

Notice of Cabinet meeting

Wednesday 7 September 2016 at 10.30am

HMS Phoebe 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

All Members of the Cabinet are summoned to attend this meeting to consider the items of business set out on the agenda below.

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

For further information please contact: Matthew Wisdom, Deputy Head of Democracy, Legal and Democratic, Town Hall, Bourne Avenue, Bournemouth BH2 6DY. Tel: 01202 451107 E-Mail: matthew.wisdom@bournemouth.gov.uk

Councillors' Call-in to Overview and Scrutiny Panels - The record of decisions made at this meeting will be published by Friday 9 September 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 16 September 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 Matthew Wisdom at the address shown on page 1 by no later than 10.30am on Tuesday 6 September 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 meetings held on 20 June and 20 July 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 Deputy Head of Democracy will report on any public questions received by the notice deadline.

b Deputations

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

c Petitions

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

5 Empty Homes Strategy 2016 - 2021 – circulated at 5.

6 European Structural Investment Funds – Accountable Body Status for the Dorset Business Growth Project – circulated at 6.

- 7 **Monthly Budget Monitoring Report to 31 July 2016** – circulated at 7.
- 8 **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>
- 9 **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	Empty Homes Strategy 2016 - 2021
Meeting date	7 th September 2016
Cabinet Portfolio	Councillor Robert Lawton – Portfolio for Housing
Corporate Lead	Bill Cotton – Executive Director, Environment & Economy
Service Director	Gary Josey – Director of Housing & Communities
Status	Public
Classification	For decision and recommendation to Full Council
Key Decision	Yes
Impacts on Key Policy Framework	Yes
Report author	Emma Ryan – Empty Homes Officer ☎ 01202 454893 ✉ emma.ryan@bournemouth.gov.uk
Executive summary	<p>Empty residential properties represent an opportunity to increase the housing stock in Bournemouth. Long term empty properties also often have a negative social, economic and environmental impact upon local communities. In the context of a Borough with a significant housing shortage, it is essential we maximise the use of these empty homes to provide additional accommodation and help to meet housing demand.</p> <p>The draft Empty Homes Strategy sets out the key objectives and actions over the next 5 years to reduce the number of long term empty homes in Bournemouth. It focuses on a proactive, solution based approach working alongside owners but also demonstrates a commitment to using enforcement powers as a measure of last resort if necessary.</p>

Recommendations	Cabinet is requested to: <ol style="list-style-type: none"> 1. Approve the Empty Homes Strategy 2016 – 2021 as attached at Appendix 2. 2. Recommend to Council that approval be given to authorise prudential borrowing capacity of up to £1 million to support potential Compulsory Purchase Orders which will be funded from the sale proceeds of the subsequent sale.
Reasons for recommendations	To ensure that there is a strategic approach to reducing the number of long term empty homes across the borough and tackling the issues they can create.

Background detail

1. Nationally we are facing the challenge of a growing demand for housing coupled with a reduced ability to construct the number of new homes needed. With the current estimated 610,000 empty homes across England, there has been increasing emphasis from Government for local authorities to adopt a clear strategy for reducing the level of vacant housing stock.
2. The development of the new Empty Homes Strategy takes forward and supports the wider housing initiative contained within the Bournemouth Housing Strategy 2013 – 2020. It addresses one of the key aims 'Making the best use of all existing homes' by seeking to bring private sector empty homes back into use.
3. There are currently in the region of 88,000 dwellings across the Borough with the most recent figures showing in excess of 800 long term (over 6 months) unoccupied substantially unfurnished properties. This equates to approximately 0.95% of the total housing stock. Nearly 98% of these are privately owned indicating that the primary focus clearly needs to be on the private sector.
4. In May 2016 there were 4,356 households in need on the Housing Register for Bournemouth. With housing demand continuing to substantially exceed the housing supply, there is a pressing need to maximise the Borough's current housing stock across all tenures by bringing as many empty homes back into use as possible.
5. Long term empty homes can often be unsightly and have serious detrimental impacts on the local environment. They can also create opportunities for fly tippers, squatters, drug users and vandals to misuse the property. These activities are highly likely

- to increase the blight an empty property has on an area in addition to significant increased demands upon the local police, fire service and council enforcement teams, stretching limited resources even further at a time of budgetary reductions.
6. The Empty Homes Agency, an independent charitable organisation, commissioned polling in December 2014 that demonstrated nearly three quarters of British adults believe their local authority should place a higher priority on tackling empty homes; with over a third saying empty homes are a blight on their local community.
 7. Bringing empty homes back into use not only reduces the risks and costs to owners and reduces negative impacts upon the community, it also creates an opportunity to bolster council budgets through the government's New Homes Bonus (NHB). Introduced in April 2011, this is a system in which councils are rewarded for the provision of new homes. The NHB encourages the sustainable re-use of existing long term empty properties by rewarding these in the same way as newly built homes. As the NHB rewards the net increase in homes in the council's area, if the number of empty homes increases, the Council risks losing out on rewards it might otherwise have received for newly built homes.
 8. To date, including future payments, the additional NHB generated for Bournemouth as a result of the reduction in the numbers of long term empty homes is approximately £1.8 million. Changes to the NHB are currently under consultation with payments likely to be reduced in 2018/19. With a strong possibility that it will cease altogether in 2021/22, the potential benefits of maximising the reduction in long term empty homes over the next five years are compelling.
 9. Case work over the last two years demonstrates the effectiveness of a proactive, solution based approach with the emphasis on assisting owners in voluntarily returning their properties to use. Of the 260 cases opened, 119 of these properties are now back in use following tailored case specific advice and assistance. Examples of anonymous case studies are attached in Appendix 1.

Aims of the Strategy

10. The overarching objective of the Empty Homes Strategy is to increase and improve the housing supply by reducing the number of empty homes, supporting the Bournemouth Housing

Strategy and the regeneration of areas such as Boscombe. This is supplemented by four key aims:

- a. **To maintain a database of empty homes and improve the accuracy of data.** This is to enable the clear documentation of casework and record outcomes as well as ensuring that the figure of empty homes in the borough is a true reflection of the actual number. The accuracy of data gains particular importance in relation to income maximisation through the New Homes Bonus.
- b. **To assist and encourage empty home owners to bring their properties back into use.** Voluntary action from the owners will always be sought in the first instance and an effective toolkit and comprehensive advice and assistance service has been and will continue to be developed to aid this. Proactive contact to engage with owners is paramount in establishing positive relationships.
- c. **To improve the condition of empty homes and target the most problematic for enforcement action.** If the condition of a property is having a negative impact upon the community, action will be taken where possible to reduce these problems. Where owners are unwilling to engage or cannot be traced and where there is little prospect of the properties being bought back into use voluntarily, they will be prioritised for further enforcement action.
- d. **To raise awareness of empty homes.** By publicising the issue of empty homes as a wasted resource, the acceptability of properties being left empty will reduce. It will encourage owners to engage with the council for assistance with returning them to use and increase reporting of problematic properties by general members of the public.

Actions to bring empty homes back into use

11. In order to tackle empty homes, the strategy adopts a three stage approach:

- a. **Identification and engagement:** Properties are identified through council tax records, direct contact from owners, reports from the general public, other agencies and other council departments. Direct pro-active contact is preferable but if not possible, a three stage letter approach has been adopted offering advice and assistance with increasing emphasis on enforcement options if no cooperation.

- b. **Encouragement and incentive:** The primary aim will always be to resolve the issue of an empty home in the most cooperative way possible. There is no 'one fits all' delivery and each case needs to be specific and owner led. Tailored advice and information on the options, opportunities and assistance will be provided.
- c. **Enforcement:** Where an informal approach does not produce a positive response and owners fail to take responsibility for their properties, then enforcement action will be considered on a case by case basis to provide a measured response to returning the property back to use.

Before progressing to enforcement action the Council will, where possible, ensure that the property owners are fully advised and given the opportunity and sufficient time to take action to improve conditions and bring their properties back into use. In accordance with the Private Sector Housing Enforcement Policy, the approach will be consistent, risk based, targeted and proportionate. The enforcement options of Compulsory Purchase Orders and Enforced Sale Proceedings will only be used as a measure of last resort in a very limited number of cases where all other options have failed.

The Council has a range of enforcement options available to both respond to the negative impact on neighbourhoods and return long term empty homes back into use. These include:

- Service of legal notices requiring repairs or improvements (e.g. dangerous buildings, unsecured properties, vermin, unsightly land/ property seriously affecting the amenity of an area)
- Works in default of legal notices where owners fail to carry out required works and/ or prosecution for non-compliance
- Enforced Sale to recover debt secured by a registered charge (usually for works in default charges or Council Tax debt)
- Empty Dwelling Management Orders which in specific circumstances allow the Council to take over full management of the property for up to seven years
- Compulsory Purchase Orders which allow the Council to purchase property in specific circumstances without the owner's consent to ensure it is returned to use.

Resources

12. The existing Empty Homes Officer will continue to be funded from the base budget under a spend to save rationale evidenced by the additional revenue generated through the empty homes element of the New Homes Bonus.
13. The Council's revenue budget allows for some enforcement action where properties have become an eyesore or fallen into severe disrepair and relevant legislation applies. Enforcement can be taken followed by 'works in default' if the owner does not comply with the relevant notice. These costs are recoverable ensuring a renewable fund but should the owner not repay any debt, a charge will be placed on the property.
14. £50k revenue funding is being requested in order to support this strategy for owner assistance and further enforcement action including funding any necessary specialist external services. It would also be used to support promotion and additional administrative costs and should be partially revolving in regards to Enforced Sale and Compulsory Purchase Order costs. This funding request is subject to the decision outlined at s22.
15. The strategy additionally requests approval for borrowing capacity of up to £1 million for potential Compulsory Purchase Orders. This would be funded from prudential borrowing on the basis that the monies will be recovered directly from the sale proceeds generated through the most favourable course of action available to the Council at that point. Before any such action begins, a tailored robust exit strategy will be developed with the potential for purchase under the Housing Revenue Account should a direct onward sale not be viable.
16. The additional administrative costs of a CPO will be funded under a small budget basis within the £50k revenue pot. These additional costs would include specialist external legal services, notices and advertising, stamp duty land tax (if applicable) and Land Registry fees for example.
17. With increasing pressure on local government finances, the need to make the best use of existing resources is paramount. The most commonly associated debts with empty homes are council tax arrears, works in default costs and residential care charges for previous occupiers. A number of unpaid debts have already been recovered by the Empty Homes Officer actively engaging with owners and progressing cases in partnership with other council departments. Tracing and working with owners as well as the option to utilise powers of enforced sale and compulsory purchase orders provide a means of recovering public money back into the council and redirecting it where most needed.

Consultation

18. Consultation has taken place with key stakeholders within the Council. External groups, such as other local authorities, empty home owners, specialists and the Empty Homes Network have also been consulted through focused conversations and meetings.
19. The Strategy was presented to the Community Overview and Scrutiny Panel in July. The Panel fully supports the aims of the Strategy and the actions proposed to bring empty homes back into use.
20. The Section 151 and Monitoring Officers have been contacted to advise on the financial and legal implications of this report.

Options

21. There are two options:
 - a. To support the new Empty Homes Strategy as proposed;
 - b. To not progress with an Empty Homes strategy. This is not recommended as it could fail to demonstrate a commitment to managing and reducing empty homes in the Borough and result in a loss of the financial and community benefits that could be generated from this co-coordinated approach.

Summary of financial/resource implications

22. There is a £50,000 revenue budget for 2017/18 requested by this strategy. It is anticipated that this could be funded through potential changes to Council Tax discounts. Cabinet, on 20th June 2016, agreed to consult relevant stakeholders on a proposal that from April 2017 no Council Tax discounts will be provided in respect of dwellings vacant for less than two years or properties undergoing major or structural repairs. Council will make a final decision on this in December 2016. If this isn't agreed, an alternative source of funding will be identified corporately to fund this strategy.
23. Any proposal for the Council to use its Compulsory Purchase Order powers to bring a long term empty property back into use will be subject to a specific business case which will need to be signed off by the Councils Section 151 Officer and Monitoring Officer.

Summary of legal implications

24. The Council has statutory duties and powers in relation to improving standards in private sector housing in regard to both standards and management of accommodation and conduct of any occupiers. The adoption of the new Empty Homes Strategy will assist in ensuring that those duties and powers are appropriately met.
25. There is likely to be some resource implications should additional enforcement action be taken in respect of empty homes. The impact on resources within Legal Services will be monitored and met through existing resources so far as action taken by the Community Enforcement Team to issue notices and prosecute for non-compliance is concerned.
26. It may be necessary to engage external legal services to support complex Compulsory Purchase Orders or Enforced Sales Proceedings. The costs relating to any external legal services required will be funded through access to the £50k identified within this report as being required to proceed with action in respect of empty homes.

Summary of human resources implications

27. The Empty Homes Officer is already in post and will continue to be funded from the base budget under a spend to save rationale evidenced by the additional revenue generated through the empty homes element of the New Homes Bonus.

Summary of environmental impact

28. The environmental impact checklist has been completed and predicts limited impacts. Primarily any impacts are positive as many long term empty properties will impact negatively on the amenity and safety of the environment. Improving their condition and returning as many as possible to use will improve the street scene, improve the quality of existing space, reduce risk from dangerous or dilapidated structures and reduce the possibility of associated crime (such as squatting, criminal damage and anti-social behaviour). Re-using empty homes is a sustainable, economical and energy efficient means of helping to meet housing demand.

