

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 09 September 2021 at 6.00 pm

Present:-

Cllr J Beesley – Chairman

Cllr L Williams – Vice-Chairman

Present: Cllr M F Brooke, Cllr D Butt, Cllr L Fear, Cllr A Filer and Cllr T Trent

26. Apologies

Apologies for absence were received from Councillors Brown and Phipps.

27. Substitute Members

Formal notification had been received appointing Councillor Dedman as substitute for Councillor Phipps and Councillor Matthews as substitute for Councillor Brown.

28. Declarations of Interests

Councillor Beesley declared his role as an observer on the BHLive Board, as referred to in the report. Councillor Williams declared his position as Member, Arts Council South West. Councillor Brooke declared his role as a Board member of Bournemouth Development Company.

29. Confirmation of Minutes

In response to a question from a member of the Committee relating to the LGA peer challenge it was noted that the further information requested at the meeting had not been circulated and that the requested information would be set out as an informative at the foot of the minutes of this meeting.

RESOLVED that the Minutes of the meeting of the Committee on 29 July 2021 be confirmed as a correct record.

30. Public Issues

There were no public issues.

31. Review of BH Live contractual and governance arrangements

The Committee received a report prepared and presented by the Chief Executive of BHLive and the BCP Council Service Director for Destination and Culture. The Chairman reminded Members that the role and scope of the Committee was limited to consideration and assessment of the processes and arrangements in place for the governance of BHLive.

The report also included, as an Appendix, a previous report to the Committee in July 2020. There was therefore the opportunity for the Committee to check back

on progress made against the issues that had been identified for action at that time. Specifically, these had included introduction of an annual reporting process to the BCP Council Overview and Scrutiny Board; the introduction of an ‘open book’ accounting style; the introduction of further clarity about the role of elected Councillors on the BHLive Board and the embedding within BCP Council of the identified contract management arrangements.

The steps taken to address each of these items was set out and explained to the Committee. Particularly highlighted was the temporary measure, currently being undertaken by the Chairman of the Audit and Governance Committee, to take on a role as an independent observer of the BHLive Board.

The legal position was also set out. This included appraisal of potential for conflict between the role of an elected Councillor and the statutory requirements imposed upon an appointed member of a Company Board. The Companies Act requirements were explained and the nature of the statutory duties imposed on Board members, in contrast to the role of a Councillor, were set out and explained. The Committee discussed the relative merits and disadvantages of elected Councillors sitting on Boards.

The report continued with an overview of the contractual and governance arrangements as set out in the original 2010 contract establishing BHLive and now also considered within the context of recent activities and challenges and the strategic direction for BHLive going forward. It was reported that the pattern of governance at BHLive largely followed an established model operating within other areas of the country with BHLive Enterprises delivering the commercial elements, such as conferences, whilst the main Board had responsibility as a charity for delivering the core service to the public.

Recently revised governance arrangements, together with an indication of their regularity of occurrence, were set out in table format including particularly comments about the point of contact between BCP Council and BHLive and the governance frameworks around facility management; financial reporting; Partnership liaison; Political oversight and arrangements for operation of the Strategic Partnership Board. The implications and effects of the pandemic and the financial effects within the Leisure sector were fully explained.

In response to questions from Members to the specialist Officers, the style and frequency of monitoring meetings were explained including description of the format and membership of the Strategic Partnership Board which underpinned the main Board and met in sync with it to provide liaison at senior officer level and feed back to the Board. There was also regular involvement with the Council's Portfolio Holder.

Members of the Audit and Governance Committee welcomed the explanations provided but there were areas identified where definitions around roles and responsibilities could be tightened up and where new wording could potentially provide greater clarity and improve effectiveness. In particular, and for example, the use of the term ‘as required’ when defining the level of client contact activity between BPC Council and BHLive was not considered to be sufficiently clear or to provide the level of certainty sought although the Committee were reassured that there was, in fact, a process of constant dialogue.

As part of their continuing discussion about the issues raised, the Committee focussed on three particular areas namely, (a) the outline of revised governance arrangements set out in the table at paragraph 2.7 of the report; (b) whether, going

forward, there was a continuing role for an independent observer along the lines currently being undertaken by the Chairman of the Committee and (c) the wider issue of whether or not elected Councillors should, as a matter of practice, have seats on the Boards and whether doing so was something that provided benefit to the Council.

(a) the outline of revised governance arrangements set out in the table at paragraph 2.7 of the report

In order that there was the greatest possible degree of clarity, **it was agreed by the Committee** that further work was required upon the list of governance arrangements as set out in paragraph 2.7 of the report. This work to be undertaken jointly in consultation with the Monitoring Officer and the objective should be to ensure that governance arrangements were robust and adequate for purpose. There were areas where further explanation and redrafting would be required including examples such as the phrase ‘as required’ in the point of contact line.

