



## Cabinet

**Date:** Tuesday, 5 October 2021  
**Time:** 10.00 am  
**Venue:** MS Team Live Event

### **Membership: (Quorum 3)**

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

**Cabinet Lead Members (6)** (are not members of the Cabinet but are appointed to work along side Portfolio Holders)

Cherry Brooks, Piers Brown, Simon Gibson, Nocturin Lacey-Clarke, Byron Quayle and Jane Somper

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

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Due to the current coronavirus pandemic the Council has reviewed its approach to holding committee meetings. Members of the public are welcome to attend this meeting and listen to the debate either online by using the following link [Web Link to observe Cabinet meeting of 5 October 2021](#)

Members of the public wishing to view the meeting from an iPhone, iPad or Android phone will need to download the free Microsoft Teams App to sign in as a Guest, it is advised to do this at least 30 minutes prior to the start of the meeting."

Please note that public speaking has been suspended. However Public Participation will continue by written submission only. Please see detail set out below.

Dorset Council is committed to being open and transparent in the way it carries out its business whenever possible. A recording of the meeting will be available on the Council's website after the event.



# A G E N D A

Page No.

## 1 APOLOGIES

To receive any apologies for absence.

## 2 DECLARATIONS OF INTEREST

To disclose any pecuniary, other registrable or non-registrable interest as set out in the adopted Code of Conduct. In making their disclosure 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.

## 3 PUBLIC PARTICIPATION

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

Members of the public who live, work or represent an organisation within the Dorset Council area, may submit up to either 2 questions, or 2 statements or 1 question and 1 statement at each meeting. Sub divided questions count towards this total. All submissions must be sent electronically to [kate.critchell@dorsetcouncil.gov.uk](mailto:kate.critchell@dorsetcouncil.gov.uk) by the deadline set out below. When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

All questions, statements and responses will be published in full within the minutes of the meeting.

**The deadline for submission of the full text of a question or statement is 8.30am on 30 September 2021**

## 4 QUESTIONS FROM COUNCILLORS

To receive questions submitted by councillors. The deadline for receipt of questions is **8.30am on 30 September 2021**.

<b>5</b>	<b>FORWARD PLAN</b>	7 - 14
	To consider the Cabinet Forward Plan.	
	<b>ITEMS IDENTIFIED FROM THE CABINET'S FORWARD PLAN</b>	
<b>6</b>	<b>MEDIUM TERM FINANCIAL PLAN (MTFP) AND BUDGET STRATEGY</b>	15 - 38
	To consider a report of the Portfolio Holder for Finance, Commercial and Capital Strategy.	
<b>7</b>	<b>LGA FINANCE PEER CHALLENGE REPORT AND ACTION PLAN</b>	39 - 80
	To consider a report of the Portfolio Holder for Finance, Commercial & Capital Strategy.	
<b>8</b>	<b>DORSET COUNCIL PLAN</b>	81 - 118
	To consider a report of the Portfolio Holder for Corporate Development and Change.	
<b>9</b>	<b>DORSET SKILLS COMMISSION</b>	119 - 128
	To consider a report of the Portfolio Holders for Children, Education, Skills and Early Help and Economic Growth, Assets and Property (joint leads).	
<b>10</b>	<b>CABINET MEMBER UPDATE ON POLICY DEVELOPMENT MATTER REFERRED TO AN OVERVIEW COMMITTEE(S) FOR CONSIDERATION</b>	
	Cabinet Portfolio Holders to report.	
	<b>PANELS AND GROUPS</b>	
	To receive any minutes, recommendations or verbal updates from panels, groups and boards:	
<b>11</b>	<b>CLIMATE &amp; ECOLOGICAL EMERGENCY EXECUTIVE ADVISORY PANEL UPDATE</b>	
	To receive an update from the Portfolio Holder for Highways, Travel and Environment.	
<b>12</b>	<b>URGENT ITEMS</b>	

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.

**13 EXEMPT BUSINESS**

To move the exclusion of the press and the public for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraphs 3 and 4 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(s) of business are considered.

**14 WEYMOUTH QUAY REGENERATION PROJECT PAYMENTS OVER £500,000** 129 - 134

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

**15 TRICURO OPTIONS PAPER** 135 - 158

To consider a report of the Portfolio Holder for Adult Social Care and Health.

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## The Cabinet Forward Plan - November 2021 to February (Publication date 4 October 2021) For the period 1 NOVEMBER 2021 to 28 FEBRUARY 2022

### Explanatory Note:

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

### Definition of Key Decisions

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

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

### Cabinet Portfolio Holders 2021/22

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

Subject / Decision	Decision Maker	Date the Decision is Due	Other Committee(s) consulted and Date of meeting(s)	Portfolio Holder	Officer Contact
<b>November</b>					
<p><b>Phase 2 Parking Charges Project</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>To consider a report on the Phase 2 Parking Charges Project.</p>	<p><b>Decision Maker</b> Cabinet</p>	<p><b>Decision Date</b> 2 Nov 2021</p>		<p>Portfolio Holder for Highways, Travel and Environment</p>	<p><i>Elizabeth Murray, Strategic Parking Project Manager elizabeth.murray@dorsetcc.gov.uk Executive Director, Place (John Sellgren)</i></p>
<p><b>Review of Community Infrastructure Levy (CIL) expenditure</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>Recommendation from Place and Resources Scrutiny Committee Position report on CIL governance and expenditure to date.</p>	<p><b>Decision Maker</b> Cabinet</p>	<p><b>Decision Date</b> 2 Nov 2021</p>	<p>Place and Resources Scrutiny Committee 19 Oct 2021</p>	<p>Portfolio Holder for Planning</p>	<p><i>Andrew Galpin, Infrastructure &amp; Delivery Planning Manager andrew.galpin@dorsetcouncil.gov.uk Executive Director, Place (John Sellgren)</i></p>
<p><b>Dorset Council High Needs Block Management Strategy</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p>	<p><b>Decision Maker</b> Cabinet</p>	<p><b>Decision Date</b> 2 Nov 2021</p>		<p>Portfolio Holder for Children, Education, Skills and Early Help</p>	<p><i>Vik Verma, Interim Director of Education and Learning vik.verma@dorsetcc.gov.uk Executive Director, People - Children (Theresa Leavy)</i></p>
<p><b>Quarter 2 (Q2) Financial Management Report</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>To consider the Council's revenue budget position at the end of Q2 and the changes since Q1</p>	<p><b>Decision Maker</b> Cabinet</p>	<p><b>Decision Date</b> 2 Nov 2021</p>		<p>Portfolio Holder for Finance, Commercial and Capital Strategy</p>	<p><i>Jim McManus, Corporate Director - Finance and Commercial J.McManus@dorsetcc.gov.uk Executive Director, Corporate Development - Section 151 Officer (Aidan Dunn)</i></p>



Subject / Decision	Decision Maker	Date the Decision is Due	Other Committee(s) consulted and Date of meeting(s)	Portfolio Holder	Officer Contact
<p><b>Review of Commercial Strategy - Commissioning and Procurement Overview</b></p> <p><b>Key Decision</b> - No <b>Public Access</b> - Open</p> <p>To consider a proposed revision to the current Corporate Procurement Strategy.</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 2 Nov 2021</b></p>	<p>Place and Resources Overview Committee 17 Sep 2021</p>	<p>Portfolio Holder for Finance, Commercial and Capital Strategy</p>	<p><i>Dawn Adams, Service Manager for Commercial and Procurement dawn.adams@dorsetcouncil.gov.uk Executive Director, Corporate Development - Section 151 Officer (Aidan Dunn)</i></p>
<p><b>Transformation Plan Annual Report</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>Annual report detailing progress against year 1 of the transformation plan and setting out the proposed year 2 plan</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 2 Nov 2021</b></p>		<p>Deputy Leader - Corporate Development and Change</p>	<p><i>Deborah Smart, Corporate Director – Digital &amp; Change deborah.smart@dorsetcouncil.gov.uk Executive Director, Corporate Development - Section 151 Officer (Aidan Dunn)</i></p>
<p><b>Establishing a Shared Services Joint Committee for BCP and Dorset Councils</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>Report detailing the set up and governance arrangements for establishing a Joint Committee Structure to oversee the shared services of:</p> <ul style="list-style-type: none"> <li>• Joint Archives Service</li> <li>• Coroner and Mortuary Service</li> <li>• Skills and Learning Service</li> </ul> <p>delivering services for Bournemouth, Christchurch and Poole Council and Dorset Council</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 2 Nov 2021</b></p>		<p>Leader of the Council</p>	<p><i>Lisa. Cotton, Head of Customer Services, Libraries &amp; Archives lisa.cotton@dorsetcouncil.gov.uk, Jonathan Mair, Corporate Director - Legal &amp; Democratic Service Monitoring Officer jonathan.mair@dorsetcouncil.gov.uk Corporate Director, Legal and Democratic Services - Monitoring Officer (Jonathan Mair)</i></p>

Subject / Decision	Decision Maker	Date the Decision is Due	Other Committee(s) consulted and Date of meeting(s)	Portfolio Holder	Officer Contact
<p><b>Wareham Neighbourhood Plan 2019 - 2034</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>This report relates to the making (adoption) of the Wareham Neighbourhood Plan 2019 - 2034.</p>	<p><b>Decision Maker</b> <b>Cabinet</b></p>	<p><b>Decision Date</b> <b>2 Nov 2021</b></p>		<p>Portfolio Holder for Planning</p>	<p><i>Ed Gerry, Prinicpal Planning Policy Team Leader</i> <i>ed.gerry@dorsetcouncil.gov.uk</i> <i>Executive Director, Place (John Sellgren)</i></p>
<p><b>Dorchester Town Council - Dorchester City Bid</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>To approve Dorchester Town Council's bid for Dorchester City Status</p>	<p><b>Decision Maker</b> <b>Cabinet</b></p>	<p><b>Decision Date</b> <b>2 Nov 2021</b></p>		<p>Leader of the Council</p>	<p><i>Rebecca Forrester, Business Intelligence &amp; Performance</i> <i>rebecca.forrester@dorsetcouncil.gov.uk</i> <i>Chief Executive (Matt Prosser)</i></p>
<p><b>Dorset Domestic Abuse Strategy</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>The Council is required to publish a domestic abuse strategy under the Domestic Abuse Act 2021. A strategy has been prepared in conjunction with the Local Domestic Abuse Partnership Board. Cabinet are being asked to approve the strategy and agree for it to be published.</p>	<p><b>Decision Maker</b> <b>Cabinet</b></p>	<p><b>Decision Date</b> <b>2 Nov 2021</b></p>		<p>Portfolio Holder for Housing and Community Safety</p>	<p><i>Andy Frost, Community Safety and Drug Action Manager</i> <i>andy.frost@dorsetcouncil.gov.uk</i> <i>Executive Director, People - Adults</i></p>

Subject / Decision	Decision Maker	Date the Decision is Due	Other Committee(s) consulted and Date of meeting(s)	Portfolio Holder	Officer Contact
<b>December</b>					
<p><b>Enabling Communities Strategy</b></p> <p><b>Key Decision</b> - No <b>Public Access</b> - <b>Open</b></p> <p>The Communities Strategy will shape how Dorset Council engages and enables of communities.</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 7 Dec 2021</b></p>	<p>People and Health Overview Committee 9 Nov 2021</p>	<p>Portfolio Holder for Customer and Community Services</p>	<p><i>Laura Cornette, Business Partner - Communities and Partnerships</i> <i>Laura.cornette@dorsetcouncil.gov.uk</i> <i>Chief Executive (Matt Prosser)</i></p>
<p><b>Household Recycling Centre (HRC) Vehicle Access Policy</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - <b>Open</b></p> <p>Review of legacy policy controlling access to HRCs. This includes the use of vans, hire vans, trailers and other vehicle types. Policy is applicable to all Dorset Council wards. A public consultation will be conducted to inform outcomes.</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 7 Dec 2021</b></p>	<p>Place and Resources Overview Committee 21 Oct 2021</p>	<p>Portfolio Holder for Customer and Community Services</p>	<p><i>Gemma Clinton, Head of Commercial Waste and Strategy</i> <i>gemma.clinton@dorsetwastepartnership.gov.uk</i> <i>Executive Director, Place (John Sellgren)</i></p>
<p><b>Park Home Fees Policy</b></p> <p><b>Key Decision</b> - No <b>Public Access</b> - <b>Open</b></p> <p>The Park Homes Fees Policy allows the Council to charge for a number of licensing activities carried out on park homes sites in Dorset under the Mobile Homes Act 2013 and Regulations related to the Fit and Proper Person Register for Park Homes.</p>	<p><b>Decision Maker Cabinet</b></p>	<p><b>Decision Date 7 Dec 2021</b></p>	<p>Licensing Committee 17 Nov 2021</p>	<p>Portfolio Holder for Customer and Community Services</p>	<p><i>Richard Conway, Service Manager for Housing Standards</i> <i>richard.conway@dorsetcouncil.gov.uk</i> <i>Executive Director, Place (John Sellgren)</i></p>

Subject / Decision	Decision Maker	Date the Decision is Due	Other Committee(s) consulted and Date of meeting(s)	Portfolio Holder	Officer Contact
<b>January 2022</b>					
<p><b>Quarter 3 (Q3) Financial Management Report</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>To consider the Council's revenue budget position at the end of Q3 and the changes since Q2</p>	<p><b>Decision Maker</b> Cabinet</p>	<p><b>Decision Date</b> 18 Jan 2022</p>		<p>Portfolio Holder for Finance, Commercial and Capital Strategy</p>	<p><i>Jim McManus, Corporate Director - Finance and Commercial</i> <i>J.McManus@dorsetcc.gov.uk</i> <i>Executive Director, Corporate Development - Section 151 Officer (Aidan Dunn)</i></p>
<p><b>Budget Strategy Report</b></p> <p><b>Key Decision</b> - Yes <b>Public Access</b> - Open</p> <p>The Council is required to set a balanced revenue budget, and to approve a level of council tax as an integral part of this.</p>	<p><b>Decision Maker</b> Dorset Council</p>	<p><b>Decision Date</b> 15 Feb 2022</p>	<p>Cabinet 18 Jan 2022</p> <p>Place and Resources Scrutiny Committee 10 Dec 2021</p> <p>People and Health Scrutiny Committee 10 Dec 2021</p>	<p>Portfolio Holder for Finance, Commercial and Capital Strategy</p>	<p><i>Jim McManus, Corporate Director - Finance and Commercial</i> <i>J.McManus@dorsetcc.gov.uk</i> <i>Corporate Director, Legal and Democratic Services - Monitoring Officer (Jonathan Mair)</i></p>
<b>February</b>					

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

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

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

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## **Cabinet 5 October 2021 Medium Term Financial Plan (MTFP) and budget strategy**

### **For Decision**

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

**Local Councillor(s):** All

**Executive Director:** A Dunn, Executive Director, Corporate Development

**Report Author:** Jim McManus

**Title:** Corporate Director, Finance & Commercial

**Tel:** 01305 221235

**Email:** jim.mcmanus@dorsetcouncil.gov.uk

**Report Status:** Public

### **Recommendation:**

That Cabinet:

- (i) notes the updated cost pressures set out in this paper and the validation work that has been carried out on them;
- (ii) agrees/amends the assumptions being used in the Medium-Term Financial Plan (MTFP);
- (iii) notes the financial gap arising from (i) and (ii) above;
- (iv) agrees the 2022/23 draft principles for budget setting;
- (v) notes the approach to closing the budget gap set out in this paper, recognising this is work in progress;
- (vi) agrees that Portfolio Holders work with officers to continue to identify and develop savings opportunities;
- (vii) notes the emerging national context set out in this paper;
- (viii) endorses the next steps and timetable leading up to the 2022/23 budget being presented to full Council on 15 February 2022.

## **Reason for Recommendation:**

Councils are required to set a balanced budget. Essentially this means that expenditure is balanced by income without unsustainable use of one-off, or short-term sources of finance.

This paper is coming to Cabinet to provide an update on the budget gap for 2022/23 and the subsequent years of the MTFP and to update on progress on action/savings to date.

### **1. Executive summary**

The purpose of this report is to provide a framework for the budget for 2022/23 and the MTFP for 2023-2027, and to outline the work which will be undertaken during the autumn so the budget can be finalised at Council in February 2022.

The MTFP shows how we intend to ensure that money will be prioritised to those services that matter most to residents and how the council will re-shape itself to be better able to deliver those services within the available funding.

This year's budget setting exercise takes place against a national background of extreme pressures for councils, as a result of the anticipated end of the coronavirus pandemic restrictions and the inability of many to contain the financial impact of Covid-19 within the additional funding provided.

The Ministry of Housing, Communities and Local Government (MHCLG) – soon to become the Department for Levelling Up, Housing and Communities - continues to collect budget impact information from local authorities each month and Dorset Council has participated in every round of data collection.

### **2. Financial implications**

All covered within the report.

### **3. Climate implications**

None specifically in this paper.

### **4. Other implications**

None that are not covered in this report.

### **5. 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 challenges in the aftermath of Covid-19 and the risks that surround its legacy are high.

In 2021/22, Dorset Council is forecasting a revenue budget shortfall and there is significant risk around business rates in particular, but there are also significant arrears of council tax and business rates that accumulated in 2020/21. Savings



are also falling short of those budgeted and if they cannot be recovered this will have a knock-on impact in 2022/23 and beyond.

Work continues to reduce costs wherever possible but there are certain service areas continuing to face unprecedented demand which cannot be satisfied as the market cannot meet it. Government has also provided some unringfenced grant funding in 2021/22 which will support in-year pressures. A further update will be provided in the Q2 report to the November Cabinet meeting.

## **6. Equalities Impact Assessment**

The council's budget is a framework for the council to achieve its priorities, and the requirement to achieve a balanced budget depends upon 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 subject to impact assessments.

## **7. Appendices**

1. Summary of Financial Risks
2. Summary of *Build Back Better* announcements

## **8. Background papers**

Budget strategy report 2021/22

Qtr1 finance report to Cabinet

## **9. Introduction**

9.1 Full Council adopted the Dorset Council Plan 2020-24 in February 2020. The priorities for Dorset set out in that plan are:

- economic growth - we will deliver sustainable economic growth, increasing productivity and the number of high-quality jobs in Dorset, creating great places to live, work and visit
- unique environment - we will help to deliver sustainable development while protecting and enhancing Dorset's environment
- suitable housing - we will work with registered housing providers, community land trusts and local housing partners to deliver affordable, suitable and decent housing
- strong, healthy communities - we will work with residents and partners to build and maintain strong communities where people get the best start and lead fulfilling lives
- staying safe and well - we will work with all of our residents to have a good quality of life.

9.2 Aligned to the Dorset Council Plan, Cabinet approved the Transformation Plan, which described the approach that the council would take to

redesign services, so that the Council's priorities could be met with the funding available.

- 9.3 Significant progress has been made in delivering on these priorities. However, the Covid-19 pandemic continues to be a huge challenge to the organisation. Although the Council rose to this challenge, the response caused significant turbulence, meaning human and financial resources were redeployed to respond to the pandemic and to support residents and services across the council area.

## **10. Financial context**

- 10.1 This came at significant expense and, despite additional funding from government, the Council finished the year with a net drawdown of almost £15m from its general fund. Moreover, the legacy of the pandemic means that significant shifts in demand and costs experienced during the pandemic are continuing in 2021/22 and are also predicted to impact on our MTFP and the 2022/23 budget.
- 10.2 Costs increased, demand went up, income was down (despite some compensation from Government) and there were significant impacts on our council tax and business rates collection funds. The Council has made progress in recovering some of the increases in arrears that built up during 2020/21 but there is a long way to go and significant risk still exists, particularly around business rates. A further update will be made in the Qtr 2 financial management report.
- 10.3 The Qtr 1 report to Cabinet set out a forecast overspend in excess of £8m even after Government funding of around £8.5m. The [report](#) itself sets out more detail, so that is not revisited here. However, this report does articulate further that we are anticipated pressures continuing into the new budget round and MTFP. At this stage, it is spurious to try to differentiate between the causes of budget pressure being either Covid or non-Covid, they are here and need to be dealt with in our base budget.
- 10.4 The challenge for 2022/23 and beyond is clear; how will the Council achieve a balanced budget whilst continuing to provide an increasing quantum of high-quality services for the residents of Dorset? There may be some light ahead in terms of the recent announcement around increased funding for health and social care being delivered via the health and social care levy, but consultation on the funding that will flow to local government is still some way off and cannot be modelled at this stage in the financial planning process.

## **11. A three-year Spending Review**

- 11.1 On 7 September 2021, the Chancellor of the Exchequer announced the launch of [Spending Review 2021](#) (SR21) which will conclude on 27 October 2021 alongside an Autumn Budget and which will set out the Government's spending priorities for the next three years. The review will

set UK government departments' resource and capital budgets for 2022/23 to 2024/25.

- 11.2 At the Spending Review, the Government will set out how it intends to *Build Back Better* (much more on this, below), deliver the priorities of the British people and continue to support businesses and jobs. This will be delivered by:
- ensuring strong and innovative public services - making people's lives better across the country by investing in the NHS, education, the criminal justice system and housing;
  - levelling up across the UK to increase and spread opportunity; unleash the potential of places by improving outcomes UK-wide where they lag and working closely with local leaders; and strengthen the private sector where it is weak;
  - leading the transition to *Net Zero* across the country and more globally;
  - advancing *Global Britain* and seizing the opportunities of EU Exit;
  - delivering the *Plan for Growth* - delivering on the ambitious plans for an infrastructure and innovation revolution and cementing the UK as a scientific superpower, working in close partnership with the private sector.
- 11.3 As part of the launch, the Chancellor set the envelope for spending over the next three years:
- core day-to-day departmental spending will follow the path set out at Spring Budget 2021, with the addition of the net revenue raised by the new health and social care levy and the increase to dividend tax rates. The Government will make available around an additional £12 billion per year for health and social care on average over the next three years;
  - this additional funding for health and social care allows the Government to announce an SR21 RDEL settlement for NHS England and Improvement rising to £160 billion by 2024/25;
  - in total, day-to-day spending will increase to £440 billion by 2024/25, increasing by nearly £100 billion a year in cash terms over the parliament;
  - the Government is also pledging a step-change in capital investment, as set out at Budget 2021, via a plan to invest over £600 billion over five years.
- 11.4 As part of this plan, departments have been asked to identify at least 5% savings and efficiencies from day-to-day budgets which can be reinvested in government priorities. Quite what this means for MHCLG or other departments by which money flows to local government is unclear at this

stage. We are also awaiting confirmation that a three-year spending review will flow into a three-year settlement for local government.

## 12. Financial modelling assumptions and the initial budget gap

- 12.1 We have already considered the background to the financial planning work for 2022/23. We will now turn our attention to the update of our MTFP, our planning assumptions and the starting point this gives us.
- 12.2 When Council approved the 2021/22 budget in February 2021, there were still gaps in future years' financial plans as shown in the table below.

<b>Medium Term Financial Plan summary</b>					
	<b>MTFP Yr1</b>	<b>MTFP Yr2</b>	<b>MTFP Yr3</b>	<b>MTFS Yr4</b>	<b>MTFP Yr5</b>
	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>
	£m	£m	£m	£m	£m
Council tax	263.905	271.197	278.691	286.392	294.303
Business rates (NDR funding)	44.312	44.534	44.756	44.980	45.205
Other grants treated as general funding	4.177	3.515	2.475	2.475	2.475
<b>Total funding</b>	<b>312.394</b>	<b>319.245</b>	<b>325.923</b>	<b>333.847</b>	<b>341.983</b>
<b>Budget requirement</b>	312.394	328.199	345.100	362.984	381.416
<b>Budget gap (cumulative)</b>	0.000	(8.954)	(19.177)	(29.137)	(39.434)

- 12.3 Rolling forward the financial model and rebasing for the new year and decisions approved by Cabinet since the budget was set, is the first part of the new financial planning process and the finance team continues this work with managers across the Council.
- 12.4 In drawing up the draft budget proposals for 2022/23, a number of assumptions have already been made in the MTFP model which may have to be revisited as further information becomes available and our planning environment becomes clearer.
- 12.5 The current (more material) assumptions for the budget for the year ahead are:

<b>Growth items</b>	2022/23	£k
Council tax increase	<2%	£5,270k
Council tax base growth	0.75%	£1,979k
Social care precept	0%	£0k
Change in business rate growth	0.5%	£222k
Increase in fees & charges	2.50%	£1,944k
<b>Cost Pressures</b>		
Pay award	2.25%	£3,197k
General inflation	2.50%	£7,590k
Energy costs	5.00%	£165k

#### Council tax

- 12.6 Our working assumption for council tax is that the referendum cap will continue to be set at 2% and that the council will need to levy the full amount in order to deliver a balanced budget.
- 12.7 Our budget for 2021/22 assumed no base growth for council tax. It is still too early to say whether this is holding up, but the assumption is that we will return to growth in the base – of around 0.75% - from 2022/23. The Qtr 2 report will contain more detail around collection funds and the council tax base.
- 12.8 Dorset Council also levied the maximum adult social care precept in 2021/22, so no further levy is possible in 2022/23.

