism Act was subject to consideration in terms of compatibility with the European Convention on Human Rights and contains a statement by the then Secretary of State that the provisions are compatible with equalities legislation. The Pay Policy Statement is now part of a wider transparency and equality framework alongside gender pay gap reporting requirements.

8. Appendices

Appendix 1: Pay Policy Statement (which includes the Schedule of Chief Officers Remuneration and Overview Table of Policies Relating to Remuneration for the Chief Officers)

9. Background Papers

None.

1. Introduction

- 1.1 The Localism Act, Part 1, Chapter 8 under the heading 'Pay Accountability' places a requirement on local authorities to produce and publish a Pay Policy Statement on an annual basis.
- 1.2 This report sets out the main requirements of the Localism Act and details the scope of the Council's Pay Policy Statement for the financial year 2023/24.

2. Pay Policy Statement 2023/24

- 2.1 The Pay Policy Statement for 2023/24 is attached at Appendix 1 setting out Council policies for the financial year relating to:
 - a. the remuneration of its Chief Officers,
 - b. the remuneration of its lowest paid employees, and
 - c. the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 2.2 The Pay Policy Statement refers to overview tables setting out the general policies relating to the remuneration of the Council's Chief Officers.
- 2.3 The Pay Policy Statement also provides clear details of the Council's partnership arrangements which are in place and work towards improving efficiency in local government. The Council currently has a jointly funded partnership arrangement for Public Health.

3. Requirements of the Localism Act

- 3.1 In preparing the Pay Policy Statement for the 2023/24 financial year, it is recommended that the Full Council note the following in respect of the Act's requirements.
- 3.2 Chief Officers
 - 3.2.1 The Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement and in terms of the Council's structures, the definition of Chief Officers incorporates the Chief Executive, Executive Directors (includes Section 151 Officer), Director of Legal and Democratic (Monitoring Officer), Corporate Directors, Director of Public Health, Deputy Director of Public Health and Consultants in Public Health.
 - 3.2.2 The details for Chief Officers (Appendix 1) reflects the position as at 1 January 2023 and, in respect of the partnership arrangements, indicates Dorset Council's contribution to the remuneration packages.
 - 3.2.3 The Council also engages via contracts for service through third party organisations, which have been assessed as IR35 compliant (and fall outside of the IR35 legislation).

3.3 Definition of Lowest Paid Employees

3.3.1 The Council has defined its lowest paid employees as those on the lowest Green Book spinal column point.

3.3.2 For both Chief Officers and the lowest paid employees, the Council adopts all relevant national agreements and the associated national pay bargaining arrangements. As a result, any pay awards negotiated by the National Joint Council and Joint National Council will be contained within the Appendix as required.

3.4 Relationship between Chief Officers and non-Chief Officers

3.4.1 The relationship between Chief Officer remuneration and non-Chief Officer remuneration is normally calculated as the ratio between the highest paid officer's earnings and the median earnings of employees.

3.4.2 In calculating the pay multiple based on total taxable earnings for the 2021/22 tax year (including benefits in kind and elements such as pension contributions) the ratio of the Chief Executive's earnings to the median earnings of employees was 8.09:1. This is slightly lower than the 2020/21 tax year which was 8.84:1.

3.4.3 In calculating the pay multiple based on FTE salaries (excluding allowances and enhancements) as at 1 January 2023, the ratio of the Chief Executive's salary to the median FTE salary of employees was 6.26:1. This is slightly lower than last year which was 6.65:1*. (** Please note that the 2022 FTE salary pay multiple has been updated (from the figure that was published in last year's Pay Policy Statement) to take account of the 2021/22 pay award which was implemented after the 2022/23 Pay Policy Statement was published.*)

3.4.4 The 2022/23 pay award (an increase of £1,925 to each spinal column point (SCP)) increased the lowest SCP by 10.5% compared with the increase for the highest earner of just over 1.11%. This would have contributed to the reduction in the two pay multiples at 3.4.2 and 3.4.3 above.

