

# Notice of Cabinet meeting

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**Monday 20 June 2016 at 11.15am**

Please note the change in start time of the meeting

**Royal Hampshire Committee Room, Town Hall, Bournemouth**

**Cabinet Member**

Councillor John Beesley  
Councillor Nicola Greene

Councillor Blair Crawford  
Councillor Anne Filer  
Councillor Michael Filer  
Councillor Mike Greene  
Councillor Jane Kelly  
Councillor Robert Lawton  
Councillor David Smith  
Councillor Lawrence Williams

**Portfolio – area of responsibility**

Leader of the Council, Resources and Chair  
Deputy Leader of the Council, Education &  
Children's Services and Vice-Chair  
Adult Social Care  
Corporate Efficiency  
Cleansing and Waste  
Transport, Sustainability and Carbon Management  
Regeneration and Public Health  
Housing  
Planning and Environment  
Tourism, Leisure and the Arts

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**All Members of the Cabinet are summoned to attend this meeting to consider the items of business set out on the agenda at pages 3 - 4 below.**

**The Public, press and any Councillor are welcome to attend this meeting.**

For further information please contact: Karen Tompkins, Head of Democracy, Legal and Democratic, Town Hall, Bourne Avenue, Bournemouth BH2 6DY.  
Tel: 01202 451255 E-Mail: [karen.tompkins@bournemouth.gov.uk](mailto:karen.tompkins@bournemouth.gov.uk)

**Councillors' Call-in to Overview and Scrutiny Panels - The record of decisions made at this meeting will be published by Wednesday 22 June 2016. Councillors may require items set out in Section II of the record of decisions to be called-in to the relevant Overview and Scrutiny Panel.**

**The deadline for receiving call-in requests is 5pm on 29 June 2016.**

## **Public involvement**

The Council welcomes members of the public to contribute to the meeting:

- 1 by asking to speak on an agenda item or a community issue as a 'Deputation'; or
- 2 by asking a public question - any member of the public whose name appears on the Electoral Roll for Bournemouth - which includes a person under the age of 16 years living in Bournemouth and who is escorted by a qualifying adult; or
- 3 by presenting a petition in relation to items on the agenda.

A request to speak as a deputation, ask a question or present a petition must be sent in writing or email to Karen Tompkins at the address shown on page 1 by no later than 11.15am on Friday 17 June 2016.

Further information is available on the Council's web site:

<http://www.bournemouth.gov.uk/CouncilDemocratic/GetInvolvedHaveyoursay/PetitionsDeputations.aspx>

A hearing loop system is provided in the meeting room. There is disabled access to the building. Councillors and visitors with particular needs are advised to inform the Council before arriving at the meeting.

This agenda together with records of decisions and reports are available on the Council's web site at <http://www.bournemouth.gov.uk>

## **Audio recording and filming**

This meeting may be audio recorded by the Council for subsequent publication on the Council's Website. Anyone may audio record, film, take photographs and/or use social media such as tweeting and blogging when this meeting is open to the public. Anyone wishing to record this meeting in anyway must do so in accordance with Council Procedure Rule 108 and the Council's protocol for filming and audio recording at public meetings and the Public Notice on Filming and Recording Meetings which can be found using the following link:

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/FilmingCouncilMeetings.aspx>

If you have any queries regarding this please contact the Democratic Services Officer at the meeting.

# Agenda

## Items to be considered while the meeting is open to the public

### 1 Apologies

### 2 Declarations of interest

Members are asked to declare in accordance with Procedure Rule 5:

- a. any disclosable pecuniary interests in any item under consideration at the meeting as required by the Localism Act 2011;
- b. any memberships of outside bodies where such membership involves a position of control or significant influence on the organisation concerned;

Members are also asked to state fully the nature of the interest(s). If any member has a query regarding possible interests, please contact the Head of Democracy in advance of the meeting.

### 3 Confirmation of Minutes

To confirm the minutes of the Cabinet meeting held on Wednesday 25 May 2016, available to view on the Council's website at the following link:-

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteesPanels/Cabinet.aspx>

### 4 Public items

#### a Public Questions

The Head of Democracy will report on any public questions received by the notice deadline.

#### b Deputations

The Head of Democracy will report on any deputation requests received by the notice deadline.

#### c Petitions

The Head of Democracy will report on any petitions received by the notice deadline.

### 5 Council Tax Discounts and the Local Council Tax Reduction Scheme – circulated at 5.

- 6 **Finance Year End Outturn Report 2015/16** – circulated at 6.
- 7 **Replacement of the Case Management System used by Adults and Children’s Social Care** – circulated at 7.
- 8 **Member Champions 2016/17** – the Cabinet will be asked to consider the appointment of Member Champions for the period until May 2017 for the following:-
- Arts and Culture
  - Carers
  - Children and Young People
  - Green – Environmental
  - Equality and Diversity
  - Mental Health
  - Older People
  - Sport
- 9 **Changes to the Cabinet Forward Plan** – Cabinet is asked to note the latest changes to the Forward Plan as agreed by the Leader of the Council. The latest Forward Plan is available to view on the Council’s website at the following link:-
- <http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteesPanels/Cabinet.aspx>
- 10 **Any other business** - not being a key decision - of which notice has been received before the meeting and by reason of special circumstances, which shall be specified in the record of decisions, the Chair is of the opinion that the items should be considered as a matter of urgency.

# Cabinet

Report Subject	<b>Council Tax Discounts and the Local Council Tax Reduction Scheme</b>
Meeting date	20 June 2016
Cabinet Portfolio	Councillor John Beesley, Leader and Portfolio Holder for Resources.
Corporate Lead	Adam Richens s151 Officer
Service Director	Adam Richens Service Director Strategic Finance
Status	Public
Classification	For decision
Key Decision	Yes
Impacts on Key Policy Framework	Yes
Report author	Adam Richens ☎ 01202 451137 ✉ a.richens@poole.gov.uk
Executive summary	<p>In line with good operating practice, the Council has undertaken a review of;</p> <ul style="list-style-type: none"> <li>a) the single person Council Tax discount process, to ensure the Council is consistent with other Revenue and Benefit services such as the Stour Valley and Poole Partnership (SVPP). To this end, this report seeks Member approval for the introduction of financial (civil) penalties to deter Council Tax payers from incorrectly claiming the discount.</li> <li>b) the Council's Local Council Tax Reduction Scheme (Council Tax Benefit scheme), to ensure it maintains its consistency with the national Housing Benefit scheme and considers any refinements implemented by other local authorities locally.</li> <li>c) other Council Tax discounts, to ensure consistency with others operating both national and locally.</li> </ul> <p>Up to £554,000 could be generated from these proposals to support the Council's Medium Term Financial Plan (MTFP). This will support the Council in safeguarding priority services.</p> <p>It is proposed to use £50,000 of the extra resources generated to support the Empty Homes Strategy that Cabinet will be asked to consider in September.</p>

**Recommendations**

**Cabinet is recommended to approve that;**

***Single Person Discounts (paragraph 4 to 14)***

- 1. an annual risk-based review process be adopted for all Council Tax discounts, that incorporates data matching with Government agencies; and that every two years the Council commissions a formal Single Person discounts review from an external provider. (Proposal 1)**

***Local Council Tax Reduction Scheme (Council Tax Benefits) (paragraphs 15 to 42)***

- 2. the amendments to the Local Council Tax Reduction Scheme as set out in paragraphs 25 to 32 of this report be consulted upon ahead of proposed implementation from April 2017. A final report for decision to be brought to Council later in the year following this consultation. (Proposals 3 to 7)**

- 3. Members are asked to note that, under these proposals, the Council is continuing to choose to protect Council Tax Benefit Payments where applicants or their partners are in receipt of:**

- Disability Premium
- Enhanced Disability Premium
- Severe Disability Premium
- Disabled Child Premium
- Carer Premium
- Support component within the ESA
- War Disablement Pension
- War Widow Pension
- War Widows Disablement Pension

- 4. Delegated authority be given to the s151 Officer, in consultation with the Council Leader / Portfolio Holder for Resources, to vary the public consultation on the Local Council Tax Reduction scheme to accommodate any changes to the National Housing Benefit scheme. (Proposal 8)**

***Other Council Tax Discounts (paragraphs 43 to 51)***

- 5. A consultation be undertaken in regard to the proposals that from 1 April 2017 no Council Tax Discounts will be provided in respect of dwellings vacant for less than 2 years or properties undergoing major repairs or structural alterations. (Proposals 9 and 10)**

	<p><b>Cabinet is asked to recommend to Council that;</b></p> <p><b><i>Single Person Discounts</i></b></p> <p><b>6. where individuals do not comply with the Council by refusing to supply information, withholding or omitting information, or by making misrepresentations about their Council Tax, then financial penalties will be issued in accordance with established practice elsewhere, the law and regulations.</b> (Proposal 2)</p> <p><b>7. individuals will be given until 30 September 2016, by way of an amnesty period, to ensure their information is correct.</b></p>
<p>Reasons for recommendations</p>	<p>Council Tax operating policies and discounts should be reviewed regularly to ensure that they are accurate and up to date and adhere to the latest good practice.</p> <p>In regard to Single Person Discounts, the introduction of civil penalties should act as an incentive to ensure that Council Tax payers are proactive in notifying the Council promptly of relevant changes to their discount entitlement or other changes that may affect their Council Tax liability.</p> <p>The Local Council Tax Reduction Scheme (Council Tax Benefit scheme) has remained unaltered in Bournemouth since its introduction on 1 April 2013. Originally the scheme was consistent with the national Housing Benefit scheme. However this has evolved over time and therefore there is a need to consider amending the Council's scheme to re-establish this consistency. At the same time there is the opportunity to update the scheme to be more consistent with others locally. Any changes to the scheme require a formal consultation to enable the Council to understand the impact of the scheme more widely, before it can be recommended for implementation.</p> <p>Changes to other Council Tax discounts would provide both a further incentive to occupy properties and would again support consistency with other local authorities both nationally and locally.</p>

## Background detail

### Introduction

1. In the 2016/17 Local Government Finance Settlement, the Government set Bournemouth the challenge of managing a further £21m (37%) reduction in core funding in the period to April 2020. This comes at a time when demand for key services such as Adults and Children's Social Care and Housing Services continues to rise significantly.

