

**BOURNEMOUTH, CHRISTCHURCH AND POOLE JOINT COMMITTEE – 20
MARCH 2018**

Public Question from Councillor Claire Bath

As a Christchurch Borough Councillor, I believe that the new Conurbation Council for Bournemouth, Christchurch and Poole should be structured to attract future Councillor candidates from all walks of life to represent their residents.

Christchurch Borough Council operates a Committee structure that allows Councillors in employment to attend all Council committee meetings which are scheduled at 6pm. Many of our younger members are employed but are still able to fully participate in our Council.

Can your committee confirm your commitment to promote a Council structure that allows working members to participate fully in the new Council through the timings of meetings being scheduled after the normal working day.

Reply from the Chairman of the Joint Committee, Councillor Janet Walton

If the Committee today agrees to establish a Task and Finish group to consider governance issues, that group will need to look at the overall options for decision-making arrangements. This will include matters such as what time of the day the various committees and boards should meet. I am sure that as part of these deliberations they will consider the potential working arrangements of members and the desire to facilitate engagement by all members in the decision-making processes of the new Council.

20 March 2018

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Public Question from Councillor Peter Hall

How are you going to balance your books this financial year, as you seem to have a shortfall of £1.3 million?

Reply from Cllr John Beesley, Leader of Bournemouth Council

I would like to respond to Cllr Hall as it gives me the opportunity to set the record straight about the issues he has selected. I can start by confirming that Bournemouth is not forecasting a shortfall in the Revenue Budget of £1.3m.

Bournemouth is proud of its strong and active culture of financial management as demonstrated by the fact that up to 2017/18 the Council has achieved a balanced or better financial outturn in its Revenue Budget for ten straight years in a row. In the current financial year 2017/18, we are working hard to make that eleven years. The current forecast at the end of January 2018 was for a relatively small shortfall of £173,000 which represents just 0.1% on the net budget of £127.2m. However, with two months left, from the date of the last report, experience shows that there is still sufficient time for the position to be further improved and our target to be achieved.

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Public Question from Councillor Peter Hall

The retail park at Mallard Road has cost your council a loan of at least £49 million. How can you justify such a large sum of money, as the retail trade is very unstable at this present time?

Reply from Cllr John Beesley, Leader of Bournemouth Council

This purchase was fully justified by the financial business case and included financial checks of the existing tenants. Whilst we are obviously aware of profit warnings issued by some UK retailers, this is not indicative of a market in crisis, nor of this particular retail park. In terms of the Mallard Road investment, it is worth remembering that the demise of BHS left a large unit empty in this park but, with the opening of Aldi, we are seeing stronger visitor numbers than ever before. There remains a good level of interest in the one vacant unit in this retail park.

This asset currently contributes around £600,000 p.a. to the Council's Medium Term Financial Plan, net of borrowing costs and provisions for voids and bad debts. This contribution is set to rise as rents increase and of course the loan repayments remain fixed for the borrowing term.

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Public Question from Councillor Peter Hall

Would you agree that the Bournemouth Council Tax Payer could be lumbered with this costly scheme, which could achieve negligible returns?

Reply from Cllr John Beesley, Leader of Bournemouth Council

I do not agree. This Council, like many others across the country, would not pursue such purchases if it shared your view. The purchase was subject to a full financial evaluation and detailed due diligence by Officers and Members. In the short period of Council ownership, we have witnessed increased footfall following the opening of the Aldi store and discussions with prospective tenants for the vacant unit suggest that this is already resulting in an uplift in rents. We take the view that, rather than lumbering the new authority as has been suggested, the transfer of this valuable investment asset and others will help ensure its financial stability long into the future.

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Public Question from Honorary Freeman, Councillor Colin Bungey

With the proposed serviced based savings and the lack of any accurate figures being available on disaggregation of care services currently provided to Christchurch by Dorset County Council. Can the residents of Christchurch both the young and elderly be assured that they will be provided with a seamless changeover retaining the same carer's and visitors that currently look after them as many have built up relationships with their carers and many in receipt of such care can be vulnerable?

Reply from Councillors May Haines/Philip Broadhead

Work is being completed to confirm the care services currently being provided to Christchurch residents by Dorset County Council as well as all other services.

This disaggregation work is being completed in line with the principles agreed by this Joint Committee the first being that:

“The transfer of services from one authority to another will not disadvantage individual people receiving care.”

This will mean that we will be working to ensure continuity of care for children and adults.

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Public Question from Honorary Freeman, Councillor Colin Bungey

Can Christchurch residents also be assured that those who are already in receipt of care from Dorset County Council will not have to go through the process of being re assessed by the new authority if it comes into being?

Reply from Councillors May Haines/Philip Broadhead

No resident that receives care from Dorset County Council will be required to go through any process of being re assessed as a consequence of the new authority.

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Public Question from Honorary Freeman, Councillor Colin Bungey

I have to admit not being a financial genius but I am somewhat confused about the proposals albeit brief for Council Tax Harmonisation, various suggestions have been made one of which suggests that a seven year period for harmonisation would be acceptable and the possibility of the Council Tax in Christchurch being frozen until such time as all is harmonised, it is also stated in the Medium Term Financial Plan that there is unlikely to be any reduction in Council Tax as this would increase the funding gap ?

Also very concerning for residents of Christchurch is that in the Medium Term Financial Plan Item 8 shows projected assumed figures for increases in Council Tax for Christchurch resident for the years 2019/20 and 2020/21 can these possible increases be explained as they must have an affect on the Harmonisation Period?