4. **Review of Chief Officer Pay**

4.1 In August 2022, a Cross-Party Working Group of councillors was established to review the current pay ranges for Chief Officers (this applies to the posts of Chief Executive, Executive Directors, Director of Legal and Democratic (Monitoring Officer), Corporate Directors, Director of Public Health, Deputy Director of Public Health and Consultants in Public Health).

4.2 The working group's remit was a relatively narrow one, to look at the pay ranges the council has in place for its senior roles to ensure that we can continue to recruit and retain the best talent into these roles.

4.3 A range of data was made available, including the current pay position of our chief officers, benchmarking data provided by the Society of Local Authority Chief

Executives (SOLACE), turnover data and evidence of recruitment challenges to senior roles within the council and across neighbouring authorities.

- 4.4 The working group agreed that the evidence provided suggested that the council's current pay ranges may not provide sufficient headroom and flexibility to ensure that we can remain competitive when recruiting to any Chief Officer role. However, the working group agreed that this is not the appropriate time to increase the pay ranges of our Chief Officer roles, due to the current cost of living pressures being experienced by our communities.
- 4.5 The decision of the working group was to recommend to Full Council the following amendments to the Council's Pay Policy for Chief Officers:
- The introduction of a market forces premium of up to £15,000, to be applied on a case by case basis where there is specific evidence of a difficulty to recruit or retain employees in Chief Officer roles and where there is clear evidence of salaries being offered by other local authorities above the current pay ranges for Chief Officers in Dorset Council. Any recommendation to apply a market forces premium will be made in consultation with the Head of Paid Service by the relevant Portfolio Holder and approved by the Portfolio Holder for Corporate Development & Transformation and the Leader of the Council. In the case of the Head of Paid Service, any decision to apply a market forces premium will be made by the Portfolio Holder for Corporate Development & Transformation and the Leader of the Council. Market forces payments will be reviewed every three years, to ensure the justification and rationale for payment can still be evidenced. If the evidence available at the review stage no longer supports the need to apply a market forces supplement, any payment will be reduced or removed. In this situation, a period of three years protection will be applied, in line with the arrangements in the council's Labour Market Adjustment Scheme for other employees in the council.
- 4.6 No immediate changes will be made to the individual salaries of existing Chief Officers.

5. Next Steps

- 5.1 Once agreed, and in advance of 31 March 2023, the Pay Policy Statement will be published on the Council's website.
- 5.2 Prior to its publication, Privacy Notices will be issued to each of the Chief Officers detailed in the Schedule (at Appendix 1).

Matt Prosser, Chief Executive

14 February 2023

Footnote:

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

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DORSET COUNCIL PAY POLICY STATEMENT 2023/24

1. Purpose

- 1.1 Dorset Council (DC) is a Unitary Authority which covers most of the county of Dorset.
- 1.2 This Pay Policy Statement is required under Part 1, Chapter 8 'Pay Accountability' of the Localism Act 2011 and as such does not form part of an employee's contract of employment and does not create any contractual rights.
- 1.3 The Pay Policy Statement has been approved by resolution of the Full Council.
- 1.4 The Pay Policy Statement, along with appendices, is published on the Council's Website – www.dorsetcouncil.gov.uk.
- 1.5 A glossary of terms used in the Pay Policy Statement can be found at the end of the document.
- 1.6 In addition to the Pay Policy Statement, the Council publishes an annual Financial Statement which includes details of the remuneration of senior staff and exit packages and termination payments.

2. Context of Dorset Council

- 2.1 The Council employs 4,579 staff and provides a wide range of services managed through the Chief Executive's services and five Directorates:
- 2.2 The Chief Executive is the lead adviser to elected members and the head of paid service.
- 2.3 Corporate Services includes Assurance; Communications & Engagement; Democratic & Electoral Services; Finance & Commercial; Human Resources; ICT Operations; Legal & Land Charges; Transformation, Innovation & Digital.
- 2.4 People – Adults includes Housing; Adult Social Care; Commissioning.
- 2.5 People – Children's includes Commissioning & Partnerships; Quality Assurance & Safeguarding Families; Education & Learning Services; Care & Protection.
- 2.6 Place includes Customer & Cultural Services; Economic Growth & Infrastructure (Planning, Highways, Dorset Travel); Place based services (Environment & Wellbeing, Community & Public Protection, Waste Operations, Waste Commercial & Strategy); Assets & Regeneration; Climate & Ecological Sustainability.
- 2.7 Public Health provides Public Health services in Dorset – see 3.4 below.