2. In response, the Council has developed various work streams to address this challenge, including the review and benchmarking of potential revenues in the short term and a fundamental review of the structure of local government in Dorset over the medium to long term. Associated with both these issues is a process of reviewing financial and operating policies of the various Dorset Authorities, to better position the Councils in moving to a new configuration and to provide consistency in revenue streams.
3. This report considers a number of these financial and operating policies associated with Council Tax to determine Bournemouth's future operating policy.

### Single Person Discount

4. In Bournemouth, over one-third of properties (38%) are claiming a Single Person Discount. This is in line with the national average position.
5. Claimants can apply for a Council Tax discount by telephone, on-line, in writing, by email and by visiting the Revenue and Benefits Service. In some cases, discounts can be applied from information received on a benefit application. When applying for a discount, the claimant is advised that, in making a claim, they acknowledge that they must tell the Council about any changes and to not do so could result in a fine or legal proceedings. All forms and annual statements issued by the service advise claimants that incorrectly claiming a discount or failing to notify the Council of a change could result in legal action.
6. In line with good practice, Council Tax operating policies and discounts should be reviewed regularly to ensure that they are accurate and up to date and adhere to the latest good practice. **Proposal 1:** From 2016/17 onwards Bournemouth formally adopts the approach of an annual risk based review using extensive data-matching with Government agencies, and every two years commissions a formal Single Person Discount review by an external agency.
7. This external process would be on an outcome basis and it is wholly possible that the 2017/18 contract could be in partnership with the SVPP and potentially the WestWey Revenue and Benefit partnerships. For 2016/17 it is proposed that Bournemouth undertakes an exercise in isolation to harmonise timings with the other Revenue and Benefit partnerships in Dorset.

### Financial Implications - Single Person Discount

8. A 2015/16 Single Person Discount exercise across the SVPP resulted in 3.4% of cases being removed. Working with Kier, Bournemouth has already undertaken a bulk internal process so it is unlikely that such a review would yield a similar result. The following table sets out what the process would generate at a 3% or 4% removal level and at the 1% level being assumed for financial planning purposes. As the discount is removed with immediate effect and without any prior period adjustments, then such an exercise would have an impact in 2016/17, but to a lesser extent.

	Amount £
<b>Proposal 1 - 1% of cases removed</b>	<b>(91,000)</b>



## Proposal 2: Civil Penalty Charges

9. Although legislation exists allowing the Council to levy civil penalty charges for failure to disclose Council Tax information or for providing false information, Bournemouth Council has not to date enforced this legislation. The Council does have the ability to introduce civil penalties to act as a deterrent to customers committing fraud and help ensure Local Council Tax Reduction and Council Tax discounts are awarded correctly and without error. Such penalties would also act as an incentive to customers to promptly report changes to their circumstances and help reduce instances of where Council Tax discounts (e.g. Single Person Discount) are awarded where there is no longer an entitlement.
10. The ability to raise such penalties and the ability to help Councils tackle fraud and error in this manner is set out as part of;
  - a) Schedule 3 of the Local Government Finance Act 1992 which allows Councils to impose a civil penalty of £70 in those cases where a Council Tax payer fails without a reasonable excuse to supply information (*or negligently supplies incorrect information*) which affects their liability or entitlement to a discount. Where a penalty has been issued to a Council Tax payer and they are requested by the Council again to supply the same information under the same provisions, a further penalty of £280 may be issued if the Council Tax payer fails to supply the information or they knowingly supply information which is materially inaccurate. The civil penalty would be added to the Council Tax bill and recovered in the same way as any Council Tax liability.
  - b) The Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013 which allows councils to issue a civil penalty of £70 in those cases where a claimant fails to supply information (*or negligently supplies incorrect information*) which results in a Council Tax Support (Local Council Tax Reduction) overpayment if the claimant has failed to take reasonable steps to correct their error; the civil penalty would be added to the Council Tax bill and recovered in the same way as any Council Tax liability.
11. The introduction of a civil penalty scheme would clearly act as a deterrent to anybody committing fraud as well as an incentive to them promptly informing the Council about changes which affect their Council Tax.
12. Appeals processes exist for claimants and Council Tax payers who contest the receipt of a penalty. A penalty issued by a council may as a consequence be cancelled. It is proposed that the power to determine appeals should be delegated to the Council's service lead officer for Revenues & Benefits. A Council Taxpayer also has the right to appeal against a penalty to the Valuation Tribunal.

## Financial Implications of Civil Penalty Charges

13. The costs of implementing a civil penalty scheme would be minor and met from within existing budget provisions. Introduction of this scheme would generate new revenue as indicated in the table below.

	<b>Amount £</b>
Proposed introduction of Civil Penalty charges on Council Tax where taxpayers do not respond to a request for information.	(44,000)
<b>Proposal 2 – Civil Penalty Charges - Total</b>	<b>(44,000)</b>

### **Equalities Impact Needs Assessment (EINA) of Civil Penalty Charges**

14. In administering the scheme, allowance (discretion) would be given in those cases where an individual's circumstances (such as health, age etc.) have clearly affected their ability to provide accurate information.

### **Local Council Tax Reduction Scheme (LCTRS)**

15. From April 2013 Government devolved responsibility for Council Tax Benefit from Whitehall to 326 individual local authorities. At the same time the budget was reduced by 10%. Nationally this equated to a £414m reduction; locally it equated to a £2.2m cut for Bournemouth.
16. Using the reduced money available, local authorities were required to design, consult upon and implement their own local scheme to replace the previous national system. However, despite the 10% cut in the total funding, the Government required local authorities to protect claimants of pension age (approximately 42% of the claimants). In addition, the Council decided to protect the most vulnerable.
17. Taken together, this means that the following groups have been and will continue to be **protected** in respect of the Bournemouth scheme;
- (A) Council Tax Benefit claimants of pension age. The Government's view is that they cannot go back to work and they deserve dignity and security in retirement.
- (B) The Council has chosen to protect Council Tax Benefit claimants from the liability restrictions where the applicant or partner is in receipt of any of the following;
- Disability Premium
  - Enhanced Disability Premium
  - Severe Disability Premium
  - Disabled Child Premium
  - Carer Premium
  - Support component within the ESA
  - War Disablement Pension
  - War Widow Pension
  - War Widows Disablement Pension

18. In 2012, in preparation for the new arrangement, Bournemouth undertook extensive consultation on a Local Council Tax Reduction Scheme for implementation from April 2013 onwards. One of the key principles of this scheme was that every working age claimant would have to pay something towards their Council Tax. However, the Government's protection of the elderly and the local protection of the vulnerable meant that the cost of the funding reductions under the Scheme would fall disproportionately on working age claimants. Therefore, the Council consulted upon a Scheme based on an 80% maximum reduction of Council Tax liability which would require working age claimants having to pay a minimum contribution of 20%.
19. During the 2012 consultation period the Government issued details of a one-off transitional grant which was conditional on the local authority implementing a 91.5% net Council Tax liability scheme (claimants pay no more than 8.5% of the net Council Tax liability). The majority of other Dorset Local Authorities took this funding opportunity. Bournemouth decided not to accept the grant in recognition that:
  - a) The public consultation results showed respondents did not want the cost of the Scheme to be met by cuts to other services or a general increase in Council Tax.
  - b) It would impact on the Council's ability to provide targeted financial help to residents who are in need.
  - c) Its acceptance would put an immediate and ongoing pressure on the Council's Medium Term Financial Plan (MTFP).
  - d) The grant was just a one-off and therefore not sustainable.
  - e) It would have an adverse impact on the budgets of the Police and Fire Authorities.
  - f) There was a strong possibility of further reductions year on year in the funding transferred from the Government. The funding transferred forms part of the Revenue Support Grant and Business Rates retention formula that makes up the Council's Annual Settlement Funding Assessment from the Government.
20. This approach has proved beneficial to the Council and to residents, especially when it is considered that Bournemouth is unlikely to receive any Revenue Support Grant after 2020/21.
21. Since April 2013 the Bournemouth Scheme has remain unchanged. In contrast and by way of example, the scheme in Poole has changed to reflect their lower starting point, the fact that the transitional grant they accepted was for one year only and to reflect latest good practice. This means that the headline unprotected claimant, contribution rates in Dorset for 2016/17 are set as follows:

Council	LCTSS Rate 2013/14	LCTSS Rate 2014/15	LCTSS Rate 2015/16	LCTSS Rate 2016/17
Bournemouth	20%	20%	20%	20%
Poole	8.5%	8.5%	14%	20%
Weymouth & Portland	8.5%	8.5%	8.5%	8.5%
East Dorset	8.5%	8.5%	8.5%	8.5%
West Dorset	8.5%	8.5%	8.5%	8.5%
North Dorset	8.5%	8.5%	8.5%	8.5%
Christchurch	8.5%	8.5%	8.5%	8.5%
Purbeck	8%	8%	8%	8%

22. Generally, the District Councils have been reluctant to change their rates on the basis that they bear the additional costs associated with consultation and collection whereas the majority of any financial gain is attributed to the County Council.
23. Dorset County Council has recently started work with the Stour Valley and Poole Partnership (SVPP) and the Westwey Revenue and Benefit Partnerships on potential revisions to their schemes for 2017/18 onwards, with a view to implementing the 20% minimum contribution in due course. This is on the assumption that the County Council will provide upfront and ongoing funding to recognise the administrative cost which falls to the District Councils.
24. In headline minimum contribution rates, Poole and Bournemouth schemes are now directly comparable. However, Bournemouth's scheme has not evolved to reflect the changes made by the Government to national Housing Benefit Regulations which would ensure consistency between the two and reduce any confusion for the claimant. Making these changes from April 2017 onwards has protected Bournemouth claimants for the first year of their potential implementation. At the same time there are a number of other changes which have been made by other local authorities which it is proposed to be incorporated within the Bournemouth scheme.
25. **Proposal 3:** Removal of the Family Premium for new claims made on or after 1 April 2017.
- The Family Premium which is currently included in the calculation of an "Applicable Amount" would be withdrawn for all new working age claims from 1 April 2017 or for any existing claimants who become parents or become responsible for a child or young person (under 20) for the first time on or after 1 April 2017. This will reduce the "Applicable Amount" by £17.45 per week (current amount) and ensure consistency with the national Housing Benefit system.*
26. **Proposal 4:** Backdating to be reduced to a maximum of one month.
- Backdating for all claims will be limited to a maximum of one month for everyone of working age from 1 April 2017 (from the current maximum of six months). Backdating is*

*where a request made in writing to the Benefits Service, and the person can show they had continuous good cause for their failure to make a claim at the relevant time.*

27. The above two proposals are the changes that were made to the national Housing Benefit system from April 2016 following their announcement as part of the Chancellor's Summer 2015 Budget proposals.