Summary of equalities and diversity impact

29. The Equality Impact Needs Assessment Screening Record has determined that no specific equality groups will be directly impacted or affected, either positively or negatively, by the proposed strategy. Once produced, there will be provision to request the document in translated and alternative format versions.

Summary of risk assessment

30. A number of potential minor risks have been identified but these are primarily impacting the ability of the strategy to meet its aims. The biggest risk is a lack of engagement or action from the owners of long term empty homes, specifically problematic ones. Should the new Strategy be adopted then these risks should be mitigated by the measures outlined within.

Background papers

31. Bournemouth Housing Strategy 2013 – 2020
<http://www.bournemouth.gov.uk/Housing/HelpwithHousing/Documents/Housing-Strategy.pdf>
32. Empty Homes in England: Report by The Empty Homes Agency, Autumn 2015
<http://www.emptyhomes.com/wp-content/uploads/2011/05/Empty-homes-in-England.pdf>
33. Bournemouth Borough Council Private Sector Housing Enforcement Policy
<http://www.bournemouth.gov.uk/Housing/HelpwithHousing/Documents/h01b-final-enforcement-policy-2015.pdf>
34. Risk Register for Empty Homes Strategy
35. Empty Homes Equality Impact Needs Assessment (Due Regard) Screening Record
36. Empty Homes Environment Impact Checklist

Appendices

Appendix 1 – Example case studies

Appendix 2 - Bournemouth Empty Homes Strategy 2016 – 2021

Appendix 1

Example case studies

Case A:

The Empty Homes Officer received a report from concerned neighbours about a terraced house. It was in poor condition with severely overgrown gardens and no one had been seen there since the death of the occupant over a year before.

Following research, it was established the property was actually legally owned by the deceased's estranged wife but her whereabouts were unknown. The Empty Homes Officer managed to trace her to a residential care home and established contact with the solicitor who held power of attorney. No one involved in her care over a significant period of time had any idea that she owned this house.

Through joint working with the solicitor, clearance of the house and gardens was swiftly arranged, legal matters were resolved and the house was put up for sale.

The new owners took possession 6 months after the case was opened and it is now tenanted after a full refurbishment. The entire process took 9 months from start to finish which is unusually quick for empty homes work. If not for Council involvement, it is highly likely that the property would still be vacant and neglected.

Case B:

This semi-detached house had been unoccupied for over 2 years since the previous tenants had left. The owner was living abroad and had given up taking any action after some problems with the property and trying to resolve this from outside of the UK.

Following pro-active contact with the owner, the Empty Homes Officer established the issues and provided tailored advice and assistance to help the owner to move forward. After many emails back and forth, the owner finally came over to the UK to meet at the property and further discuss their options with the house. Following financial assessments, it was agreed that the best route was to sell the property as it was.

Additional assistance was then given in dealing with a number of debts associated with the house which also recovered over £2000 of unpaid council tax. Intensive work went into resolving some legal issues in

regards to selling the property and it is now on the open market for sale.

Case C:

A large commercial and residential property had been unoccupied for up to 3 years following a problematic history with previous occupiers. There had been no contact from the owner since 2012 and their whereabouts were unknown.

The property had been falling into a neglected state with a number of incidents of fly-tipping. Subsequently, Notices legally requiring the accumulations to be cleared were served on two occasions. Following lack of action by the absent owner, works in default were twice carried out by the Council resulting in £250 of debt in addition to significant unpaid council tax. By working with the relevant departments, the Empty Homes Officer ensured that these debts were registered against the property when payment was not received.

Contact was finally established with an 'associate' of the owner who agreed to forward correspondence on to them. Following a succession of progressive correspondence and threats of further enforcement, action was finally taken by the owner (who was living abroad and appeared not to be intending to return) to sell. Sale completed a few months later to a local company who are refurbishing the commercial unit for their own use and will be improving and increasing the quantity of residential accommodation above. Swift engagement with the conveyancing solicitor also ensured that all monies owed to the Council were fully recovered.

Case D:

Although not in poor condition nor causing any major problems to neighbouring residents, this semi-detached house had been unoccupied for over 10 years with no reason ever being provided. The Empty Homes Officer first sent the owner a letter in Spring 2015. Following a lack of response, a series of letters with repeated requests for contact, offers of assistance and finally an increasing emphasis on potential future enforcement action were sent.

Despite the owner never directly responding, the property was put up for sale within a matter of months. It was swiftly sold and the new owners immediately took up occupation.

(DRAFT)
Bournemouth
Empty Homes Strategy
2016 - 2021

Foreword

The purpose of this strategy is to outline the Council's approach to empty homes within the Borough. In Bournemouth there are currently approximately 830 long term empty properties. This is an important issue for the Council and it is essential we maximise the use of these properties to provide additional accommodation and reduce the negative impact they can often have within the community.

This Empty Homes Strategy sets out a clear direction and action plan, demonstrating our commitment to reducing the number of long term empty homes in Bournemouth.

We will proactively work alongside home owners with a solution based approach however we are also prepared to use enforcement powers if needed to help return their properties back into use.

This document sets out the options available to owners of empty homes and represents the Council's approach, illustrating key objectives and actions over the next five years to tackle this wasted resource.

The Strategy can be viewed on the Council's website:

http://bournemouth.gov.uk/*****



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- Enforcement

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Appendix 1 - Statutory Enforcement Options

Appendix 2 - Empty Homes Action Process

Appendix 3 - Contact details

1. Introduction

Why do we need an empty home strategy?

With the country in the grip of a housing shortage, the number of empty homes in our communities is a major national issue. The number of households in England is projected to increase by an average of 210,000 per year and although tackling empty homes will not provide a solution to the need for new build homes, it can contribute by making the best use of the existing housing stock. Government data from October 2014 suggests there are over 610,000 empty homes across England, 2.6% of the total number of dwellings. Of these, over 200,000 are recorded as long term empty (over six months). Bringing these properties back into use would meet approximately one year of the government's estimate of housing need.

Empty properties represent waste and missed opportunities and are proven to have negative social and environmental impacts upon our local communities. Tackling empty homes can help to reduce pressure on the need for new housing, make significant steps in improving housing conditions and reduce their detrimental impact upon the community.

In the context of a borough with a significant housing shortage, tackling empty homes is a priority for Bournemouth. This strategy, which is part of the wider housing initiative contained within the Bournemouth Housing Strategy 2013 - 2020, sets out how the Council will approach the issue of empty homes and seek to work with the owners of long term empty properties in order to return them to use.

Defining the problem:

What is an empty home?

There are a number of different types of empty properties but they broadly fall into two main categories; transactional and long term. Transactional empty periods, such as those between lettings or sale, are usual and necessary for the normal operation of the housing market and rarely require Council intervention. Long term empty properties are those unoccupied for more than six months and inactive on the housing market.

A property does not have to be used all of the time to be classed as occupied. Properties that are used infrequently, such as second or holiday homes are not defined as 'empty' and are therefore not targeted within this strategy. Other types of empty properties such as those where the occupant may be in prison, living in a care home or giving or receiving care elsewhere will also generally not be included. However, should any of these types of properties become problematic or cause concerns for local residents, there may be the need for the Council to act.

Why do properties become empty?

Homes may become unoccupied for any number of reasons such as:

- Lack of funding for repair work
- Family/ business disputes
- Repossessions
- Inheritance
- Lack of information and advice
- Awaiting planning consent
- Housing market conditions
- Lethargy, indifference and obstruction

How are empty properties identified?

The primary source of data is obtained through Council Tax records requested under the Local Government Act 2003, section 85. This allows the address of the empty property and the liable parties name, address and contact details to be used for the identification of vacant dwellings and for steps to be taken to bring them back into use. Information is also gained via reports from the public, other local authority departments and agencies such as the police and fire services.

What are the benefits of bringing them back into use?

Empty properties are a wasted resource and if not dealt with can create social, economic and environmental consequences.

- **Benefits for the owner**

Empty home owners face a number of costs whilst their property is left unoccupied when they could instead be making a profit through regular income if let or from capital if sold. Leaving a property empty increases the risk of deterioration and can attract criminal activity, making the property costly or difficult to insure. This ultimately leaves the owner vulnerable to depreciation of their asset or losing it all together. On average, an empty property costs over £7,000 a year through lost rent, council tax, insurance, depreciation and vandalism. This figure does not take into account other additional costs such as standing charges for utilities and mortgage interest payments.

- **Reducing vandalism and anti-social behaviour**

Long term empty homes create opportunities for fly-tippers, squatters, drug users and vandals to misuse the property. These are all activities which will increase the blight an empty property has on an area and can result in significant increased costs

to an owner. These forms of criminal activity will also likely demand the time and resources of the local police, fire services and local authority enforcement, stretching their limited resources even further at a time of budgetary reductions.

- **Enhancing the local environment**

Neglected empty properties are unsightly and can have serious detrimental impacts on the local environment. They can reduce the general pride in an area; have depressive effects on neighbouring house prices and cause a direct impact on adjoining homes through damp and structural problems. The Royal Institute of Chartered Surveyors estimate that an empty home can reduce the market value of neighbouring properties by as much as 18%. Empty homes can be part of a cycle of decline and neglect for a community and returning them to use can have a positive impact in the regeneration of run down or deprived areas.

- **Addressing housing need and demand**

Empty homes are a sustainable and economically efficient means of helping to meet housing demand. With the high numbers of households on the housing register and the increasing cost of renting in the private sector, returning otherwise empty properties back into use can make a positive step towards tackling housing need by increasing the number of properties available for occupation. Although Bournemouth is continuing to build new homes, it is challenging in the context of limited land and resources. The most recent Strategic Housing Market Assessment in August 2015 identified the Objectively Assessed Need for Bournemouth as 979 homes per annum for the period 2013 - 2033 with a projected population growth of 16.3%. Maximising the existing housing stock, in addition to new build, is vital in meeting this demand.

- **Increasing Local Authority Funding**

Tackling empty homes should not be seen purely as an income generator but nonetheless, reducing the number of empty homes creates an opportunity to bolster reducing council budgets through the governments New Homes Bonus (NHB) scheme. With diminishing local government resources, the potential benefits of empty homes related NHB is compelling, as are the potential penalties if the number of long term empties were to increase.

Furthermore, there can often be council owed debt associated with empty homes such as unpaid council tax and works in default costs. Maximising empty homes debt recovery is an appropriate means of recovering public money from a wasted resource and redirecting it where it is most needed.

The National Context

Nationally we are facing a challenge of growing demand and a reduced ability to construct the number of new homes needed. With the current estimated 610,000 empty homes across England, the problem is a national one and has moved up the political agenda in recent years.

The Governmental strategy for tackling empty homes published in 2011, *Laying the Foundations: A Housing Strategy*, recognised the need for commitment in bringing empty homes back into use and as a result, there have been a number of key changes to empty homes legislation. The National Planning Policy Framework, published in 2012, placed increased expectation upon local authorities to address the empty homes issues locally.

Council Tax Reforms

Prior to April 2013, Central Government held powers to vary the amount of council tax paid on some empty homes. The Local Government Finance Act 2012 devolved these powers to a local level and introduced provisions that allow local authorities the discretion to apply an initial discount for properties empty for up to six months. Additional to this is the option to impose an 'empty home premium' of 150% on properties left unoccupied and unfurnished for over two years.

Bournemouth Borough Council have adopted the 150% premium and from April 2015, reduced the initial discount to one month's exemption for unfurnished unoccupied properties to further incentivise the reoccupation of long term empty homes. Under current revisions going before Cabinet it is expected that the one month's exemption will be removed.

The New Homes Bonus

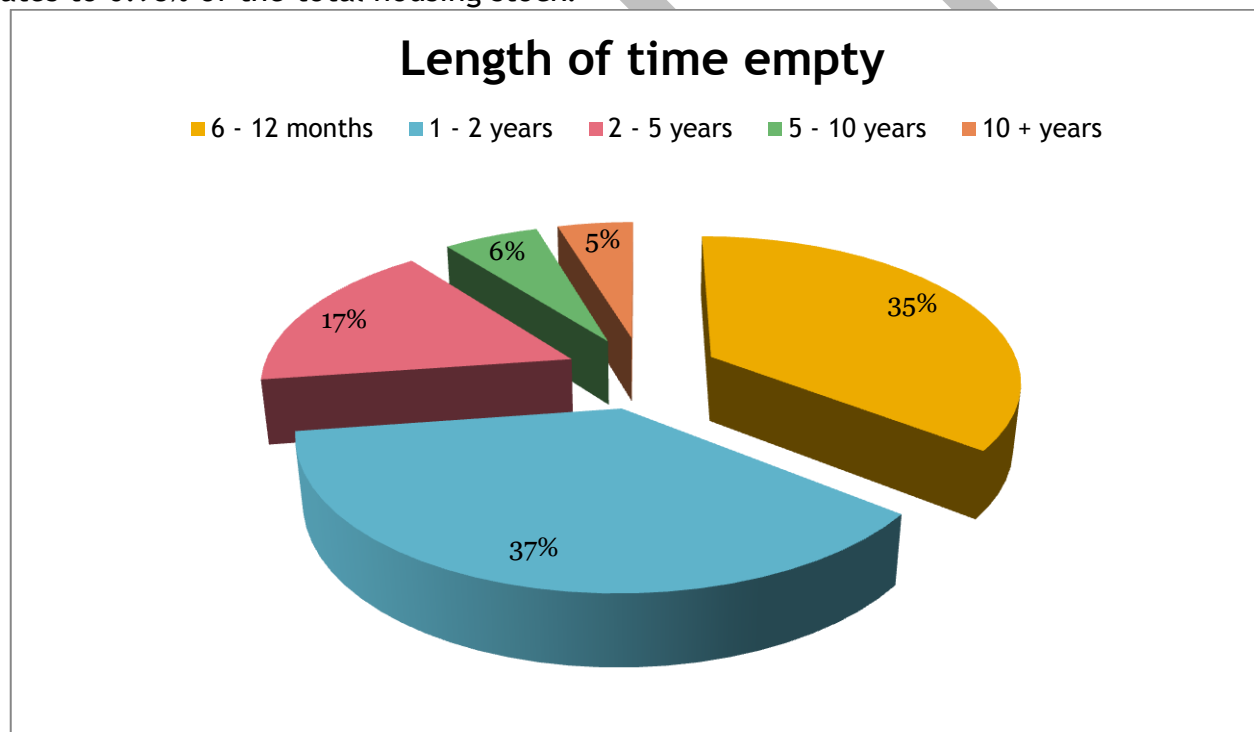
Introduced in April 2011, the New Homes Bonus is a system in which councils are rewarded for the provision of new homes with the aim of boosting home creation. It encourages the sustainable re-use of existing long term empty properties by rewarding these in the same way as newly built homes. However, as it simply rewards the net increase in homes in the council's area, if the number of empty homes increases, the council could lose out on rewards it might otherwise have received for newly built homes.