It was agreed by the Committee that, following the redrafting as identified, the revised proposals would come back initially to the Chairman and Vice-Chairman prior to re-circulation for comment to Members of the Committee (including to the two substitute Members). The final stage to be re-submission to the Committee for formal adoption.

(b) whether, going forward, there was a role for an independent observer along the lines currently being undertaken by the Chairman of the Committee

The Chairman presented further insight into the temporary role of independent observer which he considered had worked well in the pandemic period when there were a considerable number of matters to be addressed including significant financial issues. The role had, during that period, provided a useful link between the leaderships of the Council and of BHLive and enabled the Council to have confidence in the responses that were being developed and ensure that the economic integrity of BHLive was preserved. It was not, however, considered that the role needed to continue indefinitely in its present format although, if it was considered to have filled any gaps, this was something that could be addressed within the current review.

The Chairman advised the Committee that his period as an observer suggested that particular areas for further attention should be (i) the introduction of a method and format of financial reporting that was more compatible with the BCP Council reporting style; (ii) the introduction of a programme of ‘succession planning’ for prospective elected Councillor Board members; and (iii) clarity about the arrangements and process for further development of a capital development programme across and in relation to the BHLive estate.

It was agreed by the Committee that the temporary arrangements and role for an independent observer could usefully continue for the remainder of the current financial year 2021/22 but that, after that, the arrangement could be discontinued.

(c) the wider issue of whether or not elected Councillors should, as a matter of practice, have seats on the Boards and whether doing so was something that provided benefit to the Council.

The Committee was reminded that the current arrangements, which reflected an established model of working, had operated since BHLive was set up and included

the appointment of elected Councillors onto both the BHLive Board and BHLive Enterprises Board. It was explained that the BCP Council Constitution currently prescribed that Board Members be nominated by the Leader of Council. The importance of appointing Members with the right level of experience and understanding was underlined and needed to be supported with a process of succession planning for Councillors.

The Chief Executive of BHLive described the practical operation of the two Boards and the complex relationship between them. He described how the opportunity was always available for Board members to declare an interest and not participate but his experience was that this had rarely been required. His view was that, in practical terms, a wider and much more effective depth of discussion was possible when Councillors were present and involved. The Councillors sitting on the Boards had not reported any concerns.

There was discussion about the merits of Councillor appointments. Members were of the view that Councillors provided an essential link between the service and the public. Other Members of the Committee were not supportive of involvement by Councillors.

It was proposed by Councillor Brooke, seconded by Councillor Trent

‘That Councillors should not be on the Boards of Companies associated with the Council but there should be in place a strong monitoring and governance structure’.

On being put to the vote, the motion was LOST. (Voting: For 3; Against 5).

The Chief Executive of BHLive responded to specific service-related questions from individual members about opening of services during the current stages of the pandemic and reassurances were provided that BCP Council based BHLive services had all reopened.

There was also discussion about the ongoing process for review of the BHLive Business Case. **The Committee agreed** that an informative note should be provided to the Chairman of the Overview and Scrutiny Board recording the view of the Audit and Governance Committee that the Business Plan should be brought back to the Overview and Scrutiny Board for review earlier than would normally be the case within the scheduled annual review process.

It was proposed by Councillor Brooke seconded by Councillor Dedman

RESOLVED

- (a) That the Audit and Governance Committee notes the origins and background of the BHLive contract and the BHLive partnership with the BCP Council;**
- (b) That, to underpin the partnership, there should be in place a strong monitoring and governance structure and this should be re-enforced through implementation of the additional work identified by the Committee in its discussions;**
- (c) That the outcome and results of the actions identified as required be reported back to the Committee within a reasonable time.**

The Chairman concluded the meeting by recording his appreciation for the attendance of the Chief Executive of BHLive at the meeting and for the work of Officers involved in producing the report for the Committee.

[Informative. In relation to questions raised at the meeting of the Committee on 29 July 2021 regarding Corporate Risk 11 (the ability of the Council to function and operate efficiently in the delivery of single services across the BCP Council area), the first question raised asked if the groups of officers and members were in place to deliver high level delivery plans for the corporate strategy. In this respect it is confirmed that small groups of Cabinet members and senior officers met and agreed the delivery plan actions that were presented to Cabinet alongside the budget in February 2020 and February 2021.

The second point related to the LGA Peer challenge plan for November 2021 and whether this would involve all Councillors. The Corporate Peer Team have not asked to meet all Councillors but in addition to Cabinet members, they have asked to see all political group leaders. Invites are currently being sent out and the full timetable of meetings will be published on the intranet towards the end of October.]

The meeting ended at 8.12 pm

CHAIRMAN