28. Proposals 3 & 4 are being introduced now as there was insufficient time to undertake a proper consultation from the date the changes were announced to when they would have need to be agreed by Council for a April 2016 implementation. Other local authorities were already consulting on other changes to their schemes so were able to amend their consultation to incorporate these further proposed changes.

29. **Proposal 5:** Scheme cap at Council Tax Band C (claimants in bands above C will receive support at Council Tax band C level).

*The Council Tax Support would be calculated for working age claimants at the contribution level set for the Council Tax liability, unless they live in a property in Band D or above where the Council Tax Support would be calculated using the contribution level set for a Band C charge. This means that the maximum Council Tax Support paid would be the Band C Council Tax less the minimum contribution.*

30. **Proposal 6:** Minimum weekly payment 50p

*Where a working age claimant's entitlement to Council Tax support is less than 50 pence per week the support would not be paid, making the entitlement "nil". It is difficult to justify the administrative cost of very small amounts.*

31. **Proposal 7:** No second adult rebate for working age (second adult rebate applies if the claimant has reached the state pension credit qualifying age).

*The rebate would be withdrawn to "second adults" who are resident where otherwise the Council Tax payer would be entitled to a Single Person Discount if there were only one adult resident. This rebate is currently awarded when the claimant has a second adult living in their home who is on Pension Credit, Income Support, Income based Job Seekers Allowance or Income related Employment and Support Allowance or has a low income. The Council Tax Support is calculated using the second adult's "gross income".*

32. **Proposal 8:** Other changes to align with Government Benefit changes.

*To reflect Government amendments to the national Housing Benefit and Universal Credit arrangements which may need to be reflected in the scheme criteria. There are a number of proposals under consideration by Government that remain to be confirmed and which would need to be consulted upon if they were going to be adopted in the 2017/18 scheme. Examples of those currently under discussion include restricting the applicable amount to 2 children; to end extended payments or to assume that self employed earn the national living wage.*

It is recommended that delegated authority is given to the s151 Officer in consultation with the Council Leader / Portfolio Holder for Resources to vary the public consultation on

the Local Council Tax Reduction scheme to accommodate any of the changes to the National Housing Benefit scheme.

33. It is proposed that Bournemouth undertakes a proportionate consultation on these proposals so that Council can formally consider the proposals in December 2016 for implementation in 2017/18 which is the first opportunity for their adoption.
34. Additionally, as the proposal impacts on the arrangements for the recovery of the total Council Tax levied within Bournemouth, then prior to public consultation, the Council is required to consult the Major Preceptors (Dorset Police and the Dorset and Wiltshire Fire Authority) and to publish a draft scheme in such a manner as it thinks fit.

### Financial Implications - Local Council Tax Reduction Scheme

35. The financial modelling that has been completed is based on the estimated Council Tax Support expenditure for 2017/18 without a Council Tax increase and without any uprating of "applicable amounts" and incomes etc., other than were explicitly part of the proposal. It also reflects the current profile of claimants between those who are working age unprotected claimants, protected pensioners and those locally protected vulnerable people.
36. The modelling shows that the following amounts would be generated by the proposed changes;

	<b>Amount £</b>
<b>Proposal 3:</b> Removal of the Family Premium	(63,000)
<b>Proposal 4:</b> Backdating reduced to 1 month	(35,000)
<b>Proposal 5:</b> Scheme cap at Band C.	(90,000)
<b>Proposal 6:</b> Minimum weekly payment 50p a week.	(224)
<b>Proposal 7:</b> No second Adult Rebate	0
<b>Proposal 8:</b> Other changes to reflect Housing Benefit and Universal Credit Government policy.	To be confirmed
<b>Total</b>	<b>(188,224)</b>

37. The one-off consultation costs of approximately £6,500 would be met from within the service's 2016/17 budget.
38. These changes would not have an impact on the Local Council Tax Reduction Scheme Hardship Fund under which the Council set aside £250,000 to support any claimant who met the criteria for further support. The balance remaining on this fund for 2016/17 onwards is £155,000.

### Equalities Impact Needs Assessment (ENIA) of LCTRS changes

39. The equality implications were fully considered as part of the implementation of the original scheme in 2012 and were set out as part of the report to Council on 16 January 2013.

40. The Department of Communities and Local Government (DCLG) has also undertaken a full equalities impact assessment on the principle of localising support for Council Tax which was previously published on their website.
41. The Local Government Association has undertaken an assessment of the cumulative impacts and mitigations of all welfare reforms which was published on their website.
42. Further consideration to the equalities impact will be considered as part of the consultation process.

### **Council Tax Discounts**

43. Under the Local Government Finance Act 2012 Councils were given flexibility around the Council Tax on second homes, empty dwellings and other technical changes. This included replacing certain previous exemption classes with discounts, the amount of which would be for the billing authority to determine.
44. Bournemouth adopted an original position in a Cabinet report to Council on 11 December 2012 which was further amended by Council on 20 January 2015.
45. To ensure consistency with other local authorities and to provide an incentive to landlords to ensure properties are occupied it is proposed to further change these discounts.
46. No consultation is required in respect of these changes, however, they do need to be approved by Council before the start of the financial year and incorporated within the Council's annual tax base calculation. The earliest any changes to Council Tax discounts could be implemented is from 1 April 2017 onwards. It is proposed however that Bournemouth undertakes a proportionate consultation on proposals 9 and 10 below.
47. **Proposal 9** - 0% discount for properties undergoing major repairs for up to 12 months.  
*Currently the Council gives a discount of 50% up to 12 months or for 6 months upon completion.*
48. **Proposal 10** - 0% discount for dwellings that are unoccupied and substantially unfurnished.  
*Currently the Council gives a 100% discount for 1 month then no discount thereafter.*
49. Members should note that these proposals do not change;
  - a) the current 50% premium for long term empty properties (two years or more).
  - b) Other classes of Council Tax exemption including;

**Class E** – An unoccupied dwelling where the liable person resides permanently in a hospital, hostel, nursing home or care home.

**Class F** – A property which has been unoccupied since the death of a person who was either the owner or leaseholder. This exemption will last for as long as the property remains unoccupied but only for a maximum of six months after grant of probate or letters of administration has been made.

**Class I** – An unoccupied dwelling where the liable person is now living elsewhere for purposes of receiving care by reason of old age, disablement, illness, past or present alcohol dependency, mental disorder and is not a resident in a hospital, hostel, nursing home or care home.

### Financial Implications - Council Tax Discounts

50. The financial modelling that has been completed is based on the estimated position for 2017/18 without a Council Tax increase.
51. The modelling shows that the following amounts would be generated by the proposed changes;

	Amount £
<b>Proposal 9:</b> 0% discount for properties undergoing major repair for up to 12 months.	(77,000)
<b>Proposal 10:</b> 0% discount for dwellings that are unoccupied and substantially unfurnished.	(194,000)
<b>Total</b>	<b>(271,000)</b>

### Financial Implications – Summary

52. The table below summarises the financial implications of the various proposals introduced by this report.

	Amount £
Single Person Discounts	(91,000)
Civil Penalties	(44,000)
Local Council Tax Reduction Scheme	(188,224)
Council Tax discounts	(271,000)
<b>Sub Total</b>	<b>(594,224)</b>
Administration / cost of collection costs	40,000
<b>Total</b>	<b>(554,224)</b>



53. In order to implement the proposed changes outlined to both the Local Council Tax Reduction Scheme (summarised paragraph 36) and Council Tax Discounts above (paragraph 51) the Council would need to set aside an estimated £40,000 to support the additional collection costs that would be incurred in the Revenue and Benefits service.

### **Equalities Impact Needs Assessment (ENIA) of Council Tax Discounts**

54. In line with the original report to Members it is not considered that changes to these discounts will affect the protected groups any differently to those who are not in a protected group.
55. DCLG has undertaken a full equalities impact assessment on the technical reforms to Council Tax which was previously published on their website.

### **Consultation**

56. A proportionate consultation to the changes to the Local Council Tax Reduction Scheme (Council Tax Support) would need to be undertaken prior to consideration by Cabinet and Council later in 2016.
57. The other changes in this report do not require any formal consultation.

### **Alternatives options considered and rejected**

58. The alternative option would be to implement no changes however this would mean that no additional financial resources are generated and our operating policies would continue to be different to our neighbouring authorities.

### **Summary of finance and resourcing implications**

59. The financing and resourcing implications are set out in the body of this report.

### **Summary of legal implications**

60. As referenced in the body of the report.

### **Summary of human resources implications**

61. Human resource implications are outlined in the financial implications sections of each of the referenced sections.

### **Summary of environmental impact**

62. None

## Summary of risk assessment

63. This report and the actions outlined within it will form part of the mitigation strategy associated with the following financial risks identified in the Council's Strategic Risk Register;
- a. Inability to deliver Council statutory services due to insufficient resource funding – pressure on resources in the current economic climate and cuts in public sector funding render strategy inoperable (**Ref: CR10**).
  - b. Future of local government in Bournemouth, Poole and Dorset – the recommendations of this report will provide for a more seamless transition to alternative local government structures.