The amount of reward received is calculated on the average council tax banding of each property brought into use and payment is currently made for each of the six years after the new home is created. The funds take the form of a grant which is not ring fenced, giving the council the freedom to reinvest the reward into whatever may be a local priority.

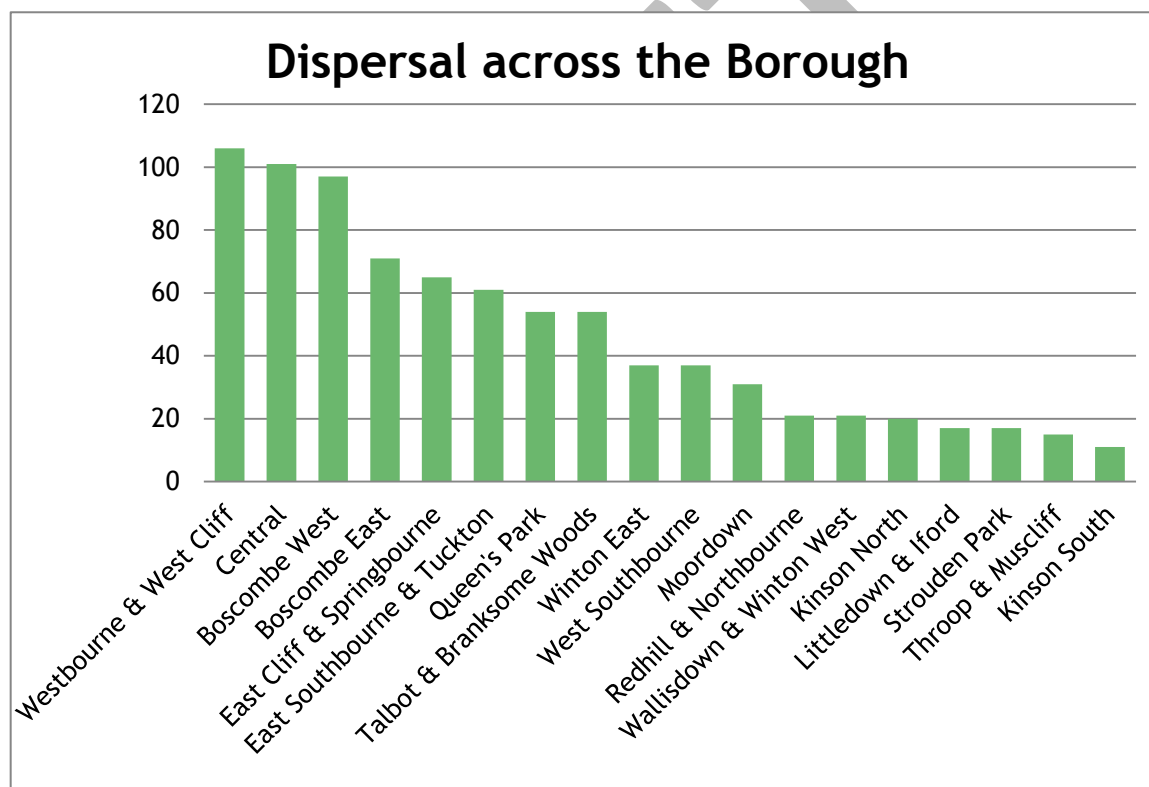
To date, including future payments, the additional New Homes Bonus generated for Bournemouth as a result of the reduction in numbers of long term empty homes is just under £1.9 million. However, changes to the NHB are currently under consultation and payments are highly likely to be reduced in 2018/19 from six years to four under the local government finance settlement. The future outlook for the NHB displays a strong possibility that it will cease altogether in 2021/22.

The Local Context

Bournemouth is the most densely populated local authority in the south-west with a population of approximately 191,400 and a predicted growth of around 16% over the next 20 years. There are currently in the region of 88,000 dwellings across the borough with the most recent report generated in May 2016 showing 836 long term (over six months) substantially unfurnished empty properties. This equates to 0.95% of the total housing stock.



97.61 % of these long term empty properties are privately owned with the remaining 2.39% being from within the social housing stock (either Council or Registered Social Landlord owned). This is relatively low considering that the social housing stock comprises approximately 10 % of the total housing in Bournemouth. These social housing stock empty properties are cyclical, generally undergoing refurbishment or being renovated for alternative client groups. Although this number of void dwellings may remain fairly constant, they are not always the same properties and as such do not present an issue in the context of empty homes in Bournemouth. The primary focus clearly needs to be on the private sector.



In May 2016 there were 4,356 households in need on the Housing Register for Bournemouth. With housing demand continuing to substantially exceed the housing supply, there is a pressing need to maximise the Borough's current housing stock across all tenures by bringing as many empty properties back into use as possible.

2. Aims of the Strategy

The overarching objective of the Empty Homes Strategy is to increase the housing supply by reducing the number of empty homes. The following sets out the Council's key aims and what it is hoping to achieve when tackling empty homes. The action plan set out on page 17 demonstrates how we intend to meet these aims.

1. To maintain a database of empty homes and improve the accuracy of data:

A database of identified and referred empty homes needs to be maintained to clearly document casework and record outcomes. Improving the accuracy of council tax data is also vital to ensure that the figure of empty homes in the borough is a true reflection. This is of particular importance since the introduction of the New Homes Bonus.

2. To assist and encourage empty home owners to bring their properties back into use:

The Council will always seek to encourage owners to take voluntary action in bringing their homes back into use in the first instance. To assist in achieving this, an effective toolkit and a comprehensive advice and assistance service is required as well as proactive contact to engage with owners and establish positive relationships.

3. To improve the condition of empty homes and target the most problematic with enforcement action:

Where the condition of empty properties impacts negatively upon the community, action will be taken where possible to ensure these problems are reduced. Where properties are particularly problematic, owners are either unwilling to engage or cannot be traced and where there is little prospect of them being bought back into use voluntarily, they will be prioritised for further enforcement action. Factors such as the length of time empty, condition of the property and its impact on the community will be considered.

4. To raise awareness of empty homes:

Publicising the issue of empty homes as a wasted resource can help to reduce the acceptability of properties being left empty, encourage owners to engage with the Council in returning them to use and increase reporting of problematic properties by general members of the public.

3. Actions to bring empty homes back into use

Empty homes work is not a 'one fits all' delivery and needs to be both case specific and owner led. The Council will always seek to work with the owners in the first instance, focusing on giving advice and assistance in returning their property to use. Should such an approach be refused, particularly with problematic empty properties, owners will be made aware that inaction is not an option and the Council may adopt enforcement action.

In order to tackle empty homes, a three stage approach has been implemented:

1. Identification and engagement:

The most useful methods of identifying empty homes is by using council tax records, direct contact from owners or reports of specific problematic properties. Where direct engagement is not possible, a three stage letter approach has been adopted to achieve contact with the owners and establish the issues that are keeping the property empty. The initial letter will include information and encourage contact. If there is no response or engagement resulting from the first letter, the following letters will again offer advice and assistance but with increasing emphasis on enforcement options if there is no cooperation.

2. Encouragement and incentive:

The primary aim will always be to resolve the issue of an empty home in the most cooperative way possible.

Advice and information

Some owners may not know how to move forward and the Councils Empty Homes Officer can assist in outlining the options and provide tailored advice and information. This can include advice on refurbishment, sales, legal issues and letting. Advising

owners of the issues and concerns that empty properties can create and informing them of their legal obligations is a key aspect, as is engaging with those in the wider community who may be specifically affected by a problematic empty property.

Sale options

As well as providing general advice and guidance on selling a property, there may be the potential for the Council to purchase properties which would then be let through Seascope Housing & Property Ltd. This company has been set up to take advantage of the flexibilities of a private landlord and grant Assured Shorthold Tenancies, including to those for whom the Council has a statutory homeless duty.

Renting opportunities

Advice can be provided on all aspects of becoming a landlord and what responsibilities this entails. We can also assist owners in finding tenants from people in need on the Housing Register which can often be linked with rent deposit or rent in advance assistance.

Homes 4 Let

Homes 4 Let is a local social letting agent owned by East Boro Housing Trust. They work with landlords to provide a professional letting service which is unique in the local market; working with local councils to provide homes for families in need of good quality, affordable accommodation. Homes4Let's charges for property management are usually lower than mainstream agents and they operate on a flat rate management fee.

Empty Homes Grants

Previously, the Council offered grants for improvement works to long term empty properties which allowed occupation linked to nomination rights. These grants were funded from within the Council's overall annual grant funding allocations. Due to a significant reduction in capital receipts and a low take up of grants, the Council are no longer able to commit large resources to owners in this way. However, in some circumstances there may still be the ability to assist with specific problems which may be preventing the property moving forward. Any such assistance will be discretionary and require consultation with the service manager.

Pre-planning advice

Where improvements to the site layout, size or use of the property are sought, the Council's planning department can offer pre-planning advice to owners. This may be an option where an alteration to the property would mean a greater demand for occupation, such as converting bedsits into self contained flats or change of use from commercial to residential. There is a

charge for this service but the Empty Homes Officer can provide initial information to assess the feasibility of any such applications.

VAT relief

Properties that have been empty for two years or more qualify for a reduced VAT rate of 5% on the majority of renovation costs. If a property has been empty for 10 years or more, a full VAT refund may be available. To be eligible, the owner is required to provide documentary evidence to confirm the length of time the property has been vacant and the Empty Homes Officer is usually capable of providing this.

Inspections

The council can provide inspections of the empty property under the Housing Act's 2004 Housing Health & Safety Rating System (HHSRS) to identify any defects which pose a significant hazard and identify what works are required to bring the property up to a safe standard for occupation. This can assist owners with a starting point for refurbishment and ensures that the properties bought back into use are safe, healthy and energy efficient.

Building works

Seascope South Ltd is a subsidiary of Bournemouth Council Group Ltd established to provide a comprehensive range of building services to the private and commercial sector. This includes design, build, refurbishments and property maintenance. The team delivering the services for Seascope is drawn from a large Council resource of over 120 qualified trade staff or proven sub-contractors, ensuring they are accountable and trustworthy traders.

3. Enforcement

Unfortunately, not all empty home owners respond to positive encouragement or offers of assistance and may fail to take responsibility for their properties and the issues they create. When owners are not willing to engage or negotiations have failed, and where there is little prospect of the property being brought back into use voluntarily, enforcement action will be taken where appropriate.

Before progressing to enforcement action the Council will, where possible, ensure that the empty property owners are fully advised and given the opportunity and sufficient time to take action to improve conditions and bring their properties back into use. In accordance with the Council's enforcement policy, our approach will be consistent, risk-based, targeted and proportionate.

There are a number of legislative tools available to the Council to ensure that the condition of a property is improved, particularly where there are health and safety concerns or negative impacts upon the community. Appendix One provides a more detailed list of the enforcements powers available to the local authority but the key enforcement options available to ultimately bring properties back into use are summarised below.

Enforced Sale

The Law of Property Act 1925 allows the recovery of debt secured by a registered charge by forcing the sale of a property. In situations where the Council has served notices requiring the owner to ensure that an empty property is not unsafe or having a negative impact, but they have failed to take action, the Council may be forced to carry out the works in default. If the costs incurred are not paid by the owner the Council will register a charge against the property and should the owner still not pay this debt, the Council can commence legal proceedings to sell the property in order to recover the costs. An enforced sale under a different procedure can also be used to recover council tax arrears. An enforced sale results in a change of ownership, which is often one of the most effective ways of bringing an empty property back into use.

Empty Dwelling Management Order (EDMO)

If a property has been left empty for over two years, is attracting anti-social behaviour and the owner makes no effort or cannot demonstrate a plan to return the property to use, the Council may seek an EDMO, the provisions for which are contained in the Housing Act 2004. An EDMO allows the Council to take over full management of the property for up seven years, carry out necessary renovations to bring it up the Decent Home Standard and rent it out at an affordable rate. Management and refurbishment costs are reclaimed from the rental income.

Compulsory Purchase Order (CPO)

CPO's can be made under Section 17 of the Housing Act 1985, or Section 226 (amended by the Planning & Compulsory Purchase Act 2004) of the Town & County Planning Act 1990. They allow local authorities to purchase property in specific circumstances without the owner's consent. This is perhaps the most powerful measure available to the Council and can be a useful demonstration of a zero tolerance approach to problematic empty homes.