#### Business rates

- 12.9 Members will be aware from the 2020/21 outturn and the 2021/22 Qtr 1 forecast reports, that business rates are behind their predicted collection levels. This does not automatically flow through to a shortfall against budget as there are complexities around the accounting. However, there are some real concerns around income being collected and the size of arrears. More information will be covered in the Qtr 2 report.

#### Pay award

- 12.10 Estimating the award for 2022/23 is complicated, given that agreement for 2021/22 has still not been reached. Provision was made centrally for pay inflation in 2021/22 and this will be distributed to service budgets, as required, when agreement is reached. For the time being, 2.25% is provided for 2022/23.

### General inflation

- 12.11 In 2021/22, general inflation was not provided for in service budgets. Instead, a central sum was set aside to deal with price increases which could not be avoided after negotiation with suppliers. Work so far means that we have not yet allocated the full provision, but it is still being held centrally to deal with pressures we might not yet have anticipated.
- 12.12 It is likely that the council would be less successful with a similar approach for 2022/23, especially given pressures we are experiencing in the current year and the widely held views, expectations and forecasts that inflation will increase further in coming months. This is likely to add further pressure to the current budget gap.
- 12.13 As well as cost pressures, general inflation is applied to sales, fees and charges, meaning a general uplift in the amount of income that services are expected to deliver.

### **13. Continuing and new budget pressures in the MTFP**

- 13.1 In addition to these planning assumptions (which Cabinet is requested to consider), managers have already been busy rebasing budgets for the current year and assessing the ongoing impact of the disruption to activities and demand caused by the pandemic. Significant work went into this activity over the summer to make the most accurate assessment possible of this impact, which is summarised in the table, below.

	£k
Budget Gap from 2021/22 MTFP - Year 2	8,954
Council tax adjust	2
Change in inflation from rebasing of budget	-636
Adult and Housing Service 21/22 continuing base pressures	7,589
Children's Services 21/22 continuing base pressures	3,347
Place Services 21/22 continuing base pressures	10,870
Corporate Services 21/22 continuing base pressures	0
2021/22 pay award	0
Adult and Housing Services new budget pressures 2022/23	2,096
Children's Services new budget pressures 2022/23	948
Place Service new budget pressures 2022/23	1,294
Corporate Services new budget pressures 2022/23	1,630
Total budget gap as at 17/09/2021	<u>36,094</u>

- 13.2 As well as these pressures, we probably need to make further, specific mention of recent announcements on health and social care, announced

by the Prime Minister and developed further in the document [\*Building Back Better: Our Plan for Health and Social Care\*](#). This is covered elsewhere in this report, and in the risk section, and in the appendices.

#### **14. Draft budget principles**

14.1 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 are intended to be constructed as helpful language we can use to describe how we will do our work to balance the budget and take difficult decisions about how to deliver the priorities and outcomes in the Council Plan.

14.2 These principles are set out below, for Cabinet’s endorsement and to shape the remaining budget strategy work:

- we will not balance the budget strategy by using reserves;
- resource allocation will be driven by the Dorset Council Plan and priorities;
- services should be protected where possible but clearly demonstrate value for money and improved efficiency;
- we should seek to maximise the savings from becoming a unitary council;
- we will develop short-term and long-term transformational savings plans;
- we will continue to take an increasingly commercial approach;
- we will use best practice around business cases for our decision making and we will be open to invest to save opportunities;
- 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.

#### **15. Transformation and savings**

15.1 We have identified that the organisation needs a short-term focus on savings as well as a longer-term emphasis on transformation. This is coming into sharper focus given that a significant portion of the current transformation savings are not being delivered and the budget gap for next year is significant.

15.2 More work is in progress to identify savings and transformation over the longer term for input into the MTFP as well as the budget strategy. This will continue to be reviewed through the relevant Boards and Committees and will dovetail with the timetable set out elsewhere in this report.

15.3 Cabinet is due to receive an update on the Transformation Programme at its November meeting and this will be a crucial building block of our

budget strategy. No savings are yet assumed in the budget gap, so anything we can include in the plan will reduce this figure for us.

**16. Further work to close the gap**

- 16.1 Clearly there is much work to be done and the proposed next steps are:
- a. continue to validate, test, challenge and update the budget assumptions;
  - b. continue to identify and implement savings, taking advantage of the financial efficiencies that becoming a unitary council has presented;
  - c. refresh the Transformation Plan and develop transformational savings which will reduce the financial gap whilst protecting front-line services;
  - d. continue to engage with consultation processes around funding formulas for the future and particularly for the CSR and settlement for 2022/23;
  - e. Cabinet to consider its approach to council tax. Each 1% change in the precept generates around £2.6m for the council. The Qtr 2 report to Cabinet will deliver clearer information about the collection rates for local taxes at the halfway point in the year. Collection rates for 2020/21 were lower than budgeted and there was a significant increase in arrears which needs to be recovered as well as attempting to return to previous in-year collection rates.

**17. Timetable**

- 17.1 The major milestones in the remaining budget and MTFP timetable are set out in the table, below.

5 October	Cabinet (high level framework)
2 November	Cabinet (Q2 and transformation)
3 November	Member Scrutiny Workshop 1 – base budget & forecast
26 November	Member Scrutiny Workshop 2 – budget proposals
10 December	Budget Scrutiny Committees
18 January	Budget to Cabinet
15 February	Budget to full Council

**18. Risk**

- 18.1 There is significant risk in the budget and MTFP at this stage. Officers’ initial work has led to the crystallisation of a £36m budget gap in 2022/23 that we now need to develop plans to close. We are also unclear how the three-year spending review will impact on the council’s funding and we are at the start of a process of transitioning to a new model for funding health and social care.
- 18.2 We are also unclear how the impact of Covid-19 will play out. Like every council, we are uncertain whether we are planning and budgeting for



recovery, a further phase of rising infections, further national or local lockdowns or something entirely different that we cannot yet foresee.

- 18.3 The council is fortunate in that local government reorganisation meant it was able to reduce its cost base and further work is in progress, in line with peer review recommendations, to explore further convergence savings. The council has also been through a robust review and realignment of its reserves and a new policy was agreed by Cabinet in June this year. In summary, Cabinet agreed that reserves would not be used to balance the budget strategy, the budget gap must therefore be closed in other ways. Reserves are available for investment purposes, however, but this will almost certainly need to deliver improvements in the revenue budget position in order to be feasible.
- 18.4 There are some further, specific risks to draw out here as critical cornerstones of the budget strategy development. A detailed explanation of each of these risks is contained in appendix 1.
- a) Our ability to the **Transform** organisation at the pace and scale required
  - b) Exceptional cost increases as a consequence of **Inflation**
  - c) The implications of the **Building back better** policy announcement
  - d) The speed of recovery of our **Local tax collection**
  - e) Our ability to influence the care **markets**
  - f) Our ability to secure **Value for money** in all we do
  - g) The continued Loss of income following the economic impact of Covid
  - h) The implications of national **major funding reviews**

## 19. Capital programme

- 19.1 The capital programme for 2021/22 was approved by Cabinet as part of the budget setting process and now runs to some £77.2m of gross expenditure. Adjustments for new funding bring this to £90.2m. The slippage from previous years was £107.1m, meaning the programme for the current year totals £197.3m.
- 19.2 The programme is currently being reviewed by subgroups that support the Capital Strategy and Asset Management Group (CSAMG) to ensure it is still aligned with council priorities, that the projects are still necessary, and the programme overall still represents good value for money. We should also have a better understanding of the timing of the programme and whether all the slippage can be recovered or whether it is still profiled across more than just this financial year.
- 19.3 When this work is complete, we will have a clearer view of the capital financing requirement for the year and whether this creates budget pressures over and above those already built into the base budget position.

19.4 The subgroups are also developing capital programme proposals for 2022/23 and beyond, so we are running the affordability work alongside the new bidding round. This will ensure there are clearly formed ideas to share with Cabinet prior to the budget work being completed and ready for Council consideration in February 2022.

## **20. Steer from Cabinet and next steps**

20.1 The council continues to press the case for additional resources with Government. We do this directly, through Dorset's MPs, with peers and through networks like the Society of County Treasurers (SCT), the County Councils' Network (CCN) and with the Local Government Association (LGA). But campaigning alone will not deliver enough resources to meet all of our challenges and we must focus on reducing costs and growing income at the same time.

20.2 Closing the budget gap cannot be achieved through efficiency alone; the magnitude of the cost reductions we need to deliver is too large and it is therefore inevitable that service delivery will be impacted. This paper talked earlier about delivering the Council's priorities and that is still our intention, but that ambition will necessarily be affected by the ways in which we will need to change services to protect residents and deliver services in a way which keeps people safe and does as much as we possibly can to support employment and local prosperity.

20.3 Scrutiny of the budget process will also be more important than ever to ensure our methods and choices are the most appropriate way of closing the budget gap whilst delivering a sustainable organisation for the future. To support this, we intend to follow a similar scrutiny process that was used successfully last year, entailing all scrutiny committees meeting on the same day, following two separate workshops firstly on base budget and secondly on incrementing the budget from 2021/22 to 2022/23. Cabinet's views on this approach are sought in time for us to be able to scope this event and take ideas from members about areas to be explored as part of the scrutiny process.

20.4 We will also need time to carry out any necessary public consultation on the proposals and to ensure officers have time to carry out equality impact assessments.

## **21. Summary and conclusions**

21.1 The financial climate remains extremely challenging, meaning the Council continues to plan for 2022/23 early to develop and implement robust plans to fit within our assumed budget envelope.

21.2 As the year progresses, we will be able to firm-up the assumptions in the financial model and build a greater level of certainty over our future. However, we can conclude that the budget gap will require us to be ambitious for our future and to deliver significant actions to balance the finances.

21.3 Dorset Council is not alone in facing significant financial challenges. Many of the pressures, risks and the national context is familiar to the rest of the sector. However, we do have to develop local solutions to close the budget gap and this will require creativity, energy and focus to be successful.

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.

### **1. Summary of Financial Risks**

#### Transformation

- 1.1 The budget for 21/22 was balanced with a significant level of savings targets. The Qtr 1 report to Cabinet in July this year identified that of the £10.8m of savings associated with this programme, £5.2m were risk-rated red and deemed unachievable, with a further £3.4m rated amber and therefore at some degree of risk.
- 1.2 The work that the Finance Team is carrying out with managers across the council is identifying which savings are still likely to be unachieved and which therefore need to be built into the base budget pressures for 2022/23. All of those we can currently identify are included in the total budget pressures tables set out earlier in this report.
- 1.3 Through the remainder of the budget setting process, the council therefore needs to be clear about which, if any, of these savings can still be achieved and reconfirm the plans to deliver them, or consider other options by which savings to help close the budget gap can be generated.

#### Inflation

- 1.4 General price inflation was not provided in 2021/22 service budgets. Instead, an allocation was held centrally and a corporate approach to uplifts meant that where prices could not be held at previous levels following negotiations with suppliers, a central allocation for contingency was provided. It is unlikely that this approach, if it is repeated, will be as financially beneficial to the council this time around. Suppliers themselves are coming under increasing pressure from their own supply chains and cost bases.
- 1.5 Inflation is therefore currently provided at 2.5% in the modelling and contributes some £7.6mm to the current budget gap. The recently published figures for August show the biggest monthly increase in inflation for some years, at 3.2% so the real pressures could still be higher than modelled. Cabinet will also be aware that many analysts are highlighting inflationary pressures building in the system and there are predictions that inflation could rise above 4% this year. This is a significant risk to the council with a significant non-pay budget that is susceptible to general and in many cases further, specific price increases.

#### Building back better

- 1.6 As well as the opportunities that could arise from increases in funding in the system, building back better will undoubtedly create challenges and heightened levels of risk for the Council. There are a number of strands to this; some are discussed below and there is more detail in the risk section of the report and in Appendix 2.

- 1.7 The first is that the additional levy costs to be borne by employers who are supplying the council will simply be passed on to us. For those suppliers for whom we are a more significant customer, there will be very limited options for them to share the costs across non-Council customers.
- 1.8 The new approach will also enable self-funders to access their care through the Council meaning we will effectively be negotiating for a number of customers, not just ourselves. It has long been accepted that self-funders pay more than local authorities, thereby helping to keep councils' costs down. When this is changed, it is likely that suppliers will price more consistently and the costs to councils will increase. The introduction of the cap on care costs is also likely to mean that councils will need to pick up an increasing proportion of costs than under the current scheme. There is a risk that this will not be sufficiently funded through the levy.
- 1.9 The system of providing financial assistance to those with limited means is also likely to mean an increase in work volumes for the Financial Assessments Team. At this stage it has not been possible to quantify how much this will be, but we will not be able to discharge the levels of assessment work required under the new approach with current capacity levels. The stipulation that local authorities will broker care for self-funders is also likely to add capacity requirements for the Brokerage Team. Again we are not yet able to quantify this as we have no clear way of knowing the number of self-funders in the current cohort that might take up this option, or the level of new demand that might present to us.

#### Local tax collection

- 1.10 Members will recall from previous finance reports, that collection of council tax and business rates in 2020/21 was well below trend. This meant a significant amount of arrears accumulated which the Council is now recovering. But this is a protracted process and takes time and resources. But we are making good progress and the courts have returned and recovery is progressing.
- 1.11 However, collection rates for the first half of 2021/22 are still not what they were prior to the pandemic and we must be mindful of the risk when setting the budget and MTFP. At present, the MTFP assumes a return to council tax growth in 2022/23 – of 0.75%. We will have a clearer picture of whether we think this is more likely when we report the Qtr 2 forecast position at the beginning of November but clearly risk still remains in the local tax system.

#### Market control/influence

- 1.12 The Council's ability to influence the local market is limited. A great deal of work is going into the Dorset Care Framework renewal and updating the fair cost of care calculations to ensure our offer is fair and sustainable for suppliers. However, the increase in capacity that was required particularly

by the hospital discharge programme, caused capacity constraints for the whole sector.

- 1.13 Members will also be aware of the high level of job vacancies in the wider economy at present and will have seen evidence that many workers are choosing employment other than in the care sector. Although the Government's approach will look to deal with this and other issues in the system, a significant risk remains that we are unable to effectively control or influence capacity or pricing in the market in the shorter term.

#### Value for money

- 1.14 The peer review has recommended that we put value for money at the heart of all that we do, and the council is eager to continue this approach. Audit & Governance Committee is due to receive a report in September and this will advance our work in this area and a verbal update can come to the Cabinet meeting.
- 1.15 Every recruitment and staffing decision has good governance around it, as does each decision around every supply and procurement decision we make. There is a robust framework of project management and value for money around all our decision making which we must sustain in order to get best value for every £ we spend.
- 1.16 This does not mean buying cheapest - or not buying at all - it means being clear about why we are spending and the outcomes we will deliver for Dorset residents with every transaction we process. Effective contract management is an essential part of this framework as is benchmarking and the Council will continue to develop these indicators and other measures of performance so it can report clearly the value that it delivers for taxpayers and Dorset residents.

#### Loss of income

- 1.17 During the pandemic, the council lost significant amounts of trading income due to various lockdowns and additional restrictions around the movement of the population and closure of businesses. At present it is not clear how well this will recover and although the 2020/21 position saw government support for some of this lost income, this will only run to Qtr1 of 2021/22.
- 1.18 MHCLG has not yet paid councils for the last claim of 20/21 and is yet to share the data collection request for Qtr1 of 21/22. There could be continuing impacts on income into the current year and across the MTFP if behaviours have changed significantly and people do not return to previous trading patterns.

#### Major funding reviews

- 1.19 The fundamental review of business rates (BRR) and the fair funding review (FFR) seem to have drifted and have perhaps even been overtaken by other events.

- 1.20 It is not clear what levels of energy or resource are going into either of these reviews and what the current approach to the workstreams might be. Until we are clearer about the outcomes of SR21, we will lack certainty over even our immediate future in financial planning terms, so the sooner we know what is happening in these areas, the better.

**2. Building back better**

2.1 On 7 September 2021, the Prime Minister announced Building Back Better, the Government's plan for health and social care. The document sets out the Government's commitment to the delivery of world leading health and social care across the whole of the UK and outlines a method by which plans will be funded.

2.2 The paper states that

*"The scale of the challenge we now face requires a new approach. This Government will therefore make available around an additional £12 billion per year for health and social care on average over the next three years. This is a significant and permanent increase in public spending and it would be irresponsible for it not to be fully funded, especially at a time when borrowing and debt have reached record levels.*

*The Government has therefore taken the difficult but responsible decision to raise taxes. To do so in the fairest way possible, this will be funded by a new, UK-wide 1.25 per cent Health and Social Care Levy (the Levy), ringfenced for health and social care. This will be based on National Insurance contributions (NICs) and from 2023 will be legislatively separate, and will also apply to individuals working above State Pension age. The Government will also increase dividend tax rates by 1.25 per cent, revenue from which will help to fund this package. Given taxpayers are being asked to contribute more, the Government will ensure this money is well spent and goes to frontline care in England, increasing efficiencies and using reforms to drive up productivity. A Union dividend means that Scotland, Wales and Northern Ireland will benefit by around 15 per cent more than is generated from their residents, equivalent to around £300 million every year on average."*

2.3 The paper sets out that the Government is committed to creating a sustainable adult social care system that is fit for the future, alongside its programme of wider healthcare reform. The Government will work with key stakeholders to bring forward a white paper which will

- offer choice, control and independence to care users
- provide an outstanding quality of care
- be fair and accessible to all who need it, when they need it.

2.4 The paper also goes on to say that Government *"will ensure Local Authorities have access to sustainable funding for core budgets at the Spending Review. We expect demographic and unit cost pressures will be met through Council Tax, social care precept, and long-term efficiencies; the overall level of Local Government funding, including Council Tax and social care precept, will be determined in the round at the Spending Review in the normal way. We will invest £5.4 billion in adult social care*



over the next three years to deliver the funding and system reform commitments set out in this document.”

- 2.5 To begin this transformation, the Government has outlined its plans to:
- introduce a cap on personal care costs
  - provide financial assistance to those without substantial assets
  - deliver wider support for the social care system, particularly our brilliant social care staff; and
  - improve the integration of health and social care systems.

#### Capping care costs

2.6 From October 2021, the Government will introduce a £86,000 cap on the amount that individuals in England will need to spend on their care over their lifetime. This will deliver one of the core recommendations of the Dilnot Commission using legislation already in place under the Care Act 2014. It is intended that this reform will complement the existing service allowing people in need of residential care to defer payment of fees so they do not have to rush to sell their home. The Government intend to bring forward plans to review this arrangement to provide greater flexibility.

2.7 The Government also plans to tackle what it refers to as “persistent unfairness” in the social care system whereby people who fund their own care often pay more than people who are funded through their local authority for equivalent care. Again, using legislation already in place under the Care Act 2014, Government will ensure that self-funders are able to ask their local authority to arrange their care for them so they can achieve better value. There is significant risk involved with this proposal which is discussed further in the risk section of this report.

#### Financial assistance to people without substantial assets

2.8 From October 2023, anyone with assets of less than £20,000 will not have to make any contribution for their care from their savings or the value of their home, ensuring those with the least are protected. Anyone with assets of between £20,000 and £100,000 will be eligible for some means-tested support, helping people without substantial assets. The new upper capital limit of £100,000 is more than four times the current limit of £23,250, ensuring that many more people are eligible for some means-tested local authority support. There is further discussion of what this might mean for local authorities’ resource levels required for financial assessments in the risk section of this report.

2.9 The new means test for adult social care will come into effect in October 2023 on the basis of a person’s income and savings in the following way:

- If a person’s total assets are over £100,000, full fees must be paid. The maximum that a person will have to pay over their lifetime towards

personal care costs will be £86,000 as a result of the new cap. If by contributing towards care costs, the value of a person's remaining assets falls below £100,000, they are likely to be eligible for some financial support. Once the £86,000 cap is reached, local authorities will pay for all eligible personal care costs. No-one will need to make a contribution from their income towards these care costs. People may choose to top up their care costs by paying the difference towards a more expensive service, but this will not count towards the cap.

- If a person's total assets are between £20,000 and £100,000, their local authority is likely to fund some of their care. People will be expected to contribute towards the cost of their care from their income, but if that is not sufficient, they will contribute no more than 20 per cent of their chargeable assets per year. If by contributing towards care costs, the value of a person's remaining assets falls below £20,000, then they would continue to pay a contribution from their income but nothing further from their assets.
- If a person's total assets are less than £20,000, they will not have to pay anything for their care from their assets. However, people may still need to make a contribution towards their care costs from their income.

#### Wider support for the social care system

- 2.10 The paper acknowledges that an ageing population with increasingly complex needs is putting ever more pressure on the social care system. So alongside providing a path to long-term financial sustainability, the White Paper for adult social care that will be developed with care users, providers and other key stakeholders will focus on proposals for system reform.
- 2.11 There is recognition that the social care workforce is an essential part of the social care system. Social care workers are at the front line, caring for and supporting people at the heart of our communities. A qualified and skilled workforce that is rewarded and feels valued is essential for high quality care that is sensitive to individual needs. The Government is signalling its intention to make care work a more rewarding vocation, offering a career where people can develop new skills and take on new challenges as they become more experienced. This will include developing a plan to support professional development and the long-term wellbeing of the workforce.
- 2.12 The Government plans to invest at least £500 million in new measures over three years to:
- provide support in professionalising and developing the workforce, including hundreds of thousands of training places and certifications for our care workers and professional development for the regulated workforce;

- fund mental health wellbeing resources and provide access to occupational health funding to help staff recover from their extraordinary role in supporting the country through the pandemic, including through offering services such as counselling, peer-to-peer coaching and workplace improvements; and
- introduce further reforms to improve recruitment and support for the social care workforce, with further detail to be set out in the White Paper.

2.13 The paper goes on to clarify that there are a wider set of issues that the adult social care sector faces beyond those relating to costs to users and the workforce. Therefore, the Government will:

- take steps to ensure that the 5.4 million unpaid carers have the support, advice and respite they need, fulfilling the goals of the Care Act;
- invest in the Disabled Facilities Grant and supported housing, as well as exploring other innovative housing solutions to support more people to live independently at home;
- improve information for service users to help them navigate the care system and understand the options available to them; and
- introduce a new assurance framework and support improvement in the system, to ensure Local Authorities are delivering on their obligations for users.

#### Improving the integration of health and social care

2.14 In the paper, government commits to work with citizens, the NHS, local governments and other key stakeholders to co-produce a comprehensive national plan for supporting and enabling integration between health and social care. This will involve creating the right local incentives for integration and prevention, as well as working with the NHS, social care providers and other partners to ensure that they are working to deliver more effective care in people's own homes and their communities, breaking down the barriers between services. The development of the strategy will include a renewed focus on outcomes, empowering local leaders and wider system reforms.

2.15 The approach will aim to support existing plans for integration to move faster, change the relationship between the citizen and the local health and care system and improve the dynamic between local systems and national government. The intention is to be:

- Outcomes focussed. The Government will work with systems to identify a single set of system-based health and care outcomes that local systems (including ICSs and local authorities) will be asked to deliver. This will mean a greater focus on delivering outcomes rather than processes. While reporting requirements should be streamlined,

there will also be increased transparency over delivery of these outcomes, so that it is clear to citizens who is accountable for their local health and care services. Where national systems identify issues, the causes of underperformance should be the focus of any response, rather than a default to fines or sanctions.