## Background papers

Report to Cabinet 20 November 2012 and Council on 11 December 2012 – Council Tax Reform (Report 6a – Council Tax Discounts Exemptions)

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2012/11/20/Cabinet20-Nov-2012.aspx>

Report to Cabinet 16 January 2013 and Council 22 January 2013 - Implementing the Government's Local Council Tax Reduction Scheme (Agenda Item 6e)

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteeMeetings/Cabinet/2013/01/16/Cabinet16-Jan-2013.aspx>

Local Government Association “ The local impacts of welfare reforms” 12 August 2013

<http://www.local.gov.uk/publications>

Report to Council 20 January 2015 – Council Tax – Determination of 2015/16 Tax Base and NNDR1 Submission – Appendix 3

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteeMeetings/Council/2015/01/20/Council20-Jan-2015.aspx>

# Cabinet

6

Report Subject	<b>Finance Year End Outturn Report 2015/16</b>
Meeting date	20 June 2016
Cabinet Portfolio	Cllr John Beesley, Leader of the Council and Portfolio Holder for Resources
Corporate Lead	Adam Richens, S151 Officer
Service Director	Adam Richens, Service Director, Strategic Finance
Status	Public
Classification	For decision
Key Decision	Yes
Impacts on Key Policy Framework	Yes
Report author	Shaun Darcy, Assistant Chief Finance Officer ☎ 01202 451395 ✉ shaun.darcy@bournemouth.gov.uk
Executive summary	<p>The purpose of this paper is to report the year-end financial outturn of the Council for 2015/16. The report sets out:</p> <ol style="list-style-type: none"><li>1 the General Fund Revenue Outturn for 2015/16;</li><li>2 the Capital Programme Outturn for 2015/16;</li><li>3 the proposed allocation of the surplus generated in 2015/16;</li><li>4 the year-end reprofiling of capital schemes for 2015/16 to be considered and approved by Council;</li><li>5 the Housing Revenue Account Outturn for 2015/16;</li><li>6 Treasury Management activity and performance in 2015/16;</li><li>7 the movement on reserves during 2015/16 and closing year-end position;</li></ol>

<p><b>Recommendations</b></p>	<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> <li>1 approve that the remaining unallocated surplus for the year of £1,004k be allocated as set out in paragraph 35;</li> <li>2 approve those capital schemes that are being reprofiled with a value of more than £500k but less than £1M as set out in paragraphs 43-45.</li> <li>3 request that the s151 Officer undertakes a fundamental review of the current earmarked and un-earmarked reserves to determine the extent to which resources can be released to support the delivery of the Council's priorities.</li> </ol> <p>It is recommended that Cabinet note:</p> <ol style="list-style-type: none"> <li>4 the year-end outturn position achieved during 2015/16 for all revenue and capital purposes;</li> <li>5 the Housing Revenue Account year-end outturn position as set out in paragraphs 36 to 37;</li> <li>6 the closing position for the Council's Capital programme as set out in paragraphs 38 to 39;</li> <li>7 the closing position for the Council's reserves as set out in paragraphs 48 to 62.</li> <li>8 the Treasury Management performance during the year as set out in paragraph 63;</li> </ol> <p>It is recommended that Cabinet recommend to Council:</p> <ol style="list-style-type: none"> <li>9 that Council approve the year end reprofiling of capital schemes as set out in paragraphs 41 and 46;</li> </ol>
<p>Reasons for recommendations</p>	<p>To comply with accounting codes of practice and best practice Councils are required to report the end of year financial position of the authority.</p>

## General Fund - Revenue Position

- 1 A key component of the Council's Financial Strategy and reinforced through the Corporate Plan Priority Outcome Targets is to achieve a minimum net nil position or better on outturn each year. Despite the loss of funding from Government and increasing demands and pressures on services an overall positive outturn position of £1,330m has been achieved in 2015/16.
- 2 Council agreed on 23rd February 2016 to reallocate £326k of this to fund support Council priorities such as further funding for the Road Rescue Fund, additional provision for the Economic Development team to drive

development in Bournemouth and further growth in the Digital Economy. The recommendations for the remaining balance of £1,004k is set out from paragraph 35 of this report.

- 3 Table 1 summarises the outturn when compared with the adjusted budget for 2015/16
- 4 Unearmarked Reserves have reduced from £10.4m at the start of the 2015/16 financial year to £8.5m as at 31st March 2016. This enabled the Council to support service delivery and to meet its challenging savings targets by creating and utilising where needed the central revenue contingency.
- 5 Earmarked Reserves have reduced from £33.8m at the start of the financial year to £24.3m as at the 31st March 2016. This was partly due to applying resources in line with the reason for them having been earmarked and partly as per the agreed changes in line with the 2016/17 Budget Report.

**Table 1 Summary Outturn for 2015/16**

	<b>Actual Outturn</b>	<b>Working Budget</b>	<b>Variance</b>
<b><u>Service Budgets</u></b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Adult Social Care	52,362	52,362	(0)
Children & Young People	12,149	12,220	(72)
Children's Social Care	27,898	28,065	(166)
Community Learning & Commissioning	14,801	15,278	(477)
Strategic Finance	5,426	5,458	(32)
Legal & Democratic	2,063	2,093	(30)
Customer	251	277	(26)
Corporate and Commercial	394	421	(27)
Housing, Parks & Bereavement	7,166	7,229	(63)
Environment & Regeneration Services	26,796	25,072	1,724
Planning, Transport & Regulation	13,136	12,575	562
Tourism & Corporate Communications	5,247	5,042	205
Executive Board	156	197	(42)
<b>Service Budget Total</b>	<b>167,846</b>	<b>166,289</b>	<b>1,558</b>
<b><u>Corporate Budgets</u></b>			
Interest	649	444	205
Corporate Contingency	0	1,738	(1,738)
Use of Reserves	(5,072)	(6,098)	1,026
Other Corporate Items	(30,901)	(28,973)	(1,928)
New Homes Bonus	(4,207)	(4,208)	1
Education Services Grant	(919)	(668)	(252)
<b>Corporate Budgets Total</b>	<b>(40,450)</b>	<b>(37,764)</b>	<b>(2,686)</b>
<b>General Fund Total</b>	<b>127,396</b>	<b>128,525</b>	<b>(1,129)</b>
Council Tax Freeze Grant 15/16	(857)	(850)	(7)
Revenue Support Grant	(25,475)	(25,252)	(223)
Council Tax Income	(74,103)	(74,103)	0
NNDR Income	(30,197)	(30,226)	29
Collection Fund Surplus / Deficit	1,906	1,906	(0)
	<b>(1,330)</b>	<b>0</b>	<b>(1,330)</b>
Allocated Underspend as per February Council	<b>326</b>	<b>0</b>	<b>326</b>
<b>Residual Net Position</b>	<b>(1,004)</b>	<b>0</b>	<b>(1,004)</b>

- 6 The outturn surplus has been achieved despite significant service pressures and on-going increasing demand for key statutory services within Adults' and Children's services as well significant cost pressures experienced in Environment and Regeneration service. Over many of these pressures the Council has little control or discretion. The Council has long recognised these pressures and made one-off additional budget allocations to Children's Social Care of £3.2m and £1.9m to Adult Social Care. In other service areas reduced income generation has been a significant issue, particularly for parking, planning and building services, along with weather dependent tourism, concessionary bus fares and other services and the impact of inflation on the cost of services.

### **Children's Social Care – (£166k) Underspend**

- 7 The previous forecast to Cabinet on 27 April showed a surplus of £150k for Children's Social Care (CSC). In addition to this there was a request to be considered as part of this final outturn report to place £300k in an earmarked reserve that has previously been established for CSC specific pressures in future years such as Intentionally Homeless costs, Remand Beds, 'staying put' cases where children can remain in the care of the local authority beyond aged 18, and Section 20 cases where the authority may become liable to pay costs as directed by the courts arising from historic Children's Social Care cases.
- 8 Children's Social Care actual year end spend was £666k less than budget, and a request is therefore made to set aside £500k in the ring fenced reserve for the pressures highlighted above, a £200k increase. This would leave an underspend position of £166k.
- 9 The increased underspend is as a result of the continued close monitoring and cost saving of the Looked After Children (LAC) external budget and the associated reduction in numbers of high cost LAC placements, expansion of the in-house fostering provision and an overall reduction in LAC numbers experienced compared to 2014/15. In addition, there have been further reductions in the use of agency staff.

### **Community Learning and Commissioning – (£477k) Underspend**

- 10 The previous forecast to Cabinet on 27 April showed a balanced outturn for Community Learning and Commissioning. However due to early achievement of savings primarily from Housing Related Support a request was put forward for consideration as part of this final outturn report, to place £500k into an earmarked reserve to offset pressures in 2016/17.
- 11 It is now felt appropriate to release the final outturn of (£477k) underspend, with the proposal that permanent corporate contingency funds are used to mitigate against these base budget service pressures, specifically the inflationary pressure on adult care fees.

## **Planning, Transport and Regulation – £562k Overspend**

- 12 February's budget monitoring reported a £950k overspend. The car parking and income strategy were subject to a comprehensive review during 2015/16, including on-street, car park and permit charges. Additional income has been achieved in year, albeit less than budgeted (£300k pressure) due to the timing of implementation. This positive impact has in part been outweighed by increased costs including rates for some car parks and additional investment in Richmond Gardens Multi Storey Car Park. £200k from historic and in year savings have not been directly allocated to services but have been collectively offset by specific positive variances in Planning and Regulatory services.
- 13 Planning has a positive budget outturn of £180k. Expenditure savings and a few major schemes within the borough have improved the challenging income targets, as volumes remain similar. In addition, demand led regulation services incurred lower staffing and testing costs resulting in a £120k saving. A restructure within the service has created an unbudgeted pressure of £100k in the final quarter of the year.
- 14 Statutory demand led transportation planning activity has contributed to a pressure of £270k within Traffic Services and this budget has therefore been amended for 2016/17.
- 15 The risk associated with the increasing costs of uncontrollable demand led concessionary bus fares remained throughout 2015/16. Fortunately a final quarter similar to 2014/15 did not materialise which meant the prudent adverse forecast (10%) was overstated. The outturn has been positively impacted by the proportion of expenditure attributed to capital schemes being more than originally anticipated.