Further information on the Councils enforcement policy in regards to Empty Homes can be found in the Private Sector Housing Enforcement Policy ([link at end](#))

4. Publicity and raising awareness

A key element to the Council's approach in bringing empty homes back into use is publicity and raising awareness among residents and property owners. The following sets out the methods used to achieve this:

- A rolling programme of proactive contact with the owners will continue in an effort to actively engage and raise awareness of the unacceptability of homes remaining empty.
- Work will be ongoing to improve the information available on the Council's website which already includes useful links and a facility to report an empty home online.
- Empty homes information leaflets are available and will be regularly reviewed and updated.
- Good news stories can be promoted through local media when empty homes are brought back into use. Not only will this assist in raising awareness of the opportunities available and the issues involved, but can also encourage the public and other agencies to get involved and identify any empty properties where targeted action may be necessary.
- Promotion of the issues through sources of social media can be facilitated by the Council's Media and Communications team.
- Regular engagement with other agencies encourages multi-agency working and the referral of problematic properties.

5. Resources

Staffing Resources:

The Council has employed a full time Empty Homes Officer since July 2014. The post is situated within the Strategic Housing Team and has increased the Council's capacity to deal effectively with empty homes across the borough. This is demonstrated by a continuing reduction in the number of long term empties, specifically some of the longer term properties.

The post will continue to be funded from the base budget under a 'spend to save' rationale evidenced by the additional revenue generated through the Empty Homes element of the New Homes Bonus. The reward paid through the New Homes Bonus is not ring-fenced allowing the Council the freedom to reinvest into local priorities. With Central Government's long term aspiration to cease grant funding, this additional income gains even greater significance whilst it continues to exist.

Enforcement/ other costs:

The Councils revenue budget allows for enforcement action where properties have become an eyesore or fallen into severe disrepair and relevant legislation applies. The Council may undertake works in default if the owner does not comply with the relevant enforcement notice. These costs are recoverable ensuring a renewable fund but should the owner not repay the monies owed, a legal charge will be placed on the property.

A flexible, generic pot of £50k revenue funding, generated from a review of council tax discounts for empty homes, is available for owner assistance and further enforcement action. It will also be used to support promotion, advertising and additional administrative costs. This is partially revolving in regards to Enforced Sale/ Compulsory Purchase Order costs and will be annually reviewed in consultation with the Service Director and Cabinet Member for Housing to ensure it is both spent and renewed efficiently. This budget will additionally provide the finances to fund any specialist external services which may be required to support enforcement action.

Should there be a situation where additional borrowing capacity is required, for example to fund the purchase of a property under a CPO, approval will be required from the Corporate Property Officer. Any enforcement action under the Enforced Sale Procedure would be cost neutral with any necessary expenditure recovered from the proceeds of sale.

Debt recovery:

With increasing pressure on local government finances, the need to make the best use of existing resources is paramount. The most commonly associated debt with empty homes is council tax arrears, works in default costs and residential care charges for previous occupiers. A number of unpaid debts have already been recovered by the Empty Homes Officer actively engaging with owners and progressing cases in partnership with other council departments. Tracing and working with owners as well as the option to utilise powers of enforced sale and compulsory purchase orders provide a means of recovering public money back into the council and redirecting it where most needed.

6. Action Plan

Aim One: To maintain a database of empty homes and improve the accuracy of data				
Action	Detail	Lead	Target	Resources
Utilise existing case management system to maintain accurate records of empty homes, document casework and record outcomes	Up to date, comprehensive information and accurate statistics.	Empty Homes Officer	Ongoing	Staff time/ within existing resources
Annually survey status of all empty homes	Ensures accuracy of data to maximise New Homes Bonus and builds comprehensive picture of empty homes across the borough.	Empty Homes Officer, Council Tax staff	Annually	Staff time/ within existing resources
Effective cross departmental working with Council Tax	Collaborative working to ensure that all empty homes brought back into use are correctly recorded to provide accurate data and maximise income from New Homes Bonus	Empty Homes Officer, Council Tax staff	Ongoing	Staff time/ within existing resources

Aim Two: To assist and encourage empty home owners to bring them back into use				
Action	Detail	Lead	Target	Resources
Develop process to proactively engage with owners	3 stage letter process. Frequent & regular contact	Empty Homes Officer	Achieved	Staff time/ within existing resources

Contact all long term empty home owners	Info gathered from council tax records - ongoing programme, advise and inform of options	Empty Homes Officer	ongoing	Staff time/ within existing resources
Continue to develop the toolkit to assist and encourage owners to bring their properties back into use	Improve and expand advice and information, continue to develop links with external organisations and partners	Empty Homes Officer	Ongoing	Staff time/ within existing resources
Determine further sources of funding for empty homes grants and investigate feasibility of loans/ other sources of finance	Offering incentives to owners to encourage empty home's being brought back into use, provide affordable housing and meet homelessness duties	Empty Homes Officer, Strategic Housing Manager	December 2016	To be determined

Aim Three: To improve the condition of empty homes and their impact upon the area and prioritise the most problematic empty homes for enforcement action				
Action	Detail	Lead	Target	Resources
Reactive investigation and response to reports of problematic empty homes	Improve customer satisfaction and reduce impact of empty homes on the community	Empty Homes Officer, Community Enforcement Team	Ongoing	Staff time/ within existing resources
Prioritise most problematic properties for enforcement action	Identify properties causing the most problems and which require Council intervention to bring	Empty Homes Officer, Community Enforcement Team, Legal Services	Ongoing	Staff time/ within existing resources

	back into use			
Effective cross departmental working	To take appropriate and effective enforcement action against prioritised properties	Strategic Housing, Empty Homes Officer, Community Enforcement Team, Anti-Social Behaviour Team, Private Sector Enforcement Team, Planning Enforcement, Building Control, Legal Services, Council Tax	Ongoing	Staff time/ within existing resources
Determine resources for enforcement action	Specific 'pot' for empty home enforcement action.	Strategic Housing Manager, Empty Homes Officer	Sept 2016	To be determined
Focus resources on priority cases	Engage in intensive casework with the most problematic cases. Use negotiation, assistance or enforcement	Empty Homes Officer	Ongoing	Staff time/ within existing resources/ to be determined (as above)

Aim Four: To raise awareness of empty homes				
Action	Detail	Lead	Target	Resources
Review and update publicity material, including leaflets and letters to empty home owners	Improve the information available, ensure it is up to date and encourage contact	Empty Homes Officer	Bi-annually	Staff time/ within existing resources
Update web based functions and reinstate	Improve information available and simplify	Empty Homes Officer	Achieved	Staff time/ within existing resources

reporting tool	method of reporting			
Publicise good news stories and the unacceptability of empty properties through local media, web based functions and face to face contact	Use of media resources to promote the issues, raise awareness and encourage reporting	Empty Homes Officer, Corporate Communications	Ongoing	Within existing resources
Attend public meetings, community groups and engage with other agencies	Promote and highlight the advice & support available as well as enforcement options	Empty Homes Officer	Ongoing	Within existing staffing resources
Increase enforcement action against problematic empty properties	Demonstrates unacceptability of leaving properties empty and neglected and publicly promotes the issue.	Empty Homes Officer, Community Enforcement Team, Legal Services	Ongoing	To be determined

General:				
Action	Detail	Lead	Target	Resources
Review and update the Empty Homes Strategy	Annual review of strategy, action plan and resources	Empty Homes Officer	Annually	Staff time
Attend regional and national empty home forums	To keep up to date with latest developments, networking, information sharing and identify best practice	Empty Homes Officer	Ongoing	Staff time/ within existing resources
Identify new funding	To improve and develop	Empty Homes Officer	Ongoing	Staff time

and partnership working opportunities	means of reducing numbers of long term empty properties			
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Appendix 1 - Statutory Enforcement Options

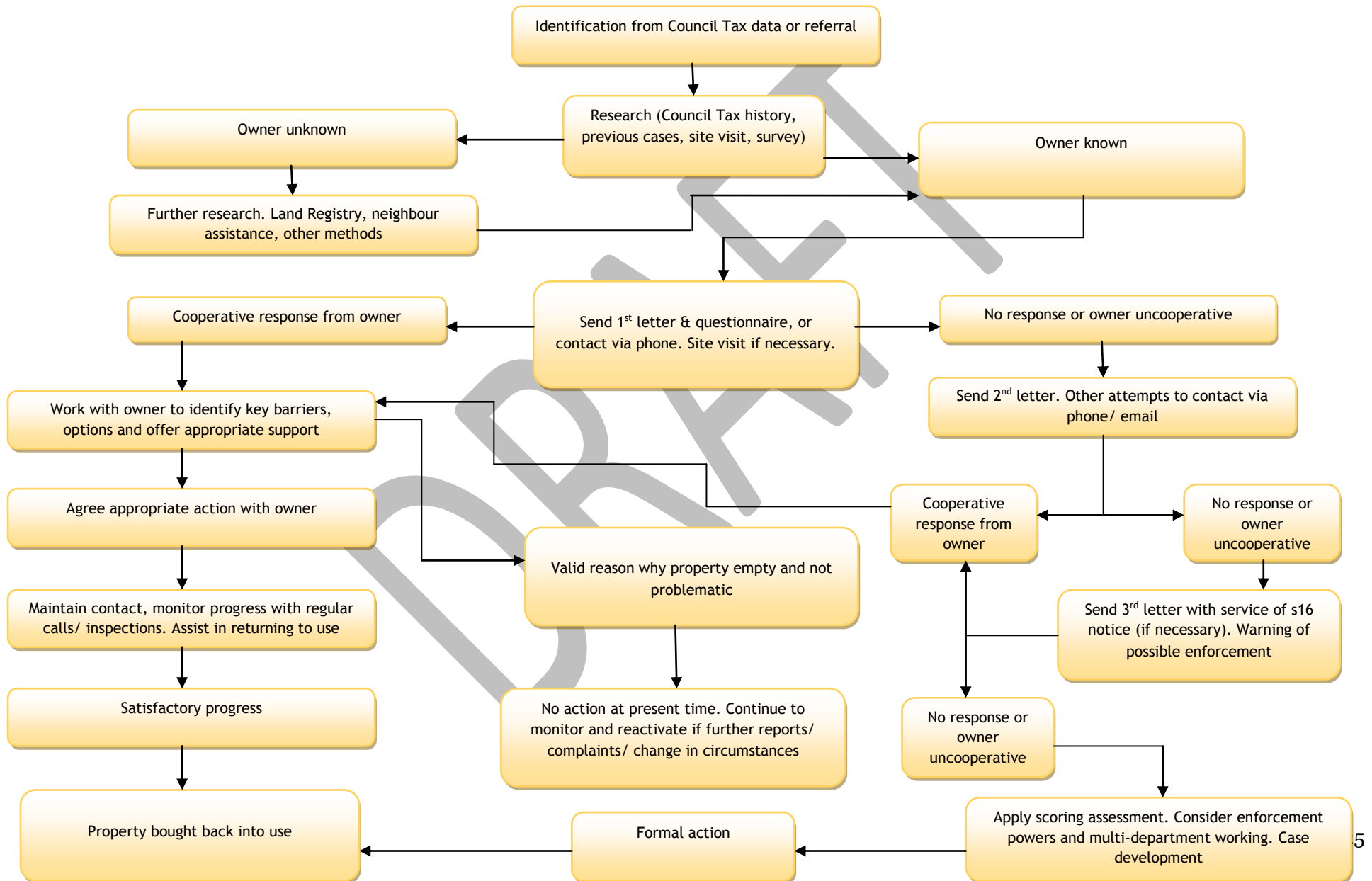
Problem	Legislation	Enforcement
Dangerous building or structure	Building Act 1984. Sections 77 and 88	Section 77 - To require the owner to make the property safe Section 78 - to enable the Local Authority to take emergency action to make the property safe
	Housing Act 2004. Sections 11 and 12	To require owner to make the property safe. Section 11 applies if the property has a category 1 (serious) hazard(s) Section 12 applies if the property has category 2 (less serious) hazard(s)
Unsecured properties - where there is a risk that it may be entered or suffer vandalism, arson or similar	Building Act 1984. Section 78	Allows the Local Authority to fence off the property
	Local Government (Miscellaneous Provisions) Act 1982. Section 29	To requires the owner to take steps to secure the property or to allow the Local Authority to board it up in an emergency
Vermin - either where present or where there is a risk that they will be attracted	Public Health Act 1961. Section 34	To require the owner to remove waste so that vermin is not attracted to the site, destroy any infestation and remove any accumulations prejudicial to health
	Prevention of Damage by Pests Act. Section 4	
	Public Health Act 1936. Section 83	
	Environmental Protection Act 1990. Section 80	
	Building Act 1984. Section 76	

Problem	Legislation	Enforcement
Unightly land and property affecting the amenity of the area	Town and Country Planning Act 1990. Section 215 Anti-social Behaviour, Crime and Policing Act 2014. Part 4	To require the owner to address unsightly land or the external appearance of a property adversely affecting the amenity of an area or causing a nuisance
	Building Act 1984. Section 79	To require the owner to repair ruinous or dilapidated buildings seriously detrimental to an area
	Public Health Act 1961. Section 34	To require the owner to remove waste from the property
	Planning (Listed Buildings & Conservation Areas) Act 1990	Allows the Local Authority to undertake works to preserve empty listed buildings or building in conservation areas that are falling into disrepair
Defective or blocked drainage and private sewers	Building Act 1984. Section 59	To require the owner to address blocked or defective drainage
	Public Health Act, 1961. Section 17	To require the owner to address defective drainage or private sewers
	Local Government (Miscellaneous Provisions) Act 1976. Section 35	To require the owner to address obstructed private sewers
Properties that have been vacant in excess of 6 months where negotiation has been unsuccessful in returning the property back into use	Housing Act 2004. Section 134	To grant the Local Authority the powers to take over the management of a property initially under an interim Empty Dwelling Management order then under a final Empty Dwelling Management Order
Long term empty property that is detrimental to the area, no identifiable owners or no efforts to return it to use	Housing Act 1985. Section 17	To grant the Local Authority the power of compulsory purchase

Problem	Legislation	Enforcement
Recovery of debt secured by a legal charge on the property incurred by the service of a statutory notice and work(s) undertaken in default	Law of Property Act 1925. Sections 101 and 103	Enables the Local Authority to apply for an order of sale of the property to recover outstanding debts owed including Council Tax arrears.
Requiring information from an owner	Local Government Miscellaneous Provisions Act 1976. Section 16	Legal requirement of information

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Appendix 2 - Empty Homes Action Process



Appendix 3 - Contact Details

Empty Homes Officer

Housing & Communities
Town Hall
Bourne Avenue
Bournemouth
BH2 6DY

Telephone 01202 454893

Email empty.homes@bournemouth.gov.uk

Website <http://www.bournemouth.gov.uk/Housing/Landlords/EmptyHomes.aspx>

Are you the owner of an empty property? Please contact the Empty Homes Officer to discuss your circumstances and if there may be any advice or assistance available to help get your property back into use.