- Empowering local leaders. Local leaders will be given the freedom to align incentives and structures in order to deliver these outcomes in the way that is best for their communities. The Government will keep current regulatory requirements under review to ensure they are focussed on outcomes, rather than dictating a particular delivery approach. Government wants to build on the positive outcomes of joint leadership roles across local authorities and ICSs in recent years to support more systems to take this approach.
- Wider system reforms. There will be Care Quality Commission (CQC) oversight of local authorities' commissioning of adult social care, which will be introduced through the Health and Care Bill, and a role for the CQC in assessing the overall quality of ICSs. In addition, government intends to improve workforce planning across health and social care and consider a new training curriculum for health and social care staff.

#### Funding

- 2.16 The Government has set out its commitment to responsible management of the public finances and acknowledges this plan will lead to a permanent increase in spending. Government has also stated the importance of fully funding the plan particularly in the context of record borrowing and debt to fund the economic response to the pandemic.
- 2.17 The Government will introduce a UK-wide 1.25 per cent Health and Social Care Levy based on National Insurance contributions (NICs) ringfenced to fund the investment in health and social care set out in its plan. The new levy will be based on NICs which already part-fund the NHS and have historically been the way in which money is raised for social security provision in this country. The levy will be effectively introduced from April 2022, when NICs for working age employees, self-employed and employers will increase by 1.25 per cent and be added to the existing NHS allocation. From April 2023, once HMRC's systems are updated, the 1.25 per cent Levy will be formally separated out and will also apply to individuals working above state pension age, and NICs rates will return to their 2021/22 levels.
- 2.18 The Government expects the net revenue that the levy and the increase in the rate of dividend tax will make available for additional health and social care spending across the UK to be around £12 billion per year on average. Around £11.4 billion of this amount is anticipated to come from the levy and around £0.6 billion from the increase to dividend tax rates. Both figures are calculated on the basis of their net impact across the tax and welfare system. The precise impact could vary, particularly in the

earlier years after the changes are introduced, due to the behavioural response of taxpayers.

Impact on business – and on Dorset Council

- 2.19 The levy will clearly place a financial burden on employees as well as employers. Employee impact is outside the scope of this paper but is discussed further in the Government's own paper which is linked, above.
- 2.20 For employers the levy will mean the NIC rate increases from 13.8% to 15.05% in 2022/23 before dropping back to 13.8% with a separate 1.25% Social Care Levy from 1 April 2023, as described earlier.
- 2.21 Paragraph 86 of the Government's paper, however, sets out that government intends to compensate departments and other public sector employers in England at the Spending Review for the increased cost of the levy. If the Government did not take this step, the spending power of public services, including the NHS and local government, would be reduced. In MTFP terms, Dorset Council is assuming the levy has a net nil impact. We are unclear whether the same compensation for the levy will apply to local authority trading companies (LATCs). If it does not, Tricuro (and therefore Dorset Council) will incur the increase in costs.
- 2.22 We await the consultation on the distribution of the funding, and the CSR announcement concerning how this is likely to affect the council's funding.
- 2.23 It is worth mentioning that the council does not pay tax on dividends receivable on investment income, so the additional tax on dividends has no impact on our financial plans and assumptions.

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## **Cabinet 5 October 2021 LGA Finance Peer Challenge report and action plan**

### **For Decision**

**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 and Jim Mcmanus  
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**Report Status:** Public

#### **Recommendation:**

That cabinet approves the action plan in response to the recommendations set out in the corporate peer challenge report.

#### **Reason for Recommendation:**

To ensure that the council acts on the corporate peer team's recommendations.

### **1. Executive Summary**

Dorset Council is committed to continuous learning and improvement. During the Spring of 2021, the council invited the Local Government Association (LGA) to undertake a peer review of the council's financial arrangements and, in particular, the approach to managing the high needs block element of the dedicated schools grant (DSG). The LGA peer challenge team spent three days speaking to councillors, officers and partners. Before that, the team had reviewed a range of documents, including a financial position statement the council had provided. At the end of the site visit, the peer challenge team provided a presentation setting out their findings.

Appendix 1 contains the proposed action plan setting out how the council intends to respond to the recommendations in the peer challenge team's written reports. Appendix 2 contains the team's report regarding the general financial arrangements and includes 38 recommendations. Appendix 3 contains the report for the DSG deficit/high needs block review, with 10 further recommendations.

## **2. Financial Implications**

The report endorses the progress made in establishing the council and makes a series of recommendations to further develop the council's financial arrangements.

## **3. Well-being and Health Implications**

No wellbeing and health implications have been identified.

## **4. Climate implications**

No direct implications from this report

## **5. Other Implications**

None

## **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**

There are no equalities implications arising from this report

## **8. Appendices**

Appendix 1 – Dorset Council finance peer challenge action plan

Appendix 2 – Dorset Council finance peer challenge feedback report

Appendix 3 – Dedicated schools grant (DSG) deficit and high needs block review



## **9. Finance Peer Challenge – background**

- 9.1 Peer challenge is a proven tool for improvement that the Local Government Association (LGA) provides. It involves a team of local government officers and councillors spending time with the council as peers to provide challenge and share learning. The process involves engaging with a wide range of people connected with the council.
- 9.2 A peer challenge team engaged with Dorset over the period of four days, meeting a range of councillors, employees, partners and stakeholders. They provided informal feedback throughout the week and a presentation about their findings at the end of the week.
- 9.3 The team which looked at the overall financial arrangements was made up of:
- Dave Perry, Chief Executive, South Gloucestershire Council (Chief Executive Peer)
  - Cllr Rob Waltham, Leader, North Lincolnshire Council (Member Peer)
  - Mark Wynn, S151 Officer, Cheshire West and Chester Council (S151 Peer)
  - Katharine Eberhart, Director of Finance and Support Services, West Sussex County Council (Officer Peer)
  - Clare Hudson, Peer Challenge Manager, Local Government Association
  - Kathryn Trant, Adviser, Local Government Association
- 9.4 In addition, the following team looked specifically at the dedicated schools grant for two days in May:
- Diane McConnell, Adviser, Local Government Association (SEN Peer)
  - Andrew Hardingham, LGA Financial Improvement and Sustainability Adviser
- 9.5 The council prepared a position statement which was available to all colleagues, councillors and anyone invited to take part. This was an open and honest assessment of where the council is.

## **10. Finance Peer Challenge – report and action plan**

- 10.1 Appendix 1 contains all the recommendations from the final reports from the peer challenge team (Appendices 2 and 3). The reports are a good reflection of the financial arrangements of the council and contain these helpful recommendations.

10.2 Once cabinet has agreed the action plan, officers will share both the report and the action plan with colleagues and stakeholders who took part in the peer challenge. The intention is that progress against the action plan will be monitored by the audit and governance committee.

**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 1

### Finance Peer Challenge Action Plan

Rec	Peer recommendation	Response	Timeline	Lead
<b>Key recommendations</b>				
1.	Complete the Q1 baseline and get a true picture of implications of growth in demand, additional pressures, and savings delivered or not in the first quarter of 2021-22 and what this means for the future.	<p>The Q1 financial management report to Cabinet on 27/07/2021 captured this information. The Finance Team worked with Directorate Leadership Teams (DLTs) to understand, as far as practicably possible, how much cost pressure there was in the system that was caused by covid-19 as distinct from other causes.</p> <p>This was analysed further according to whether the cost pressures would continue into 22/23 - and potentially beyond - regardless of their cause.</p> <p>This is supplemented by further work incorporated in the October Cabinet report on the preparations for the budget and medium-term financial plan (MTFP) for 2022/23.</p>	October 2021	Corporate Director Finance & Commercial
2.	Come together as organisational leaders to refresh the Budget Principles and develop a Financial Strategic Narrative.	<p>At the time of writing, the MTFP has been rolled forward, high-level assumptions are being revisited and budget inputs from DLTs are being validated before an initial budget gap is shared with the Senior Leadership Team (SLT).</p> <p>The budget gap and options to close it will be part of the MTFP strategy report being presented to Cabinet on 05/10/2021 with proposals for budget principles and a revised financial strategy.</p>	October 2021	Senior Leadership Team (SLT)
3.	Use the 2022-23 budget setting process to test a refreshed budget process model and the Financial	The Council's financial strategy statement as agreed by SLT will be shared with Cabinet and included	December 2021	Executive Director

	Strategic Narrative.	within the November Q2 Cabinet paper. Cabinet will give direction over the budget setting process and the outcomes required to align strategies to support the aims of the Council Plan over the MTFP period.		Corporate Development
4.	Invest time and capacity in communicating the above and embedding it across the council, and with partners.	The Cabinet paper, incorporating the financial strategy, will be shared widely and will continue to evolve as the connected, component parts develop as the organisation develops and matures.  The financial narrative will underpin the 2022/23 budget setting process.	February 2022	Corporate Director Finance & Commercial
5.	Be clear who is accountable for delivering what, and what the consequences of non-delivery are. Embed ownership of the budget challenge within services and clarify roles and responsibilities for delivery within clear reporting mechanisms that promote transparency.	The evolution of the budget, including through the two scrutiny days and the committees themselves, will clarify ownership and responsibility for financial management and delivery of key changes required to deliver the budget strategy and produce a sustainable MTFP.	January 2022	Cabinet
6.	Link management reporting more closely to performance, reflecting value for money to underpin evidence-based decision-making.	Dorset Council's performance tool now gathers and reports financial and operating performance information together. These reports are available to managers and members and are specifically targeted with reporting to the Performance Board, where connections between outcomes and financial performance can be assessed.  The Council continues to develop its value for money programme, with another paper going to the Audit & Governance Committee on 27/09/2021. This will also help inform how the two scrutiny days later this year will approach value for money assessments as part of the budget setting and MTFP update process.	Ongoing	SLT

7.	Explore opportunities for further convergence and efficiency savings, underpinned by more integrated systems and reporting.	<p>Convergence (in the traditional sense) has been completed in the corporate teams. Some Place teams have also converged, however not all of this has resulted in savings, so there is scope for further efficiency savings to be considered, though this will mean structural change.</p> <p>Convergence is also not appropriate for Children's Services or Adults &amp; Housing Services because they were structures that were "passported" from the predecessor County Council. However, neither have been subject to similar design principles to those used during the convergence work in Corporate Teams so there is scope to consider this as part of budget building for 2022/23 and as part of further strategy implementation (e.g. customer service strategy).</p>	Ongoing	SLT
8.	Clarify what the ambitions are around 'being more commercial' and align this to core strategies (Capital, Asset Management etc).	<p>The next draft of the commercial strategy has been developed by the commercial network officer group and has been reviewed by the September Place &amp; Resources Overview Committee. The final policy will go to Cabinet for approval and the implementation will be led by the (yet to be established) Commercial Board.</p> <p>The strategy will be clear in how it supports the Council Plan objectives and complement other council strategies.</p>	December 2021	Service Manager for Commercial and Procurement
9.	Recognise the progress made to date. Be confident. Move the narrative on to who you are, not who you were.	<p>The council is positive about reflecting performance and the journey to date via Cabinet reports on financial management and other subjects.</p> <p>A position/progress statement will also be included in the 2022/23 budget strategy report for Council when it is being prepared.</p>	February 2022	SLT

10.	Embed putting delivering value for money at the heart of everything you do.	See 6	Ongoing	SLT
<b>Financial leadership</b>				
11.	Advance integration of systems to ensure that a 'single version of the truth' is developed, widely shared, and owned.	The integration of systems is at the heart of the digital transformation of the council.	Ongoing	SLT
12.	Embed the performance and budget monitoring structures (DART board) to ensure accountability for delivery of savings is widely understood.	These reporting mechanisms and governance are now becoming well established and are understood amongst members.	Ongoing	SLT
13.	Explore opportunities for further convergence and efficiency savings.	See 7		
14.	Deepen the pace of savings delivery.	The importance of delivering the savings programme is recognised throughout the council and overseen by the Leadership Performance Group.	Ongoing	SLT, Cabinet and Budget Holders
15.	Ensure the 'one team' approach can support strong lines of accountability for budgets and transformation delivery and does not become a misnomer for transferring responsibility or perceived accountability to others.		Ongoing	SLT, Cabinet and Budget Holders
16.	Clarify what is meant by the emerging appetite to be more commercial.	The next draft of the commercial strategy has been developed by the commercial network officer group and has been reviewed by the September Place & Resources Overview Committee. The final policy will go to Cabinet for approval and the implementation will be led by the (yet to be established) Commercial Board.	December 2021	Service Manager for Commercial and Procurement

		The strategy will be clear in how it supports the Council Plan objectives and complement other council strategies.		
<b>Financial planning, strategy and forecasting</b>				
17.	Financial and Commercial Strategies need to be refreshed, aligned, and delivered.	See 8.  The commercial strategy is one of a number of strategies that support good finance and resource management in the council and the Cabinet report to be reviewed on 05/10/2021 will reflect clearer strategy alignment to support development of a balanced budget and sustainable MTFP alongside objectives of the Council Plan.	October 2021	Corporate Director Finance & Commercial
18.	Build more involvement from service areas in budget planning.	Resource planning and budget information continues to be widely shared between service managers and finance business partners and their teams.  Typically, although resources are principally “agreed” at a Corporate Director level, budgets are set at levels in the organisation where authority to commit the funding sits, and managers at those levels will continue to be involved in the building of their budgets.	Ongoing	All
19.	Tighten the narrative and implementation of further tactical/convergence and transformational savings.	Further detail is developing around savings in the 2021/22 budget through Transformation Board and Cabinet reports and the narrative will strengthen further as proposals for 2022/23 and beyond are brought forward.	Ongoing	SLT
20.	Utilise data and forecasting techniques to ensure the budget requirement for delivery of services is sustainable.	The budget setting round for 2022/23 is already well under way. A significant amount of modelling has already been done around potential cash limits for the budget and this will also be impacted by the	December 2022	All budget holders and finance team

		<p>recent announcement around a three-year settlement for local government.</p> <p>Detailed modelling of variables and assumptions around growth, demand, costs and the market is also in progress to inform the budget strategy.</p>		
21.	Invest capacity in benchmarking and analysis.	The benchmarking work will form an integral part of the value for money agenda which the Council is advancing. See 6 for more detail.	Ongoing	SLT
<b>Decision making and governance</b>				
22.	Invest time in sharing the overarching financial ambitions of Cabinet across the organisation.	Cabinet meets on 05/10/2021 and will consider the budget principles and subsequent financial strategy statement. Once adopted this will be the overarching financial management blueprint for the council for the next MTFP period which will be agreed by Cabinet in February.	February 2022	Cabinet
23.	Ensure Q1 outturn report and its implications are widely communicated at officer and member level.	<p>The Q1 report was agreed by Cabinet on 27/07/2021. The ongoing implications are incorporated in the budget principles being established by SLT for the 2022/23 budget and MTFP round.</p> <p>These are being widely shared with managers throughout the organisation.</p>	Complete	All managers
24.	Clearly articulate respective responsibilities for savings delivery.	<p>Each quarterly financial management report to Cabinet, and each monthly finance update to SLT, routinely contains information about lead officers responsible for delivering savings.</p> <p>Transformation (and savings) progress is also tracked by the Performance Board.</p> <p>Savings are incorporated into individual budget lines.</p>	July 2021	Corporate Director Finance & Commercial



25.	Make the tools of sound financial management such as business cases, and benchmarking, the norm.	<p>Significant work is in progress around benchmarking different services in the council as part of the development of the value for money agenda. More information will be shared with Audit &amp; Governance Committee in September 2021.</p> <p>There is already a comprehensive system of contract procedure rules in place, with effective governance around pre-commissioned spending as part of the procurement life cycle. This is set out in the council's procurement strategy (which is, in itself, morphing into the commercial strategy).</p>	December 2021	SLT
26.	Enable Scrutiny to support the delivery of transformation plans.	The Transformation Board reviews proposals and plans around organisation transformation and information is also reported to Cabinet via quarterly financial management reports. Scrutiny can call for a review of transformation activity if it wishes to do so.	Complete	SLT
27.	Link the capital programme spend more closely to your existing Council Plan.	<p>Capital Strategy and Asset Management Group (CSAMG) is the officer group that leads the development of the capital programme and makes recommendations to Cabinet.</p> <p>There was significant slippage of the programme from 20/21 into 21/22, as well as the latter year's programme itself to be delivered. CSAMG and its subgroups are therefore working through the current programme to ensure it is all validated in terms of Council Plan and objectives. The same discipline is being applied to bids for capital funding for 2022/23.</p>	December 2021	CSAMG

<b>Financial outcomes and reporting</b>				
28.	Report the implications of the 20-21 outturn and the Q1 2021-22 outturn on the 2021-22 financial year and beyond.	<p>The 2020/21 outturn has already been reported publicly and is currently subject to audit. The Auditor has already confirmed that he will not meet the statutory deadline for completing the work, despite the council's accounts being certified by the S151 Officer within the statutory deadline.</p> <p>The Q1 report, as noted, has been shared widely and well communicated.</p> <p>The implications of both reports and work to address further budget considerations for 2022/23 and beyond are currently being validated and will culminate in a report to Cabinet on 05/10/2021.</p>	October 2021	Corporate Director Finance & Commercial
29.	Ensure the narrative accompanying savings and transformation delivery is more consistent and risk based.	<p>A stronger narrative is developing around financial strategy, transformation and risk. These are themes which will be explored during the budget setting and MTFP round this year and documented in respective Cabinet reports.</p> <p>Transformation planning and progress is also developed and monitored through the Transformation Board and reported to Cabinet.</p>	Ongoing	SLT
30.	Integrate systems further and develop their use to support clearer reporting and self-help.	<p>Significant amounts of data from different systems is integrated into the council's reporting tool, which is updated monthly and reviewed by the Performance Board.</p> <p>Further work on systems integration is in the pipeline but caution is needed as this represents a significant investment and the council's enterprise system, SAP, is approaching the end of its life so further integration must be assessed carefully given that we</p>	Ongoing	SLT

		are starting to evaluate the replacement of a significant system.		
31.	Test the embeddedness and effectiveness of the self-service model and identify mechanisms to improve this where needed.	Internal customer satisfaction surveys and focus groups will be undertaken.	March 2022	Corporate Services Leadership Team
32.	Simplify risk reporting alongside the Q1 outturn report to establish to 'single version of the truth'.	<p>All risk reporting flows to and through the Audit &amp; Governance Committee. Risk is also regularly appraised at SLT and by managers throughout the organisation. The council has a well-developed risk register and risk management process.</p> <p>Risks affecting the budget are also set out in the budget strategy and MTFP report and in the quarterly financial management report.</p> <p>A significant amount of risk analysis is being undertaken as part of the budget building process for 2022/23 and this will be shared in the scrutiny sessions at the end of this year.</p>	December 2021	Corporate Director Legal & Democratic
33.	Ensure regular training on budget monitoring and management across service areas.	The Finance Team continues to provide DES training to new managers and refresher sessions for managers wanting updates. Briefings are also held on financial position and performance but these will be reshaped to take a new format to coincide with the publishing of the Q2 Cabinet report.	November 2021	Corporate Director Finance & Commercial
<b>Partnerships and innovation</b>				
34.	Ensure that in engaging with partners you consistently seek to get the best deal for Dorset taxpayers across all service areas – for example with the NHS and CCG, or with the Local Enterprise Partnership driving economic	Agreed.	Ongoing	Cabinet and SLT

	development and skills development to aid recovery from the pandemic. Be clear about who is accountable for delivering what.			
35.	The Integrated Care System provides an opportunity to develop a clearer narrative about what the council wants for residents and how the integration could deliver service improvements, transformation and savings not only in Adult Social Care but also the wider preventative agenda.	Agreed. Dorset Council is working closely with partners across the Dorset System to build a strong and effective Integrated Care System.	Ongoing	SLT
36.	Explore how you might use resources, alongside tighter procurement, and commissioning, to drive innovation across the wider health system.	See 35.		
37.	Further develop understanding of public assets across Dorset and how these can be leveraged in delivery of community aspirations and ambition to be more commercial. Clarify the ambitions around being more commercial and align with other strategies such as Capital Strategy, Asset Management Strategy.	The Dorset One Public Estate Partnership works to maximise the benefit of the public sector estate across Dorset.	Ongoing	Executive Director Place
38.	Do not let youth hold the council back – assets, strong relationships with partners – freedom to innovate. Recognise the progress made to date, be confident and move the narrative on to who you are, not who you were.			

<b>DSG deficit and high needs block review</b>				
39.	Monitor the impact of the refreshed relationship with Clinical Commissioning Groups and NHS partners to ensure it yields value for money and contributes to deficit reduction	Part of future monitoring arrangements.  See 44.	Ongoing	Children's Services and Finance
40.	Continue to progress at pace the refreshed dialogue with Schools Forum and promote courageous conversations with families and school leaders to contribute to deficit reduction	Included in the high needs block (HNB) strategy, to be published in the Autumn 2021.  This may include the creation of the Schools Forum HNB working group.	Autumn 2021	Children's Services
41.	Articulate the impact for the council more widely of the DSG deficit. This is a corporate challenge to be addressed by Adults and Children's Services and discussions on all-age services should be accelerated	A need to create a communications plan concerning the dedicated schools grant (DSG) and the potential impact on the authority.  Given the magnitude of the cumulative deficit, and projected deficits, this requires SLT Leadership.	February 2022	SLT
42.	Consider developing a communications and engagement strategy to explain and embed the HNB Strategy – utilising councillors, system leaders and school leaders as influencers	Part of the HNB Strategy to be published in the Autumn 2021.  See 41.		SLT
43.	Invest more time in explaining the locality model within the Council, its intended benefits and contribution to deficit reduction	As 41.		SLT
44.	Introduce integrated financial reporting accessible by all – 'a	Working with colleagues in Business Intelligence to develop special educational needs (SEN)	Ongoing	Children's Accountancy

	single version of the truth'	dashboards containing information on the cost of the current cohort.  Future dashboard development will be to role the HNB model into dashboard reporting, if feasible and practical.		Team working with other council colleagues.
45.	Embed regular (monthly) monitoring and forecasting, in a financial management system where everyone understands their role and responsibility to tackle the deficit in the short and medium term. This should include a review of the financial model for the provision of future school places following the updated opening schedule for St Mary's School.	Workshops exploring and developing financial practices within the SEN system have been held (September 2021) and will help establish responsibility and roles once agreed and communicated.  See 44.	Ongoing	Children's Services, Children's Accountancy Team
46.	Develop and disseminate a clear and regularly updated capital strategy delivery plan, including costs, benefits and risk management visible to all	See 40. Will possibly be part of Schools Forum reporting. Internal capital reporting already exists within Children's Services at Transformation Board and Sufficiency Groups.	Children's Services, Children's Accountancy Team	Children's Services, Children's Accountancy Team
47.	Regularly review and revise incentives and disincentives that will underpin the locality model and its focus on mainstream education and inclusive provision. Discussions around the Tipping Point payment and costs of Alternative Provision are underway and should be resolved as quickly as possible. The level of banding allocations	See 40.	Ongoing	Children's Services, Children's Accountancy Team

	should also be considered.			
48.	Commit to a regular review of the resourcing and capacity required and its ability to deliver the locality model at an effective and efficient cost. The model should be flexed in line with the cost reductions realised.	The locality model is continually reviewed and tested against case loads and other performance metrics.	Ongoing	Children's Services

# Dorset Council

## Finance Peer Challenge

21 June – 2 July 2021

## Feedback report





1. Context.....	3
2. Summary of the peer challenge approach.....	4
3. Executive Summary and Key Recommendations.....	6
4. Feedback on core themes of Finance Peer Challenge.....	8
5. Feedback on the business partner model.....	16
6. Summary and Next steps.....	16
7. Annex 1 – Full list of Recommendations.....	18

# 1. Context

Dorset Council was founded in April 2019 from a merger of Dorset County Council with five of the six District Councils covering the historic Dorset County area. In 2019 the total population of Dorset was 378,508 people, an increase of 3% since 2012.

All newly formed councils face challenges in their first years of operation to establish a fresh culture, new policies, new ways of working and to begin to deliver a full programme of service improvement. Dorset Council has been further challenged in its first two years by the advent of the global Coronavirus pandemic. This has manifested particularly on the council's finances.