3. Partnership arrangements

- 3.1 By working together with other public sector organisations, the Council can provide high quality services more efficiently and cost effectively resulting in the better use of resources.
- 3.2 Meaningful and productive partnerships are established from time to time which provides joint funding for services, with each partner contributing an agreed percentage towards costs, including remuneration.
- 3.3 The Council currently has jointly funded partnership arrangements for Public Health.
- 3.4 The following provides details of Dorset Council's estimated contribution to the remuneration package (*this is subject to formal board sign off). These percentages are subject to periodic review.

| Partnership | DC Contribution to remuneration package |
|--|--|
| Public Health Dorset Council is the host employer and provides Public Health services for Dorset in partnership with BCP Council (Bournemouth, Christchurch & Poole). | 52%* *Proposed but not yet agreed for 2023/24 |

4. Contracts for Service Arrangements

- 4.1 In addition the Council may, in exceptional circumstances, engage non-specific individuals via a contract for services through third party organisations. This allows the Council to engage under a contract for service for a specific project or in specialised areas where there is no ongoing requirement for a specific role within the Council. These contracts for service have been assessed as IR35 compliant (and fall outside of the IR35 legislation).

5. Requirements of the Localism Act

- 5.1 In accordance with the Localism Act, the Pay Policy Statement outlines the Council's policies relating to:
- The remuneration of its Chief Officers
 - The remuneration of its lowest-paid employees, and
 - The relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers.
- 5.2 The Pay Policy Statement applies to Dorset Council employees excluding schools. This is in line with the Secretary of State's "Openness and Accountability in Local Pay: Guidance under section 40 of the Localism Act" (February 2012) and Supplementary Guidance (February 2013).
- 5.3 Although the Council is the ultimate employer for employees in some Dorset schools, each school has a separate Pay Policy with a reporting line to the Governing Body

and it is the school that ultimately determines the terms and conditions for its employees.

5.4 The Pay Policy Statement excludes Apprentices engaged on contracts for training.

5.5 The Pay Policy Statement reflects the terms and conditions offered by Dorset Council. As a result of the creation of Dorset Council on 1 April 2019, there are a number of Dorset Council employees on various TUPE protected terms and conditions. As these are TUPE protected terms and conditions, they are not covered in the Pay Policy Statement. Any new appointments to Dorset Council roles will be offered on Dorset Council terms as detailed in this Pay Policy statement. Please note that during 2023 (date tbc), all previously TUPE protected employees will move to DC terms and conditions, subject to agreement with the recognised Trade Unions.

6. Remuneration of Chief Officers

6.1 The Localism Act defines Chief Officers by reference to various sections of the Local Government and Housing Act 1989. For the purposes of this Pay Policy Statement and in terms of the Council's structures, the definition of Chief Officers incorporates the Chief Executive, Executive Directors (includes Section 151 Officer), Director of Legal and Democratic (Monitoring Officer), Corporate Directors, Director of Public Health, Deputy Director of Public Health and Consultants in Public Health.

6.2 Chief Officers are employed under the Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities or the JNC for Chief Officers of Local Authorities.

6.3 A schedule of Chief Officers' post specific remuneration is contained at Appendix A1, which details:

- Position Title
- Overview Table Category (Appendix A2)
- Terms and Conditions of Service
- FTE Salary Range
- Grade
- Number of Posts

6.4 Overview Tables detailing terms and conditions have been produced. Appendix A2 details those policies relating to remuneration which are not post specific and refers to Chief Officers.