Are you concerned about an empty property? If you are aware of a property which is causing a nuisance or you have concerns about the owner being able to bring it back into use unaided, please contact the Empty Homes Officer to discuss or you can report it (anonymously if you wish) through the online facility:

<http://www.bournemouth.gov.uk/Report/ReportForms/Forms/empty-home-report.aspx>

Other useful contacts:

Homes From Empty Homes

Telephone 020 3135 0674

Email info@emptyhomes.co.uk

Website www.emptyhomes.com

National Landlords Association

Telephone 020 7840 8900

Email info@landlords.org.uk

Website www.landlords.org.uk

Homes 4 Let

Telephone 01202 739973

Email enquiries@homes4let.org.uk

Website www.homes4let.org.uk

(Availability in alternative languages/ formats)

[Link to Enforcement Policy](#)

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Cabinet

Report Subject	European Structural Investment Funds – Accountable Body Status for Dorset Business Growth project
Meeting date	7 th September 2016
Cabinet Portfolio	Resources – Councillor John Beesley
Corporate Lead	Executive Director Environment & Economy - Bill Cotton
Service Director	Director Development Services - Roger Ball
Status	Public
Classification	For decision
Key Decision	Yes
Impacts on Key Policy Framework	No
Report author	☎ 01202 454643 ✉ chris.shephard@bournemouth.gov.uk
Executive summary	Led by WSX Enterprise Ltd, a consortium of locally based providers of business advice and guidance has applied to run the Dorset Business Growth Project. Backed by the European Structural and Investment Fund to the value of £7.7million, the project includes a series of measures that will enhance the competitiveness of small and medium sized enterprises across Dorset. To be successful in this application, the consortium must have an Accountable Body. This report considers the implications and risks of Bournemouth Council becoming, or not becoming, the accountable body for the project.
Recommendations	That the Cabinet approves Bournemouth Council becoming the Accountable Body for the Dorset Business Growth Project. Cabinet also recognises and approves the commitment by the Council, within the context of its 2017/18 Budget and Medium Term Financial Plan (MTFP), to the financial and in-kind contribution outlined in the report over the project's lifetime.

Reasons for recommendations	To enable the Council to contribute to the delivery of its Thriving Economy corporate priority, by supporting partner organisations across the region that provide real economic and social value.
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Background detail

European Structural and Investment Funds

1. The European Structural and Investment Funds (ESIF) programme provides funds to help local areas grow. The funds support investment in innovation, businesses, skills and employment and create jobs.

Running from 2014 to 2020, there are three types of funds involved in the programme.

- European Social Fund (ESF) focuses on improving the employment opportunities, promoting social inclusion and investing in skills by providing help people need to fulfil their potential.
- European Regional Development Fund (ERDF) supports research and innovation, small to medium sized enterprises and creation of a low carbon economy.
- European Agricultural Fund for Rural Development (EAFRD) supports rural businesses to grow and expand, improve knowledge and skills and get started. Read information and access documents on this fund [here](#).

2. Responsibility for managing the delivery of funding within England currently rests with Managing Authorities; there is one for each fund. Each Managing Authority produces an operational programme which contains further detail on what the fund will support, and how we will provide, manage and assess funding.

In England the Managing Authorities are:

Department for Communities and Local Government (DCLG) for ERDF
 Department for Work and Pensions (DWP) for ESF
 Department for Environment, Food and Rural Affairs for EAFRD

3. The large majority of the funds in the ESIF Growth Programme were subsequently notionally allocated to LEPs areas. This happened in 2014. Since then, LEPs have been working with local partners to set out their priorities for the EU Growth Programme Funds in their area. Applications have been made, and funds awarded to many projects across the country.

The Dorset Business Growth Project

4. In Dorset, the priority areas were aligned with the ESIF “Operational Programme Priority Axis”. One of these, and the axis to which this report refers, is Priority Axis 3: Enhancing the Competitiveness of Small and Medium Enterprises (PA03). This is within the ERDF component of the funds.

5. In 2015 a consortium of local partners led by WSX Enterprise, applied to the call for projects under PA03, submitting an Expression of Interest to run the Dorset Business Growth Project. WSX Enterprise was the only applicant for the delivery of this in Dorset. The expression of interest was then developed into a full bid in the spring of 2016. The headlines for the project are:

- A 3-year project
- 50% ERDF funded = £7.7m (£15.4 total including match)
- WSX Enterprise is the lead partner
- 6 consortium delivery partners (Dorset Chamber of Commerce, Bournemouth University, DORMEN, Creative Dorset, Silicon South and YTKO)
- Average claims of £200,000 per month
- Expected start date was June 2016, now earliest October 2016
- 30 months full delivery, with 3 months at project beginning and 3 months closure

6. The Dorset Business Growth project offers a comprehensive support package for Dorset businesses from pre-start to high growth, responds to key sector needs, addresses Dorset LEP and Local Authority priorities and delivers specialist support identified as needed by the business community. As such, the project aligns with the current ongoing work of the Leaders’ Growth Board and Dorset LEP to establish a Combined Authority, under which Dorset’s local authorities would function as a single democratically-accountable body working closely on the key areas of economic development, regeneration and transport. The Dorset Business Growth project will be delivered through the Dorset Growth Hub by a strong partnership of business support organisations working with the Local Authority Economic Development Teams. The support will enable small and medium sized businesses in Dorset to increase competitiveness and productivity leading to sustainable business growth, with 400 businesses intensively supported and 497 jobs created.

7. The programme will be match funded through various means, including financial and in-kind commitments from local authorities. Bournemouth Council have proposed financial match through its continued investment in some of the projects to the value of £20,000 per annum, and in-kind from time commitment from the Economic Development and Sustainability Team to the value of 2 FTE’s split across the team amounting to 0.25FTE each. This is a team who already intensively work on and in the same key business sectors.

8. Whilst there are still some pre-funding conditions to iron out, the Dorset Business Growth Project was given the conditional green light on July 20th. One of the major conditions is to secure the support of an Accountable Body.

Accountable Body – process

9. WSX Enterprise Ltd finance department have in excess of 10 years' experience managing ERDF projects. WSX Enterprise would be 100% responsible for submitting claims and answer any queries relating to this. WSX would then raise the invoice to the Accountable Body in line with the claim. The Accountable Body (a Local Authority) would pay WSX Enterprise Ltd and the Department for Communities and Local Government (DCLG) would pay the Local Authority. As the Lead Partner, WSX Enterprise will be the point of contact and will pay the partners via the standardised claim validation process.

10. All partners will receive a procurement and claims manual, comprehensive training and a partnership delivery contract to ensure that all aspects of procurement, expenditure and delivery are compliant and that they only incur eligible costs.

11. Partner claims will not be submitted unless they pass a strict eligibility checklist which is in line with ERDF requirements.

12. WSX Enterprise will be responsible for all DCLG and EU audit requirements, including post-closure requirements.

13. In terms of project governance, the overall delivery of the programme will be governed by the Partnership Manager and the Finance team at WSX Enterprise.

WSX are responsible for implementing and subsequently reviewing all cost procedures and will report to a Steering Committee comprising of relevant stakeholders and government officers.

Regular reporting to DCLG will also occur, including a risk register to identify any potential issues quickly.

14. WSX Enterprise will be responsible for ensuring that all third party projects are delivered in a way that complies fully with EU procurement and State-Aid rules. To mitigate risk of clawback, the lead applicant will run a compulsory compliance workshop for all delivery partners to inform them about procurement and State-Aid requirements.

15. In terms of clawback, should a partner or third party spend ERDF funds in a way that would not comply with the rules, DCLG might seek to

claw back any overpaid funding from the lead applicant. The partnership agreement will state that the partner/third party is responsible for repaying any ineligible funding.

16. In terms of organisational capacity for the financial services and accounting team at the Council, there will not be any remuneration for attending the steering group, but the council will be reimbursed for the time spent on project accounting and financial processing.

Risks associated with becoming Accountable Body

15. One risk identified is the financial exposure of the Accountable Body. On the basis of these conditions it is expected that the maximum amount Bournemouth Council would be exposed to if it was to be the Accountable Body would be no more than two claim periods (approximately £1,000,000). This would be on a gap funding basis and would only be incurred if a significant discrepancy in claims were identified. The steps outlined have been put in place to minimise the risk of this occurring.

16. Another risk is if an error is found at interim audit or at project closure. Mitigation of this risk will be via a clause in the partner agreements (yet to be presented and signed) detailing that they are responsible for their clawback issues if they cannot satisfy DCLG queries.

17. Another risk is the outcome of the EU Referendum, which has resulted in the United Kingdom deciding to leave the EU. This causes two risks. Firstly, there is a risk to the date when the project can begin. HM Treasury have delayed their decision on new funding allocations related to European funded projects, despite DCLG approving those projects from a content point of view. A decision is expected by HM Treasury imminently, leading to an expected project start date of October 2016, however it is possible that this could be delayed until after the Parliamentary Recess, meaning a January 2017 start. Secondly, it remains unclear as to what will happen to projects that receive European funding for a period longer than the two years it will officially take to action Article 50, the process for the United Kingdom to leave the European Union. For example, should this project get HM Treasury approval in January 2017 for 3 years, and Article 50 is invoked in October 2016, it is unclear whether the funding will continue post Autumn 2018.

18. A final risk is the Exchange Rate which will inevitably fluctuate. As with previous projects there is a standardised, agreed exchange rate that is used across EU funded projects for reporting and claims.

Risks associated with not becoming Accountable Body

19. The major risk to not becoming Accountable Body is that the project does not go ahead and local businesses miss out on significant services funded by the project that will aid their growth.

Clearly an associated risk is that Bournemouth's businesses do not grow as much as they might have, therefore not adding as much economic value (productivity and jobs) to Bournemouth's economy.

21. By taking on the role of Accountable Body it is showing leadership and confidence to the business community and the partners of the Council. There is a reputational risk to the Council should the decision be taken to not take on this role.

22. A further risk is to the security of the jobs of those involved in the local delivery partner organisations. Many of these roles, and organisations, will struggle to find further funding to continue without this funding. This will mean job losses, a lack of services to existing businesses and would-be entrepreneurs, and a reputational impact for Bournemouth as a place to start and grow a business.

Conclusion

Appropriate mitigation of risk has been put in place by the lead partner WSX Enterprise to ensure that the financial exposure to Bournemouth Council, were it to be Accountable Body, is sufficiently minimised. From an operational point of view, costs can be recompensed through the project.

Alongside these points, the potential reward to the business community of Bournemouth and the local supply chain is huge.

Consultation

A significant amount of consultation and joint working between the lead partner, delivery partners and all local authorities in the Dorset sub-region has taken place from April 2015 to the present. The lead partner has liaised closely with the Government's Department for Communities and Local Government prior to the outline bid submission, and again before the detailed bid submission in late March 2016. This consultation has continued post-submission in order to clarify details of the project, including the necessity of identifying an Accountable Body.

Options

- A) To recommend that Bournemouth Council becomes the Accountable Body for the Dorset Business Growth Project, based on the information provided in this report and in the background papers.
- B) To recommend that Bournemouth Council does not become the Accountable Body for the project recognising that this may jeopardise the chance of achieving a multi-million pound investment into the local economy.

Summary of finance and resourcing implications

The Accountable Body section of this report clearly sets out for Members the risks to the Council and Bournemouth council tax payers of taking on the role as accountable body status for the Dorset Business Growth Project. In essence the Council will be responsible for the for ensuring appropriate financial administration and governance of the projects grant income and associated expenditure. In this regard the Council will be discharging a significant element of its responsibilities via WSX Enterprise who we will be reliant on in adhering to the detailed guidance to be issued by the Department of the Communities and Local Government (DCLG).

These risks need to be considered in the context of the benefits to Bournemouth and Dorset businesses and assessed in the knowledge that appropriate mitigation arrangements can be put in place.

In committing to this project the Council is also committing within the context of its 2017/18 Budget and Medium Term Financial Plan (MTFP) to the £60,000 financial contribution (£20,000 per annum *3 years).