The Council operates a net budget of circa £312m for 2021-22, the vast majority of the Council's funding comes from council tax. The Council collected 97.9% of all council tax due in 2019-20 – falling to 95.15% in 2020-21. Council tax per head of population is within the top 5 of all single tier English authorities. The Council has opted for the present to increase council tax and take the social care precept. The Council has an adopted Medium Term Financial Strategy (MTFS) which assumes growth in council tax income from £263.9m in 2021-22 to £294.3m in 2025-26 and an increase in business rates income from £44.3m of just under £1m over the same period. The council has a forecast MTFS deficit approving a budget for 2021-22 requiring net service savings of £7.4m to be delivered. The Council is currently reviewing its Quarter 1 outturn position for the year 2021-22 to understand the level of net service savings needed in 2021-22 and beyond.

Clearly, the Council's financial management and planning processes have only been in operation since 2019 and prior to the pandemic had not been stress-tested. Understandably, there has been some volatility in the council's forecasts as, like all councils, officers struggled to predict the impact of the pandemic on services as well as affirm initial budget estimates for a new council. The council reported its unaudited outturn position for 2020-21, its second full budget year, in June 2021.

The outturn position for 2020-21 showed that on a net revenue budget of £304m the council ended the year with a £15m overspend, which was met by General Funds Reserve. However, the General Funds Reserve has been sustained at this level through allocations from earmarked reserves at each year end as the Council understands its 'inheritance' from the former district and county councils, and currently stands at £31.5m as of 31st March 2021.

This overspend is considerably less than was predicted at quarter 3, but there are significant overspends and non-delivery of savings, in both people and place services. Offsetting the overspends were underspends on capital financing (£5.25m) and on the Contingency budget (£4.7m).

The finance peer challenge has sought to understand the council's current position and its approach to financial management, set within the five core themes of finance peer challenge.

## 2. Summary of the peer challenge approach

### Scope and focus

The peer team considered the following five themes which form the core components of all Corporate Peer Challenges. These areas are critical to councils' performance and improvement.

1. **Financial leadership** – Does the authority have plans for its long-term financial sustainability, which are owned by its members and officer leaders?
2. **Financial strategy, planning & forecasting** - Does the authority understand its short and long term financial prospects?
3. **Decision making and governance** – Are key decisions taken in the understanding of the financial implications, risks, and options?
4. **Financial outcomes and reporting** – Are financial results (including those of the Council's investments and transformation projects) monitored and acted upon to realise the authority's intentions?
5. **Partnership and innovation** – Is finance at the cutting edge of what the authority is working to achieve, working with partners, and seeking innovative approaches?

In addition to these questions, Dorset Council asked the peer team to provide feedback on its finance business partnering model. Feedback on this is provided in the main body of the report.

Prior to the main finance peer challenge an LGA peer team conducted a bespoke review of the council's Special Educational Needs High Needs Block budget, which is facing a significant overspend. Dorset Council is not alone in this, and many councils are struggling with rising demand and cost pressures in this service area. As part of this review the peer team also considered the council's High Needs Block Deficit Recovery Plan as well as its transformation plans in children's services. A report was agreed with the Council, and this was shared with the peer team for the finance peer challenge as background reading. This wider Finance Peer Challenge does not therefore investigate this area in detail again, and the report from this is published alongside this report.

All the findings and recommendations proposed by the peer team are set within the challenge of responding to the COVID-19 pandemic. The peer team recognise that many of the impacts on the way the council plans and manages its finances and services might not yet be known. Equally, the peer team acknowledge that the impacts on the council's capacity and resilience are not yet clear and will need careful management.

### **The peer challenge process**

Peer challenges are improvement focused; it is important to stress that this was not an inspection. The process is not designed to provide an in-depth or technical assessment of plans and proposals. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared by reviewing a range of documents and information to ensure they were familiar with the council and the challenges it is facing. The team then spent time over a period of two weeks, virtually, at Dorset Council, during which they:

- Gathered information and views from more than 180 hours of meetings, in addition to further research and reading.
- Spoke to more than 50 people including a range of council staff together with members and external stakeholders.

This report provides a summary of the peer team's findings. In presenting feedback, they have done so as fellow local government officers and members.

This report sits alongside the presentation shared with the council on 5<sup>th</sup> July 2021.

### **The peer team**

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected the focus of the peer challenge and peers were selected based on their relevant expertise. The peers were:

- Dave Perry – Lead Peer, Chief Executive South Gloucestershire Council
- Mark Wynn – s151 Peer, Chief Operating Officer, Cheshire West and Chester Council
- Katharine Eberhart – Officer Peer, Director of Finance and Support Services, West

Sussex County Council

- Rob Waltham – Leader, North Lincolnshire Council
- Clare Hudson – Peer Challenge Manager, LGA
- Kathryn Trant – Adviser, LGA

### 3. Executive Summary and Key Recommendations

The council's leadership has invested significant effort to foster a 'Oneteam' culture. This culture is now beginning to mature and is evolving to provide a solid foundation for tackling the challenges the council is facing. The council has demonstrated resilience in managing the financial impacts of the COVID-19 pandemic and should be proud of its financial achievement to survive the last 16 months with immature budgets, a new senior leadership team and the challenges that remote working brings. This emerging 'Oneteam' corporate culture is rooted in the council's ambitions to deliver for its residents and community and is also reflected in the efforts the council is putting into developing strong relationships with its external partners, such as the Integrated Care System.

The council has realised savings as a result of convergence and the pooling of budgets, which increases useable reserves to £65m. Whilst the council may have significant reserves it is also exposed to significant risk due to the scale of its Dedicated Schools Grant (DSG) High Needs Block Deficit, overspending by £16m in 2020-21 resulting in a current cumulative deficit of £37.9m. A further overspend of £17m is predicted for 2021-22. There remains uncertainty over the future treatment of this deficit and the current Statutory Instrument which applies to how it is treated for accounting purposes is currently due to expire in 2023. Until there is clarity on its future treatment the council will need to consider to what extent this deficit should be met from earmarked reserves. Alongside the DSG deficit the council is seeking to manage considerable overspends in some budget areas, and the non-delivery of some of the 2019-20 and 2020-21 savings proposals. Senior leaders understand that the council needs to rapidly take mitigating actions to manage this so as not to build a financial culture in which dependency on reserves is the norm rather than delivering planned budgets. The foundations of sound financial strategy, financial management and budget planning are developing and evolving.

As not all of the planned savings were realised, the council had to use reserves to balance the budget in its first two financial years. To reverse this trend the council's budget setting process, including the council's growth and savings plans, need to be more closely linked to the council's Corporate Plan and Finance Strategy. Accountability for delivering those plans

must also be improved. Tighter governance, clear accountability and faster pace are now needed to advance savings delivery. Whilst the council will have to carefully navigate this recognising that people's personal capacity and resilience have been impacted by the pandemic, such actions are necessary if it is to achieve the financial grip it recognises it needs.

The reasons that not all savings have been delivered are numerous. These include: the impact of the pandemic; the budget setting process that identified the savings needing to mature; changes in senior leadership; as well as reporting and monitoring mechanisms not being robust enough. Progress in delivering savings and transformation is also being hampered by the limited integration of systems and financial reporting.

The council has focused on delivering savings from convergence. It has developed a corporate transformation programme that runs in parallel to service level savings plans. The council now needs to implement genuinely transformative change to deliver its ambition to focus on early help and prevention to improve outcomes and deliver further efficiency savings.

The overarching financial ambitions to deliver transformed services within the financial envelope the council can afford are being articulated amongst the council's Cabinet. To deliver this the council's financial strategy and budget setting principles need revisiting and developing into a clearer strategic narrative. The peer team recommend the council:

- Develops a refreshed Strategic Financial Narrative articulating the political aspirations of the council, recognising the true challenges faced, and driving the delivery of a sustainable Medium Term Financial Strategy
- Ensures that the Narrative underpins Dorset's Council Plan
- Develops and implements a communication and engagement plan to embed the Narrative and associated strategies and plans
- Undertakes a coherent alignment of key strategies (Capital, Commercial, Transformation) to deliver the Narrative
- Identifies and delivers clear and clearly owned budgets and savings plans that enhance the council's financial sustainability

These fundamental building blocks should help the council to enhance its financial sustainability and deliver on its priorities for its communities.

There are a number of observations and suggestions within the main section of the report. The following are the peer team's **key recommendations** to the council:

1. Complete the Q1 baseline and get a true picture of implications of growth in demand,

additional pressures, and savings delivered or not in the first quarter of 2021-22 and what this means for the future

2. Come together as organisational leaders to refresh the Budget Principles and develop a Financial Strategic Narrative
3. Use the 2022-23 budget setting process to test a refreshed budget process model and the Financial Strategic Narrative
4. Invest time and capacity in communicating the above and embedding it across the council, and with partners
5. Be clear who is accountable for delivering what, and what the consequences of non-delivery are. Embed ownership of the budget challenge within services and clarify roles and responsibilities for delivery within clear reporting mechanisms that promote transparency
6. Link management reporting more closely to performance, reflecting value for money to underpin evidence-based decision-making
7. Explore opportunities for further convergence and efficiency savings, underpinned by more integrated systems and reporting
8. Clarify what the ambitions are around 'being more commercial' and align this to core strategies (Capital, Asset Management etc)
9. Recognise the progress made to date. Be confident. Move the narrative on to who you are, not who you were
10. Embed putting delivering value for money at the heart of everything you do

## 4. Feedback on core themes of Finance Peer Challenge

### Financial Leadership

***“We need to focus on the future and not what we haven’t done”***

The Cabinet are cognisant of the council’s financial challenges and articulate an overarching ambition for the council to be financially sustainable within a refreshed service offer. There is a recognition that the current plan to undertake a baseline exercise at the end of Quarter 1 (Q1) will be absolutely critical to the council’s understanding of its financial position and what its options are. This was in progress at the time of writing, and its importance to the council and its future direction cannot be understated. This exercise must explicitly identify what the corporate and financial consequences of non-delivery of savings and non-attainment of budget targets are and their impact on current and future service plans. The Q1 baseline reporting must be used as a catalyst for the council to come together to clarify direction, and lines of responsibility.

This is a young organisation with new staff and members who have inherited budgets and plans. The council's budgets, savings and transformation plans reflect an organisation that is still maturing. Now, two years into existence, the council must take the opportunity of the Q1 baseline to be clear about how they will plan for the future. The tendency to lean on reserves needs to be reversed, members and officers understand this, they now need to put a greater emphasis on delivery.

There is optimism amongst members and officers that the council can do this. The finance team are viewed as supportive and are building the expertise needed to meet financial and accounting challenges associated with legacy systems and their integration. This is also a team with many new colleagues that has had to meet this challenge remotely.

There is a stated ambition, as agreed by Cabinet in January 2021, that the council could be 'more commercial'. From the wide range of people that the peer team spoke to, there is not a consensus on what this means. The council has not yet clarified what its risk appetite might be for potentially investing in commercial opportunities. It is still building its baselined position and further improvements in commercial income, procurement savings and contract management efficiencies should all continue to be advanced.

The council is investing in the provision of a school for Special Educational Needs provision which will open in early 2022, and there is a commitment to a further £25M of capital spend to increase provision. However, the Council should take a wider perspective on commercial opportunities including using reserves to explore commercial opportunities that could underpin its future financial sustainability and service transformation, alongside the school. The council should establish how it might seek to identify and progress this, or not, within its Strategic Financial Narrative.

As a new organisation the focus has been on convergence and releasing efficiencies. This should be an ongoing process and part of the council's drive to deliver value for money. There is an emerging appetite amongst members and some officers for testing how well the council's services deliver value for money. Currently this is not consistent and needs capacity and commitment if it is to become integrated into budget planning and service planning.

### **Recommendations on Financial Leadership**

- Advance integration of systems to ensure that a 'single version of the truth' is developed, widely shared, and owned
- Embed the performance and budget monitoring structures (DARTboard) to ensure accountability for delivery of savings is widely understood
- Explore opportunities for further convergence and efficiency savings
- Deepen the pace of savings delivery



- Ensure the Oneteam approach can support strong lines of accountability for budgets and transformation delivery and does not become a misnomer for transferring responsibility or perceived accountability to others
- Clarify what is meant by the emerging appetite to be more commercial

## **Financial Strategy, Planning and Forecasting**

### **“We need to get a true picture of our current position at Q1 and what it means”**

The council needs a fundamental refresh of its core strategies that are the foundation of financial management if it is to be financially sustainable. These need to reflect the overarching financial ambitions expressed by Cabinet. They also need to be aligned with the Council Plan and delivered at pace with clear lines of accountability. The council leadership must ensure that budget planning is owned and driven by the Senior Leadership Team and based on achieving sustainable budgets.

There is a developing narrative that the council will know its underlying budget requirement once the Q1 baseline report is complete. This should be a catalyst for a fresh approach to budget setting going forwards.

The council knows that it must have a better understanding of the demands that are being placed on its people services because it has not been able to deliver within budget, and it needs to plan for future demand. To develop this, it will need to ensure it develops better systems integration to support service improvements and closely monitor demand management. More analysis will also be needed on anticipating and meeting the longer-term public health and economic development implications of the COVID-19 pandemic.

The council has delivered £10M of convergence savings in its first year and is currently working to deliver tactical and transformational savings of £27M. The scale of delivery or not of these savings will be clarified by the Q1 baseline report. Treasury management activities appear to be managed prudently, net debt as a proportion of net current revenue spend being less than 5%.

As it moves forward the council must use data and forecasting techniques to gain a better understanding of what the future budget requirements will be within the services it is planning. Given the non-delivery of savings in areas of people services, the need for future growth in all budgets needs to be better understood within the context of the council’s aspirations around how it will lead better integration of services across its health system, and beyond. Future budget growth must be sustainable, without resorting to the use of reserves. To aid this the council should also invest in more systematic use of benchmarking to ensure its services,

savings and transformation plans are thoroughly tested for value for money.

### **Recommendations on Financial Planning, Strategy and Forecasting**

- Financial and Commercial Strategies need to be refreshed, aligned, and delivered
- Build more involvement from service areas in budget planning
- Tighten the narrative and implementation of further tactical/convergence and transformational savings
- Utilise data and forecasting techniques to ensure the budget requirement for delivery of services is sustainable
- Invest capacity in benchmarking and analysis

### **Decision-making and governance**

**“We understand we need to make some difficult decisions; we need credible options to do that”**

The peer team heard about the way the Leader and Cabinet come together to discuss deviation from budgets and agree mitigating actions. This is intended to help build grip in the delivery of savings going forward. A recent ‘deep dive’ exercise into the progress of the transformation programme was an illustration of how tighter management of savings delivery is starting to embed in the council. At the time of writing the council was reviewing the implications of this and what changes it may need to make.

The council has recognised that it needs to advance measures such as this to monitor delivery of savings and transformation more intensively and needs to make this business as usual.

There appears to be a mixed understanding of the council’s overarching financial ambitions throughout the organisation. As the former district, borough and county councils moved into unitarisation the message at the time that services would not be affected has, at times, become translated into a mantra understood by some officers that services should not be cut. The financial challenge the council is facing means that it is vital that financial narrative aligns the ambitions of the political leadership with the financial and transformation plans.

There needs to be greater investment in explaining and communicating what the council’s financial strategic narrative is so that everyone in the organisation can understand it and deliver it. The current mixed understanding of the overall strategic direction of the budget extends to the Reserves strategy. An updated Reserves strategy was agreed in January 2021, and it needs to be more widely understood what this means for budgets and savings delivery so that the council can use its reserves to appropriately manage risk, and potentially explore commercial or other invest to save opportunities to advance true transformation.

Both officers and members need to collectively confirm their understanding of the council's financial position. The peer team acknowledge that the impact of COVID, and associated funding, needs further analysis. The Q1 baseline report, and how it is communicated, must address this.

The council operates a relatively modest capital programme, for which there is now a clearer process for committing to capital spend. What is not clear is the longer-term plan for how capital expenditure can lever in the type of wider systems leadership the council should aspire to, in order to drive change, better integration of services, and manage demand.

The council operates a robust Audit Committee which is well regarded and viewed by External Auditors as providing appropriate challenge. The peer team observed the Audit Committee and the confirmation of closure of the 2019-20 accounts. Whilst the council has received a qualified value for money opinion on these accounts, the reasons why appear to be understood, and external auditors are satisfied with the council's response. Internal Audit has a clear programme of work, linked to council priorities. Senior officers have solid engagement with Internal Audit and are responsive to findings.

The peer team believe there are further opportunities to enhance the engagement of scrutiny in the delivery of the transformation programme as the Council matures. The peer team heard about the planned review of the role of members in the review of scrutiny of financial performance. This is a welcome opportunity to embed accountability. Equally, the council will need to assure itself that the newly introduced Performance Management Group is serving its intended purpose to more closely monitor savings and budget delivery.

Whilst the appetite to explore the use of benchmarking is growing corporately, it is more advanced in some service areas to support decision making, such as waste services. This is encouraging but utilising benchmarking to drive forward service improvements and value for money is not yet part of the corporate culture. There is more to do to ensure the council's decisions are rooted in value for money and developed through data and evidence using tried and tested tools such as business cases and savings trackers.

### **Recommendations on Decision-making and Governance**

- Invest time in sharing the overarching financial ambitions of Cabinet across the organisation
- Ensure Q1 outturn report and its implications are widely communicated at officer and member level
- Clearly articulate respective responsibilities for savings delivery
- Make the tools of sound financial management such as business cases, and

benchmarking, the norm

- Enable Scrutiny to support the delivery of transformation plans
- Link the capital programme spend more closely to your existing Council Plan

## **Financial outcomes and reporting**

**“Our systems are clunky, they don’t always work, we can’t add the value we want to”**

The council’s approach to reporting on its corporate transformation programme is gaining visibility across the organisation. However, it is not clear enough what the relationship is between transformation savings and tactical/efficiency savings.

Monthly financial reporting is being increasingly embedded in the council’s culture and management of its resources. This will enable the organisation to respond more quickly to areas of concern, and ensure members understand what options they face.

The council comes together to discuss its financial outcomes using monthly reporting at Cabinet. Based on the evidence shared with the peer team these discussions can be too rooted in the delivery of savings plans, with service improvement plans running in parallel. There is a need for more integrated financial and performance reporting. The Q1 baseline report must be the opportunity to ensure the ‘single version of the truth’ is understood and provides clarity on the impacts of the 20-21 outturn position, the in-year position and future options.

Financial reporting is evolving and is well supported by the finance team. Reporting is becoming more visible and accessible. The council needs to build on this to ensure that narrative reporting against financial outcomes for both savings and transformation plans is more consistent, and risk based. The business partners can play a pivotal role in building this understanding of budget position and outcomes. The council should also ensure it has a regular programme of training for budget monitoring and reporting – this will help to move the council to understand its present, and not focus too much on the past.

The council operates a self-service model for budget monitoring and reporting. The application of this was portrayed to the peer team as irregular. For example, it is not clear what the consequences for not utilising the self-service model were. There appears to be a tendency for workarounds to be accepted, partly in recognition of the legacy of different approaches used by the former county and district councils.

The systems used to report financial outcomes requires further integration. This is critical to ensure that systems and reporting can support the emerging corporate culture, a true self help/care model, and the 'Oneteam' approach. The robustness of reporting is not where it should be, and there is too much discrepancy in the quality and timeliness of management information. For instance, the peer team heard about how children's services colleagues obtain financial monitoring information from the client system, and that currently performance and finance data reporting is not yet integrated. This hampers the ability of the council to ensure it delivers against its ambitions.

The council operates risk reporting particularly on its savings and transformation programmes. The council should consider how to integrate these more clearly with financial reporting. The peer team also felt that a simpler approach to reporting headline risks, alongside the Q1 outturn report would help the council to be clearer about its current position and its options.

### **Recommendations on Financial outcomes and reporting**

- Report the implications of the 20-21 outturn and the Q1 2021-22 outturn on the 2021-22 financial year and beyond
- Ensure the narrative accompanying savings and transformation delivery is more consistent and risk based
- Integrate systems further and develop their use to support clearer reporting and self help
- Test the embeddedness and effectiveness of the self-service model and identify mechanisms to improve this where needed
- Simplify risk reporting alongside the Q1 outturn report to establish to 'single version of the truth'
- Ensure regular training on budget monitoring and management across service areas

### **Partnerships and Innovation**

**"The council is good at problem solving – what is best for Dorset"**

The peer team heard from external partners that the council was supportive in their relationships and responsive to needs. The senior leadership team were perceived as being unified on key areas demonstrating strong communication across the council's senior leadership, enabling collaborative relationships with partners.

The council is perceived as being solution driven and with a culture of problem solving. There is an opportunity for the council, working with partners to have more strategic conversations to tackle problems and deliver further their role as a wider system leader to help integrate

services, manage demand and move towards placed-based leadership across all parts of the public sector. In clarifying the council's commercial ambitions, the council should consistently explore opportunities that could underpin its ability to deliver place leadership, including how it maximises existing assets and partnerships.

There are emerging examples of innovation that will be useful in challenging custom and practice and are a signal of the council's ambition to be more enabling (e.g., Homefirst, Children's Locality Model). The council's partners appear to share that ambition and are keen that the council take advantage of presenting opportunities.

There is an acceptance that the council is still young and that was consistently reflected back to us. Despite this, and the challenges of Covid, the council is developing good relationships with partners that can help it to deliver its priorities and improve outcomes for its communities.

### **Recommendations on Partnerships and Innovation**

- Ensure that in engaging with partners you consistently seek to get the best deal for Dorset taxpayers across all service areas – for example with the NHS and Clinical Commissioning Group, or with the Local Enterprise Partnership driving economic development and skills development to aid recovery from the pandemic. Be clear about who is accountable for delivering what
- The Integrated Care System provides an opportunity to develop a clearer narrative about what the council wants for residents and how the integration could deliver service improvements, transformation, and savings not only in Adult Social Care but also the wider preventative agenda
- Explore how you might use resources, alongside tighter procurement, and commissioning, to drive innovation across the wider health system
- Further develop understanding of public assets across Dorset and how these can be leveraged in delivery of community aspirations and ambition to be more commercial. Clarify the ambitions around being more commercial and align with other strategies such as Capital Strategy, Asset Management Strategy
- Do not let youth hold the council back – assets, strong relationships with partners – freedom to innovate. Recognise the progress made to date, be confident and move the narrative on to who you are, not who you were.

## 5. Feedback on the business partner model

The peer team heard of positive relationships with business partners and there is the opportunity to deepen and strengthen these as the council refreshes its strategic financial narrative. As the council moves forward it should ensure business partners are part of the team assessing options of future delivery across the departments and determining the capacity and skills to support the organisation. These roles have a dual understanding of the challenges facing the directorate they support and the 'whole' council position.

One of the key principles of the model is that it builds strong lines of accountability for delivery of savings and transformation plans. It is hard to comment on the effectiveness of the model as the ownership of the 'financial strategy and delivery' has not yet been sufficiently collectively developed. A clearer strategic financial narrative, more integrated systems, and a more collaborative approach to developing budgets are needed for the model to realise its potential.