## **Environment and Regeneration – £1,724k Overspend**

- 16 This is £390k higher than previously reported in February's 2016 budget monitoring report. Significant cost pressures have been encountered in waste collection in terms of collection costs and increased waste disposal volumes of £1m. The cost of disposal for certain waste streams, including recyclable materials is £1.1m higher than budgeted due to a volatile materials market and the delay in establishing a local material recycling facility (MRF) with Dorset Waste Partnership.
- 17 Cleansing Services have experienced additional demand and in responding to this general service delivery has created a £400k pressure. Furthermore, a number of items which were risk assessed and included within Corporate Contingency have now materialised, such as inflationary pressures in highway materials and waste contracts. Given this evidence they have consequently been partially offset by earmarked corporate contingency, which totals £435k.
- 18 Improved income generation and cost cutting within the property services (£225k) and highways, particularly street lighting (£450k) have mitigated a proportion of the overspend.



- 19 The Service Director for Environment is continuing to review all service expenditure and other potential savings to mitigate these ongoing pressures in 2016/17.

### **Tourism and Corporate Communications – £205k Overspend**

- 20 February's budget monitoring reported a shortfall of £450k against the year's higher budget targets. Income levels continued to improve to the end of the financial year due to improvements made by the service's operational provisions, including the Pier Arcade and a review of charges. However, the income targets for some seafront activities proved to be unattainable in the absence of the good weather that would have been necessary to generate higher than average footfall on the Seafront. Although the Service again exceeded the year on year income levels it was not able to reach the income targets attributed to the Waterfront site (£50k) and beach huts (£50k), land trains (£27k) as well as some established seafront activities (£78k).

### **Interest – £205k Overspend**

- 21 In the current national and global economic environment, it is increasingly difficult to achieve similar returns on investments to those achieved in previous years. The net interest position for 2015/16 is an under achievement of £205k.
- 22 The vast majority of this was caused by investment interest received being down by £170k against budget. The budget for investment income set in February 2015 was based on the assumption that an average 1% return would be achieved within 2015/16. The current position on interest rates is unprecedented and there was every expectation by market experts that interest rates would gradually rise from Quarter 4 in 2015. However the projection has been pushed back to at least Quarter 4 2016.

### **Corporate Contingency – (£1,738k) Underspend**

- 23 Following the application of £3.1m of the original £4.8m Corporate Contingency during the financial year to fund various pressures within the services, £1,738k remains unapplied and is available to support the overall revenue outturn position.

### **Other Corporate Items – (£1,928k) Underspend**

- 24 The Bournemouth Development Company (BDC), the delivery partner for the Town Centre Vision, recently announced the provisional closing accounts for the Citrus Building development. The profit distribution is on a 50:50 split and it is estimated that the Council's share is £1.250m against a budget of £650k.
- 25 The Council received monies in year from HMRC for VAT reclaims totalling £405k and additional Local Services Support Grant income of £49k.
- 26 Other corporate pressures that had been built into Corporate items to support additional service costs were not required creating a further £606k

underspend within this area. There was also £268k of income generated from reviewing the Balance Sheet items and releasing monies to the General Fund.

## Education Services Grant – (£252k) Underspend

- 27 Additional Education Services Grant income of £252k was received over and above what had been budgeted for at the start of the financial year due to the timing of schools converting to academies.

## Retained Business Rates - £29k Overspend

- 28 The Business Rates Retention (BRR) scheme was introduced in April 2013. The Council is able to keep a proportion of business rates, as well as any growth generated, within the local area. Conversely any decline in Business Rates revenue levels reduces the income received by the Council.
- 29 The outturn for the Business Rates was marginally better than originally budgeted for, with the Net Rate Yield higher by £348k. However the intricacies of the system mean that any gains cannot be realised until 2017/18. The impact of achieving growth beyond the baseline which the Government sets, is that a levy payment has to be made. Due to the way the BRR system works, levy payments have to be made in the financial year to which they relate, which means £160k levy was due against a £131k budget.
- 30 The table below provides a summary of the NNDR outturn for 2015/16.

	Outturn 2015/16	Budget 2015/16	Variance	
	£'000	£'000	£'000	
Net Rate Yield (after deducting reliefs, cost of collection and appeals)	66,239	66,239	0	Gross rates growth and small reduction in reliefs (mirrored by reduction in section 31 grant below)
Retained by Bournemouth (before tariff/levy)	32,457	32,457	0	BBC retain initial 49% of net rate income collected before further reductions
Tariff to Central Government	(4,416)	(4,416)	0	Fixed Deduction to Central Government
Levy to Central Government	(160)	(131)	29	Reduction calculated against excess collected over base funding level.
Section 31 Grant	2,316	2,316	0	S31 Grant compensates councils for extended doubling of SBRR and Autumn Statement reliefs. Take up of the latter has been less than estimated.
<b>Retained Business Rates net of tariff &amp; levy</b>	<b>30,197</b>	<b>30,226</b>	<b>29</b>	
Estimated Collection Fund Deficit (NNDR) Payment	(2,495)	(2,495)	0	Deficit Payment in 2015/16 stands as £2.5m as payment in 2014/15 did not appreciate the full impact of backdated appeals.
<b>Retained Rates and Section 31 Grant</b>	<b>27,702</b>	<b>27,731</b>	<b>29</b>	

- 31 Going forward, Business Rates will become a more crucial source of income as Revenue Support Grant ceases and the authority is allowed to retain 100% of business rates. The government are currently working on how the business rates system will operate in 2019/20 with a strong likelihood that additional responsibilities will fall on Local Government in return for retention of all business rates collected. It is therefore imperative that the Council do as much as possible to boost the local economy and grow the number of businesses in the local area.

### **Allocation of Surplus Funding**

- 32 The £326k surplus reported to Cabinet on 10th February 2016 was subsequently agreed by Special Council on 23rd February 2016 to support some of the Council's important priorities such as further funding for the Road Rescue Fund, additional provision for the Economic Development team to drive development in Bournemouth and further growth in the Digital Economy.
- 33 Special Council also agreed that £81k could be set aside for the Local Improvement Fund if the outturn position improved by more than this. As the outturn position has improved, this action has been taken.
- 34 It has also been agreed that the Council would fund the contribution towards the Linwood School project from 2015/16 in year resources. Therefore, as part of this outturn position a £780k revenue contribution to capital has been made to finance the Council's commitment to this scheme.
- 35 It is recommended that the remaining surplus balance of £1,004k for the 2015/16 financial year is allocated as follows:
- a £504k allocation to the MTFP Revenue Contingency as mitigation should any of the £15.2m of planned savings and efficiencies for 2016/17 not be delivered.
  - b £500k set aside as mitigation to support works at East Cliff for any necessary clearance and making the area safe in addition to any reinstatements and stabilisation work not covered by insurance.

### **Housing Revenue Account (HRA) - £271k Underspend**

- 36 The HRA made a £271k surplus for 2015/16. During the year a contribution of £3.5m to the New Build reserve was processed for the future provision of affordable housing in the Borough.
- 37 The variations from the budget for the year can be summarised as follows:
- a Higher than budgeted rental income due to 50 new houses being rented out from the beginning of the financial year.
  - b Overspend on maintenance due to significantly higher cost of the repairs to void properties and level of responsive works. This inevitable overspend was successfully managed by bringing efficiencies in other parts of the service.
  - c Recharges expenditure were lower than budgeted which is in line with reduction to corporate costs.

- d Additional funds were transferred into New Build Reserve to ensure continuity of the New Build programme.

	<b>Revised Budget</b>	<b>Actuals</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Income</u></b>			
Rental Income	(22,571)	(23,235)	(664)
Maintenance Income	(339)	(202)	137
Service Charges	(67)	(68)	(1)
Other Income	(565)	(523)	43
Service Recharges Income	(749)	(831)	(82)
Photovoltaic Income	(640)	(725)	(85)
<b>Total Income</b>	<b>(24,932)</b>	<b>(25,584)</b>	<b>(652)</b>
<b><u>Expenditure</u></b>			
Director of Housing	182	139	(43)
Housing Management	3,128	2,787	(341)
Housing Maintenance	4,153	5,138	985
Housing Technical	1,632	1,573	(58)
Service Overheads	360	356	(4)
Housing development	194	172	(22)
Photovoltaic Maintenance	76	31	(45)
Central Recharges	939	777	(162)
Service Recharges	685	452	(233)
Depreciation	8,121	8,135	14
<b>Total Expenditure</b>	<b>19,470</b>	<b>19,559</b>	<b>90</b>
<b>Net Position</b>	<b>(5,463)</b>	<b>(6,025)</b>	<b>(562)</b>
Transfers to reserves & other Adjustments	5,463	5,754	291
<b>Total (Surplus)/Deficit</b>	<b>0</b>	<b>(271)</b>	<b>(271)</b>

## Capital

- 38 The Council operated a rolling Capital Programme through 2015/16, and the allocated budget as at 31 March 2016 was £63.2m made up of £50m relating to the General Fund and £13.2m to the Housing Revenue Account.
- 39 The Council spent £41.9m on General Fund capital schemes during 2015/16 against the approved programme representing 84% of approved

resources which is the highest percentage achieved for several years. This is in-line with general trends as capital programmes span more than one financial year. The Housing Revenue Account capital schemes spent £10.5m against the approved programme that represents 79% of the approved resources. Given the significant nature and size of some of these schemes, particularly those involving the building of new affordable homes, a greater degree of resource transfer between years should be anticipated. This is summarised in the table below:

<b><u>Programmed Expenditure</u></b>	<b>2015/16 Outturn £000's</b>	<b>2015/16 Re-profile into 2016/17 £000's</b>
Adults' and Children's Services – General Fund	15,785	1,100
Environment and Economic Services – General Fund	21,838	5,883
Finance – General Fund	4,242	530
<b>Total – General Fund</b>	<b>41,865</b>	<b>7,537</b>
Housing Revenue Account	10,510	2,724
<b>Total Capital Programme</b>	<b>52,375</b>	<b>10,261</b>

- 40 The Council's Financial Regulations require that adjustments to re-profile scheme expenditure budgets over £1m between years must be noted by Cabinet and reported to Council. In 2015/16 there was one scheme which met these criteria as summarised below: -

<b><u>Scheme</u></b>	<b>Re-Profile Amount (£'000)</b>
St Peter's School Expansion	(1,324)

- 41 During 2015/16 St Peter's School Expansion had been mostly re-profiled into 2016/17 due to the revised school scheme requirements and re-engineering of the delivery within a revised capital budget. Work has subsequently progressed sooner than expected so there is now a requirement to re-profile £1.3m back into 2015/16 to fund the expenditure to date.

