

**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**AUDIT AND GOVERNANCE COMMITTEE**

Minutes of the Meeting held on 03 February 2022 at 6.00 pm

Present:-

Cllr J Beesley – Chairman  
Cllr L Williams – Vice-Chairman

Present: Cllr M F Brooke, Cllr D Butt, Cllr M Cox, Cllr L Fear, Cllr A Filer,  
Cllr M Phipps and Cllr Dr F Rice

73. Apologies

There were no apologies for absence.

74. Substitute Members

There were no substitute Members.

75. Declarations of Interests

There were no declarations of interest.

76. Confirmation of Minutes

The Minutes of the meeting on 13 January 2022 were confirmed as a correct record.

77. Public Issues

The Committee was advised of the receipt of two Public Questions and one Public Statement and the questions and responses as set out below were provided to the Committee by the Monitoring Officer. The Public Statement was read out to the Committee.

**First Question**

**QUESTION TO BCP COUNCIL AUDIT & GOVERNANCE COMMITTEE  
13.1.22**

Following my notifying emails commencing **25.7.21** - including **30.9.21** copied to CEO, Monitoring (MO) & Section 151 Officers & Leader - when will the Council resolve the following by:

1. Complying with the **Local Authorities (Members Allowances) (England) Regulations 2003** by publishing in the **correct format and on the Council's direct search website portals** the details of Allowances

paid to each Member for **2019/20** and **2020/21**. The Council explains the cause of delay as a broken website "link".

2. Complying with the **Local Government and Housing Act 1989** and issuing the MO's obligatory explanatory report to **all** Members on this **and** other similar contraventions.

Philip Gatrell 5.1.22

### **Response by the Monitoring Officer to First Question**

Mr Gatrell. Thank you for your question.

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to publish the total sum paid to each recipient under the Scheme of Members' Allowances in respect of the basic, special responsibility, dependents' carers, travelling and subsistence and co-optees' allowances.

BCP Council publishes these notices on its web site on the Councillors web page. The current notices published on the site are for 2019/20 and 2020/21. The notice for 2021/22 will be published on the same web page as soon as practicably possible after the financial year end.

Following the receipt of the question from Mr Gatrell, officers identified a broken link on the Council's main web site. This was clearly unhelpful for users, however, the notices continued to be available from the Councillors web page and were readily available on the website and at all times satisfied the requirements of the Regulations.

I would like to thank Mr Gatrell for drawing our attention to the broken link which was resolved on Friday 7 January. The link from the Council's main web site now directs visitors to the page containing the allowances notices.

Section 5(2) of the Local Government and Housing Act 1989, to which Mr Gatrell refers in the second part of his question, requires the Monitoring Officer to report to Council, if at any time it appears to her that any proposal, decision or omission on behalf of the Authority has given rise to or is likely to or would give rise to a contravention of any enactment or rule of law.

A broken link on the Council's website, although frustrating, does not meet the criteria for such reporting.

### **Second Question**

**REGARDING THE COUNCIL'S CONTRAVENTION OF THE LOCAL AUTHORITIES (MEMBERS' ALLOWANCES) (ENGLAND) REGULATIONS 2003 (2003 REGULATIONS) & THE INCORRECT AND MISLEADING RESPONSE TO MY QUESTION AT THE COMMITTEE'S MEETING ON 13.1.22 WHEN IT WAS STATED THAT THE COUNCIL'S**

**RELATED WEBSITE INFORMATION “... at all times satisfied the requirements of the Regulations”**

Will the Monitoring Officer (MO) explain and confirm as appropriate the following, where the evidenced irregularities below had been previously notified by me to the MO in writing –

- Why the MO’s response at the meeting on **13.1.22** failed to disclose the notified contravention of the statutory 2003 Regulations, when it is manifest that the non-compliant format published online does not provide all of the necessary details for Members’ Allowances paid in 2019/20 & 2020/21?

- Does the MO confirm that the notified material discrepancies in certain Members’ Allowance payments will be corrected with timely republication online, together with any further adjustments?

Philip Gatrell 27 January 2022

**Response by the Monitoring Officer to Second Question**

I thank Mr Gatrell for his question.

Mr Gatrell has sent a significant number of emails in recent weeks raising numerous points, including both general matters of concern and specific allegations of inaccuracy.

In order to assess these detailed allegations it will be necessary to undertake a full reconciliation of each transaction of allowances paid to councillors since 1 April 2019.

This task will require the allocation of resources and it was not reasonably practicable to complete the work before this meeting.

Mr Gatrell has been advised that a detailed response will not be available until the necessary work has been completed by Officers to enable the Council to respond as fully and accurately as possible.

At that time the Council's response will be sent to Mr Gatrell and copied to the Committee.