6.5 The Chief Executive is the appointed Returning Officer and receives a fee for running local, Police and Crime Commissioner and Parliamentary Elections. This role is separate from that of Chief Executive and carries with it personal accountabilities. The fee for undertaking this role varies from year to year and is not subject to this policy and therefore not included in the overview tables.

6.6 The salary ranges for Dorset Council chief officers are approved by the Full Council. Other salary ranges for non-chief officers are either approved by the Chief Executive as part of delegated powers or are set as part of national terms and conditions of employment.

7. Remuneration of Lowest Paid Employees

- 7.1 The Localism Act requires the Pay Policy Statement to define the Lowest Paid Employees. The Local Government Association, Localism Act: Pay Policy Statements Guidance for Local Authority Chief Executives” (November 2011) suggests that the simplest and most easily understood definition of lowest paid employees might be those employees on the lowest pay point in use by the authority.
- 7.2 In line with the above, DC define this as those employed on the minimum of Grade 1 (NJC Green Book terms and conditions of service).
- 7.3 Roles at this grade may include:
- Catering/Facilities Assistant
 - General Assistant
 - School Crossing Patrol
- 7.4 The salary scale for Dorset Grade 1 is £20,258 pa (FTE).

8. Overview Tables

- 8.1 Appendix A2 details the policies relating to the remuneration of Chief Officers. It should be noted that the tables reflect only those key elements of each policy relating to remuneration.
- 8.2 For the purposes of the Overview Tables, terms and conditions groups have been structured under the following headings:
- Chief Officer: Chief Executive, Executive Directors and Director of Public Health
 - Chief Officer: Corporate Directors, Director of Legal and Democratic (Monitoring Officer), Deputy Director of Public Health and Consultants in Public Health
- 8.3 The policies relating to remuneration details shown in Appendix A2 have been grouped under 5 main headings that mirror the requirement of the Localism Act 2011:
- Elements of Remuneration
 - Remuneration on Recruitment
 - Increases and Additions to Remuneration
 - Performance Related Pay
 - Payments on Ceasing to Hold Office
- 8.4 Elements of Remuneration
- The Council applies a number of elements that could form the total remuneration package for Chief Officers. Details of these can be found under the following headings within the Overview Tables:
- Basic Salary Range
 - Weekend Working
 - Night Enhancement
 - Standby Allowance
 - Standby Callout
 - Overtime

Appendix 1 Pay Policy Statement 2023/24

- Public Holiday Enhancement
- Sleeping In Allowance
- First Aid Allowance
- Retainer Payments

In addition to the above elements, there may be occasions when the Council makes payments that are considered to be a benefit in kind. The following should not be considered an exhaustive list, but provides a flavour of the types of benefits in kind that may be payable to employees and regarded as taxable by HMRC when certain circumstances dictate:

- Relocation/Removal Expenses over £8,000
- Relocation Mileage (in cases of forced change of centre of duty)

8.5 Remuneration on Recruitment

Details of the Council's policy on remuneration on appointment can be found in the Overview Tables under the following headings:

- Starting Salaries
- Recruitment and Retention Payments
- Market Forces Premium
- Relocation Scheme

8.6 Increases and Additions to Remuneration

In certain circumstances, the Council may apply increases/additions to remuneration. Details of these can be found under the following headings within the Overview Tables:

- Payments for Additional Duties
- Cost of Living Pay Increases
- Salary Protection

8.7 Performance Related Pay

The Council does not make bonus payments, unless they form part of the TUPE protected provisions. Some elements of pay are performance related. Details of the following performance related elements of pay, and how they are applied, can be found within the Overview Tables:

- Incremental/Scale Progression
- Merit Increments

8.8 Payments on Ceasing to Hold Office

The Council applies a number of payments/provisions in the event of an employee ceasing to hold office. An outline of the following payments can be found within the Overview Tables:

- Notice Period
- Redundancy Provisions

9. Relationship between Chief Officer and Non-Chief Officer

- 9.1 The Localism Act requires the Council to set out the relationship between the remuneration of its Chief Officers and the remuneration of its employees who are not Chief Officers. In determining the relationship, regard has been given to Hutton's Review of Fair Pay in the Public Sector (Final report dated March 2011), the Secretary of State's guidance and Local Government Association (LGA) guidance. These reference sources define the relationship in terms of a pay multiple calculation.
- 9.2 In line with the above reports and guidance documentation, pay multiples have been calculated as the ratio between the Chief Executive's earnings and the median average earnings of employees.
- 9.3 The LGA guidance indicates that the pay multiple could be calculated based upon total taxable earnings or FTE salaries. For the purpose of this statement the Council provides both.
- 9.4 In calculating the pay multiple based on total taxable earnings for the 2021/22 tax year (including benefits in kind and elements such as pension contributions*) the ratio of the Chief Executive's earnings to the median earnings of employees was 8.09:1. This is slightly lower than the previous year which was 8.84:1.
- 9.5 In calculating the pay multiple based on FTE salaries (excluding allowances and enhancements*) as at 1 January 2023 the ratio of the Chief Executive's salary to the median FTE salary of employees was 6.26:1. This is slightly lower than last year which was 6.65:1**.
- 9.6 The pay multiple for the previously published Pay Policies are as follows:

| Financial year Pay Policy Statement | Pay multiple Taxable earnings | Pay multiple FTE salary |
|---|---|----------------------------|
| 2020/21 | Not applicable (as first year of the new Council) | 7.06:1 |
| 2021/22 | 9.12:1 | 6.94:1 |
| 2022/23 | 8.84:1 | 6.65:1** |
| 2023/24 | 8.09:1 | 6.26:1 |

* Excluding school employees and apprentices

** The 2022 FTE salary pay multiple has been updated (from the figure that was published in last year's Pay Policy Statement) to take account of the 2021/22 pay award which was implemented after the 2022/23 Pay Policy Statement was published.

10. Conclusion

- 10.1 These documents are considered to be an accurate reflection at the time of publishing.

Glossary of terms

Basic Pay is the core element of salary payable before enhancements or additions.

Directorate/service is the name given to one of the main departments/divisions of the Council. Dorset Council has the following directorates/services: Corporate; People – Adults; People – Children's; Place; Public Health.

DC – Dorset Council.

Elected Members are Councillors elected through local elections to represent their communities in local government.

FTE is Full Time Equivalent. For the Council this is 37 hours per week.

Green Book is the name given to the document containing the National Agreements on pay and conditions of service for Local Government Services. This agreement includes the full, current details of the National Joint Council (NJC) for Local Government Services. Known as the Single Status Agreement, the Green Book covers the pay and conditions for a range of local authority employees.

HMRC – His Majesty's Revenue and Customs.

Incremental Progression is the process of moving up through a salary scale range.

Joint Negotiating Committee (JNC) is the body which sets the national framework used to pay certain groups of employees. The function of the JNC is to negotiate with Trade Unions on nationally determined terms and conditions of service and any yearly cost of living pay increase.

Median is found by arranging all values in order from the lowest to the highest and selecting the middle value.

National Joint Council (NJC) – refer to JNC above.

Spinal Column Point (Pay Point) is the name given to a particular point on a salary range/grade.

Unitary Authority is Dorset Council which is a district council also with county council functions and delivering the full range of local authority services.

| Appendix A1 – Schedule of Chief Officer Remuneration | | | | | |
|---|--|---|--|--------------------|-------------------------------------|
| Position Title | Overview Table Category (Appendix A2) | Terms and Conditions of Service | FTE Salary Range £ per annum | Grade | Number of Posts |
| Chief Executive | Chief Officer (JNC Terms and Conditions) | JNC for Chief Executives of Local Authorities | £174,458 | Chief Executive | 1 |
| Executive Directors and Director of Public Health | Chief Officer (JNC Terms and Conditions) | JNC for Chief Officers of Local Authorities | £129,577 - £145,534* *Post holders are appointed on a spot salary which periodically may be subject to change within the salary range | Executive Director | 5 (includes Section 151 Officer) |
| Corporate Directors, Director of Legal and Democratic (Monitoring Officer), Deputy Director of Public Health and Consultants in Public Health | Chief Officer (JNC Terms and Conditions) | JNC for Chief Officers of Local Authorities | £92,345 - £118,940* *Post holders are appointed on a spot salary which periodically may be subject to change within the salary range | Corporate Director | 21 (includes Monitoring Officer) |