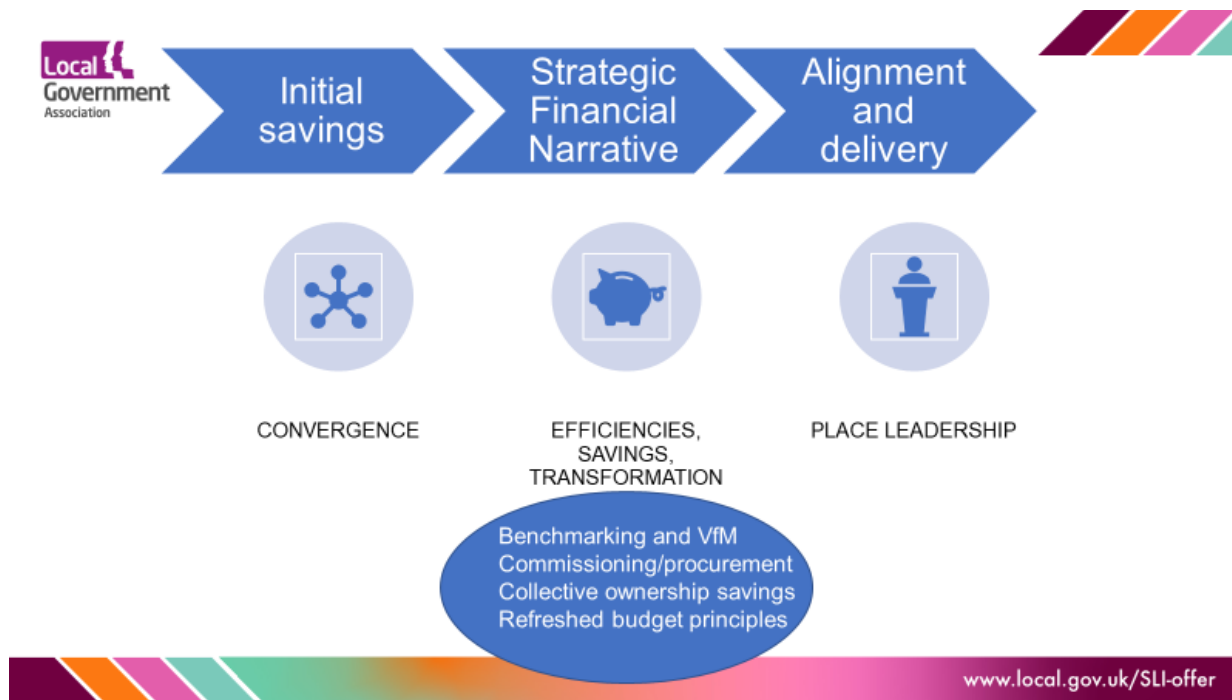
Business partners are clearly a valued resource. There is opportunity to build clarity over respective roles and responsibilities between budget managers and finance. The peer team's advice is to give the model in operation space to grow within a clear narrative and stronger ownership of budgets. This will also allow time to better assess the capacity and need within the corporate finance team.

## 6. Summary and next steps

The council has achieved a huge amount in its first two years. It has provided unprecedented levels of support and leadership to its communities to support them through the pandemic. This is the second peer challenge the council has commissioned since its creation and its willingness to accept external challenge is commended as part of its improvement journey.

The council has not delivered all of its identified savings plans and has overspent against key service budgets in the last two years. Consequently, it has used its reserves but recognises it must move away from this. The council is developing a clearer picture of its current financial position. This is critical in allowing the council to develop a strategic financial narrative from which it can build a more collaborative and accountable approach to budget delivery. This can then be effectively communicated to staff and system partners and drive change.

The council is maturing in its approach to financial management. Set out below is a simple model that the peer team suggest the council could reflect upon where it sits within the evolution of the model, and how it will successfully transition through it.



It is recognised that senior political and managerial leadership will want to consider, discuss, and reflect on these findings. In order to support transparency, the council is expected to publish this report within six weeks of it being agreed. There is also an expectation that an action plan is publicly available within eight weeks of the report’s publication.

Both the peer team and LGA are keen to build on the relationships formed through the peer challenge. The CPC process includes a six-month check-in meeting. This will be a short, facilitated session which creates space for the council’s senior leadership to update peers on its progress against the action plan and discuss next steps. This is due to take place in January 2022.

In the meantime, Paul Clarke, Principal Adviser for South West, is the main contact between your authority and the Local Government Association. Paul Clarke is available to discuss any further support the council requires. [paul.clarke@local.gov.uk](mailto:paul.clarke@local.gov.uk), 07899 965730.

Clare Hudson, Peer Challenge Manager, on behalf of the peer team



## 7. Annex 1 – Full list of Recommendations

### Key Recommendations

1. Complete the Q1 baseline and get a true picture of implications of growth in demand, additional pressures, and savings delivered or not in the first quarter of 2021-22 and what this means for the future
2. Come together as organisational leaders to refresh the Budget Principles and develop a Financial Strategic Narrative
3. Use the 2022-23 budget setting process to test a refreshed budget process model and the Financial Strategic Narrative
4. Invest time and capacity in communicating the above and embedding it across the council, and with partners
5. Be clear who is accountable for delivering what, and what the consequences of non-delivery are. Embed ownership of the budget challenge within services and clarify roles and responsibilities for delivery within clear reporting mechanisms that promote transparency
6. Link management reporting more closely to performance, reflecting value for money to underpin evidence-based decision-making
7. Explore opportunities for further convergence and efficiency savings, underpinned by more integrated systems and reporting
8. Clarify what the ambitions are around 'being more commercial' and align this to core strategies (Capital, Asset Management etc)
9. Recognise the progress made to date. Be confident. Move the narrative on to who you are, not who you were
10. Embed putting delivering value for money at the heart of everything you do

### Recommendations on Financial Leadership

11. Advance integration of systems to ensure that a 'single version of the truth' is developed, widely shared, and owned
12. Embed the performance and budget monitoring structures (DARTboard) to ensure accountability for delivery of savings is widely understood
13. Explore opportunities for further convergence and efficiency savings
14. Deepen the pace of savings delivery
15. Ensure the Oneteam approach can support strong lines of accountability for budgets and transformation delivery and does not become a misnomer for transferring responsibility or perceived accountability to others

16. Clarify what is meant by the emerging appetite to be more commercial

### **Recommendations on Financial Planning, Strategy and Forecasting**

17. Financial and Commercial Strategies need to be refreshed, aligned, and delivered
18. Build more involvement from service areas in budget planning
19. Tighten the narrative and implementation of further tactical/convergence and transformational savings
20. Utilise data and forecasting techniques to ensure the budget requirement for delivery of services is sustainable
21. Invest capacity in benchmarking and analysis

### **Recommendations on Decision-making and Governance**

22. Invest time in sharing the overarching financial ambitions of Cabinet across the organisation
23. Ensure Q1 outturn report and its implications are widely communicated at officer and member level
24. Clearly articulate respective responsibilities for savings delivery
25. Make the tools of sound financial management such as business cases, and benchmarking, the norm
26. Enable Scrutiny to support the delivery of transformation plans
27. Link the capital programme spend more closely to your existing Council Plan

### **Recommendations on Financial outcomes and reporting**

28. Report the implications of the 20-21 outturn and the Q1 2021-22 outturn on the 2021-22 financial year and beyond
29. Ensure the narrative accompanying savings and transformation delivery is more consistent and risk based
30. Integrate systems further and develop their use to support clearer reporting and self help
31. Test the embeddedness and effectiveness of the self-service model and identify mechanisms to improve this where needed
32. Simplify risk reporting alongside the Q1 outturn report to establish to 'single version of the truth'
33. Ensure regular training on budget monitoring and management across service areas

### **Recommendations on Partnerships and Innovation**

34. Ensure that in engaging with partners you consistently seek to get the best deal for

Dorset taxpayers across all service areas – for example with the NHS and CCG, or with the Local Enterprise Partnership driving economic development and skills development to aid recovery from the pandemic. Be clear about who is accountable for delivering what

35. The Integrated Care System provides an opportunity to develop a clearer narrative about what the council wants for residents and how the integration could deliver service improvements, transformation and savings not only in Adult Social Care but also the wider preventative agenda
36. Explore how you might use resources, alongside tighter procurement, and commissioning, to drive innovation across the wider health system
37. Further develop understanding of public assets across Dorset and how these can be leveraged in delivery of community aspirations and ambition to be more commercial. Clarify the ambitions around being more commercial and align with other strategies such as Capital Strategy, Asset Management Strategy
38. Do not let youth hold the council back – assets, strong relationships with partners – freedom to innovate. Recognise the progress made to date, be confident and move the narrative on to who you are, not who you were.



# Dorset Council

LGA Bespoke Remote Peer  
support

Key Reflections

DSG Deficit and High Needs  
Block Review

## **Background**

Dorset Council was founded in April 2019 from a merger of Dorset County Council with five of the six District Councils covering the historic Dorset county area. All newly formed councils face challenges in their first years of operation to establish a fresh culture, new policies, new ways of working and to begin to deliver a full programme of service improvement. Dorset Council has been further challenged in its first two years by the advent of the global Coronavirus pandemic. This has manifested particularly on the council's finances.

## **Context**

The council overspent by £5m in 2019/20 and, driven by COVID pressures, at the end of quarter 3 was forecasting an £18.6m overspend in 2020/21. In setting the budget for 2021/22, the council needed to tackle a projected budget gap of £42m which entails the delivery of nearly £28m in tactical and transformational savings in the next financial year. The council is an outlier in terms of its spending against the DSG High Needs Block. The council has developed a financial model and recovery plan to tackle the DSG deficit, predicting to move it to £70m deficit in 2025-26. The council predicts that if the mitigating measures proposed in its High Needs Block Strategy are not introduced the deficit could reach £110m by 2025-26. There remains uncertainty nationally as to how councils will need to treat their DSG deficit post 2023 and Dorset Council is rightly taking significant mitigating measures to reduce its deficit and reprofile its services to meet current and future demand and invest in its own provision to avoid future costs.

## **Scope**

Dorset has asked the LGA to undertake a Finance Peer Challenge in the Summer of 2021 to provide further external challenge to its approach to financial sustainability. Given the scale of challenge within the SEN High Needs Block a remote review of the council's recovery plan and High Needs Block Strategy was undertaken in May prior to the main finance challenge in June. The findings from this can help guide the peer team's approach in the finance peer challenge in June.

Within the remote review the peer team were asked to consider:

- Does Dorset council have a good knowledge and understanding of the factors causing the high need block overspend?
- Is the current financial modelling realistic and accurate?
- What improvements can be made to financial monitoring and management of the high needs block?
- Are the recovery plans realistic and achievable, and owned by the service?

## **Methodology and peer team**

Peer challenge is part of sector led improvement and has been updated and refreshed to be delivered remotely. Background reading was provided to the team in advance by the council and a timetable of virtual meetings including focus groups and one to one meetings was drawn up by the council. The peer team met with a range of officers and members within Dorset Council. The peer team's findings therefore only reflect the internal perspective, and it will be important that the council continues to work intensively with partners to successfully deliver its strategy and realise deficit reduction as planned.

The feedback is based on what the peer team have heard, seen and read and was shared with senior officers in the council on Wednesday 19<sup>th</sup> May.

The peer team for this challenge were:

Diane McConnell - SEN Specialist, LGA Associate  
Andrew Hardingham – LGA Financial Improvement and Sustainability Adviser  
Clare Hudson - LGA Peer Challenge Manager  
Kathryn Trant - LGA Adviser

## **Headline Findings**

The peer team found a council that recognises the scale of the challenge it is facing. There is also recognition that the council's financial position is the result of local government reorganisation and that a new senior leadership team has been formed that is determined to improve the council's financial sustainability.

The council has made strong progress in its leadership of Special Educational Needs (SEN), which is recognised by Ofsted. The senior leadership team for children's services presents a compelling vision for the future of SEN services, matched with a passionate commitment to deliver strong, innovative services for, and within, communities.

The most pressing issue for the council is the rising costs it has faced in high cost independent and out of area placements. This is well rehearsed within the council and a clear driver for the actions the council is now taking. The council's response to this is rooted in an extensive capital strategy and the provision of additional school places within the county, initially within a new school that the council is in the process of preparing to open. However, it is noted that this will not reduce the council's cost base in the short term.

This recent focus on the development and delivery of the capital strategy means that the balance between the grip on reducing costs in the 'here and now' and the delivery of the capital strategy and future sufficiency of places needs to be carefully monitored and managed. The council will need to consider additional monitoring requirements to do this, embedded throughout children's services and corporate finance.

The council's High Needs Block Strategy's principles are sensible and good practice. The locality model within this is ambitious and aspirational. The council has made significant progress embedding this new model and associated approaches. As with any major change in service provision embedding this model and its associated culture change will be an ongoing task, and its impact is yet to be fully realised.

## **Dedicated Schools Grant Deficit**

The key pressure within this deficit is costly placements, which in some cases are being met by independent and out of county provision. The council has developed a Sufficiency Strategy to develop its own provision in order to achieve future cost avoidance by eliciting greater control over costs for provision within council owned assets.

The council's Capital Strategy guides the delivery of this and as would be expected, focuses on the medium term. There has been significant political ambition and officer expertise employed to develop and deliver the Capital Strategy. The council will need to ensure this is counterbalanced with a relentless focus on managing the in-year deficit that the council must tackle. Overall, the model for deficit reduction is well understood by the council's senior team and will need consistent effort to ensure it is successfully embedded throughout the organisation.

At the heart of the council's ability to do this will be the quality and timeliness of financial monitoring. It was striking that almost every interviewee the peer team spoke to raised the need for improved access to financial monitoring, and the need for it to be integrated into existing systems. The council needs to match its systems to its ambitions and enable

practitioners and finance colleagues to be financially accountable through access to regular monitoring information.

### **High Needs Block (HNB) Strategy**

The council now has a compelling vision for this cohort. The strong ambition expressed within this represents value led service provision and links to the council's wider vision to ensure all vulnerable children and families access the support they need in their local community. The council is operating matrix leadership to deliver the strategy, which encourages leaders to own outcomes for children and young people with special needs.

Within the HNB Strategy there is an evenness between the council's capital strategy and other pillars of the HNB Strategy to tackle the deficit. This is manifest in a greater focus on early help and intervention; the embedding of the locality model; measures to tackle demand management; and a focus on mainstream inclusive education as the expected norm. The council recognises it will need to deliver this in collaboration with key partners including health colleagues and school leaders.

High cost placements (both out of county and within the independent sector), which have exacerbated the council's deficit, now undergo forensic analysis by Panels. The council has a centralised brokerage team which is helping to commission placements and ensure value for money. This approach should be extended into analysis of lower level spend, and the peer team understand that measures to do this are already underway.

The council introduced its locality model in autumn 2020. It is creative and aspirational, and these models can prove to be resource intensive. The council must assure itself that this large revenue budget is sustainable and is regularly assessed with resources allocated where they can have most impact against demand.

### **Recommendations**

The peer team have suggested the council may want to consider taking the following actions below, and recognise that these may be already planned or underway:

1. Monitor the impact of the refreshed relationship with Clinical Commissioning Groups and NHS partners to ensure it yields value for money and contributes to deficit reduction
2. Continue to progress at pace the refreshed dialogue with Schools Forum and promote courageous conversations with families and school leaders to contribute to deficit reduction
3. Articulate the impact for the council more widely of the DSG deficit. This is a corporate challenge to be addressed by Adults and Children's Services and discussions on all-age services should be accelerated
4. Consider developing a communications and engagement strategy to explain and embed the HNB Strategy – utilising councillors, system leaders and school leaders as influencers
5. Invest more time in explaining the locality model within the Council, its intended benefits and contribution to deficit reduction

6. Introduce integrated financial reporting accessible by all – ‘a single version of the truth’
7. Embed regular (monthly) monitoring and forecasting, in a financial management system where everyone understands their role and responsibility to tackle the deficit in the short and medium term. This should include a review of the financial model for the provision of future school places following the updated opening schedule for St Mary’s School.
8. Develop and disseminate a clear and regularly updated capital strategy delivery plan, including costs, benefits and risk management visible to all
9. Regularly review and revise incentives and disincentives that will underpin the locality model and its focus on mainstream education and inclusive provision. Discussions around the Tipping Point payment and costs of Alternative Provision are underway and should be resolved as quickly as possible. The level of banding allocations should also be considered.
10. Commit to a regular review of the resourcing and capacity required and its ability to deliver the locality model at an effective and efficient cost. The model should be flexed in line with the cost reductions realised.

## **Summary**

The council provides a compelling vision for the future provision of SEN services and the High Needs Block. These are underpinned by aspirational strategies and an innovative, integrated model. The council has a very significant challenge, requiring unrelenting monitoring and grip, to meet to make these sustainable in the medium and longer term. The dissemination and understanding of financial monitoring will be critical to the council’s ability to reduce the deficit within its adopted model and measures on this are needed now to realise the council’s ambition. In short, the council must more closely monitor today to take care of tomorrow.

Clare Hudson, on behalf of the peer team  
Diane McConnell  
Andrew Hardingham  
Kathryn Trant



## **Cabinet 5 October 2021 Dorset Council Plan**

### **For Recommendation to Council**

**Portfolio Holder:** Cllr P Wharf, Corporate Development and Change

**Local Councillor(s):** All

**Executive Director:** M Prosser, Chief Executive

Report Author: Becky Forrester

Title: Business Partner

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**Report Status:** Public

**Recommendation:** That the Cabinet:

- i. Make any final amendments to the draft wording of the updated council plan, attached at appendix 1, and recommend it to full council for adoption on 14 October
- ii. Note the contribution to the updated council plan from the two Overview Committees
- iii. Discuss and agree the name of the plan, following a recommendation by the Place and Resources Overview Committee on 17 September 2021; and
- iv. Delegate responsibility for the final design of the plan, and the summary 'plan on a page' version, to the portfolio holder for corporate development and change, in consultation with the Leader and Chief Executive.

**Reason for Recommendation:** To provide clarity about this council's priorities following the COVID-19 pandemic.

## **1. Executive Summary**

Dorset Council's first council plan was adopted in January 2020, before COVID-19 struck. In the summer of 2021, Cabinet asked for the plan be updated, steered by the two Overview Committees, to reflect the impact and implications of the pandemic.

On 26 July 2021 members of the Overview Committees held a joint informal workshop to review the draft Council Plan, with a specific focus on COVID-19 recovery. It was discussed again at their formal meetings on 2 and 17 September. The minutes of those discussions are attached at appendix 3.

## **2. Financial Implications**

None in relation to this report.

## **3. Well-being and Health Implications**

Health and well-being are integral elements of the plan, and feature particularly in the 'strong and healthy communities' and 'staying safe and well' priorities.

## **4. Climate implications**

It is recommended that climate and ecology become one of the main priorities of the council following the adoption of the Climate and Ecological Emergency Strategy and Action Plan in July 2021.

## **5. Other Implications**

None.

## **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**

An equalities impact assessment was undertaken when the plan was first adopted in January 2020.

## **8. Appendices**

- i. Updated council plan text
- ii. Original council plan
- iii. Relevant minutes of the People and Health Overview Committee (2 September 2021) and Place and Resources Overview Committee (17 September 2021)

## **9. Background Papers**

[2020-01-28-cabinet-Dorset-plan-report.pdf \(dorsetcouncil.gov.uk\)](https://www.dorsetcouncil.gov.uk/2020-01-28-cabinet-Dorset-plan-report.pdf)

## **10. The evolution of the council plan – January 2020-October 2021**

- 10.1 The first ever Dorset Council plan was agreed by the Cabinet in January 2020, following informal workshops with councillors, and engagement with residents and partners. This was before the COVID-19 struck, and the original plan (attached at appendix 2) makes no reference to the pandemic as a result.
- 10.2 In the summer of 2021, Cabinet asked that the council plan be updated, with support from the two Overview Committees, in their policy-making capacity. An informal session was held with the Overview Committees on 26 July 2021, and the output from the meeting – the updated draft plan – was reported to their Committees on 2 September and 17 September.
- 10.3 The minutes of those discussions are attached at appendix 3. In summary, key feedback from the People and Health Overview Committee (2 September) was that:
  - The plan is long and needs a summary version
  - The correlation between Dorset’s challenges and the council’s priorities and actions needs to be clearer
  - Dorset’s major challenges – the low wage/low skilled economy, lack of social mobility, unaffordable housing, the outward migration of younger people and inward migration of older people – are not all fully addressed by the plan
- 10.4 Key feedback from the Place and Resources Committee (17 September) was that:
  - The size of the council – the fifth biggest by size and eight biggest by population – should be made clearer

- There should be a link to the council's research database, [Dorset Insights](#)
- Naming very local areas of deprivation could be unhelpful and should be removed
- The plan should be called either the 'Dorset Council Plan' or 'Dorset Council's Corporate Plan'. Cabinet is asked to agree one of these options.

10.5 Both Committees expressed a desire for climate and the ecology to become a key priority, following the council's adoption of a Climate and Ecological Emergency Strategy and Action plan in July 2021 and its commitment to become carbon neutral by 2040.

Please do not delete the footnote.

**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.

Proposed options for a new name (made by the Place and Resources Overview Committee on 17 September 2021):

- **Dorset Council Plan**
- **Dorset Council Corporate Plan**

# Welcome

This is the Dorset Council Plan, which sets out our ambitions up to 2024. It incorporates the political vision of your councillors, and was originally developed in 2019 following a conversation with residents, town and parish councils, and representatives from the public, private and voluntary sectors.

The Plan has been updated to reflect what we have learnt from responding to the COVID-19 pandemic. Many organisations in Dorset stepped up to support our local communities through this incredibly difficult time. Our communities have never worked more closely together. Organisations across all sectors responded quickly, with selflessness, conviction and bravery, creating a 'one team' and 'Dorset Together' approach to supporting the most vulnerable children and adults. We are immensely grateful to them all, and we are keen to keep this spirit of shared responsibility alive and build on these partnerships as we, hopefully, move towards recovery.

It is clear that in addition to recovering from COVID-19 the climate and ecological emergency must inform the council's decisions and actions for the foreseeable future. A climate and ecological strategy and action plan were agreed in July 2021, and we have committed to becoming carbon neutral organisation by 2040 and a carbon neutral county by 2050. We will need to work closer than ever with you, our residents and partners, to achieve those goals.

We must all challenge ourselves to do more to protect our environment, and this will involve some difficult conversations about the nature of Dorset's economic growth. COVID-19 has highlighted the need to maximise technology, so we need to drive the rollout of full fibre technology and 5G to enable people to effectively work from home, travel less, and access opportunities online.

We must work closely with children, young people and families to safeguard their future environment and help them to recover from the impacts of the pandemic. We want to help raise aspirations and improve education, health and wellbeing, particularly in the most deprived areas of the county. If we want our young people to stay in Dorset, we must give them something to stay for, so we will also focus our energies on developing suitable housing, and supporting skills and training.

The council predicted an overspend from the outset of the pandemic and our response has added significant financial pressure. A combination of cost increases and lost income were the principal causes. Our latest assessment is that the impact of the pandemic on the council will have been in the region of £15m.

In response, the council has developed a four year medium-term financial plan which sets out our budget demands, pressures and risks. We will champion the interests of Dorset, advocate nationally the need for better funding, and work with our partners for the benefit of our county. Dorset Council is the fifth largest unitary authority in England by size, and the eighth largest by population. We want to work with like-minded authorities to get our voices heard nationally.

I would like to take this opportunity to urge you, if you have any questions, comments or concerns, to make contact with your local Dorset Council ward councillor. They are there to represent your area and respond to your queries and concerns. Please keep them informed about the issues that affect you and your communities, so we can continue to make Dorset a great place to live, work and visit.

Spencer Flower  
Leader

# Understanding Dorset

## Population

Dorset Council area has a population of 378,500 residents, 29% of whom are aged 65 and older (compared to 18% in England and Wales).

Dorset is an attractive place, and many people choose to retire here. It has a large population of older people, and relatively low birth rates. Currently there are over 7,000 people in Dorset living with dementia, and the number is increasing. Younger people often move away from the area. The population continues to grow slowly, driven by people moving into the county and longer life expectancy. The greatest part of population growth is among over 65s. Dorset's working age population is expected to see a marginal decline over the next 25 years.

The Dorset rural idyll can conceal hidden deprivation however. There are significant areas of deprivation, mostly in urban areas (mainly Weymouth and Portland) and also in the east of Dorset, in Ferndown, Wimborne, and Verwood. There is also significant rural deprivation, due largely to isolation and difficulty accessing housing, transport and essential services. Crime is generally low in Dorset, although anti-social behaviour and rural crime are an ongoing problem. The council's focus on economic growth, suitable housing, strong and healthy communities and staying safe and well aim to address the opportunities and challenges this presents.

The population is predominantly white British, with 4.4% of our residents from ethnically diverse communities.

## Natural, geological and historic environment

Dorset's natural environment is a great asset.

95 miles of coast in Dorset and Devon are classified as a UNESCO Natural World Heritage Site – the only one in England. Over half of Dorset is covered by the Area of Outstanding Natural Beauty designation; 7% of Dorset is protected as a Site of Special Scientific Interest; and Dorset has one of the largest areas of protected lowland heath in Europe.

These designations together mark Dorset as a special place but also present challenges in terms of available land for delivering housing and employment development.