This Council is also committed to covering the cash-flow implications between payments out and grant recovery.

Summary of legal implications

In signing to become Accountable Body for the Dorset Business Growth project, the Council will be bound by the terms outlined by the EU. Training and guidance will be provided to partners by the Lead Partner to ensure project compliance.

Summary of human resources implications

In terms of organisational capacity for the financial services and accounting team at the Council, there will be a requirement to attend the project steering group which will not be reimbursed. There will also be a time commitment on project accounting and financial processing, which will be able to be claimed for. In terms of the Economic Development and Sustainability Team there will be a time commitment to support delivery of the project, given as part of the match funding, amounting to the equivalent of 1.5FTE.

Summary of environmental impact

There is no environmental impact.

Summary of equalities and diversity impact

No change needed: the EINA demonstrates there is no potential for discrimination and that all opportunities to promote equality have been taken.

Summary of risk assessment

There are risks associated with the Council becoming Accountable Body for this project, however appropriate measures have been implemented to ensure that they are at an acceptable level.

Background papers

Full Application Form
Accountable Body proposal letter
Accountable Body commitment letter

Appendices

None

Report Subject	Monthly Budget Monitoring Report to 31 July 2016
Meeting Date	7th September 2016
Cabinet Portfolio	Councillor John Beesley, Leader of the Council & Portfolio Holder for Resources
Corporate Lead	Adam Richens, S151 Officer
Service Director	Adam Richens, S151 Officer
Status	Public
Classification	For information and decision
Key Decision	No
Impacts on Key Policy Framework	No
Report Author	Shaun Darcy, Assistant Chief Financial Officer ☎ 01202 451395 ✉ shaun.darcy@bournemouth.gov.uk
Executive Summary	This report presents the Council's performance against budget for the period 1 April 2016 to 31 July 2016. The forecast outturn at this early stage in the financial year is for the Council to exceed its budgeted resource in 2016/17. This would require the Council to apply the resources it specifically set aside as part of its 2015/16 financial outturn report in mitigation.
Recommendations	<p>It is recommended that Cabinet: -</p> <ul style="list-style-type: none"> a) Note the contents of the report. b) Note the position of the forecast for the General Fund outturn for the period ended 31 March 2017 which includes the use of the corporate contingency. c) Note the appendices to the report highlighting in year and ongoing pressures with Adult Social Care and the Environment and Economy Directorate including the action being taken to mitigate this. <p>It is recommended that Cabinet recommend to Council:-</p> <ul style="list-style-type: none"> d) To approve the allocation of capital resources to the refurbishment of the Fearn's Care Home and the completion of St Peter's School as noted in paragraphs 43 and 44 in this report.

Reasons for Recommendations	To ensure that the overall financial management and financial standing of the Council is subject to effective review.
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Introduction

- 1 The Council is benefiting from its planned approach over the previous 9 years through a robust financial strategy of building up reserves to deal with the significant and ongoing reductions in Government funding, equivalent to a 57% reduction compared to 2010/11. This is now enabling the Council to utilise some of these reserves to continue to fund quality front line services and reduce the budgets in these areas over a longer period enabling more efficiencies to be identified and minimising service delivery cuts. As expected the future financial position for Local Government is expected to be bleak with further significant and ongoing reductions in funding being made. The emerging pressures highlighted in this report demonstrate how tight the budget is and the limited scope there is to absorb these pressures within services.
- 2 The 2016/17 budget was approved by Council in February 2016 and presented a balanced position which was a significant challenge for the Council with further cuts in Government funding and increasing demands and pressures on services.
- 3 Amongst the unavoidable service pressures the Council agreed to allocate an additional £3m to Adult Social Care before finalising the savings required across the Council's operations. To balance any additional base budget pressures a series of planned savings, efficiencies and income generating proposals were identified to avoid the need for significant reductions in frontline services, some of which required in year decisions.
- 4 In order to ensure that the uncertainty regarding known and unknown risk areas were acknowledged, a contingency was provided within the budget. This contingency is offsetting the emerging service pressures identified in this report. However, as the overall financial position changes it is probable that the application of the contingency could be higher than the current forecast.
- 5 The General Fund forecast for the year ending 31 March 2017, as at 31 July 2016, set out in Table 1, is currently forecasting an adverse position for service budgets in Development, Environment, Adult Social Care, Community Learning & Commissioning and Strategic Finance. This is currently being offset by some favourable service forecasts as well as the application of contingency, some of which is offsetting pressures that were not expected and are drawing contingency that was earmarked for other risks.
- 6 Work has already been undertaken to mitigate emerging General Fund pressures by assessing the risks and progress of all identified savings within the 2016/17 Budget to ensure that all scheduled savings, efficiencies and income generation planned are achieved

and action plans are developed wherever possible to address any non-achievable savings and replace them if necessary. The difficulties experienced by these services in trying to contain costs arising from increased demand and other economic factors outside their control are well understood. Nonetheless all efforts are being made by Officers in conjunction with Portfolio Holders to mitigate the in-year position, even at this early stage in the financial year, to ensure that the current forecast is maintained or improved by the year end.

- 7 The Housing Revenue Account is reported separately to the General Fund and is currently predicted to achieve a surplus of £14k. A summary of the Housing Revenue Account to 31 July 2016 is included in Appendix A.
- 8 The Council's approved General Fund Capital Programme and Housing Revenue Account Capital Programme as at 31 July 2016 is set out in Appendix B to this report.

Table 1: General Fund Forecast Summary as at 31 July 2016

	Original Annual Budget	Working Annual Budget	Forecast Outturn	Forecast Variance
	£000	£000	£000	£000
Service Budgets				
Adult Social Care	51,051	51,700	53,600	1,900
Children's Social Care	25,530	25,477	25,477	0
Children & Young People	12,533	12,587	12,587	0
Community Learning & Commissioning	14,188	14,179	14,429	250
Legal & Democratic	1,184	1,184	1,184	0
Transition	508	508	508	0
Development	11,705	11,705	12,105	400
Environment	7,861	7,861	9,639	1,778
Housing & Community	5,999	5,979	5,970	(9)
Tourism Services	331	331	331	0
Commercial	187	187	187	0
Strategic Finance *inc Housing Benefits	4,073	4,073	4,551	478
Executive Board	398	418	418	0
Projected Service Position	135,548	136,188	140,985	4,798
Corporate Budgets				
Interest	1,449	1,449	1,149	(300)
Corporate Contingency	918	278	0	(278)
Other Corporate Items	(3,026)	(3,026)	(3,082)	(56)
Corporate Budgets Total	(659)	(1,299)	(1,933)	(634)
Total	134,889	134,889	139,052	4,164

- 9 Details of all forecast variances in excess of £100k and potentially significant variances to be aware of are set out in paragraphs 10 to 34 of the report in accordance with the Council's financial reporting requirements. Favourable variances are shown in brackets.

Adult Social Care – £1,900k

- 10 Adult Social Care continues to experience high demand in respect of care packages and increased costs within the external market, these were evident in 2015/16 but the service was able to offset pressures with one-off mitigating items including the use of corporate contingency that was set aside to meet these demands. The budget position for Adult Social Care continues to be proactively managed within a challenging environment and all possible steps are being taken to ensure that increased costs are mitigated.

- 11 As agreed in the Council's finance Year End Outturn Report 2015/16, on 20 June 2016, £640k of Corporate Contingency has been transferred into Adult Social Care specifically to fund the inflationary pressure on adult care fees.
- 12 As per the Budget Monitoring Report for May it was agreed that the Executive Director for Adults and Children's Services provides a specific report by way of updating Members in relation to the Adult Social Care position and the actions being taken to mitigate the current forecast outturn. This can be found in Appendix C to this report.

Children's Social Care – £0k

- 13 The Children's Social Care budgets are currently forecast to achieve a balanced outturn.
- 14 The pressure seen in recent years on the Looked After Children (LAC) external budget in Children's Social Care is being closely monitored. As part of the budget savings for 2016/17 a total of £400k was removed from the LAC external budget. Measures put into place for controlling this budget through commissioning savings and close review of individual cases indicates that the reduced budget provision is controlled and sufficient.
- 15 Based on the existing cohort of known LAC cases there is some potential for delivering an underspend on the reduced LAC budget, however this figure assumes maintaining only a limited growth in LAC cases between now and the end of the financial year from the historically low numbers of around 250 currently within Children's Social Care. Patterns of entry of LAC into the care system are always hard to predict and very fluid, but it is currently thought the budget will be sufficient in 2016/17.
- 16 The significant increased vigilance on Child Sexual Exploitation may give rise to pressure on LAC numbers, and continuing investment into this area is being undertaken in 2016/17. There are potential knock on effects from reducing LAC external costs for instance into In-House Fostering and Adoption with the potential to add small pressures to these areas. Other potential pressures in the service arising from Intentionally Homeless families, Staying Put cases, Remand Bed costs, and historic Section 20 cases are all being closely managed to be delivered within the existing budget or the Earmarked Reserve.
- 17 The service has restructured in some areas delivering savings of around £200k to the salary budget and the service is also holding a number of vacant posts at all levels to manage the numbers of agency staff. The numbers of agency staff are currently being maintained below the limits set at the beginning of the financial year in order to deliver budget savings of £300k for agency staff in 2016/17.

Community Learning & Commissioning – £250k Forecast Overspend

- 18 There is a current pressure in Library Services which is as a result of a change in the approach to meeting savings targets which is causing delays in realisation.
- 19 Business Support services also are experiencing pressures including £50k relating to central support recharges to schools returned to the Council as a result of Academisation.
- 20 Work is ongoing to identify savings to offset these pressures and further clarify the current position.

Development - £400k Forecast Overspend

- 21 As previously reported a review of savings for 2016/17 has identified there are a number of recognised 2016/17 budget savings where there are risks that they will only be partly met. By maintaining key bus services in certain areas the full savings anticipated from Bus Subsidies will not be met. Furthermore, those savings made relating to bus subsidies will only provide a part year saving. This has led to a pressure of £285k.
- 22 The remaining £115k is due to service restructures not being achieved as quickly as planned because of consultation requirements.
- 23 As per the Budget Monitoring Report for May it was agreed that the Executive Director for Environment and Economy Services provides a specific report by way of updating Members in relation to the Environment and Development position and the actions being taken to mitigate the current forecast outturn. This can be found in Appendix D to this report.

Environment - £1,778k Forecast Overspend

- 24 The previously reported shortfalls of £400k due to demand led Cleansing Services remain of which, £200k is due to an ongoing review of Public Conveniences which is yet to determine the required provisions and £200k due to ongoing service restructures and contract negotiation.
- 25 Additionally, although income is rising as a whole, the service is experiencing pressures relating to waste income streams £680k, due to challenging targets, evidenced by lower demand for fee charging services than expected.
- 26 Recycling inflationary costs, higher than planned fleet costs and increased demand in highways maintenance are causing a further £460k of pressures. There is also £238k relating to workforce planning pressures.
- 27 As per the Budget Monitoring Report for May it was agreed that the Executive Director for Environment and Economy Services provides a specific report by way of updating Members in relation to the Environment and Development position and the actions being taken

to mitigate the current forecast outturn. This can be found in Appendix D to this report.

Strategic Finance - £478k Forecast Overspend

- 28 There is currently a £350k forecast pressure regarding the use of temporary accommodation to meet the Council's statutory obligation to deliver homelessness services. This is due to the temporary accommodation being over the rent threshold that the Council is able to reclaim. The Head of Housing & Customer is working with the Service Director for Strategic Finance to mitigate this position as far as possible and further updates will be given during the year.
- 29 In addition to the above, there is a forecast shortfall of £150k in Housing Benefit overpayment income due to the budget being based on last year's actual position which was at its peak due to the introduction of Real Time Information (RTI) allowing the sharing of information between all Government bodies. This is partially offset by a favourable position across the rest of Strategic Finance.

Interest – (£300k) Forecast Saving

- 30 In June the Council took out £10m of borrowing from the Public Works Loan Board at a rate of 2.80%. The day the borrowing was carried out was the lowest the rates had been for over 20 years. The authority will assess the need to borrow any further amount but there will be an underspend against the budget for 2016/17 which assumed that the Council would borrow £18m from 1st April 2016 at a rate of 3.4%.
- 31 The Bank of England's recent decision to cut the bank rate to 0.25% was highly anticipated. The Treasury Management team being fully aware of this likely decision managed to secure some fixed interest investments before the announcement was made. Therefore, the authority is on target to achieve our investment income budget for the year despite the rate cut. It will however mean that the 2017/18 forecast investment income will be revised down.

Corporate Contingency – (£278k)

- 32 As agreed in the Council's Finance Year End Outturn Report 2015/16 on 20 June 2016, £640k of Corporate Contingency has been transferred into Adult Social Care specifically to fund the inflationary pressure on adult care fees.
- 33 The remaining £278k of the corporate contingency has now been released to partially offset the current forecast overspend on the General Fund.

Other Corporate Items – (£56k) Forecast Saving

- 34 Education Services Grant (ESG) is allocated to local authorities and academies on a simple per-pupil basis according to the number of pupils for whom they are responsible. The budget for 2016/17 was based on an assumption that a number of schools would have converted to academies by now which in turn reduces the amount of grant we receive. However, schools which were expected to

transfer are taking longer than expected so it is estimated the Council will receive an additional £56k for 2016/17.

Housing Revenue Account (HRA) – (£14k) Forecast Saving

35 Appendix A presents the Housing Revenue Account for the period 1 April 2016 to 31 July 2016. The current year-end projection to 31 March 2017 is a £14k saving.