| Appendix A2 - Overview Table of Policies Relating to Remuneration for the Chief Officers | |
|--|---|
| Chief Officer | Chief Officers |
| Chief Executive, Executive Directors and Director of Public Health (JNC Terms and Conditions) | Corporate Directors, Director of Legal and Democratic (Monitoring Officer), Deputy Director of Public Health and Consultants in Public Health (JNC Terms and Conditions) |
| Elements of Remuneration | |
| Basic Salary Range | See Appendix A1 |
| Weekend Working | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the post there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours per week or hours undertaken outside of normal office hours are applicable. |
| Night Enhancement | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the post there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours per week or hours undertaken outside of normal office hours are applicable. |
| Standby Allowance | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the post there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours per week or hours undertaken outside of normal office hours are applicable. |
| Standby Callout | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the post there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours per week or hours undertaken outside of normal office hours are applicable. |
| Overtime | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the posts there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours are applicable. |
| Public Holiday Enhancements | Not applicable. The full time working week for this post is 37 hours. However due to the nature and seniority of the post there is a requirement to work longer hours as necessary. No additional payment/enhancement for any hours worked in excess of 37 hours per week or hours undertaken outside of normal office hours are applicable. |
| Sleeping In | Not applicable. |
| First Aid Allowance | A designated first aider (appointed person) for a place of work is paid a first aid allowance of £22.25 per month (pro rata for part time employees). |
| Retainer Payment | Not applicable |