Reply from Cllr John Beesley, Chairman of the CTH T&F Group

Firstly, can I thank Cllr Bungey for his question.

Figure 2 in the consolidated Medium Term Financial Plan (MTFP) report presented as item 8 on today's agenda highlights Christchurch Borough Council's planning assumption within their approved MTFP, that it will increase its share of Council Tax by 2.99% in 2019/20 and by £5 in 2020/21. In terms of the major component of Council Tax for Christchurch residents, Dorset County Council is assuming it will increase its share by 2.99% in 2019/20 and by 1.99% in 2020/21.

The Council Tax Harmonisation report recognises that if an approach is adopted to the equalisation of Council Tax which means that bills in Christchurch are not increased by these values then this will mean that the new Unitary Council does not generate the Council Tax revenues assumed in the consolidated MTFP report. This reduced revenue is referred to as 'Council Tax Foregone'.

The consolidated MTFP report then goes on to highlight that there are other models for Council Tax Harmonisation as presented to this Joint Committee which potentially would not lead to the same level of Council Tax Foregone.

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Public Question from John Sprackling

With the imminent the merger of Bournemouth, Christchurch & Poole Councils with the resulting benefit of shared infrastructure, how soon will instructions be issued that no capital investment, or revenue expenditure (above say £10k), should be committed until the new Council approves it?

This would be best practice in any industry consolidation and this directive would be welcomed by hard-pressed Council Tax payers.

The background to this question is that, at last Tuesday's Poole Borough Council's Cabinet meeting, Cabinet members voted, unanimously, to spend £153,000 on various improvements (See below) to the Civic Centre, which the Chief Executive informed Members might close in two years time (2020). The Civic Centre is identified in the draft Poole Local Plan as housing allocation site U3 for (300 homes) and the Plan is currently the subject of Examination in Public.

£20,000 Disabled toilet & Baby changing and feeding facility

£15,000 Interview rooms

£55,000 Interview booths

£20,000 Queue Management Solution

£5,000 Stairs

£10,000 Access to services - signage and comms

£5,000 Access to all services - reception phones

£23,000 Contingency

£153,000 Total

A report covering the above expenditure was due to be an Agenda item at the Poole Council's Business Improvement Overview & Scrutiny Committee on 01 March 2018 but the meeting had to be cancelled due to adverse weather conditions. The Committee Chairman asked Members to send him their written comments in writing and presented a report of its concerns at the Cabinet meeting, but these were largely ignored.

Reply from Councillor May Haines

I thank Mr Sprackling for his question.

First, the works referred to in the question and which were approved by the Borough of Poole's Cabinet are essential to enable the Council to comply with its legal duties in respect of health and safety, disability access and equalities. These duties are not removed or negated in any way by the government's decision to implement local government reorganisation in Dorset. It is misleading to imply that they can be.

Second, the Borough of Poole, in common with the other local authorities represented on the Joint Committee, is committed to co-operating with each other as was stated in the report on the consolidated MTFP considered by the BCP Joint Committee on the 15 December 2017. The Chief Financial Officers (CFOs) will now highlight in reports to the relevant sovereign Council's any decisions which will have significant financial implications for the new Unitary Council. When the Shadow Authority has been established the CFOs will highlight to it any sovereign Council decision which will have either a significant financial impact or involves significant financial risk exposure to the new Unitary Council. Such matters will be included in the regular MTFP update reports. The investment by Poole of £153,000 in its customer services and front of house does not meet the definition of significant in this regard.

Third, the accommodation requirements of the new council for Bournemouth, Christchurch and Poole will be a matter for the new council to make decisions on. In the meantime the Joint Committee will foster cooperation between the existing councils in order to pave the way for the successful creation and operation of the new councils in Dorset. This will include efforts to prepare for the transfer of functions, property, rights, staff assets and liabilities.

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Public Question from Peter Fenning

At the December meeting of the joint committee a decision was made that the Task and Finish Group prioritise options on future council tax which

(a) ensure that no borough council council tax levels will arise at a rate exceeding the Government's referendum level

(b) includes freezes and/or reductions to the absolute level of council tax paid by Christchurch residents

An example was quoted in which a D band taxpayer from Poole council could pay £29 extra per year for the next seven years while a Bournemouth taxpayer would pay £24 extra per year. In the case of a Christchurch tax payer it was stated that a total sum of £948 would be saved over the seven years.

May I ask what are the annual decreases in council tax which will lead to this saving by a Christchurch tax payer?

Peter Fenning

Reply from Cllr John Beesley, Chairman of the CTH T&F Group

I would like to thank Mr Fenning for his question. Firstly I should point out that the modelling that has previously been presented has been revised for the reasons set out in the report at item 9 of today's agenda. Therefore, the £948 quoted in the question has changed and could now be over £1,050 when taken over the same period. As stated in the question, the options that the Task and Finish Group has been prioritising are those that see the Council Tax paid by Christchurch residents frozen. If this turns out to be the case, there would of course be no absolute reduction in council tax but an annual saving over each of a number of years, perhaps as many as seven years, due to an annual increase not being applied.

Recent increases in Council Tax would indicate that generally the referendum limit has been used as the cap. The resultant savings when compared to what the increased council tax would have been if increases had been applied would therefore be as follows;

Year 1 £48.05

Year 2 £81.88

Year 3 £116.27

Year 4 £151.26

Year 5 £186.83

Year 6 £223.02

Year of harmonisation £244.56

Cumulatively the savings add up to £1051.88

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