- 42 The Council's Financial Regulations require that adjustments to re-profile scheme expenditure budgets between years over £500k and up to £1m must be approved by Cabinet. In 2015/16 there were three schemes which met these criteria as summarised below:-

<b>Scheme</b>	<b>Re-Profile Amount (£'000)</b>
Nortoft Road – Summerwood Main Scheme	648
ICT Infrastrucutre Modernisation	717
Coastal Protection	987

- 43 The Nortoft Road, Summerwood Main Scheme, is in progress but due to significant revisions to the work to be undertaken within the scheme and the increased funding requirement as approved by EGB in November 2015 it is now expected that this scheme will be completed in August 2016 based on the £648k slippage being spent in the early part of 2016/17.
- 44 The ICT Infrastructure Modernisation has experienced several delays to its programme mainly due to the in-sourcing of Kier services to the Council. It is envisaged that the programme will progress well in 2016/17 and will fully deliver the required improvements for the Council and to aid and improve service delivery and efficiencies.
- 45 The Coastal Protection scheme has been successful and the majority of the programme has been delivered to budget. Slippage of £987k will be re-profiled into 2016/17 to support the on-going beach and groyne recovery and repairs programme.
- 46 In addition to the three schemes above there is now a revised procurement process for the Strategic Waste Facility meaning that the contract is planned to be awarded in 2016/17 with the building works starting in 2017/18. As such it is recommended to re-profile £13.65m planned expenditure from 2016/17 into 2017/18.
- 47 The revised capital programme 2016-2019 is summarised in Appendix A.

## Reserves

- 48 The overall change in the Council's Unearmarked Reserves position as a consequence of the proposals within this report are set out below: -

<b>Unearmarked Reserves Position 2016/17</b>	<b>£'000</b>
Closing Balance 31 March 2015	<b>10,433</b>
<u>Commitments from Medium Term Financial Plan 2015/16</u>	
Reduce Unearmarked Reserves to support the General Fund	(4,340)
Local Improvement Fund	(81)
<b>Sub-Total</b>	<b>6,012</b>
<u>Allocations approved during 2015/16 year</u>	
Draw Down of CFI reserve	13,500
Balance Sheet Review Items	160
Entrepreneurial Endeavour - Investment Funding	(1,000)
Clear balance on Borrow to Invest Reserve	(2,596)
Collection Fund Council Tax Surplus - repaid 2016/17	(2,500)
Redundancy & Reorganisation Reserve	(3,000)
Set up MTFP Revenue Contingency Reserve	(2,000)
Wheels Festival Funding 16/17 - less draw down during 16/17	(59)
<b>Unearmarked Reserves Position 31 March 2016</b>	<b>8,517</b>

- 49 During the year services have contributed to/withdrawn from Earmarked Reserves as part of the management of the budget. Variations from planned reserve transactions will have contributed to the overall variance for services. A full analysis is shown in Appendix B.
- 50 The balance on General Fund Earmarked Reserves as at the 31 March 2015 was £8.5m taking account of the recommended allocations as detailed in this report. The overall Earmarked Reserves position can be found at Appendix B to this report.
- 51 Community Finance Initiative Reserve – The decision by Cabinet in June 2015 regarding the proposed delivery option for the Community Finance Initiative enabled £13.5m set aside to capitalise the initiative to be released back to Unearmarked Reserves.
- 52 Entrepreneurial Endeavour Reserve - The Council has previously set aside £0.75m as investment funding to pump prime and underwrite costs in developing commercial opportunities. Given the need to respond to the emerging in year pressure and the action required to begin putting in place proposals to address the 2016/17 budget, the S151 Officer set aside a

further £1m from Unearmarked Reserves to the fund to support this activity. The funding will be used to ensure resource is available to address the inevitable changes that the Council will need to make to service delivery, back office arrangements and service structure reviews including the in-sourcing of Kier services.

- 53 Insurance Reserves – A reduction of £1m in insurance reserves was agreed in February 2015 as part of the scrutiny and reallocation of reserves.
- 54 Borrow to Invest Reserve – This was set up to forward fund projects and programmes which would subsequently refund the investment via savings and efficiencies. The current approach to addressing the MTFP gap is for the actual pooling of savings across the Council rather than for them to be directed toward separate and specific funds. It was agreed by Cabinet in November 2015 that £2.6m would fund this reserve from Unearmarked Reserves and in doing so release current and future savings to the Corporate core for MTFP gap mitigation.
- 55 Equal Pay Back Reserve - A reduction of £564k in Equal Pay Reserve reserves was agreed on 23 February 2016 as part of reallocation of reserves. A further £293k has been used to offset equal pay settlements during 2015/16.
- 56 Community Action Fund and the Recession Fund Reserve residual balances have already been earmarked to spend in 2016/17.
- 57 Redundancy and Reorganisation Reserve – In 2015/16 there has been a call of £1,261k from the reserve to fund redundancy costs. The reserve was topped up by £700k as agreed on 23 February 2016 as part of the reallocation of reserves. An additional £3m was agreed in Budget Monitoring as at 30 September 2015 presented to Cabinet on 11 November 2015 to meet potential redundancies resulting from Core Service Transformation within services.
- 58 MTFP Revenue Contingency – Throughout 2015/16 budget monitoring reports it has been highlighted the level of financial uncertainty that currently exists in a number of service areas and the impact these uncertainties have when they materialise. Accurate forecasting and indeed control of significant budget fluctuations is becoming an ever increasing challenge. The need to mitigate the ongoing funding gap is placing an increasing reliance on issues such as partner funding, the weather, recycle market buoyancy and service demand control, all of which are difficult to control and forecast. The 2015/16 budget included an unallocated contingency which has been used to fund in year pressures. The use of contingency does allow some smoothing to these pressures and it was agreed by Council on 23 February 2016 that £2m would be set aside to offset pressures which materialise during 2016/17.
- 59 Workforce Development Reserve - A reserve has been set up to account for the apprenticeship costs and future training needs of the organisation.
- 60 Local Improvement Fund – An additional £81k has been allocated to ensure that the Local Improvement Fund can continue during 2016/17.



- 61 Progress in respect of the utilisation of these resources will be closely monitored during 2016/17. As part of the formal annual review of these resources during the budget planning cycle, the relevant Senior Responsible Officers will be required to determine the extent to which these resources might further contribute to the identified gap in the Council's Medium Term Financial Plan.
- 62 The s151 Officer will undertake a fundamental review of the current earmarked and un-earmarked reserves to determine the extent to which resources can be released to support the delivery of the Council's priorities. This will be presented to Cabinet in Autumn 2016.

### **Treasury Management**

- 63 A detailed report of the treasury management performance for 2015/16 will be presented to Audit and Governance Committee on 27 July 2016.

### **Financial Implications**

- 64 Financial implications are as outlined within the report.

### **Legal Implications**

- 65 It is a legal requirement of the Council to monitor its budgets during the financial year, take remedial action if necessary and to produce a statutory set of annual accounts within the prescribed deadlines.

### **Risk Management Implications**

- 66 The effective management of the Council's Budget is a fundamental to the good governance of the organisation. Failure to monitor and manage the finances of the organisation affects the financial health and wellbeing of the Council. Without addressing these financial pressures the Council will not be able to develop a sustainable Medium Term Financial Plan and will not be able to effectively invest in its service priorities as identified in the Council's Corporate Plan.
- 67 Actual performance in 2015/16 suggests a number of key risk issues that will need to be kept under close review and the appropriate mitigation taken as needed during 2016/17, principally:
- a sustained pressures on key areas of service, largely being driven by increased demand for services and/or from reduced income earnings. This is particularly true in areas such as Adults' and Children's Social Care;
  - b change in legislation leading to alternative ways of delivering services and the imposition of new unfunded responsibilities, or changes to cost/income that can be achieved;
  - c the potential impact on service budgets in delivering services during rapid change and transformation and the role of corporate funding resources in helping to manage service transition.
- 68 This report and the outlined actions will form part of the mitigation strategy associated with the following financial risks identified in the Council's Strategic Risk Register: -

- a failure to respond to the needs arising from a changing demography – pressure on resources in the current economic climate and cuts in public sector funding; changes in birth and death rates; key legislative changes affecting benefits or schools; transfer of public health function to local authorities. **(Ref: CR01)**
- b failure to respond effectively to the changing national policy agenda within the local context of the town – changes in financing and cuts in public sector funding; changes in central government policy including devolving more responsibility to local government; differences between central government and local government priorities. **(Ref: CR03)**
- c failure to deliver Council ambitions – pressure on resources in the current economic climate and cuts in public sector funding; changes in central government policy including devolving more responsibility to local government; differences between central government and local government priorities; pressure from local demographics, other partners e.g. changes to health service; impact of the on-going recession. **(Ref: CR05)**
- d failure to positively manage the Council’s leadership role in the development of the local economy – current economic context and trends including impact on capital receipts; cuts in public sector funding; impact of the recession including increased demand for services; ability of services to meet demand; sustainability of voluntary sector; impact of welfare reform. **(Ref: CR09)**
- e failure to manage the finances of the organisation effectively – pressure on resources in the current economic climate and cuts in public sector funding render strategy inoperable; misalignment of budgets and priorities; failure to achieve expected capital receipts and/or variations in trading income. **(Ref: CR12)**

## **Equalities Impact Needs Assessment (EINA)**

69 Any variations to budgets require Officers to be mindful of the equality implications within the Borough. Individual Budget Holders will consider and address these implications in line with their service specific equality impact assessments.