| Remuneration on Recruitment | |
|---|--|
| Starting Salaries | <p>The Chief Executive, Executive Directors and Director of Public Health are appointed on a fixed spot salary.</p> <p>Corporate Directors, Director of Legal and Democratic (Monitoring Officer), Deputy Director of Public Health and Consultants in Public Health are appointed on a fixed spot salary from within the salary range for the role subject to the following criteria:</p> <ul style="list-style-type: none"> - the individual's knowledge, skills, experience and qualifications relating to the requirements of the role; - performance/capability as evidenced during the recruitment process; - existing market forces; - consideration of existing employees performing the same role as matched against the above criteria. |
| Recruitment and Retention Payments | <p>Market Forces Premium – a market forces premium of up to £15,000 can be applied on a case by case basis where there is specific evidence of a difficulty to recruit or retain employees in Chief Officer roles (this applies to the posts of Chief Executive, Executive Directors, Director of Legal and Democratic (Monitoring Officer), Corporate Directors, Director of Public Health, Deputy Director of Public Health and Consultants in Public Health) and where there is clear evidence of salaries being offered by other local authorities above the current pay ranges for Chief Officers in Dorset Council. Any recommendation to apply a market forces premium will be made in consultation with the Head of Paid Service by the relevant Portfolio Holder and approved by the Portfolio Holder for Corporate Development & Transformation and the Leader of the Council. In the case of the Head of Paid Service, any decision to apply a market forces premium will be made by the Portfolio Holder for Corporate Development & Transformation and the Leader of the Council. Market forces payments will be reviewed every three years, to ensure the justification and rationale for payment can still be evidenced. If the evidence available at the review stage no longer supports the need to apply a market forces supplement, any payment will be reduced or removed. In this situation, a period of three years protection will be applied, in line with the arrangements in the council's Labour Market Adjustment Scheme for other employees in the council.</p> <p>Relocation Scheme – this scheme applies to difficult to fill roles only where there is a requirement to relocate to the area and includes:</p> <ul style="list-style-type: none"> • Removal costs (lowest of 3 quotes); • Disturbance expenses of up to £935; • Fees e.g. Stamp Duty, Legal Fees, Estate Agents etc (of up to £6,533) <u>or</u>* Mortgage/rent subsidy payment of £250 per month in Year 1 and £150 per month in Year 2 (*either Fees or Mortgage/rent subsidy is payable) • Separation/two home allowance (Maximum of £97 per week for up to 6 months) (not available for overseas applicants) <p>Additionally, for overseas applicants (in the very limited circumstances where the Council seeks to recruit from overseas as part of a campaign) may claim:</p> <ul style="list-style-type: none"> • The cost of one economy journey (including the employee's spouse, civil partner and children) to the UK from the country in which the employee was resident immediately prior to employment with DC. • Visa costs, including one-off payments for the Immigration Skills surcharge, and the NHS Health Surcharge • Financial assistance for the deposit to secure rental accommodation, including, where appropriate, an initial one month's rent in advance, up to the value of £1,500 (for both deposit and one month's advance) • Where the job role requires the employee to travel in order to effectively carry out their duties, financial assistance up to the value of £2,000 to support the purchase of a vehicle |
| Increases and Additions to Remuneration | |
| Payments for additional duties | <p>Acting up payment may apply where there is a requirement to undertake additional responsibilities for an extended period (normally over 4 weeks). A full acting up payment is calculated as the difference between the salary of the employee acting up and the minimum point of the grade of the post being covered. When an employee is already paid on a point within the higher grade, the allowance will be calculated based upon the next point within the grade. Where only part of the duties are being undertaken a proportioned (percentage) payment is made.</p> <p>An honorarium payment (usually a one off amount of up to £1,000) can be awarded to an employee who has performed exceptionally outside of the normal scope of their duties e.g. work on a complex temporary project.</p> <p>Eligible Consultants in Public Health can apply for a Clinical Excellence Award which recognises and rewards those consultants who contribute most towards the delivery of safe and high quality care to patients and the continuous improvement to NHS Services.</p> |
| Cost of Living Pay Increases | <p>Chief Executive - Cost of living pay increases are agreed by Joint Negotiating Committee for Chief Executives of Local Authorities and for 1 April 2022 was £1,925.</p> <p>Executive Directors, Director of Public Health, Director of Legal and Democratic (Monitoring Officer), Corporate Directors, Deputy Director of Public Health and Consultants in Public Health - Cost of living pay increases are agreed by the Joint Negotiating Committee for Chief Officers of Local Authorities. The cost of living pay increase from 1 April 2022 was £1,925.</p> |
| Salary Protection | <p>18 months' salary grade protection applicable in cases of redeployment due to redundancy or reorganisation.</p> <p>12 months allowance/enhancement protection applicable in cases of redeployment due to redundancy or reorganisation where certain conditions apply.</p> |

| Performance Related Pay | |
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| Incremental/Scale Progression | <p>Chief Executive, Executive Directors and Director of Public Health are appointed on a fixed spot salary so are not subject to incremental progression.</p> <p>Corporate Directors, Director of Legal and Democratic (Monitoring Officer), Deputy Director of Public Health and Consultants in Public Health are appointed on a spot salary within a range. Normally, the spot salary will not change and as such there is no incremental progression. In exceptional circumstances changes to role/scope may lead to a change in spot salary.</p> |
| Merit Increments | Not applicable. |
| Payments on Ceasing to Hold Office | |
| Notice Period | <p>Where an appointment is subject to a probationary period it may be terminated by 1 weeks' notice on either side. Thereafter;</p> <p>Following any probationary period, employees in this group are required to give 13 weeks' notice.</p> <p>Following any probationary period, DC is required to give employees in this group 13 weeks' notice.</p> <p>Following any probationary period, the contractual notice requirements go beyond those required by the Employment Rights Act 1996 which provide for 1 weeks' notice for each year of continuous employment up to a maximum of 12 weeks.</p> |
| Redundancy Provisions | The current redundancy multiplier of 1.75 times the statutory redundancy pay formula (based on actual pay) is payable and applies to all employees. From 1 April 2023, the redundancy multiplier will change to 1.25 times the statutory redundancy pay formula (based on actual pay) and will apply to all employees. |

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