Dorset also has a rich historic environment, with one in twenty of all the protected ancient monuments in England, a well preserved pre-historic landscape and around 10,000 listed buildings. This is reflected in the council's 'climate and ecology', 'unique environment' and 'suitable housing' priorities.

## Economy and infrastructure

Employment in Dorset is high but, like the UK, our economy has a productivity gap. Manufacturing, health, retail, education and hospitality are all big employers in Dorset. 20,000 businesses are based in Dorset: 86% are micro firms and fewer than 1% are large firms. Dorset's economy is worth around £8.1 billion and provides 147,000 jobs. Dorset has an above average number of advanced engineering and manufacturing businesses. But there is also a continuing seasonal, low skill, low wage economy with tourism and agriculture significant industries. The area is rich in valuable minerals, including stone, sand/gravel and oil.

Earnings are below average and house prices are high with affordability issues for many young people and keyworkers. In 2021, lower end house prices were more than ten times higher than lower end earnings in Dorset.

Dorset has no motorway but over 2,500 miles of roads. 96% of premises in the Dorset Council area have access to superfast broadband. 3.1% of premises in the Dorset Council area have access to full-fibre broadband. These issues are reflected in our 'economic growth' and 'suitable housing' priorities.

## The pandemic in Dorset

Up to the end of May 2021, 528 people in Dorset have sadly died within 28 days of a positive COVID-19 test. In excess of 25,400 people in Dorset (approximately 7% of our population) were shielding, and the council and its partners provided a wide range of support to our communities, including:

- We handled 34,559 calls through our COVID-19 contact centre, coordinating food parcel and prescription deliveries, practical help with everyday tasks and befriending
- We administered £250 million of government grants to support local businesses
- We accommodated 49 rough sleepers and homeless households as part of the “everyone in” initiative
- We delivered 2,025 food packages and helped local COVID-19-19-19 support groups
- We worked with partners to provide vaccines xxx (likely to be over one million by October?)
- Vaccinated 91% of care home staff including agency staff had their first vaccine

The COVID pandemic has changed how we live, work and think, locally, nationally, and globally. This is reflected in six priorities outlined below.

More data about Dorset can be found at [Dorset Insights - Dorset Council](#).

## Partnership working

The pandemic has changed how we live, work and think, and one thing it has proved is just how much more we can achieve by working together, across sectors and organisations, to protect those in greatest need. Hundreds of organisations responded to the crisis, including voluntary and community groups, town and parish councils, nurseries, schools and colleges, health and social care providers, registered housing providers and the police, not to mention residents. We need to keep that energy and spirit of collaboration alive as we move towards a ‘new normal’, and focus on delivering the priorities described below.

We can’t do this in isolation. Key partners include (but aren’t limited to!) organisations in the health and social care economy, voluntary and community organisations, education providers, the local business community, Dorset’s Local Nature Partnership, digital infrastructure providers, the Jurassic Coast Trust, Dorset Wildlife Trust, the National Trust, Natural England, Homes England, Dorset Police, Dorset and Wiltshire Fire and Rescue Service, Community Land Trusts, Public Health England, colleagues in the Integrated Care System, Dorset Clinical Commissioning Group (and subsequent bodies), Dorset Healthcare Trust, Bournemouth, Christchurch and Poole Council, the Local Enterprise Partnership, the ambulance service, transport providers, the Armed Forces, probation services,.



# Our priorities – the climate and ecology

Dorset Council declared a climate and ecological emergency at its first Full Council meeting and in July 2021 adopted a strategy and action plan setting out how the council will respond. This commits us to taking direct action across our operations to become a carbon-neutral Council by 2040, and through our wide ranging services and partnerships, to facilitate the changes required for the whole of Dorset to become carbon-neutral by 2050, and to protect and enhance biodiversity across Dorset.

The strategy set the direction of travel over 9 topic areas, buildings & assets, waste, water, economy, transport, natural assets, food and drink and renewable energy.

## What will we do

- Decarbonise our estate by 2040
- Facilitate greater renewable energy supply in Dorset
- Achieve a zero carbon fleet by 2040
- Enable residents to travel more sustainably
- Work towards Become a low waste council and county
- Support transition to a low carbon Economy in Dorset
- Protect and enhance biodiversity across Dorset
- Encourage a low carbon food and drink sector
- Ensure Dorset is resilient to impacts for climate change

Dorset Council must work towards reducing its own carbon emissions output, food poverty and the level of waste produced, all while meeting the increasing demand for food.

## How will we do it

- Install energy & water efficiency and renewable energy technologies across our estate
- Support development Secure large scale renewable energy installation to provide our energy needs
- Switch to Electric Vehicles and ultra- low emission vehicles
- Reduce our waste and increase facilities to reduce, re-use and recycle
- Support businesses to be greener and encourage low carbon sector skills and jobs
- Improving EV infrastructure, bus services and facilities for walking and cycling.
- To protect and enhance natural assets and facilitate net gain in biodiversity
- Support local food produces, food waste reduction and healthy low carbon meals
- To facilitate the development Develop a climate resilience plan
- Securing external funding
- Work with partners, community organisations and other stakeholders
- Monitor and report progress

# Our priorities – economic growth

We will deliver sustainable economic growth, increasing productivity and the number of high-quality jobs in Dorset, creating great places to live, work and visit.

COVID-19 has had a significant impact on Dorset's economy, though precisely what those impacts are, and how long they will last, will take years to understand. The council has worked hard to ensure local businesses have received government grants, distributing over £250m in just 12 months.

More positively, the pandemic has provided an incredible insight into the potential for flexible and remote working, and this has enormous potential to support Dorset's low-carbon economy and promote digital skills. We need to work together to build on this opportunity, drive the roll out of full fibre technology and 5G to enable people to travel less, and access opportunities online so that Dorset's economy can emerge from the pandemic in a way which is stronger and more environmentally sustainable.

## What will we do?

- Recover from the pandemic and become more resilient to future economic shocks
- Support Dorset's high streets to change and develop
- Support Dorset's residents to access retraining opportunities
- Promote apprenticeships across all sectors and set an example by creating as many opportunities within the council as possible
- Promote Dorset as a place to do business and attract inward investment
- Implement the Economic Growth Strategy adopted in 2020, and adopt a new Local Plan by 2024
- Support the growth of new and existing businesses, and in turn support job creation
- Improve the provision and use of sustainable transport and digital connectivity
- Enhance people's aspirations and skills to improve social mobility
- Support growth in Dorset's low carbon economy and skills

## How will we do it?

- Continue to efficiently deliver any government support grants for local businesses to support them through the pandemic and the recovery
- Advertise the government's fully funded retraining courses as part of its Lifetime Skills Guarantee.
- Establish an Education and Skills Leadership Board
- Drive the roll out of full fibre technology and 5G in Dorset to enable people to work from home effectively, travel less and access opportunities online
- Improve rail services, public transport and reliability of journey times by working with providers, lobbying Government and focussing on schemes to ease congestion
- Enable growth of good quality jobs at Dorset Innovation Park, our designated Enterprise Zone
- Support growth in key sectors, including advanced engineering/manufacturing, agritech, maritime commercial opportunities, aquaculture, tourism and the care sector
- Work with schools, colleges, universities and businesses to raise career aspirations and improve skills
- Stimulate local business opportunities, innovation and skills development through council procurement of goods and services

# Our priorities – unique environment

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

The pandemic has highlighted just how important access to green space is, particularly for children, young people and vulnerable adults. We are blessed with a stunning natural environment and recognise a new significance to it in mitigating the impacts of COVID-19-19 and possible future pandemics. It is more important than ever that we protect and enhance this natural asset for future generations.

Dorset has also seen an increase in visitors from elsewhere in the UK, which has brought both benefits and challenges. While visitors play an important role in supporting the local economy, higher volumes of traffic on the roads have put pressure on local infrastructure, and greater social mixing has created concern about how quickly the virus might spread. The council has within restrictions enabled and supported continued use of its country parks, green spaces, rights of way and harbours working closely with partners to reinforce key messages of 'hands, face, space' and reiterated the need for socially responsible tourism.

## What will we do?

- Work with partners to support safe visitor levels and improve access to safe outdoor spaces, including footpaths and bridleways, for everyone
- Monitor and respond to any additional wear and tear on the environment as a result of greater visitor numbers
- Deliver services in ways that protect our natural, historic and cultural environments
- Promote behavioural change to reduce waste and increase reuse and recycling
- Lead and support communities to respond to climate and ecological change
- Capitalise on Dorset's unique environmental assets to support our priorities
- Provide an environment that attracts business investment, tourism and a skilled workforce
- Protect Dorset's natural biodiversity
- Build and celebrate community pride in our environment to help keep it clean and safe
- Support the development of appropriately located renewable energy

## How will we do it?

- Implement our climate and ecological emergency strategy and action plan, working with our partners, particularly town and parish councils and government
- Promote Visit Dorset, the Dorset tourism information site [www.visit-dorset.com](http://www.visit-dorset.com)
- Actively respond to proposals that impact on the environment
- Deliver a highways verge management and street cleansing strategy
- Deliver our pollinators action plan
- Responsibly manage the spaces, buildings and land we own
- Support local farmers, woodland owners, foresters and land managers to make environmental improvements through agri-environment schemes
- Support the Environment Agency on flood protection projects
- Protect our environment from harm by monitoring and improving air, land and water quality
- Support and promote campaigns such as Litter Free Dorset and Love Your Dorset

# Our priorities – suitable housing

We will work with registered housing providers, community land trusts and local housing partners to deliver affordable, suitable and decent housing.

COVID-19 has put enormous pressure on housing services. The pre-existing shortage of suitable land for housing development, combined with the legal requirement to house everyone who was homeless during the pandemic, and problems with the supply chain in the construction industry, have added considerably to a service that was already under enormous pressure. It seems likely that pressure will increase as the effects on the economy contribute to housing insecurity and an expected increase in evictions. We must also monitor whether changing work practices is putting additional pressure on market housing – purchase and rents – from people moving into Dorset. Working with partners and private owners will be critical in coming months and years to prevent homelessness and reduce reliance on short term or poor quality temporary accommodation.

New strategies will be implemented around homelessness, rough sleeping and housing which will draw on the lessons from the pandemic.

## What will we do?

- Work with partners to continue to support people who were housed during the pandemic, once that requirement comes to an end
- Maximise the use of council assets, and opportunities offered through our partnerships, to develop affordable and sustainable housing, including the creation of more social rented housing
- Bring long-term empty properties back into use
- Support people to access the right accommodation suitable for their needs and affordable to them
- Raise standards of privately rented homes, focussing attention on those which do not meet good and decent standards
- Promote energy efficiency and green initiatives within the housing sector to meet our climate change objectives and tackle fuel poverty
- Implement new housing allocations policy and approach to prioritising housing
- Adopt a new Dorset Council Local Plan by 2024

## How will we do it?

- Develop a mixed programme of new homes, including supported accommodation and affordable housing including the Building Better Lives programme that will provide quality housing and care for local people ([www.dorsetcouncil.gov.uk/building-better-lives](http://www.dorsetcouncil.gov.uk/building-better-lives))
- Provide homes by 2024 in line with land supply target and the Local Plan
- Develop a comprehensive and ambitious housing strategy for Dorset
- Provide a balance of new high quality, affordable housing in a range of tenures and prices to meet needs and aspirations
- Prevent homelessness and reduce reliance on short term or poor quality temporary accommodation by direct action through the provision of short term accommodation by adopting an Invest to Save policy
- Maximise the amount of affordable housing on new developments in line with the Local Plan policies to promote affordability as a proportion of new developments
- Support and enable access to energy efficiency initiatives and grants

# Our priorities – strong healthy communities

We will work with residents and partners to build and maintain strong communities where people get the best start and lead fulfilling lives.

This principle is focussed on community activity, and the power of our collective effort in recovering from the pandemic. One of the most positive things to have emerged from the pandemic has surely been the speed and determination of communities, voluntary and community groups, town and parish councils, local shops and other organisations to support those who need it. It has been a truly astonishing response and a testament to the power of our collective resource and compassion.

Local council budgets have reduced year on year for over a decade now and the reality is that we cannot continue to provide everything residents, businesses and visitors all want and need. Responding to the pandemic has put enormous strain on budgets that were already insufficient, so it is more important than ever that we find the best way of working together to help communities to help themselves.

We know that COVID-19 has had a particularly damaging impact on children, young people and vulnerable adults. We are anticipating a significant increase in people reporting mental health problems, and we must work together at a community level to respond to that. We also need to recognise that the impact of COVID-19 will last for several years, particularly amongst children, vulnerable adults, service providers and business and this cannot be underestimated. Many will continue to struggle with significant workforce issues which are exacerbated by our rural landscape and geographically dispersed population.

Whether by volunteering for a local group, standing for your local town or parish council, making a donation to a local food bank, offering your time and expertise to a local initiative or simply learning more about your local community, everyone can do something. The council will continue to support new community groups and initiatives to help make this happen.

## What will we do?

- Keep residents and visitors informed about health and wellbeing, including COVID-19
- Work with and support the Strategic Alliance Board (a group of partners who have come together to support children and young people)
- Maintain and strengthen the voluntary and community sector, including facilitating / helping residents and communities to support each other
- Work to improve the social and cultural wellbeing of the area
- Enable people to feel a sense of belonging and to participate actively in their community
- Aim to increase people's healthy life expectancy and reduce differences between areas
- Provide additional support to communities with the greatest challenges, including the Stronger Neighbourhoods project in Weymouth and Portland
- Improve outcomes for children, and focus on narrowing the gap for the most vulnerable
- Work to find creative and innovative ways to deliver support and care to vulnerable adults to support their independence and to try and reduce the call on statutory services
- Ensure where statutory services are needed that they are available at the right time, right place and supports where possible people reaching crisis point
- Focus on keeping the voice of residents central to all we do and regularly ensure we are doing what matters most to people

## How will we do it?

- Enable and support appropriate level of Page 93 testing

- Encourage take up of COVID-19 vaccinations
- Support communities to be connected, inclusive, safe and active
- Support the development of the Dorset Integrated Care System (ICS) with a particular focus on the health and care partnership forum, place-based partnerships and strategic commissioning workstreams
- Refresh the Joint Strategic Needs Assessment for Dorset, working through the Health and Wellbeing Board, to inform the ICS priorities
- Support the development of a health and care strategy for Dorset that promotes integration, early intervention and prevention, and tackles the most pressing health problems
- Work with the ICS and its statutory body to ensure resources to support the strategy
- Ensure a place-based approach to improving health and wellbeing identifies and tackles the key inequalities in health outcomes in Dorset
- Implement the Cultural Strategy
- Work collaboratively with town and parish councils and communities to identify and deliver what they think is important
- Provide an inclusive and accessible directory of community activities to connect people and tackle social isolation
- Recognise when the voluntary, community and social enterprise sector is better placed to provide a service and support them in their work
- Encourage volunteering to help build communities, reduce loneliness and enable people to learn new skills
- Help people to claim and receive the benefits they are entitled to
- Improve mental health support for children, young people and adults
- Help ensure food available to buy and eat is safe
- Increase the number of people supported by LiveWell Dorset to be more active, maintain healthy weight, quit smoking and reduce their alcohol intake ([www.livewelldorset.co.uk](http://www.livewelldorset.co.uk))
- Protect people from harm from fraud, rogue traders and scammers
- Provide safe and useable cycle ways and footpaths, integrated bus services and community transport schemes
- Provide and maintain access to rights of way, country parks and countryside
- Communicate quickly and accurately with residents using a range of channels
- Work with voluntary and community sector to identify innovative ways to help adults with care and support needs
- Review our day opportunities service and develop and implement a more flexible offer
- Work with residents to develop our preventative offer to support people at the earliest opportunity
- Deliver A Better Life Programme and the Greater Partnerships project
- Support informal carers and ensure we have the support in the right place
- Promote working in adult care as a career of choice and enhance training and development offer working with community ,voluntary organisation, businesses and education partners

# Our priorities – staying safe and well

We will work with all our residents to have a good quality of life.

This priority is focussed on individuals, and the council's duty to protect the most vulnerable. With some packages of support running to several thousand pounds per week, this is the area where the council spends most of its money, and experiences the greatest degree of pressure.

Although COVID-19 appears to pose a lower risk of infection and serious illness to children and young people, its social toll could be devastating. The pandemic has intensified the challenges many children and young people face, and there are widespread concerns about the impact on babies and the very youngest from lost learning, families facing job losses and diminished income, and the impact of social distancing and lockdowns on mental health and wellbeing. Children must now be a priority in recovery planning, both nationally and locally.

## What will we do?

- Improve outcomes for children and support children disadvantaged by missing education through the pandemic
- Support people to build on their strengths
- Make Dorset the best place to be a child; where communities thrive, and families are supported to be the best they can be
- Ensure our children achieve the best educational results they're capable of
- Work with families and children with special educational needs and disabilities to shape better services
- Support vulnerable children with food and activities during school holidays
- Support people to live independently in their own homes and, when this isn't possible, to provide high quality care,
- Work to protect children and vulnerable adults and prevent them from being exploited
- Ensure good quality service provision is available when needed by those most in need
- Learn from living with COVID-19 and develop support based on good information and data
- Review how we use resources to ensure they are shared in the most effective and efficient way to meet people's needs
- Review mental health services with partners to ensure services are accessible to those who need them

## How will we do it?

- Deliver our Children, Young People and Families' plan 2020-2023
- Provide good quality social care services
- Provide more specialist education within Dorset for children with complex communication and learning needs including creating a new centre of excellence at St Mary's, Shaftesbury
- Recruit more Dorset Council foster carers, shared lives carers and develop more children's home provision in Dorset
- Increase the types of care placements available for children and young people
- Develop youth support services
- Provide information, advice and support at the earliest opportunity
- Use technology – and help others to use it - to explore innovative ways to improve quality of life and independence



- Improve the way we work to deliver better outcomes for children and young people through our place-based locality teams and Dorset Children Thrive model
- Improve the way we work to deliver better outcomes for adults
- Work with and support providers to ensure they offer good quality care and support
- Implement the government's Breathing Space policy for people struggling with debt
- Ensure there is sufficient choice and availability of care for vulnerable adults
- Work jointly with health services to support people who are leaving hospital
- Develop a carers strategy
- Work closely with health to ensure we have the right services available to meet the health and care needs of children and adults
- Signpost those affected by the pandemic to services that support people with bereavement and grief



# Dorset Council's values, behaviours and principles

As we have come together to create a new organisation, we have defined our principles and values for our journey ahead. This is the focus of our transformation plan which will support us to achieve the council's priorities by 2024

## Our values

- We are an advocate for Dorset on a local, national and global stage
- We work together with our communities and our partners to make things happen
- We put people first and design services around their needs now and in future
- We are open, accessible and accountable
- We use time and money wisely
- We value people and build on their strengths

## Our principles

- Employer of choice
- Customer focused
- Sustainable organisation
- Effective and modern

## Our behaviours

- Responsibility
- Respect
- Recognition
- Collaboration

## Our equality objectives

- Fostering good relations with and within the community
- Developing and supporting a diverse workforce
- Developing, commissioning and delivering inclusive and responsive services

# Dorset Council's transformation programme

Dorset Council has an ambition to be a modern 21st century organisation, re-thinking how we deliver services. Following learning from the COVID-19-19-19 pandemic, we have developed a transformation programme made up of 38 projects that will deliver savings of around £18 million over the life of this plan and sustain and were possible improve service delivery.

Dorset Council will transform to:

- Be a key player in place shaping, optimising community capacity and assets.
- Be an early intervention, inclusion county.
- Be smart in its use of assets, estate and capital.
- Be a commercially minded council that demonstrates value for money services.
- Be a great organisation to work in and with - an employer of choice.

This will be achieved by:

- transforming our services with our customers, communities and partners
- operating at a lower cost with a reduced carbon footprint
- planning for the long term by investing in services and activities that set a strategic path to managing demand
- using evidence and business intelligence to direct our decisions to deliver improved impact and good value
- tackling digital exclusion so that no-one in Dorset is disadvantaged digitally
- building ambitious and sustainable capabilities that prepare the council for the future

**Which council strategies help deliver the council plan?**

Strategies that support all 5 themes	Economic growth	Unique environment	Suitable housing	Strong and healthy communities	Staying safe and well
<p>COVID-19 Recovery Strategy and Workplans (Local Resilience Forum)</p> <p>Health and Wellbeing Strategy</p> <p>Customer Transformation Strategy</p> <p>Diversity and inclusion strategy 2021 to 2024</p> <p>Library Strategy</p> <p>People strategy 2019 to 2024</p> <p>Budget strategy 2021 to 2022</p> <p>Procurement strategy 2020 to 2022</p> <p>Asset management strategy 2020 to 2023</p> <p>Digital strategy</p> <p>External communications strategy</p> <p>Dorset Council climate and ecological &amp; emergency strategy</p> <p>Dorset Council transformation plan 2020 to 2024+</p> <p>Dorset Council Local plan (in development)</p>	<p>Economic growth strategy 2020 to 2024</p> <p>Dorset passenger transport strategy 2015 to 2026</p> <p>Bournemouth, Poole and Dorset local transport plan 2011 to 2026</p>	<p>Dorset Harbours strategy (in development)</p> <p>Dorset coast strategy 2011 to 2021 *</p> <p>Jurassic coast partnership plan 2020 to 2025</p> <p>Dorset coastal community team connective economic plan 2018*</p> <p>Dorset area of outstanding natural beauty management plan 2019 to 2024</p> <p>Cranborne Chase area of outstanding natural beauty management plan 2019 to 2024</p> <p>Dorset rights of way improvement plan*2011 to 2021</p> <p>Dorset's Joint Municipal Waste Management Strategy 2008-2033</p> <p>Bournemouth, Christchurch, Poole and Dorset Waste Plan to 2033</p>	<p>Homelessness and rough sleeper strategy</p> <p>Housing strategy (in development)</p> <p>Housing allocations policy</p> <p>Building Better Lives+</p>	<p>A Better Life+</p> <p>Community safety plan 2020 to 2023</p> <p>Dorset Council communities strategy (in development)</p> <p>Youth Justice strategy 2021 to 2022</p> <p>Placement Sufficiency Strategy+ 2020 to 2023</p> <p>Corporate Parenting strategy 2020 to 2023</p> <p>Cultural strategy 2021 to 2026</p> <p>Children, Young People and Families' Plan 2020-23</p>	<p>Community safety plan 2020 to 2023</p> <p>Dorset SEND strategy 2018 to 2021*</p> <p>Pan Dorset reducing reoffending strategy 2018 to 2021*</p> <p>Children, Young People and Families' Plan 2020-23</p> <p>Pan-Dorset Child exploitation strategy 2020 to 2022</p> <p>Youth Justice strategy 2021 to 2022</p> <p>Corporate Parenting strategy 2020 to 2023</p> <p>Placement Sufficiency Strategy 2020 to 2023</p> <p>Building better lives+</p> <p>Health and wellbeing strategy</p>

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# Dorset Council's Plan

2020 - 2024



## Welcome

This is the Dorset Council Plan, which sets out our ambitions for the next four years. It incorporates the political vision of your new councillors, and has been developed following a conversation with residents, town and parish councils, businesses and representatives from the public, private and voluntary sectors.

Our ambition is to put Dorset Council at the heart of the community. The reorganisation of local government in 2019 simplified administrative structures, and was a big step forward, but we continue to face some very significant challenges, locally, nationally and globally.



**Cllr Spencer Flower,**  
Leader of Dorset Council

It is clear that the climate and ecological emergency must inform the council's decisions and actions for the foreseeable future. A climate and ecological change strategy and action plan is currently being developed. It will make a significant change in our approach and will require a shared commitment and ongoing dialogue with you, our residents and partners.

We must all challenge ourselves to do more and this will involve some difficult conversations about the nature of our economic growth and the infrastructure – particularly the transport infrastructure – that underpins it. We will drive the roll out of full fibre technology and 5G in Dorset to enable people to travel less and access opportunities online. We need to maximise technology so that 'jobs move to people, rather than people moving to jobs'.

We must work closely with Dorset's children and young people, not only to safeguard their future environment, but also to improve their aspirations, education, health and wellbeing. Levels of obesity continue to rise, and educational outcomes remain low, particularly in more deprived areas of the county. If we want our young people to stay in Dorset, we must give them something to stay for, so we will also focus our energies on developing suitable housing, the skills agenda and sustainable economic growth.