**Statement**

**PUBLIC STATEMENT FOR THE BCPC AUDIT & GOVERNANCE COMMITTEE MEETING ON 3.2.22 REGARDING THE COUNCIL’S CONTINUING CONTRAVENTION OF THE STATUTORY LOCAL AUTHORITIES (MEMBERS’ ALLOWANCES) (ENGLAND) REGULATIONS 2003 (2003 REGULATIONS) AS RAISED IN THIS WRITER’S QUESTION AT THE COMMITTEE’S PREVIOUS MEETING ON 13.1.22**

**STATEMENT** The Monitoring Officer’s response on 13.1.22 noted that the appropriate website link for details of each Member’s Annual Allowances

paid in 2019/20 & 2020/21 has been enabled. I have also been advised that the omission of the final two paragraphs from the verbal response - albeit incorrectly indicating compliance - will be reproduced in full written form by minuting on 3.2.22. It is not clear whether the 3.2.22 meeting will disclose the continuing contravention of the '2003 Regulations' due to the incorrect published analysis of Allowances paid and, similarly, material misstatements in certain amounts, as previously identified and notified by me.

Philip Gatrell 1.2.22

In response to questions from a member of the Committee, the Monitoring Officer confirmed that the matters raised in the public question were important and material and the Chairman of the Committee confirmed that, subject to the deployment of available resources, the required information would be produced and an assessment made of the issues raised by the public questioner.

78. Additional Restriction Grant ('ARG')

The Committee received a presentation from the Director of Development Services and from the Head of Economic Development about the 'Additional Restriction Grant' ('ARG') and the governance and process around administration of the grant. A copy of the presentation slides would be circulated to the Committee after the meeting. The Chairman of the Committee thanked Councillor Phipps specifically for suggesting consideration of this matter by the Committee.

By way of context for the Committee's discussion the Chief Finance Officer and Director of Finance provided the following additional statistical information about the overall numbers of grants and awards made by the Council's Revenue and Benefits and Economic Development Teams since the start of the pandemic:

4,596 Small Business Grants Fund (SBGF) payments worth £46m;

1,652 Retail, Hospitality and Leisure Business Grants Fund (RHLGF) payments worth £33.7m;

794 Local Authority Discretionary Grants Fund (LADGF) payments worth £4.3m;

12,853 Local Restrictions Support Grant (Closed) Addendum payments worth £22.7m;

24 Local Restrictions Support Grant (Sector) payments worth £17.7m;

41 Local Restrictions Support Grant Closed payments worth £76.6m;

564 Local Restrictions Support Grant Open payments worth £676k;

93 Christmas support payment for wet-led pubs worth £93k;

3,278 Closed business lockdown payment worth £16.3m;

5,988 Additional Restrictions Support Grant (ARG) payments worth £12.6m;

3,256 Restart Grants worth £24.3m.

The Director also reported that the Teams were in the process of making Omicron Hospitality and Leisure Grants with the first batch worth over £1m due to be issued for payment on the day after the meeting.

In addition, the Director reported that the Teams had had to arrange, manage and deliver 100% Expanded Retail Relief for 2020/21; 100% Nursery Discount Relief for 2020/21; 100% for 3 months then 66% Expanded Retail Relief for 2021/22; 100% for 3 months then 66% Nursery Discount for 2021/22 ; COVID Additional Relief Fund (CARF) for 2021/22; 50% Expanded Retail Relief for 2022/23; and extension of Transitional Relief and Supporting Small Business Relief for Small and Medium properties Scheme 2022/23.

In addition, it was also reported, that the Teams had had to arrange, manage and deliver over 4,548 £500 Test and Trace Support payments worth almost £2.3m and in addition to that the Covid19 Hardship Fund for 2020/21 which provided £2.5m support towards council tax bills.

The Committee was also informed that, on the day of the meeting of the Committee, the Council had received the indication that the Team would be required to administer a £150 rebate on council tax bills for homes in Bands A to D as well as a share of a £150m discretionary fund to help lower income households in higher Council Tax bands and households in bands A to A to D who are exempt from Council Tax during 2022/23.

By way of introduction to the presentation, it was explained that ARG was just one element of a huge amount of funding made available to BCP Council by Central Government in response to the Coronavirus pandemic and for distribution into the local BCP economy. The statistics provided for the Committee set out how the considerable financial support available through ARG sat within the wider context of Central Government pandemic response funding.

Underlying the processes and governance around grant distribution was considerable work and dedication from Officers of BCP Council representing significant commitment in terms of resources and expertise and particularly within the Council's Revenue and Benefits and Economic Development Teams. The Committee paid tribute to what had been achieved at pace and within timescales that had, necessary, been tight and demanding. It was clear that that a huge number of grants had been awarded within the scope of Central Government guidance that was

challenging to interpret and relied upon processes and systems that needed to be developed by Councils at local level.

There had also been an ongoing background of pressure from Central Government to ensure funding was distributed as quickly as possible and that it reached those businesses where it could be used most effectively.