## **Appendices**

**Appendix A** – Capital Outturn and Capital Variances over £100k

**Appendix B** – Council Reserves Statement as at 31 March 2016

## **Background papers**

Budget Monitoring Report to 28 February 2015 – Cabinet 27 April 2016 -[Reports Pack](#)

Medium Term Financial Plan and Budget Report approved at Council on 23 February 2016 – [Reports Pack](#)

**Capital Programme 2015/16 to 2018/19**



<b>General Fund</b>	<b>Outturn 2015/16 £'000</b>	<b>Planned Programme 2016/17 £'000</b>	<b>Planned Programme 2017/18 £'000</b>	<b>Planned Programme 2018/19 £'000</b>	<b>Total 2016/17 - 2018/19 £'000</b>
Adult Social Care	375	1,125	2,731	0	3,856
Children's Social Care	87	175	0	0	175
Children & Young People	132	106	0	0	106
<b>Communities Learning &amp; Commissioning Service</b>					
Christ the King RC Primary - Refurbishment	2,064	166	0	0	166
Jewell Academy	30	0	0	0	0
Avonwood Primary - new primary provision	6,234	170	0	0	170
Winton Primary - Additional School Places	1,574	112	0	0	112
St Peter's	4,087	5,606	0	0	5,606
The Bishop of Winchester Academy: Main Scheme	1	275	0	0	275
The Bourne Academy - Main Scheme	0	146	0	0	146
Linwood Post 16 Training Provision	268	649	0	0	649
Linwood School Improvements	24	1,356	0	0	1,356
Libraries	134	221	0	0	221
Other Communities Learning & Commissioning Service	775	870	0	0	870
ICT Infrastructure Modernisation	1,167	3,060	0	0	3,060
Social Mobile and Connected World	62	538	0	0	538
Inward Investment	19	1,056	737	0	1,793
Asset Investment Fund	1,338	2,900	2,900	2,900	8,700
Housing Company properties (HMO's/Homeless)	0	3,900	3,900	3,900	11,700
Other Corporate and Commercial	348	165	0	0	165
Strategic Finance	209	69	0	0	69
Customer Digital by Default	1,087	1,199	0	0	1,199
Other Customer	12	0	0	0	0
Facilities Management	806	859	734	669	2,262
BH Live Client	956	2,645	1,606	1,556	5,807
Heathlands Mitigation	54	569	0	0	569
Building Maintenance	539	160	0	0	160
Other Housing Landlord & Parks	1,351	1,770	791	700	3,261
<b>Environment</b>					
Big Bin Little Bin enhancement project	395	0	0	0	0
Strategic Waste Facility Project	28	0	13,763	0	13,763
Millhams CA - Drainage improvements	57	1,443	0	0	1,443
Street Lighting - Replacement	1,240	275	0	0	275
Coast Protection & Beach Management	4,913	5,087	2,032	2,075	9,194
<b>Development</b>					
The Next Stop - Better Bus Area Fund	420	0	0	0	0
LTP Schemes - Integrated Transport	4,804	1,716	1,716	1,731	5,163
LTP Schemes - Maintenance	1,826	1,694	1,291	1,169	4,154
Wessex Fields Link	0	565	565	2,350	3,480
Other Development	1,707	336	0	0	336
<b>Tourism</b>					
Seafront Strategy	2,307	1,791	0	0	1,791
Other Tourism	435	1,149	0	0	1,149
<b>Total Planned Expenditure - General Fund</b>	<b>41,865</b>	<b>43,923</b>	<b>32,766</b>	<b>17,050</b>	<b>93,739</b>
<b>Housing Revenue Account</b>					
	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>2017/18 £'000</b>	<b>2018/19 £'000</b>	<b>Total £'000</b>
Basic Planned Maintenance Programme	7,917	7,151	8,389	9,119	24,659
New Build Development	2,593	12,215	2,870	2,942	18,027
<b>Total Planned Expenditure - Housing Revenue Account</b>	<b>10,510</b>	<b>19,366</b>	<b>11,259</b>	<b>12,061</b>	<b>42,686</b>

**APPENDIX B - RESERVE BALANCES FOR 31 MARCH 2016**

	Balance as at 31 March 2015	Transfer to Reserve	Transfer (from) Reserve	Balance as at 31 March 2016
	£	£	£	£
General Fund (un-earmarked)	10,433,385	4,822,344	(6,739,149)	8,516,579
Community Finance Initiative Reserve	14,789,878	0	(14,789,878)	0
Revenue Grants Unspent Reserves	6,565,548	6,360,474	(5,662,963)	7,263,059
Insurance Reserves	5,308,769	447	(1,000,000)	4,309,216
Equal Pay Back Pay Reserve	1,496,893	0	(857,187)	639,707
Libraries - PFI Interest Reserve	1,317,187	124,061	(371,428)	1,069,820
Repairs and Improvements	772,874	363,741	(37,799)	1,098,817
Renewal Funds	547,839	61,100	(230,100)	378,839
Entrepreneurial Endeavour - Investment Funding	624,212	930,000	(351,330)	1,202,882
Welfare Reform Reserve	518,000	0	(468,000)	50,000
PFI - Equipment Replacement Reserve	267,623	0	(36,170)	231,454
Graves Maintenance	398,581	0	0	398,581
ASD at Springwood Reserve	305,818	0	0	305,818
Managing Change Fund	286,875	0	0	286,875
Boscombe Regeneration Reserve	204,000	0	(50,000)	154,000
Mercury Abatement Reserve	111,140	0	0	111,140
Local Improvement Fund	775	91,263	(3,500)	88,538
Town Hall Generator Reserve	65,805	0	(65,805)	0
Redundancy and Reorganisation Reserve	1,149,483	3,700,000	(1,261,174)	3,588,309
Western Challenge Maintenance	50,927	10,000	0	60,927
Procurement Reserve	23,040	0	(23,040)	0
Energy Efficiency Fund	13,884	57,886	(65,380)	6,390
ICT Project Reserve	4,808	0	(4,808)	0
Community Action Plan Reserve	64,833	0	(45,316)	19,517
BCHA 43 Hawkwood Road Maintenance	39,211	45,000	0	84,211
Recession Fund Reserve	64,344	2,500	(34,984)	31,860
Third Sector Grants Reserve	9,810	500,000	(500,000)	9,810
Carbon Trust - Local Authority	(110,000)	110,000	(110,000)	(110,000)
Borrow to Invest Scheme	(2,596,656)	2,596,656	0	0
Waterfront Reserve	250,000	0	(250,000)	0
Better Together Funding Reserve	861,523	0	(701,250)	160,273
Local Infrastructure Reserve	396,568	0	(219,453)	177,116
MTFP Revenue Contingency	0	2,000,000	0	2,000,000
Workforce Development Reserve	0	163,470	0	163,470
Children Social Care Pressures Reserve	0	500,000	0	500,000
<b>Earmarked Reserves excluding Schools, HRA &amp; Capital</b>	<b>33,803,594</b>	<b>17,616,598</b>	<b>(27,139,564)</b>	<b>24,280,628</b>
<b>Total Reserves excluding Schools, HRA &amp; Capital</b>	<b>44,236,979</b>	<b>22,438,942</b>	<b>(33,878,714)</b>	<b>32,797,208</b>
General Fund Capital Reserves	41,285,474	52,228,293	(62,349,949)	31,163,817
HRA Reserves	7,636,734	7,507,589	(5,400,783)	9,743,540
HRA Capital Reserves	9,992,196	11,863,562	(9,156,228)	12,699,531
Schools Balances	3,229,678	358,179	(116,109)	3,471,748
<b>Total Reserves</b>	<b>106,381,062</b>	<b>94,396,565</b>	<b>(110,901,783)</b>	<b>89,875,843</b>

# CABINET

7

<b>Report Subject</b>	<b>Replacement of the Case Management System used by Adults &amp; Children's Social Care</b>
<b>Meeting date</b>	20 <sup>th</sup> June 2016
<b>Cabinet Portfolio</b>	Councillor Blair Crawford, Portfolio Holder for Adult Social Care Councillor Nicola Greene, Portfolio Holder for Education & Children's Services
<b>Corporate Lead</b>	Jane Portman, Executive Director – Adults & Children Deputy Chief Executive
<b>Service Director</b>	Neil Goddard Service Director Community Learning & Commissioning
<b>Status</b>	Public
<b>Classification</b>	For decision
<b>Key Decision</b>	Yes
<b>Impacts on Key Policy Framework</b>	No
<b>Report author</b>	Neil Goddard Service Director Community Learning & Commissioning  01202 456136  neil.goddard@bournemouth.gov.uk
<b>Executive summary</b>	<p>The case management system used by the Council's Social Care staff is now end of life and no further enhancements are planned by the supplier in response to legislative changes or national initiatives. In order to meet new challenges and continue to be supported the Council has, in partnership with Dorset County Council, gone through a comprehensive procurement exercise to choose a replacement case management system.</p> <p>The new system will support the Council's priorities to help children and young people to achieve their potential; to help to improve older people's quality of life; and to improve health and wellbeing and reduce health inequalities for residents. It will also further strengthen our safeguarding agenda, reducing the risk of harm to the most vulnerable in our community.</p> <p>Advances in recent years means that the new case management system will also greatly improve mobile</p>

	working, management reporting and information sharing with partners, whilst enabling the Council to capture information more efficiently.
<b>Recommendations</b>	<b>That Cabinet recommend to full Council that the replacement of the existing Integrated Case Management System proceed based on the outcome of the procurement exercise undertaken jointly with Dorset County Council.</b>
<b>Reasons for recommendations</b>	<p>The contract for the current system, 'RAISE', will expire in 2017 and it is imperative that the Council's Adults and Children's Services have a replacement, fit for purpose, case management system in order to meet the Council's statutory obligations going forward.</p> <p>The new case management system will</p> <ul style="list-style-type: none"> <li>a. Improve the ability to provide services in line with statutory obligations, local priorities and national initiatives.</li> <li>b. Ensure information capture is more efficient for better management reporting.</li> <li>c. improve mobile working</li> <li>d. improve information sharing with partners to further enhance safeguarding</li> <li>e. realise efficiencies/benefits</li> </ul>

## Background detail

- 1 The Adults & Children's Directorate's current case management system, RAISE, is now end of life and no further major version upgrades are planned by the supplier. This means that there are a number of statutory and other national initiatives that the case management system is unable to comply with, necessitating significant additional development work for the Council. For example, the Council has expended considerable time, money & effort in order to comply with Zero Based Review, Care Act and NHS Numbers and it's now looking at workarounds for sharing Child Protection Information.
- 2 The contract that provides hosting, support & maintenance for RAISE was due to end in April 2017 but following negotiations with the supplier, this has recently been extended to the end of December 2017, with a final extension option of an additional 4 months, potentially taking the Council up to the end of April 2018. It will not, however, be possible to extend any further than this as the Council is one of a very small and dwindling number of authorities still using the system.