36 There is currently an overspend on responsive maintenance which is being offset by lower management costs, higher rental income from newly acquired properties and lower than anticipated loss from void properties.

Capital

37 On 23 February 2016 Special Council approved the General Fund Capital Programme as part of the Medium Term Financial Plan and approved an initial capital budget of £47.2m for 2016/17. This was revised for re-profiling as at the end of May 2016. The current General Fund Capital Programme for 2016/17 as at 31 July 2016 is £48.7m following recommendations and approvals made by the Executive Gateway Board (EGB) in June and July 2016.

38 The current HRA Capital Programme for 2016/17 as at 31 July 2016 is £19.4m and there is no reported overspend or slippage at present.

39 Further detail of the current Capital Programme can be found in Appendix B to this report.

Executive Gateway Board (EGB)

40 At the EGB meeting in June 2016 it was proposed that funding of £288k be agreed to fund the replacement of the Council's Atrium and GITARs systems supporting Asset and facilities management services. This will be funded partly from corporate resources and the remainder from prudential borrowing with repayments from the service from their reduced costs.

41 At the EGB meeting in July 2016 Basic Needs Grant funding of £58k was agreed to fund the temporary expansion at King's Park Primary, £31k of School's Capital Maintenance Grant was allocated to the Pool demolition at the Stourfield schools site and £90k of funding was allocated to build a new school crossing outside Avonbourne School.

42 A change request was approved to increase the budget for the Linwood Main School site by £300k which will be funded through prudential borrowing and paid back from the school over a 15 year loan period.

43 It is proposed that £1.5m is allocated to the Adult Social Care Capital Asset Strategy to fund the refurbishment of the Fearn's Care Home to increase the provision of Health and Social Care beds available in Bournemouth which will create additional income to fund the prudential borrowing over the next 15 years.

44 A change request was submitted requesting an additional £2.2m to be allocated to the St Peter's School Expansion to ensure successful

delivery of the overall scheme. This will be funded by £1.1m of EFA Grant funding to the Academy, £952k of Basic Needs Grant and £113k of corporate funding.

- 45 The above schemes have been included within the Capital Programme in Appendix B. Cabinet is asked that the schemes in paragraphs 43 and 44 above are recommended to Full Council in accordance with the Council's financial regulations capital programmes over £1m need Full Council approval.

Consultation

- 46 This report and the attached statements have been prepared in consultation with Service Directors and Executive Directors, and on the basis of information provided by them.

Options

- 47 This report provides financial performance information, and as a result there are no alternative options to consider.

Summary of finance and resourcing implications

- 48 The finance and resourcing implications are as set out in the body of this report.

Summary of legal implications

- 49 None.

Summary of human resources implications

- 50 Human resource issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of environmental impact

- 51 The environmental impact of the budget allocation is considered by Service Directors and Portfolio Holders in preparing their budget and Service Plan proposals.

Summary of equalities and diversity impact

- 52 Equality and diversity issues are considered as part of the budget and services planning process that support the allocation of Council resources.

Summary of risk assessment

- 53 The effective management of the Council's Budget is fundamental to the good governance of the organisation. Failure to do so will result in the inadequate financial health and wellbeing of the Council. Without addressing 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.

- 54 Actual performance to the end of February 2016 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 and increasing 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 Adult Social Care, Children & Young People, Children’s Social Care, Community Learning & Commissioning and Environment;
 - b changes 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.
- 55 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 Bournemouth – 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: CR02)**
 - 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 such as changes to health services; impact of an on-going recession. **(Ref: CR03)**
 - 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: CR07)**
 - e 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 rendering strategy inoperable; misalignment of budgets and priorities;

failure to achieve expected capital receipts and/or variations in trading income. **(Ref: CR10)**

- f failure to deliver commercial income streams which support the Council's ambitions – pressure on resources in the current economic climate places reliance on new commercial income streams to support the Council's ambitions. **(Ref: CR14)**
- g future risk impact of service reductions such as HRA new build will be reflected in the appropriate risk registers.

Background papers

Report to Council 23 February 2016 entitled 'Medium Term Financial Plan 2016/17 – 2018/19 & the Budget 2016/17' [Report Pack](#)

Appendices

Appendix A – Housing Revenue Account Summary 1 April 2016 – 31 July 2016

Appendix B – Capital Summary 1 April 2016 – 31 July 2016

Appendix C – Adult Social Care Budget Report

Appendix D – Environment and Development Budget Report

Housing Revenue Account Summary 1 April 2016 – 31 July 2016

	Adjusted Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
<u>Income</u>			
Rental Income	(22,754)	(22,996)	(242)
Maintenance Income	(243)	(194)	49
Service Charges	(73)	(68)	5
Other Income	(505)	(465)	40
Service Recharges Income	(624)	(650)	(27)
Photovoltaic Income	(650)	(650)	0
Total Income	(24,849)	(25,023)	(174)
<u>Expenditure</u>			
Director of Housing	237	230	(7)
Housing Management	2,866	2,818	(48)
Housing Maintenance	4,275	4,488	213
Housing Technical	1,712	1,690	(22)
Service Overheads	437	467	30
Housing development	212	201	(11)
Photovoltaic Maintenance	76	39	(37)
Central Recharges	800	800	(0)
Service Recharges	521	493	(28)
Depreciation	8,501	8,516	15
Total Expenditure	19,638	19,742	104
Net (surplus)/deficit for service	(5,211)	(5,281)	(70)
Appropriations & Other Adjustments	5,211	5,267	56
Net (income)/expenditure for the period	0	(14)	(14)

Capital Programme 2016 to 2019

General Fund	Expenditure 2016/17 April - Jul £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Planned Programme 2018/19 £000's	Total £000's
Adult Social Care	126	2,874	2,731	0	5,605
Children's Social Care	0	175	0	0	175
Children & Young People	126	106	0	0	106
<u>Communities Learning & Commissioning Service</u>					
Christ the King RC Primary - Refurbishment	0	119	0	0	119
Avonwood Primary - new primary provision	0	170	0	0	170
Winton Primary - Additional School Places	0	112	0	0	112
St Peter's	1,819	7,762	0	0	7,762
The Bourne Academy - Main Scheme	0	146	0	0	146
Other Communities Learning & Commissioning Service	527	3,806	0	0	3,806
<u>Corporate & Commercial</u>					
ICT Infrastructure Modernisation	229	3,060	0	0	3,060
Social Mobile and Connected World	36	538	0	0	538
Inward Investment	36	1,056	737	0	1,793
Asset Investment	0	2,900	2,900	2,900	8,700
Housing Company Properties	0	4,030	3,900	3,900	11,830
Other Corporate and Commercial	21	35	0	0	35
Strategic Finance	27	69	0	0	69
Customer Services	149	1,199	0	0	1,199
<u>Housing & Communities</u>					
Heathlands Mitigation	101	569	0	0	569
Building Maintenance	56	160	0	0	160
Other Housing & Communities	406	1,770	791	700	3,261
<u>Environment</u>					
Strategic Waste Facility Project	0	0	13,763	0	13,763
Millhams CA - Drainage improvements	1	1,443	0	0	1,443
Street Lighting - Replacement	0	275	0	0	275
Coast Protection & Beach Management	3,688	5,087	2,032	2,075	9,194
LTP Schemes - Maintenance	306	1,662	0	0	1,662
Other Environment	0	1,766	0	0	1,766
<u>Development</u>					
LTP Schemes - Integrated Transport	57	747	0	0	747
Wessex Fields Link	0	550	550	2,350	3,450
Facilities Management	29	860	734	669	2,263
BH Live Client	224	2,645	1,606	1,556	5,807
Other Development	311	74	3,022	2,900	5,996
<u>Tourism</u>					
Seafront Strategy - Phase 1	360	1,756	0	0	1,756
Other Tourism	113	1,184	0	0	1,184
Total Capital - General Fund	8,749	48,704	32,766	17,050	98,520
<u>Housing Revenue Account</u>					
	Expenditure 2016/17 April - Jun £000's	Planned Programme 2016/17 £000's	Planned Programme 2017/18 £000's	Planned Programme 2018/19 £000's	Total £000's
Basic Planned Maintenance Programme	1,996	7,151	8,389	9,119	24,660
New Build Development	235	12,215	2,870	2,942	18,027
Total Capital - Housing Revenue Account	2,231	19,366	11,259	12,061	42,687

Adult Social Care Budget Report of the Deputy Chief Executive

1. Over the course of the past three years the budget associated with the delivery of adult social care services has been under significant pressure and that trend is continuing in the current period. The pressure faced in Bournemouth is replicated at a national level, indeed in 2015/16 94 Councils with adult social care responsibilities overspent in this area of activity at a total cost of £168M. All Councils nationally are also facing year on year reductions in central government grants, significantly impeding their ability to respond to growing demand.
2. The financial pressures both locally and nationally largely relate to demographic changes. There is increased demand from an aging population and from increases in the numbers of people presenting with disabilities and mental health issues alongside insufficient market capacity to meet this need resulting in demand outstripping supply. This is a position which has been worsening over time and is projected to continue with national data suggesting that if demand and current spend continue on the same trajectory then investment in care services nationally would need to be doubled by 2026. In a recent survey conducted by the Association of Directors of Adult Social Care Services (ADASS) it is concerning to note that only 31% of Directors expressed confidence in meeting the savings targets required to balance budgets in 2016/17 and this reduced to just 6% looking forward to 2017/18.
3. A significant part of the challenge presented by the changes in the demography in Bournemouth relate to the acuity of the clients that we are supporting. Care packages are increasingly complex and run for longer periods due to increased life expectancy. There are also greater levels of expectation in terms of support at home rather than in residential settings alongside a drive to reduce length of stay in hospital. There is also a lack of capacity within the social care market with demand significantly outstripping supply within the home care sector and increasingly more recently within the residential market, particularly for nursing and dementia support. The impact of this is that costs associated with securing services have increased as has the need to implement more expensive short term solutions whilst long term packages are sourced.
4. Steps have been taken within the Adult Social Care (ASC) to manage the pressure and this has been successful at a headline level since 2013, with small surpluses or budget balance being achieved by the service over these years. This has been delivered through service change and transformation designed to create efficiencies, increase income and stimulate new markets. Actions include:
 - Restructured the senior and middle management tiers, removing four Service Manager Posts and three Team Manager level roles
 - LEAN systems approaches to assessment and review reducing paperwork and increasing the number of assessments/reviews completed by each practitioner to negate staffing growth
 - Implemented innovative self-assessment mechanisms meaning that some 30% of assessments are completed without direct contact with a Care Manager, a process designed through Digital by Default and soon to be adopted by the Borough of Poole
 - Reshaped directly provided services, reducing spend in this area by some £500K per annum
 - Created a trading arm for provider services, Tricuro, designed to deliver £90,000 per annum in additional efficiencies year on year until 2020 alongside profit return to the Council, circa £70,000 in year 1

- Reduced in agency spend through staffing structure changes
 - Maximised appropriate income from client contributions through fee increases
 - Increased income from the Health Sector including securing funding for the Hospital Social Work Team and charges for the use of rehabilitation capacity
 - Worked at a pan Dorset level to develop and implement the Better Care Fund agreement that secures funds from Health to safeguard social care services and targets resources to address high priority issues such as delayed transfer of care.
5. Commissioners in Community Learning and Commissioning (CLC) continue to work positively with the care market to manage capacity and have implemented new ways of working such as launching the “Proud to Care Campaign” implementing our information and advice strategy and associated web based resource of “My Life My Care” to attempt to divert demand away from the service.
6. These developments and changes within both ASC and CLC have delivered a balanced budget for adult social care over the past three years. The positive budget outturns since 2012/13 have been achieved through the management action outlined above together with:
- prudent application of one off reserves
 - increased income through challenging individual cases of ordinary residence
 - careful application of government grants

ASC Budget Outturn data:

Year	Budget £	Year End Actual £	Outturn £
2012/13	52,244,516	52,217,746	(26,770)
2013/14	51,953,538	51,878,937	(74,601)
2014/15	50,057,333	49,966,955	(90,378)
2015/16	52,361,920	52,361,920	0

7. These positive outcomes have however belied a growing pressure on the budget for Care Packages. This component part of the budget, which accounts for approximately £42M, against a base of £52M has had a growing shortfall each year. In 2013 the identified funding gap stood at £1.5M, in 2014 this had risen to £3M and in 2015/16 the underlying pressure stood at £4.5M. In the current year the forecast pressure on this budget is £6.5M. This is despite the continued work within the service to manage cost and demand alongside the commitment and support shown by Cabinet in providing additional resources to mitigate the pressure that is being faced, most notably through the Social Care Precept with Bournemouth being one of the 93% of authorities to implement this new arrangement.
8. In addition to the pressure related to the costs of care, the Council has in recent years lost access to central government funding and resources previously allocated via health as part of national arrangements.