The presentation provided an overview of the different funding streams within the ARG and their respective values in terms of grants available for distribution. A flow chart of the operational processes was set out and it was noted particularly that 109 awards totalling £3.13 million had been made from the 'Bounce Back Challenge Fund' element of the ARG.

The process of independent scoring of these applications through the 'Dorset Growth Hub' was explained. It was also explained that the scheme was oversubscribed and competitive and that awards were therefore considered by an 'Awards Panel'. The Panel made recommendations to the Director of Development Services who determined applications in accordance with powers delegated to him in consultation with the Portfolio holder and after receiving advice from professional colleagues. Applications were received from small and large business and applications needed to be assessed on the basis of the level of impact locally that a grant would make. Without direct guidance from Central Government, award criteria had to be developed by individual Councils and this discretionary element had led to regional differences in the way that the fund was managed.

In response to questions, it was confirmed that there was no right of appeal against refusal of a grant. Although there had been some initial confusion about whether there was a right of appeal, this was corrected and clarified and made clear to applicants.

Regular measurement of the impact of grants on the local economy was expected from recipients and assurances were provided that this information would be captured and the economic impact and benefits reported back to the Council in due course.

The governance and due diligence arrangements that were in place were also set out including involvement from specialist consultants and from BCP Council Internal Audit team. The Internal Audit team had provided internal due diligence checking support at operational level including the undertaking of the 'National Fraud Initiative' checks on all applications.

Internal Audit had also already reported to the Audit and Governance Committee on the processes involved with an audit opinion of 'reasonable assurance' having been delivered. It was reported that comparison with other Local Authorities suggested that checks and balances in place at BCP Council were especially stringent and robust.

In response to questions, it was confirmed that staff involved in the process had been required to declare any personal interest in any individual

applications and that any declarations made were recorded as part of the Awards Panel procedure.

Although it was not appropriate to discuss individual cases, the Chairman allowed members of the Committee to refer to examples where there were apparent anomalies in the way in which the grants had been awarded. Members questioned Officers about the process of assessment of applications.

When questioned about taking forward lessons from how the process was managed, the impact on staffing resources was reported to be considerable. The speed of implementation expected by Central Government had also had a significant impact and there was a view that Government needed to better appreciate how the additional work impacted on local councils. The discretionary nature of the schemes required significant work around process design and assessment and created problematic regional differences. The necessary delivery of appropriate checks and balances and the process of audit also placed additional strain on resources.

The Committee agreed that these points should be strongly fed back to Government through the Local Government Association.

Focusing upon governance, the way in which grant applications were scored against each other was identified as an important point for the Committee. It was explained that the 'Dorset Growth Hub' provided the Awards Panel with reasons for the scores it gave. The BCP Council Economic Development Team then reviewed all the applications to check the scoring provided by the 'Growth Hub'. In the few cases where it was identified that scoring may need changing there was always careful prior consideration and explanation by the Awards Panel before any changes were made. Those few instances where scores were changed were reported to have arisen where the Awards Panel was able to apply a wider strategic understanding of factors within the local economy than the narrower focus that the 'Growth Hub' could provide.

A further number of detailed process questions were raised and responded to including further issues around the scoring mechanics and around representation on the Awards Panel. Members considered that composition of the Panel was critical.

Other specific case issues mentioned at the meeting would be taken up individually between the Members and relevant Officers and the Chairman asked Members to copy in the Vice Chairman and himself on any additional questions raised and on the responses received.

The Head of Audit and Management Assurance reminded the Committee that the audit report previously submitted to the Committee suggested improvement in note taking procedures to ensure that any comments on individual applications were recorded contemporaneously during the decision process in order to establish a clear audit trail.

The Chairman of the Committee concluded the item by thanking Officers for their input into the presentation and repeating the Committee's appreciation of the work undertaken in distributing these critical economic support grants during the pandemic period.

#### Forward Plan

The Committee was reminded that an additional meeting of the Audit and Governance Committee would be held on Thursday 10 March 2022 at 6pm in the Committee Suite at Poole Civic Centre to receive a presentation on 'BCP Futureplaces' governance arrangements. This in addition to the meeting on 17<sup>th</sup> March 2002 at 6pm which, as well as receiving the Statement of Accounts, would receive a presentation on the subject of 'Tendering and Use of Consultants'.

The Committee was also advised that a date was being sought for a further meeting of the Committee to consider Constitutional proposals for the future structural arrangements for Overview and Scrutiny. To reach a target for implementation in the new municipal year, this important matter would need to be considered by the Committee without prior involvement of the Working Group and notification of a date for the meeting would be provided as soon as possible. In the meantime, members of the Committee with suggestions for ensuring involvement of stakeholders were invited to submit ideas to the Chairman.

The meeting ended at 8.32 pm

CHAIRMAN