**Financial constraints remain, and demand continues to grow for services which:**

- support children with special educational needs and disabilities;
- keep children safe from risk of harm; and
- support vulnerable older people and people with disabilities.

In response, the council has developed a four year medium-term financial plan which sets out our budget demands, pressures and risks. We will champion the interests of Dorset, advocate nationally the need for better funding, and work with our partners for the benefit of our county.

This is a high-level plan – delivery will be detailed in directorate and service plans as they develop. We will need to work together with residents, partners and communities to deliver our shared ambitions and to monitor how we're doing.

In the meantime, if you have any questions, comments or concerns, please make contact with your local Dorset Council ward councillor – they are there to represent your area and respond to your queries and concerns. Please keep them informed about the issues that affect you and your communities, so we can continue to make Dorset a great place to live, work and visit.



# Understanding Dorset

## Population

Dorset (Council area) has a population of 375,000 residents, 28% of whom are aged 65 and older (compared to 18% in England and Wales).

Dorset is an attractive place for people to settle in their retirement – it has a large population of older people, and relatively low birth rates. Currently there are over 7,000 people in Dorset living with dementia, and the number is increasing. Younger people often move away from the area. The population continues to grow slowly, driven by people moving into the county and longer life expectancy. The greatest part of population growth is among over 65s. Dorset's working age population is expected to see a marginal decline over the next 25 years.

The Dorset rural idyll can conceal hidden deprivation: there are pockets of deprivation, mostly in urban areas (mainly Weymouth and Portland). But there is also some rural deprivation due to isolation and difficulty accessing housing, transport and essential services. Crime is generally low in Dorset.

The population is predominantly white British, with 4.4% of our residents black and minority ethnic.

## Natural, geological and historic environment

Dorset's natural environment is a great asset.

95 miles of coast in Dorset and Devon are classified as a UNESCO Natural World Heritage Site – the only one in England. Over half of Dorset is covered by the Area of Outstanding Natural Beauty designation; 7% of Dorset is protected as a Site of Special Scientific Interest; and Dorset has one of the largest areas of protected lowland heath in Europe.

These designations together mark Dorset as a special place but also present challenges in terms of available land for delivering housing and employment development.

Dorset also has a rich historic environment, with one in twenty of all the protected ancient monuments in England, a well preserved pre-historic landscape and around 10,000 listed buildings.

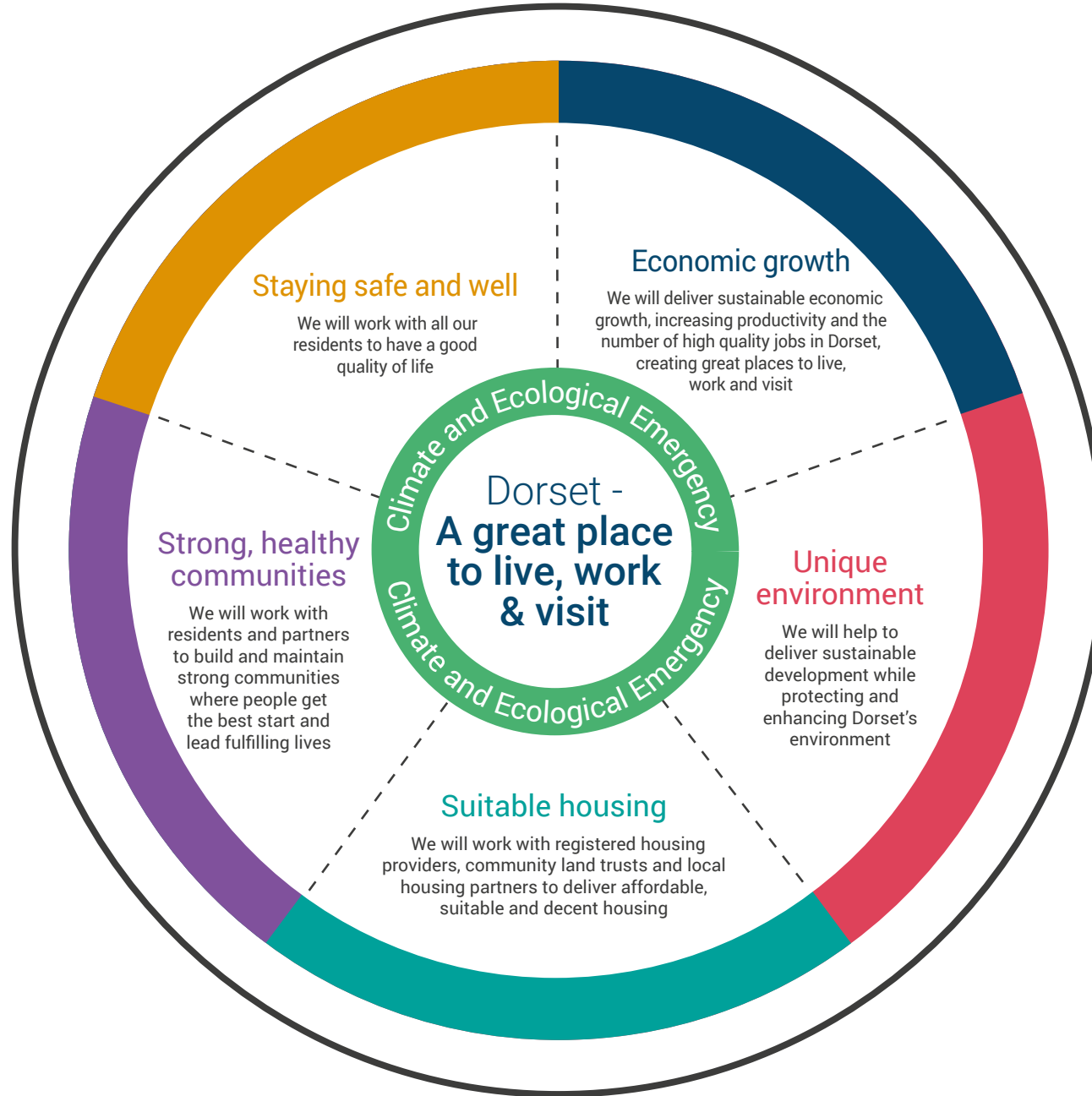
## Economy and infrastructure

Employment in Dorset is high but, like the UK, our economy has a productivity gap. Manufacturing, health, retail, education and hospitality are all big employers in Dorset. 20,000 businesses are based in Dorset: 86% are micro firms and fewer than 1% are large firms. Dorset's economy is worth around £7.1 billion and provides 143,000 jobs. Dorset has an above average number of advanced engineering and manufacturing businesses. But there is also a continuing seasonal, low skill, low wage economy with tourism and agriculture significant industries. The area is rich in valuable minerals, including stone, sand/gravel and oil.

Earnings are below average and house prices are high with affordability issues for many young people and keyworkers. In 2017, lower end house prices were more than ten times higher than lower end earnings in Dorset.

Dorset has no motorway but over 2,500 miles of roads. 95.1% of premises in the Dorset Council area have access to superfast broadband. 3.1% of premises in the Dorset Council area have access to full-fibre broadband.

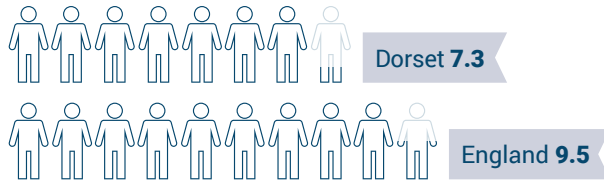
# Our priorities



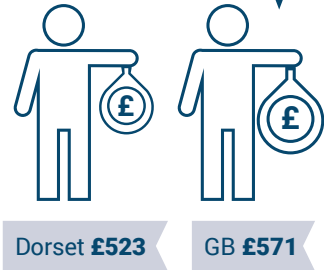


# Economic growth – the current picture

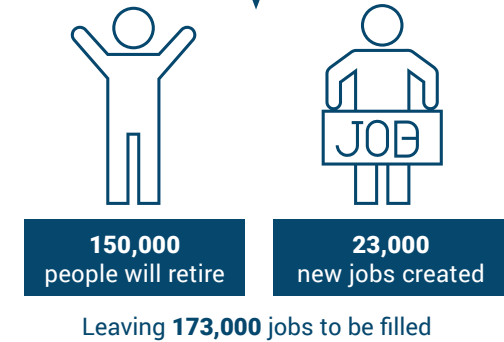
## Number of employees per business



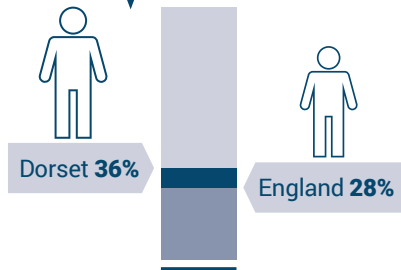
## Average weekly earnings



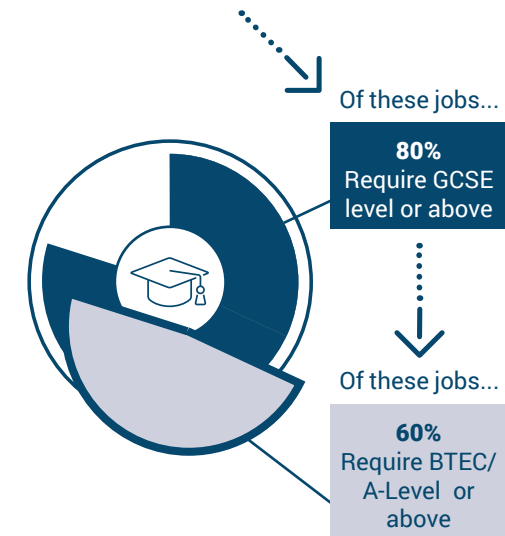
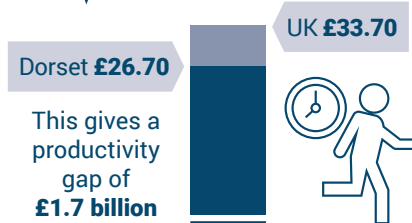
## \*By 2029...



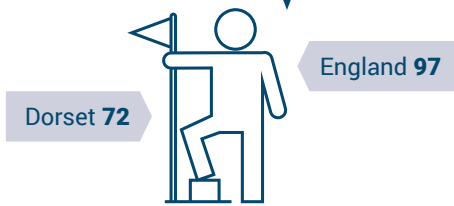
## Workforce aged 50+



## Value produced for every hour worked



## New businesses



(per 10,000 working age people)

## Superfast broadband coverage



The rate of creation of new businesses is below the national average and has changed little in the last four years

Data underlying the infographics is provided by the Research Team. For more information contact [research@dorsetcouncil.gov.uk](mailto:research@dorsetcouncil.gov.uk). \*Dorset Local Enterprise Partnership Area (DLEP). Dorset refers to the new Dorset Council Area that came into effect 1 April 2019, unless otherwise indicated. Poster produced: Sept 2019

# Our priorities

## Economic growth

We will deliver sustainable economic growth, increasing productivity and the number of high quality jobs in Dorset, creating great places to live, work and visit.

### What will we do?

- Promote Dorset as a place to do business and attract inward investment
- Support the growth of new and existing businesses, and in turn support job creation
- Improve the provision and use of sustainable transport and digital connectivity
- Enhance people's aspirations and skills to improve social mobility
- Support growth in Dorset's low carbon economy and skills

### How will we do it?

- Adopt a Local Industrial Strategy and Economic Growth Strategy in 2020, and a new Local Plan by 2024
- Drive the roll out of full fibre technology and 5G in Dorset to enable people to travel less and access opportunities online
- Improve rail services, public transport and reliability of journey times by working with providers, lobbying Government and focussing on schemes to ease congestion
- Enable growth of good quality jobs at Dorset Innovation Park, our designated Enterprise Zone
- Support growth in key sectors, including advanced engineering/manufacturing, agritech, maritime commercial opportunities, aquaculture, tourism and the care sector
- Work with schools, colleges, universities and businesses to raise career aspirations and improve skills

- Stimulate local business opportunities, innovation and skills development through council procurement of goods and services
- Promote apprenticeships to develop the council's own workforce, and work with partners to improve the creation and take-up of apprenticeships across Dorset
- Support businesses and other organisations to reduce their carbon footprint

### Who will we work with?

- Dorset Local Enterprise Partnership
- Dorset Local Nature Partnership
- Schools, colleges, and universities
- Local business community
- Government departments
- Investors and developers
- Business support networks, including Chambers of Commerce
- Town and parish councils
- Digital infrastructure providers



# Unique environment – the current picture

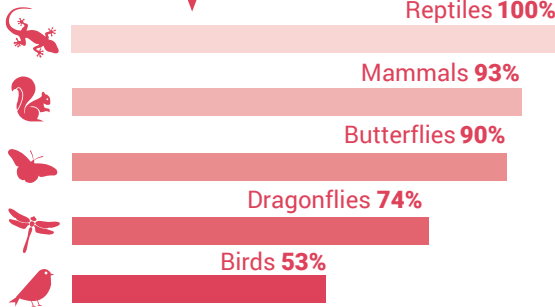
## Dorset environmental economy

(natural assets, agriculture, forestry, fishing, energy, tourism)



...is valued at up to **15%** of the local economy and supports up to **61,000** jobs

## Native species living in Dorset



## Natural status



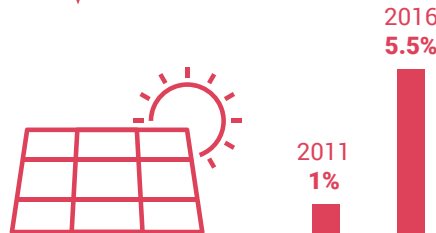
Dorset has England's only natural **World Heritage Site** and two **Areas of Outstanding Natural Beauty (AONB)** covering **54%** of the Dorset Council area

## \*\*Living in Dorset

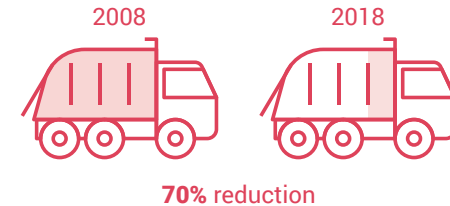


**Nine out of ten** Dorset residents said the environment was an important factor in their decision to live in Dorset

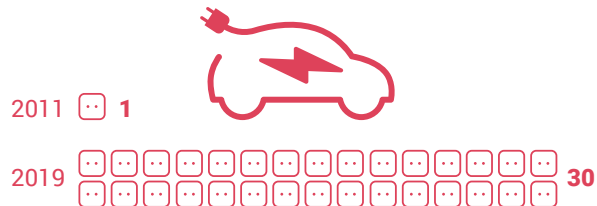
## \*Renewable energy production in Dorset



## \*\*Amount of waste sent to landfill



## Publicly available charging points in Dorset

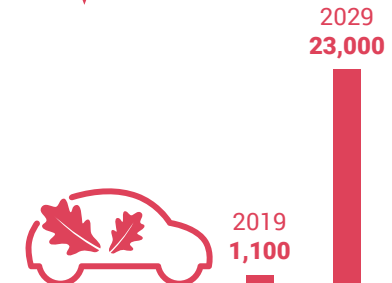


## Car and van emissions



**Government targets:**  
All new cars and vans should be "effectively zero emission" by **2040**

## Ultra Low Emission Vehicles (ULEVs)



Current and predicted ULEVs registered in Dorset

# Our priorities

## Unique environment

We will help to deliver sustainable development while protecting and enhancing Dorset's environment.

### What will we do?

- Improve access to our coast, countryside and greenspaces
- Deliver services in ways that protect our natural, historic and cultural environments
- Promote behavioural change to reduce waste and increase reuse and recycling
- Lead and support communities to respond to climate and ecological change
- Capitalise on Dorset's unique environmental assets to support our priorities
- Provide an environment that attracts business investment, tourism and a skilled workforce
- Protect Dorset's natural biodiversity
- Build and celebrate community pride in our environment to help keep it clean and safe
- Support the development of appropriately located renewable energy

### How will we do it?

- Develop a climate and ecological emergency strategy working with our partners, particularly town and parish councils and Government
- Actively respond to proposals that impact on the environment
- Deliver a highways verge management and street cleansing strategy
- Deliver our pollinators action plan
- Responsibly manage the spaces, buildings and land we own
- Support local farmers, woodland owners, foresters and land managers to make environmental improvements through agri-environment schemes
- Support the Environment Agency on flood protection projects
- Protect our environment from harm by monitoring and improving air, land and water quality

### Who will we work with?

- Areas of Outstanding Natural Beauty partnerships
- Dorset Local Nature Partnership
- Jurassic Coast Trust
- Dorset Wildlife Trust
- National Trust
- Natural England
- Marine Management Organisation
- Environment Agency
- Historic England
- Highways England
- Government departments
- Dorset Police
- Dorset and Wiltshire Fire and Rescue Service
- Town and parish councils
- Voluntary, community and social enterprise organisations
- Significant landowners

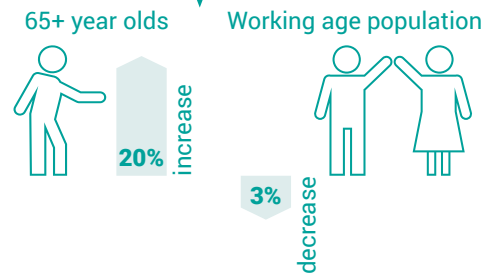
# Suitable housing – the current picture

## Properties in Dorset



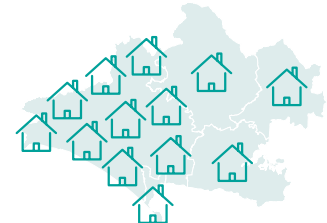
We will see an increase of around **7,000** properties over the next 6 years

## Population change 2019 - 2029



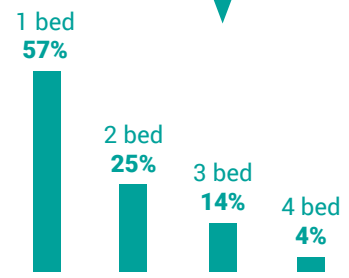
Housing supply needs to reflect this

## Area demand



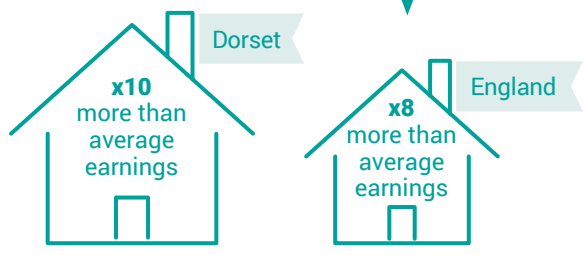
Greatest demand for social rented housing is in **West Dorset, Weymouth and Portland**

## Bedroom demand



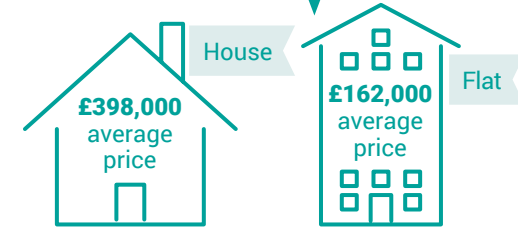
**More than half** of the demand for social rented housing is for **one-bedroom homes**

## Average property prices are...



This makes it **very hard for first time buyers** to join the property market

## Property types



**Detached houses** are the most common type of property in Dorset

## Rough sleepers

Between 2010 - 2017



Dorset had approximately 35-40 rough sleepers in November 2018, a decrease on the previous year

## Homeless households



There are **265** homeless households in Dorset

Data underlying the infographics is provided by the Research Team. For more information contact [research@dorsetcouncil.gov.uk](mailto:research@dorsetcouncil.gov.uk). Dorset refers to the new Dorset Council area that came into effect 1 April 2019, unless otherwise indicated.



# Our priorities

## Suitable housing

We will work with registered housing providers, community land trusts and local housing partners to deliver affordable, suitable and decent housing.

### What will we do?

- Maximise the use of council assets to develop affordable and sustainable housing, including the creation of more social rented housing
- Bring long-term empty properties back into use
- Support people to access the right accommodation
- Raise standards of privately rented homes, using appropriate legislation
- Promote energy efficiency and green initiatives within the housing sector
- Implement a new single Dorset Council housing register
- Adopt a new Dorset Council Local Plan by 2024

### How will we do it?

- Deliver the Building Better Lives programme that will provide quality housing and care for local people ([www.dorsetcouncil.gov.uk/building-better-lives](http://www.dorsetcouncil.gov.uk/building-better-lives))
- Provide homes by 2024 in line with land supply target
- Develop a business plan for our emerging housing company Homes Dorset
- Increase the number of new homes of all tenures e.g. shared ownership, starter homes, key worker housing, social rented housing
- Reduce homelessness
- Maximise the amount of affordable housing on new developments in line with the Local Plan
- Increase the number of households receiving assistance with energy efficiency from Healthy Homes Dorset ([www.healthyhomesdorset.org.uk](http://www.healthyhomesdorset.org.uk))

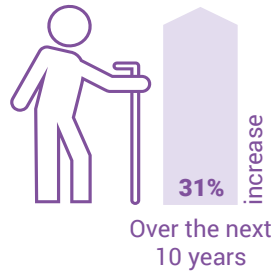
### Who will we work with?

- Registered housing providers
- Town and parish councils
- Voluntary, community and social enterprise organisations
- Private landlords
- House builders
- NHS partners
- Homes England
- Dorset Police
- Armed Forces
- Community Land Trusts



# Strong, healthy communities – the current picture

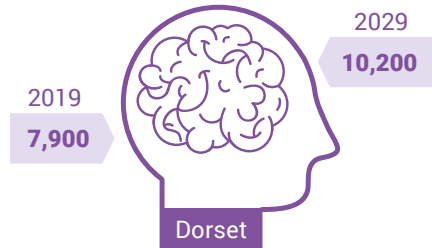
## 85+ year olds in Dorset



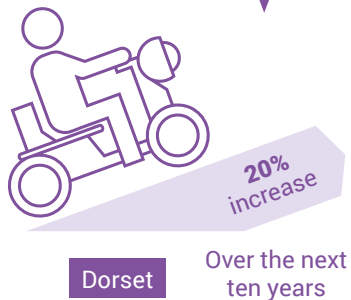
## Life expectancy



## 65+ year olds with dementia



## 65+ year olds with long-term health conditions and disabilities



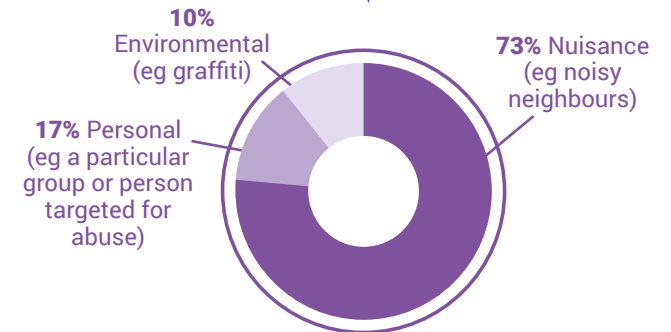
## Deprived areas

Dorset has few deprived areas in national terms, but...deprivation is concentrated in certain areas

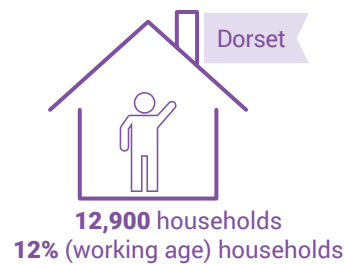


**10 out of 11** deprived areas are in **Weymouth & Portland**

## Anti-social behaviour in Dorset



## Workless households



## Regular physical activity (adults)



# Our priorities

## Strong, healthy communities

We will work with residents and partners to build and maintain strong communities where people get the best start and lead fulfilling lives.