9. The service has also delivered significant savings during the past three years as part of the Medium Term Financial Plan the table below shows the savings and reductions over the past three years and into this financial year:

Year	Savings Delivered (M)	Reductions (M)	Total (M)
2012/13	-	-	
2013/14	1.5	-	1.5
2014/15	0.7	-	2.2
2015/16	1.2	-	3.4
2016/17	0.9	1.5	5.8

10. Despite the Council's actions to address the pressures in adult social care the loss of resources has been significant and as a result the net position is that the base budget has risen by only £117,404 since 2012/13. When this is set against the significant increase in market cost and demand the actual position is one of a reduced ability to respond to the pressures that are being faced.
11. Managers in Adult Social Care Services (ASC) and Community Learning & Commissioning (CLC) continue to proactively manage the position. Following focused and comprehensive work within the service, the identified pressure of £6.5M in 2016/17 has been mitigated through the further application of one off savings and innovative approaches to the management of demand. This positive management of the challenge has reduced the forecast overspend position to £1.9M. Further work will be undertaken over the course of the coming months to seek to minimise the gap in resources both for the current and future years.
12. Current actions being taken include:
- Challenging the costs of care packages for people with learning disabilities through the Care Funding Calculator
 - Implementing the findings from a comprehensive external review of the Community Learning Disability Service to maximise outcomes for clients and use of resources
 - Accelerating the process of reviewing care packages where efficiencies could be attained
 - Maximising access to health funding to offset costs in social care, including work to better manage Continuing Healthcare arrangements and implement Joint Funding Agreements
 - Implementing new ways of supporting clients through Individual Service Funds (ISFs)
 - Continuing to enhance and develop the already significantly improved integrated approach to the management of transitions cases between children and adult services
 - Further efficiencies within the controllable staffing budget for ASC
 - Identifying further efficiencies within the commissioning function through closer working with the Borough of Poole
 - Piloting a scheme that looks to secure provision at the Council's published rates by offering small capital grants to providers to invest in and improve their facilities.
13. The impact of this work will be assessed and continuously monitored to minimise the residual gap in resources available to deliver services both this year and into the future.

14. As a medium term financial strategy, the development of a Capital Strategy has progressed to increase capacity in the market, reduce costs associated with care and to ensure that income is maximised wherever possible. A programme of works to review the capital assets held by ASC and ensure these are used effectively to meet future demands has recently been approved by Executive Gateway Board.
15. By intervening directly in the Care Market the Council is able to create affordable provision where there is a shortfall and stimulate investment by developing new markets. The first project in this programme is the refurbishment of The Fearnas Care Home to provide an improved and expanded interim care facility to replace Broadwaters. This will offer greater capacity along with the ability to generate income through partnership working with the Clinical Commissioning Group. Further projects will be brought forward in the coming months.
16. In the longer term, work has commenced in conjunction with health partners to consider options for integrated services linked to the Clinical Services Review. This work is being undertaken with clear reference to the strategic direction set within the Sustainability and Transformation Plan (STP) and local government reform.
17. Bournemouth continues to perform well in terms of the level of support available to customers and the financial position, although challenging, remains well managed. As with previous years, all possible steps are being taken to proactively manage the financial position and the forecasted overspend at the current year remains at £1.9M, which equates to 2.6% of the total spend for adult social care.
18. Updates will be provided to Cabinet through the monthly budget monitoring reports. These will be supported by detailed progress reports to the Portfolio Holder as part of the monthly Adults and Children's Directorate Budget Monitoring Meetings. In addition to this, a report will be presented to the Corporate Management Team (CMT) to propose the establishment of a Strategic Risk Management Group. This will support cross Council activity to address the corporate risks associated with the current adult social care budget position.

Jane Portman

Executive Director, Adult & Children's Services & Deputy Chief Executive

Environment & Economy Budget Review 2016

Introduction

The Environment & Economy Directorate has evolved and its current group of Service Units are Housing & Communities, Development, Environment and Tourism services. These services are at the forefront of the Council's ambition to "Build a Better Bournemouth" making it the great place it is to live, work and stay; providing great service delivery to residents, workers and visitors alike throughout the year across the borough.

These Service Units provide many of the universal services enjoyed by residents including Waste Collection, Street Lighting, Cleansing, Highway Maintenance, Parks, Seafront, Bereavement, Housing, Tourism and Events, Planning, Regulatory Services and Customer Services. They also deliver strategic economic development and regeneration services. The Directorate works in partnership with a wide range of local and national organisations and has established subsidiary companies BBML, Seascape South Limited and Seascape Homes & Property Limited.

Against a challenging operating environment with growing demand for services and reduced capacity, the Directorate has made savings of over £16m during the past four years. Furthermore, the Directorate generates significant income in order to meet its service obligations.

Environment & Economy	
Year	Savings (£'000)
2013/14	3,390
2014/15	1,960
2015/16	6,039
2016/17	5,125
	16,514

2016/17 Service	Income Budget	Expenditure Budget	Total Council Investment
Development	(7,244)	18,949	11,705
Environment	(19,542)	27,402	7,860
Housing & Communities	(16,867)	22,865	5,998
Tourism Services	(7,422)	7,753	331
	(51,075)	76,969	25,894

Whilst increased pressures and income expectations have been felt across all areas, the services now within the Environment theme in particular and to a lesser extent the Development theme have been impacted the greatest as they continue to deliver the great service expected by our residents and stakeholders.

Current Position

As at 31 July 2016 the Environment & Economy Directorate is forecasting an adverse variance of £2,169k for the year ending 31 March 2017.

Housing & Communities and Tourism Services are currently forecasting a balanced budget/underspend, which given their challenging income targets and ongoing operational pressures is a credit to them.

The **Environment** services are forecasting the majority of the adverse variance totalling £1,778k. This has resulted from the challenges associated with ongoing prior year budgetary pressures, new and emerging in year pressures arising, and in attempting to meet the 2016/17 savings targets.

Ongoing prior year budgetary pressures

- Fleet efficiencies
- Workforce planning
- Increased income generation expectations
- Realisation of Strategic Waste Facility benefits

New and emerging in year pressures arising

- Highways maintenance demand
- Recycling cost increases
- IT system charges

2016/17 savings target challenges

- Provision of public conveniences – a number of sites have been closed but a more radical approach is required to meet the savings target
- Street cleansing demand – a thriving economy and Bournemouth, highlighted as an event destination, are placing an increasing demand on cleansing activities, particularly in light of recent staff reductions associated with the Street Services restructure.
- Garden waste income expectations – registration numbers are in line with modelling but income to date does not meet the combined 2014/15 and 2015/16 income target

The **Development** directorate for the same period is forecasting a £400k adverse variance, primarily due to the non-achievement of Bus Subsidy savings (£285k) due to maintaining key bus services in certain areas. Furthermore, those savings made relating to bus subsidies will only provide a part year saving in 2016/17. The remainder of the variance is due to staff restructures not being achieved as quickly as planned because of consultation requirements.

Action taken to date

Income

- Successfully introduced green waste charging -The chargeable green waste collection began in February 2016, offering greater bin capacity and a longer collection season. Over 18,000 residents have registered and paid for this enhanced service, with additional households registering each month
- Successfully implemented car parking price changes - increased parking charges in the majority of our car parks has resulted in improving revenue for the overall service unit and Council.

- Successfully expanded the current commercial waste customer base and generated significant additional income from increased collections and new pricing structure.
- Reviewed a number of other chargeable services including vehicle access approval and construction, pest control, traffic management and street lighting consultancy to ensure cost recovery and maximise any potential income.
- Secured central Government funding (Pot Hole Fund/Severe Weather Fund) to improve highway infrastructure and transform service delivery.

Workforce planning

- Reduction in agency staff reliance - utilising the route optimisation systems, the current round structure has been run through the model and highlighted areas of inefficiency and slight imbalance between rounds. Using the route optimisation section of the software the rounds have rationalised resulting in the litter round being adsorbed into existing refuse collection rounds.
- Undertaken workforce planning reviews and rationalisation within Street services team and improved further the efficiency of services by challenging historic methods of service delivery and by employing LEAN working practices.
- Streamlined staff – Undertaken a comprehensive restructure of the Street Services department which is delivering greater efficiency and significant savings across the Service Unit.

Operational reviews and rationalisation

- Successful transition of Millhams site - Millhams Community Recycling Centre is now managed by Borough of Poole Council, aligning site policies, introducing service improvements and delivering financial efficiencies for both Councils.
- Continued to automate key functions through web-based technology allowing the more efficient use of resources and assets e.g. highways inspection and pest control.
- Non-essential work not being undertaken - continued to review the portfolio of services and when appropriate applied the principles of needs driven rather than cyclical.
- Outsourced the kerbside recycling collection service - this contract, successfully won by Urbaser, is delivering significant cost savings and ensuring that going forward, the service is in line with the Council's wider efficiency agenda.
- Successful delivery of Car Park and Parking Enforcement Service within budget, improving car park assets and cutting costs which has resulted in improving revenue for the overall service unit and Council.
- Contract renegotiations with suppliers - at a time of challenging financial pressures a balance between budget prudence and service delivery requirements is imperative across all areas. Provisional contract items previously ordered at the discretion of the Council have ceased and further savings achieved in some areas by early contractual payments. The decision to cease with the take-up of provisional services was based upon sound judgement and only after full consultation with front line supervisory staff. The impact on standards is being measured and will continue to be analysed going forward.
- On 1st April 2016 Bournemouth Borough Council, together with the Borough of Poole embarked on a joint term maintenance contract for Street Lighting. This contract, successfully won by Volker Highways, will allow greater economies of scale and ensure that, going forward, the service is in line with Council's wider efficiency agenda.
- Fuel purchase contract – awarded new fuel contract which is delivering significant cost savings and ensuring that going forward, the service is in line with the Council's wider efficiency agenda.

This has all been achieved whilst maintaining high customer satisfaction levels.

Future actions and endeavours

All fees and charges will be reviewed to ensure optimum price is charged where elasticity exists, whilst still providing residents and visitors good value. Ongoing efforts will continue to harmonise with surrounding authorities and maximise the potential of joint working.

Income

- Garden waste - full consideration must be given to increasing and harmonising the charges for garden waste collection in line with the Borough of Poole.
- Vehicle access provision - Full consideration must be given to harmonising our charging policy in line with the Borough of Poole.
- Fully utilise available office space at Southcote Road for internal or external clients.
- Continue to educate residents about recycling – less contamination means more value.
- Review car parking charges to maintain income and ensure harmonisation with the Borough of Poole.
- Commercial waste - in line with the Borough of Poole full consideration must be given to increasing and harmonising the charges for commercial waste collection and exploring short term shared service opportunities.
- Continue to exploit income opportunities from disposal of any surplus fleet.
- Expand the in house vehicle cleaning service –strong commercial development potential by providing the service to other RCV and HGV fleet operators.
- Expand taxi inspections – examine the potential to complete twice yearly inspections of the Christchurch based taxi fleet (estimated at 150).
- Potential for building in agreed annual increases to aid the budget going forward – RPI or agreed percentage.

Workforce planning

- Refuse Route Optimisation - officers are in the process of modelling a number of refuse/food collection scenarios. The first tranche of this modelling has identified that, initially a reduction of 2 rounds, from the current collection structure, is achievable in the short term. This is prior to any detailed and enhanced changes to collection methodology in the future e.g. introduction of alternate week collections.
- Following staff consultation and recommendations from the Overview and Scrutiny panel, the proposals for a 4 day working week have been withdrawn at the current time in favour of route based optimisation, which can deliver some savings more quickly and will not impact our ability to fulfil future collection methodology aspirations.
- The route based optimisation modelling exercises encompass all aspects of the domestic service which includes the collection of household rubbish, food waste, litter bins, seafront collections, garden waste and collections from demand led events such as the Air Festival and Wheels Festival. The model has also identified the base staffing structure across the refuse collection service. The team are now working proactively to adopt this model and implement it by the use of staff utilisation and monitoring across the service. This is via the use of daily statistical analysis which will show trends and where any spikes need to be addressed.
- Officers have commenced work on merging highways inspection/network management/highway enforcement/ new road & street works activities with an associated reduction of staffing levels.

Operational reviews and rationalisation

- Contract re-engineering – dialogue between Bournemouth Borough Council and representatives of our Support Services Contractor is ongoing to explore the potential to 're-engineer' the contract. The Council's intention is to balance budget prudence with

service delivery requirements in all areas and obligate the contractor to use less resources to undertake reduced action for a reduced payment.

- Bank holiday working review – a policy decision will be required to cease waste collection activities on all public holidays.
- Continue to prioritise urgent and essential works only for highways, cleansing services and maintenance.
- Explore short term, shared service efficiencies within the areas of workshops and fleet management.
- Full utilisation and maximisation of capital funding by ensuring all allowable activity is evidenced and correctly allocated.
- Review the current lease and potentially remove a significant number of solar power compacting bins across the town centre and wider area.
- Public conveniences review and proposal to deliver all or some of the 16/17 target - decisions will need to be taken regarding the future provision of public conveniences and closure of those sites that are under used and often the focus of significant anti-social behaviour.
- Vehicle parts contract – the development of a new contract to generate financial savings in this area and to fully comply with procurement regulations. Such a contract will also provide shared service opportunities and service efficiencies as delivery times and embedded “right first time” KPI’s will ensure vehicle repair turn-around-times are quicker.
- Vehicle cleaning service – firstly savings to refuse budgets as the in-house service is cheaper than the previous contractor. Good commercial development potential can be achieved by attracting other RCV and HGV fleets such as DWP etc. Could become main cleaning facility for one Council amalgamation. Facility will be fully operational by October 2016.
- Process mapping and tighter stock control – improved scrutiny over parts and consumables being ordered within the areas of workshops and Street Services.

Conclusion

In conclusion, the Environment & Economy Directorate has a number of plans and activities to narrow the budget overspend for 2016/17 which I am confident will be reduced throughout the year.

Updates will be provided to Cabinet through the monthly budget monitoring reports. These will be supported by detailed progress reports to Portfolio Holders as part of their regular management update meetings.

Bill Cotton
Executive Director, Environment & Economy Services