- 3 Until the Council replaces its current system, it will find it increasingly difficult to continue to meet its future statutory obligations and to properly protect all of its vulnerable adults and children from serious incident. A new system will enable rapid progression in many of the areas that the Council has fallen behind with, such as true mobile working and fully integrated online portals, potentially creating efficiencies within the Council's services, which are currently unable to be realised.
- 4 It is essential to start work on the project as early as possible; there have already been a number of delays to the procurement phase, partly due to competing system related projects - Dorset Care Record, Youth Offending, and Common Assessment Framework - that often required many of the same staff resources, but also due to a number of procurement related challenges. In addition, replacing the existing case management system is very complex and wide reaching; based on the experience of suppliers and other authorities, it's generally considered that the implementation phase of such a project is around eighteen months.
- 5 As the project progresses, preparation for future challenges needs to be an integral part of all aspects of the work. New legislation along with other governmental changes, such as NHS England's Five Year Forward View 2014 – 2019 and the Informatics Services Commissioning Group's Technology and Information Strategy, are continually placing additional demands on services. The new integrated case management system will play a significant part in enabling services to absorb such changes, with minimal adverse impact on budgets and staff resources.

<sup>1</sup> **NHS England's Five Year Forward View** outlines the need to close the care and quality gap proposing that, "...unless we reshape care delivery, harness technology, and drive down variations in quality and safety of care, then patients' changing needs will go unmet, people will be harmed who should have been cured, and unacceptable variations in outcomes will persist." [NHS England 5yfv](#)

- 6 The key benefits of implementing the preferred, integrated Adults & Children's case management system are:
  - a. A fully supported and reliable case management system to enable the Council to continue to protect its most vulnerable Children & Adults into the future
  - b. A case management system fully compliant with all statutory requirements and national initiatives, such as the Care Act and Child Protection Information Sharing - CP-IS.
  - c. A case management system that incorporates both mobile and offline technologies, allowing far greater flexibility in relation to mobile working and more effective service provision across many areas of the Adults & Children's directorate.
  - d. Fully integrated web portals giving carefully controlled access to clients, professionals and providers, saving time in accessing and

recording information and greatly reducing the need to re-key information multiple times.

- e. Integration, via application program interfaces, with other Council and partner agency systems allowing easier and faster access to key information. This will have a positive impact on safeguarding for both Adults & Children and should reduce the need for people to keep explaining their story to multiple practitioners, due to fragmented and incomplete information being available.
- f. A single database for Adults, Children and Finance allowing seamless transition from child to adult without the need to re-enter all the information and improved management of financial elements relating to packages of care and services. A single view of the family will also give practitioners vital additional information, which is currently difficult and time consuming to gather.
- g. Improved access to client information leading to more effective use of practitioner time and hence the opportunity for increased contact time with clients, particularly beneficial in Children's Services. This would also support more effective decision making, resulting in the right services delivered to the right people at the right time and a reduction in risk to both practitioners and service users.
- h. Regular upgrade regime, which should lead to a significant improvement in response to both local and national changes as well as faster resolution of outstanding issues. This will allow more proactive support and improvements to be made, increasing staff confidence in the system and raising staff morale.
- i. A modern system with significantly less duplicate entry, improved user interface and more automation, reducing the time staff spend completing ICT tasks and paperwork. This will increase the efficiency of front line staff dramatically and allowing them to spend more time with clients.
- j. For the first time, information for the service user will be held in one central place reducing the amount of time staff spend searching for information and ensuring they have access to the right information at the right time. The system will allow staff to do their job with as much seamless flow of information as possible. Staff will be able to record information accurately and consistently against a person to create a holistic view of a client's social work care pathway. As a result it is expected that repeat visits will be reduced and that more time could then be spent with clients, potentially with care plans being agreed at an earlier stage and via a mobile device.
- k. Furthermore, with the Dorset Care Record –DCR- procurement currently in progress the replacement system will form part of the on-going interoperability opportunity which will enable service users' records to be shared across health and social care systems so that



service users only tell their story once. Funding arrangements for the Dorset Care Record will be considered by the Executive Gateway Board and reported to Cabinet at a future meeting.

## Consultation

- 7 Consultation with the following has taken place:
  - a. Administration and Resources Overview and Scrutiny Panel, 24th March 2015. See Background Papers for further details.
  - b. Executive Gateway Board, 19th May 2016. See Background Papers for further details.
  - c. Portfolio Holder for Adult Social Care
  - d. Portfolio Holder for Education & Childrens Social Care

## Options

### **8 Option 1: Implement an Integrated Adults, Children's & Finance Case Management System (CMS) as chosen via the joint procurement with Dorset County Council – Preferred Option**

- 9 This is the preferred option because:
  - a. The current iCMS used by the Council is life expired and will no longer be supported by the provider.
  - b. The procurement process that has been followed, jointly with Dorset County Council, rigorously reviewed the alternative products and assessed these against the Councils needs.
  - c. A new generation of iCMS products are now available that support new ways of working such as mobile access, system integration and joint working.
  - d. The selected provider is the same supplier as for the education system which offers new opportunities for integration.

### **10 Option 2: Do nothing and keep the existing Case Management System**

- 11 Not recommended - This would be an extremely high risk option for the Council and would lead it down a path of increasing difficulty in meeting its statutory obligations. At the same time an environment of frustration and low morale would persist amongst practitioners and the probability of a serious safeguarding incident due to lack of information would increase.

## Summary of finance and resourcing implications

- 12 The total implementation cost of the new system, over a 24 month period, is £3.641m, which includes a 10% contingency.
- 13 Following the successful implementation there will be an ongoing revenue cost of both hosting and managing the system. The total estimated cost of this is £596k however we already have some budget available to cover this - based on the current system hosting, etc - so the actual shortfall of ongoing revenue funding is £218k.
- 14 Implementation costs and ongoing revenue costs

The table below shows a breakdown of both implementation and annual ongoing costs. Please note that some optional components that have been included in the calculations below are still being explored; should any of these optional components not be implemented then there may possibly be a nominal reduction in some of the costs shown. All staff resource amounts include 30% on costs. Current annual costs funded within revenue base budget, shown in the table below, don't include Systems Support resources that were transferred from Adults & Children's as part of the Council's partnership with Mouchel. With services now being brought back in house, this could potentially reduce the shortfall in ongoing revenue funding.

Description	Comments	Implementation Cost	Annual Ongoing Cost
Software Licensing	All Modules	£724,453	
Supplier Resource	Supplier Implementation	£301,000	
Project Management & Governance	Adults & Children's	£317,044	
Project Team	Accommodation, IT		
Accommodation/Equipment	Equipment, Desks	£148,516	
Training Rooms	All A&C Staff Training	£21,250	
Project Delivery	Adults & Children's	£886,027	
Corporate Support	ICT & Corporate Services	£179,322	
Support to Services	Adults	£166,422	
	Children	£166,422	
Mobile Equipment	Mobile Working Devices	£400,000	
Supplier Hosting			£137,000
Support & Maintenance			£72,237
Lead Support/Dev Analyst	Entire A&C Directorate		£49,927
Support Analysts (5)	Entire A&C Directorate		£201,357
Finance/Dev Officers (2)	Entire A&C Directorate		£90,340
Training/Quality Officer	Entire A&C Directorate		£45,170
<b>Sub-Total</b>		<b>£3,310,456</b>	<b>£596,031</b>
Contingency @ 10%		£331,046	
<b>TOTAL COSTS</b>		<b>£3,641,502</b>	<b>£596,031</b>
<b>Current Annual Costs - funded within revenue base budget</b>			
Support Analysts (2)	Children & Education		£80,543
Finance Officer (1)			£49,927
Support & Maintenance	Careworks		£106,780
Hosting	Northgate		£140,263
<b>Total Existing Budget Envelope For Annual Ongoing Costs</b>			<b>£377,513</b>
<b>Shortfall in ongoing revenue funding from Year 3 onwards</b>			<b>£218,518</b>

15 In order to ensure the benefits identified for the new system are fully realised it is essential that appropriate development, support and training resources are put in place. Many of the weaknesses of the current system stem from a lack of investment in these areas leading to inconsistent practice and limited functionality. A key element of the implementation plan is the establishment of business processes which make best use of the new system, and this is funded through the project costs. However, there will then be an ongoing requirement to further develop the system and provide support and training for users. The requirement for additional revenue funding has been identified in the business case to support a small integrated team that will take on this role for both Adult's and Children's Services. More detailed work will be undertaken as part of implementation to refine the scope and size of this team with a view to minimising costs wherever possible whilst ensuring quality of provision.

#### 16 Funding

As part of the Council's Medium Term Financial Plan - MTFP - an amount of £802,000 per annum was set aside from 2017/18 to fund delivery of this new system. This amount made provision for:

- a. The extra £218,000 per annum in ongoing revenue costs.
- b. The capital and interest repayment cost associated with prudentially borrowing the £3.6m system capital implementation costs over a 15 year period.

17 The MTFP will need to be updated once the timings associated with both the implementation costs and when the extra revenue costs will fall, are known. It is highly likely that the £802,000 cost will be reduced and reprofiled over the MTFP time horizon.

## **Summary of legal implications**

18 The preferred option will be procured via a Crown Commercial Services National Framework, which simplifies the process as the main contract is already set out as part of the framework, leaving only the legal schedules to be negotiated.

19 A Partnership agreement has been created, agreed and signed between Dorset County Council and Bournemouth Borough Council to support the Procurement process.

20 Contract Extension with the incumbent supplier has been completed to have continued support and reduce the risk during implementation of the new system.

## **Background papers**

Admin & Resources Overview and Scrutiny Panel Minutes

<http://www.bournemouth.gov.uk/CouncilDemocratic/CouncilMeetings/CommitteeMeetings/AdministrationResources-OverviewScrutinyPanel/2015/03/24/Minutes/150324.pdf>

Business Case to Executive Gateway Board

## **Appendices**

None