### What will we do?

- Work to improve the economic, social, cultural and environmental wellbeing of the area
- Support communities to be connected, inclusive, safe and active
- Enable people to feel a sense of belonging and to participate actively in their community
- Aim to increase people's healthy life expectancy and reduce differences between areas
- Provide additional support to communities with the greatest challenges
- Improve outcomes for children, and focus on narrowing the gap for the most vulnerable
- Keep Dorset connected, with better transport and digital links between communities

### How will we do it?

- Work collaboratively with town and parish councils and communities to identify and deliver what they think is important
- Provide an inclusive and accessible directory of community activities to connect people and tackle social isolation
- Help people to claim and receive benefits they are entitled to
- Improve mental health support for children, young people and adults
- Help ensure food available to buy and eat is safe
- Increase the number of people supported by LiveWell Dorset to be more active, maintain healthy weight, quit smoking and reduce their alcohol intake ([www.livewelldorset.co.uk](http://www.livewelldorset.co.uk))
- Protect people from harm from rogue traders and scammers
- Provide safe and useable cycle ways and footpaths, integrated bus services and community transport schemes
- Provide and maintain access to rights of way, country parks and countryside
- Recognise when the voluntary, community and social enterprise sector is better placed to provide a service and support them in their work
- Encourage volunteering to help build communities, reduce loneliness and enable people to learn new skills

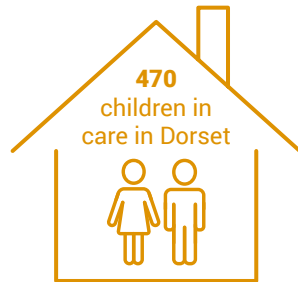
### Who will we work with?

- Schools, colleges, universities and other training providers
- Residents
- Cultural and sporting partners
- Dorset Police
- Town and parish councils
- NHS partners
- Dorset and Wiltshire Fire and Rescue Service
- Voluntary, community and social enterprise organisations
- Department for Work and Pensions
- Bus companies and other transport providers
- Other councils including Bournemouth, Christchurch and Poole Council
- Sport England
- Active Dorset

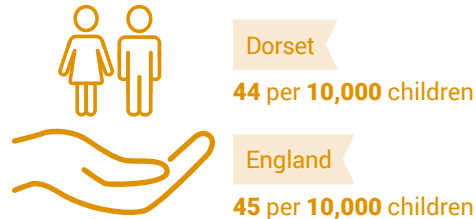


# Staying safe and well – the current picture

## Children in care



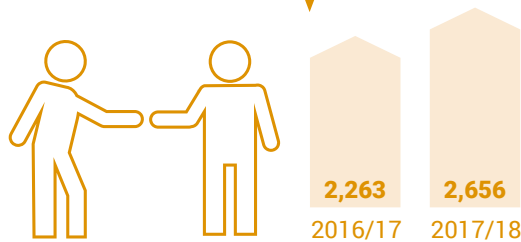
## Child protection rate



## Level of development



## Adult safeguarding concerns



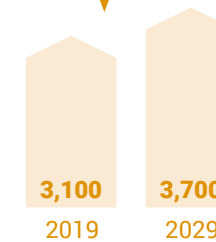
This reflects an increased cultural awareness of adult safeguarding and more informed reporting

## Services for older people



This increase will put pressure on these services

## Care homes



People aged 65+ living in a care home

## Social care services



## \*Social care jobs over the next 10 years



Data underlying the infographics is provided by the Research Team. For more information contact [research@dorsetcouncil.gov.uk](mailto:research@dorsetcouncil.gov.uk). \*Dorset Local Enterprise Partnership Area (DLEP). Dorset refers to the new Dorset Council area that came into effect 1 April 2019, unless otherwise indicated.

# Our priorities

## Staying safe and well

### What will we do?

- Make Dorset the best place to be a child; where communities thrive, and families are supported to be the best they can be
- Ensure our children achieve the best educational results they're capable of
- Support older people and disabled people to live independently in their own homes and, when this isn't possible, provide high quality care
- Focus on getting it right first time, proactively providing early help as needs arise
- Build and support capacity in voluntary, community and social enterprise organisations
- Work to protect children and vulnerable adults and prevent them from being exploited

### How will we do it?

- Provide good quality social care services
- Provide more specialist education within Dorset for children with complex communication and learning needs
- Increase the types of care placements available for children and young people
- Develop youth support services
- Provide information, advice and support at the earliest opportunity
- Use technology – and help others to use it - to explore innovative ways to improve quality of life and independence
- Improve the way we work to deliver better outcomes for children and young people
- Design services with people, not for them

We will work with all our residents to have a good quality of life.

- Raise public awareness of exploitation of children and vulnerable adults
- Target our resources in the areas of greatest need and deliver services at a local level
- Improve how social care, education and health services work together through the 'Our Dorset' partnership ([ourdorset.nhs.uk](http://ourdorset.nhs.uk))

### Who will we work with?

- NHS partners
- Schools, colleges and universities
- Police, probation and youth offending
- Voluntary, community and social enterprise organisations
- Residents and communities
- Dorset and Wiltshire Fire and Rescue Service
- Regulators
- Housing associations
- Service providers
- Prisons
- Local Enterprise Partnership
- Town and parish councils
- Dorset Police



# Dorset Council's values, behaviours and principles

As we have come together to create a new organisation, we have defined our principles and values for our journey ahead. This is the focus of our transformation plan which will support us to achieve the council's priorities by 2024.

## Our values

- We are an advocate for Dorset on a local, national and global stage
- We work together with our communities and our partners to make things happen
- We put people first and design services around their needs now and in future
- We are open, accessible and accountable
- We use time and money wisely
- We value people and build on their strengths



## Our behaviours

Responsibility • Respect • Recognition • Collaboration

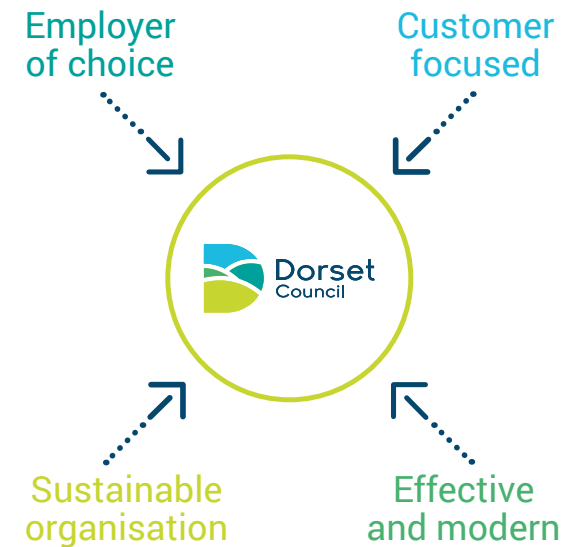
## Our equality objectives

- Fostering good relations with and within the community
- Developing and supporting a diverse workforce
- Developing, commissioning and delivering inclusive and responsive services

### Dorset Council is committed to:

A skilled and confident workforce which will be well trained, supported and enabled to take decisions and operate efficiently within a clear accountability structure. The behaviours, attitudes and approaches we take are key to our success.

## Our principles





**Dorset**  
Council



[dorsetcouncil.gov.uk](http://dorsetcouncil.gov.uk)



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## **Appendix 3**

### **People and Health Overview Committee**

#### **Extract of minutes of meeting held on Thursday 2 September 2021**

##### **62. Updated Dorset Council Plan**

The Committee considered a report which included the updated Council plan which reflected on the learning and changes as a result of the Covid-19 pandemic prior to it being presented to Cabinet on 5 October 2021.

Officers advised that there had been an informal meeting held at the end of July in order for members to look at priorities and for an opportunity to contribute to the Plan.

##### **Areas of discussion/questions**

An important part will be the synopsis of the Plan which is quite lengthy. Needs to be something easy for members of the public to read. A key point document would be prepared.

While some of the issues that the Council faced were included it was felt it did not address all the points. The Plan included comments and input from all directorates but officers were happy to look at any activity that was not currently reflected

Biggest issues facing Dorset Council was demographics.

Revisit wording in respect of ASB and crime

Skills to wage ratios highlighted

Prevention of scale not adequately reflected

Highlighted the need to keep our youth in the county to help support our older people.

#### **Extract of draft notes of informal meeting of the Place and Resources Overview Committee – 17 September 2021**

##### **Updated Dorset Council Plan**

The committee considered a report which set out proposed changes to the Dorset Council Plan to reflect learning and changes as a result of the Covid-19 Pandemic. An informal session of members of the council's two overview committees had been held and a draft updated plan produced following the discussions held.

The Place and Resources Overview Committee was invited to review the updated document and provide any further comments or suggestions before consideration at Cabinet on 5 October 2021.

Councillors considered the draft updated document and comments were made in the following areas:

- The importance of and links to the council's climate strategy and action plan had been recognised in the draft plan

- The name of the draft plan – the committee’s suggestion to Cabinet was that the plan should either remain as the Dorset Council Plan or change to the Dorset Council Corporate Plan
- There should be recognition of the status of the council in terms of area covered and population size
- How the plan would be reviewed in future and that it should be seen as a working document
- A suggestion was made that wording around the impact of retirement issues should be re-examined
- It was confirmed that infographics would be updated with latest data where available
- A suggestion was made that wording around high quality housing including affordable housing should be re-examined
- It was recognised that some additional detail requested would be available elsewhere and could be cross referenced to in the plan where appropriate
- How outcomes from the plan would be measured and links to the council’s performance management framework
- It was agreed to remove the names of particular areas of deprivation from the plan and instead provide a link to where the information was available.

The Chairman noted that the comments made at the meeting had been captured by officers to feed into the discussion to be held at Cabinet.

The Executive Director of Corporate Development confirmed that the points raised would be taken forward to Cabinet.

## Cabinet 5 October 2021 Dorset Skills Commission

### For Decision

**Portfolio Holders:** Cllr A Parry, Children, Education, Skills, and Early Help, and Cllr T Ferrari, Economic Growth, Assets and Property (joint leads)

**Local Councillor(s):** All Cllrs

**Executive Director:** John Sellgren, Executive Director of Place

Report Author: Jon Bird

Title: Interim Service Manager, Growth and Economic Regeneration

Tel: 01305 221895

Email: [jon.bird@dorsetcouncil.gov.uk](mailto:jon.bird@dorsetcouncil.gov.uk)

**Report Status:** Public

#### Recommendation:

- a) To create a Dorset Skills Commission between November 2021 and September 2022
- b) For this Commission to facilitate the skills delivery needed for an effective and at-pace response to a jobs-led approach to COVID-19 economic recovery across Dorset
- c) That the Commission undertakes a review into the Dorset skills landscape – with a particular consideration of the National Skills White Paper, producing a report that lays out a potential skills journey and opportunities/needs based on 10-, 20- and 30-years trajectories
- d) That the Commission works closely with the Dorset Skills Board and Panel to support immediate implementation of the wider skills priorities within the agreed Dorset Skills Plan and Dorset Investment Prospectus.
- e) That the Executive Director for Place, after consultation with the Cabinet member for Children, Education, Skills, and Early Help, and the Cabinet member for Economic Growth, Assets and Property be given delegated authority to agree with BCP Council and the Dorset LEP the governance structure and membership of the Board for inclusion in the Terms of Reference.



## **Reason for Recommendation:**

“Delivering sustainable economic growth, increasing productivity and the number of high-quality jobs in Dorset, creating great places to live, work and visit” is one of the five Corporate priorities in the Dorset Council Plan. People and Skills is one of the six foundations of the Dorset Council Economic Growth Strategy.

The establishment of a dedicated Commission will oversee an effective and at pace response to a jobs-led approach to COVID-19 economic recovery. It would also provide an objective and independent review of the future Dorset Skills landscape, helping to shape a world-class skills and learning infrastructure for all communities.

The Commission would report to the Council’s Cabinets and the Dorset LEP Board during September 2022.

### **1. Executive Summary**

The importance of a skilled labour market and the link between skills and social mobility has been recognised and embedded across all recent work associated with economic growth at Dorset Council and Dorset Local Enterprise Partnership (LEP): In addition to inclusion in the Dorset Council Plan and Economic Growth Strategy, Dorset Council has worked with the Dorset LEP Skills Advisory Panel and Board, including on the Dorset Skills Plan, focussing on providing the skills needed to meet demand, harness future growth opportunities, and attract and retain talent.

A critical focus for Dorset’s successful economic future is ensuring an increase in the availability of a local labour market, with the right skills. At the same time, it has to ensure that these people have the ability to live and move effectively across the region.

The ‘demographic crunch’ across our area (i.e. our rapidly ageing workforce) will put significant pressure on our skill base, social infrastructure and economic development potential. This represents one of the biggest challenges to our economic strategy and ambition, with many businesses struggling to recruit the key skills that enable them to meet demand, to innovate and to grow. This has been further exacerbated with the economic impacts of COVID-19.

Headlines from the wider-Dorset area economic evidence base show that, out of a total population of some 800k (of which 350k are of employment age):

- 25% of people working are due to retire in the next 10 years
- 24% of the working population are furloughed – with a high % risk of redundancy
- We have seen over 150% increase in claimant count (which rises to 190% for 16-24yr olds) – i.e. a high % of people have already experienced job loss.

The evidence base would lead us to infer the following ‘take-away’ points:



- The demographic impact in Dorset is leading to a critical replacement demand issue (i.e. those leaving the workforce to retire are relatively well-qualified/skilled – an equivalent workforce is not ready ‘in the wings’).
- Hard to fill vacancies are marked in Dorset.
- Skills levels fluctuate across the area – with the lowest skilled in areas of relative deprivation.
- Graduates and highly skilled people are leaving the area, with low numbers of those with equivalent skills coming into the area
- COVID-19 has created a significant exposure in key industries: *Hospitality & leisure, manufacturing, construction, arts/creative, tourism.*
- Dorset has a high % of people in self-employment - many of whom have been unable to access additional support in last 12 months.

We need to act now to address these issues and identify the most effective responses.

This report recommends the creation of a time-limited Dorset Skills Commission to oversee an ‘at pace’ response to critical skills issues across Dorset.

Draft Terms of Reference (see appendix) are appended to this report. In summary, we would seek high level business leadership of the Commission, by appointment – with an emphasis on independence and objectivity as well as an understanding of the skills agenda in Dorset, the UK and beyond. It should be led by a figurehead skills expert, preferably from outside Dorset, who can claim the national stage on Dorset’s behalf. The Commission will be established in November 2021, with a final report by 30 September 2022.

The Commission would report to both Councils and the Dorset LEP Board. It is envisaged that the Commission would focus on 3 tasks.

First, to oversee and help shape the most effective response to deal with the immediate implications on skills and learning (for those aged 16 and above) as a result of COVID-19 across Dorset. Whilst partners are already working on recovery and response activity, it is felt that a dedicated, high-level Commission would give added impetus and focus, helping to ‘cut through’ barriers to progress. At this stage, it is envisioned that focus will be on:

- Establishing demand-led rapid retraining/reskilling programmes (potentially targeting worst hit areas, sectors and groups, such as 16 to 24-year olds and the visitor economy).
- Unlocking bespoke support to the self-employed (e.g. local procurement, supply chain network growth, ‘buy local’ etc).
- Identifying support for business to achieve increased vacancy opportunities (e.g. Dorset co-ordination of Kickstart for micro and SMEs)
- Aligning local and national responses for ‘seamless’ approach with maximum impact.

Second, and the *primary* role for the Commission will be to oversee a review of the Dorset skills landscape, with a particular focus on responding to the Government’s

[Skills White Paper](#) and enabling a plan for the future economy (10- 20- and 30-years) based on the future skills needs to improve and accelerate the productivity values of the economy.

The White Paper notes the role of skills as “critical to our future success” noting *‘the impacts of the coronavirus pandemic, the commitment for net-zero by 2050 and to embrace the new opportunities that exiting the European Union brings’*. It also supports the delivery of the Prime Minister’s commitment to a “Lifetime Skills Guarantee”. It is anticipated that the Commission would also seek to identify optimum implementation arrangements, particularly for Further Education, as well as the opportunity to deliver a devolved Adult Skills budget for Dorset.

Finally, to ensure alignment and continuity, the Commission would be expected to work closely with the existing Dorset Skills Board and Panel to support, where appropriate, their implementation agenda across the Dorset Skills Plan and Dorset Investment Prospectus.

## **2. Financial Implications**

The cost of delivering the work of the Commission is estimated to be some £25,000. This includes remuneration for the Chair of the Commission, operating costs and production of final report material. Several organisations, including Arts University Bournemouth and Dorset LEP have expressed interest in sponsoring the Commission so the cost for each of the Councils is likely to be in the order of £5,000, plus officer time in support of the Commission. Actions arising will be delivered through a combination of committed resources, securing external funding and bids for additional funding as and when appropriate.

## **3. Health and Wellbeing Implications**

Health and wealth are closely related, with those on higher incomes having longer life expectancy and significantly longer healthy life expectancy than those on lower incomes. The Skills Commission is a key element in long term plans for better, more productive jobs for Dorset residents.

## **4. Climate implications**

The report acknowledges the commitment of the Council to the climate and ecological emergency. The Dorset Skills Plan and Investment Prospectus prioritises ‘green and blue skills’ which highlight the importance of skills needs and opportunities to support delivery of sustainable and clean growth, achieving progress towards a zero-carbon economy.

## **5. Other Implications**

The Dorset Skills Plan and Investment Prospectus also prioritises a focus on inclusive growth – with skills as a critical driver to ensure that all of the Dorset community benefit from an overall increase in prosperity and opportunity. Dorset

Council cannot achieve the ambitions of a drive to improve the skills and learning of all our communities by acting in isolation and will need the support and collaboration of a broad range of national and local partners, including the voluntary and community sectors.

## **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**

There are no immediate equalities impacts associated with the report. A full equalities impact assessment would be undertaken with any direct action as a result of delivering the recommendations in the report. As noted in section 4 above, 'inclusive growth' is at the heart of an effective skills and learning programme.

## **8. Appendices**

### **Appendix 1: Dorset Skills Commission – Terms of reference**

## **9. Background Papers**

Dorset Local Skills Report and Action Plan, Dorset Skills Advisory Panel and Board:

[Local Skills Report 2021 | Dorset LEP](#)

## Appendix 1: Dorset Skills Commission – Terms of reference

### 1. Purpose

- 1.1. **The Dorset Skills Commission** (referred to as the ‘Commission’ hereafter) will be established as a time-limited, high-level Board to oversee an effective and at pace response to achieve a jobs-led approach to COVID-19 economic recovery. It will also provide an objective and independent review of the future Dorset Skills landscape, helping to shape a *world-class* skills and learning infrastructure for all communities.
- 1.2. The Commission will bring together senior representatives from industry, education and public life. It will be led by research and an evidence base from industry and global academic research reports and local information. The Commission will ultimately report to the Cabinets of the Dorset Unitary Councils (Dorset and BCP) and the Dorset LEP Board.
- 1.3. The aims of the Commission are:
  - 1.3.1. To oversee an effective Dorset post-COVID skills and jobs ‘at pace’ response to a jobs-led approach to COVID-19 economic recovery across Dorset **response early 2022.**
  - 1.3.2. To undertake a review into the Dorset skills landscape – with a particular consideration of the National Skills White Paper producing a report that lays out a potential skills journey and opportunities/needs based on 10-, 20- and 30-years trajectories **To report findings by 30 September 2022.**
  - 1.3.3. To work closely with the Dorset Skills Board and Panel to support immediate implementation of the wider skills priorities within the Dorset Skills Plan and Dorset Investment Prospectus, and **to ensure an effective handover at the end of the Commission’s lifetime in 2022.**

### 2. Status

- 2.1. The Commission is established as an independent Board, ultimately reporting to the Cabinets of the Dorset Unitary Councils (Dorset and BCP) and the Dorset LEP Board.
- 2.2. All business of the Commission will be conducted in accordance with the Principles of Conduct in Public Life (see Appendix 1).

### 3. Commission membership and structure

- 3.1. The Commission membership is by appointment and drawn from senior and respected individuals from within and external to Dorset. Members have been

- chosen for their independence and objectivity, as well as understanding of the skills agenda in Dorset, the UK and beyond.
- 3.2. An agenda item of an early meeting will review and finalise the governance structure and membership.
  - 3.3. Where required the Commission may co-opt relevant specialists or organisational representatives to serve as members or advisors if there is a clear requirement for additional expertise and experience.
  - 3.4. A chair will be appointed jointly by the Dorset Unitary Councils and the Dorset LEP.

#### **4. Core focus**

- 4.1. To oversee an effective Dorset post-COVID skills and jobs 'at pace' response early in 2022. Work will be delivered by key agencies and organisations in Dorset – the role of the Commission is to:
  - 4.1.1. Ensure that activity is targeted for most impact.
  - 4.1.2. To unblock issues which are preventing pace or innovation in delivery
  - 4.1.3. To oversee performance of the Dorset-wide response
- 4.2. To undertake a review into the Dorset skills landscape – with a particular consideration of the recent National Skills White Paper – to identify an optimum solution for Dorset's current and future skills opportunities/needs based on 10-, 20- and 30-years trajectories. Core focus on the following:
  - 4.2.1. To assess the optimum solution for delivery of Further Education across Dorset
  - 4.2.2. Develop a strong dialogue with business and industry to future proof emerging markets and talent gaps
  - 4.2.3. To investigate and, potentially, to propose the most effective framework for negotiation of an Adult Skills Devolution Deal with Central Government
  - 4.2.4. To report findings by 30 September 2022
- 4.3. To work closely with the Dorset Skills Board and Panel to support immediate implementation of the wider skills priorities within the Dorset Skills Plan and Dorset Investment Prospectus.
  - 4.3.1. Ensuring alignment with the skills landscape review and local partner priorities as appropriate
  - 4.3.2. Ensuring alignment with the post-COVID response
  - 4.3.3. Offering advice and expertise to drive innovation and future-facing solutions for skills needs and opportunities over the next 10 years in Dorset.
  - 4.3.4. Undertake a comprehensive handover to the Dorset Skills Board and Panel at the end of the Commission's lifetime.

## **5. Representation and attendance**

- 5.1. Commission members are expected to attend not less than 75% of meetings.
- 5.2. Commission members are appointed for their individual expertise and insight – and rigorous approach to independence and objectivity.
- 5.3. Deputies shall not attend Commission meetings.

## **6. Decisions**

- 6.1. The Commission shall operate on the basis of consensus.
- 6.2. In the event that a consensus cannot be achieved on a matter requiring decision, that decision shall be taken by vote and carried if it is supported by over 50% of those present.
- 6.3. In the event of a tied decision, the Chair of the meeting will cast the deciding vote.
- 6.4. There should be a quorum of [TBC] members.
- 6.5. There will be no Written Procedure decisions.

## **7. Meetings and papers**

- 7.1. Commission meetings shall initially be held on a [TBC] basis. A calendar of future meetings and enquiry days will be established early in the Commission's time, although the minimum notice required for a meeting is two weeks, to ensure that all members are afforded the opportunity to attend.
- 7.2. The agenda and papers for meetings shall be approved by the Chair and issued at least five working days in advance of the meeting by the Secretariat (Dorset LEP).
- 7.3. Meeting minutes shall be approved in draft form by the Chair and disseminated to members no later than ten working days following the meeting. Minutes shall remain in draft until approval by the Commission at the next meeting.
- 7.4. Minutes shall be made publicly available on the Dorset LEP website. Minutes will be redacted were they contain personal information about individuals or commercially sensitive data or for good legal reason.

## **8. Conflicts of interest**

- 8.1. The Commission shall ensure that all conflicts of interest are fully disclosed.
- 8.2. The Secretariat shall maintain a Register of Members' Interests and publish these on the Dorset LEP website. Members shall supply information to the

Secretariat for inclusion in the register, or a nil return, on joining the Commission, in response to any request for an update and on becoming aware of any new interest. The Secretariat will circulate a request for information about interests annually.

- 8.3. Should a member's interests change, s/he shall inform the Secretariat at the earliest opportunity.
- 8.4. Should an issue be discussed by the Commission which presents a conflict of interest to a member, the member shall declare the conflict of interest, regardless of whether s/he has previously declared the interest in the Register of Members' Interests. Such declarations shall be minuted.
- 8.5. Members shall not vote or participate in discussions on any issues on which they have registered an interest

## **9. Review**

- 9.1. The Commission shall arrange for periodic reviews of its own performance and review its terms of reference to ensure it is operating at maximum effectiveness.

## **Appendix 1**

### **Principles of Conduct in Public Life**

#### **Selflessness**

Holders of public office should act solely in terms of the public interest.

#### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

#### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

#### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

#### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

#### **Honesty**

Holders of public office should be truthful.

#### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.



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