

**BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL**  
**CORPORATE AND COMMUNITY OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of the Meeting held on 27 September 2022 at 6.00 pm

Present:-

Cllr L Williams – Chairman

Present: Cllr M Andrews, Cllr J Edwards, Cllr M Iyengar, Cllr G Farquhar and  
Cllr M F Brooke

30. Apologies

Apologies for absence had been received from Councillors Allen, Allison, Davies, Earl and Rocco.

31. Substitute Members

The following Councillors acted as substitute for the following Committee members: Brooke for Earl, Farquhar for Allison, Filer for Rocco, S Anderson for Davies and Farr for Allen.

32. Declarations of Interests

There were no declarations of interest made on this occasion.

33. Public Issues

**Public Questions**

**Questions from Mr Sofianos**

1. Yesterday's much-delayed Finance Report admits (para 34) that the revised plan "will have a direct impact on the level of services delivered by the council".

Can you confirm which services would be impacted?

And, in particular, how will this reversal affect the delivery and staffing of Children's and Social Care services?

***Answer.***

*The statement quoted of "will have a direct impact on the level of services delivered by the council" relates to the MTFP and budget of the Council which adjusts service levels annually in line with any budget proposals. The details of any adjustment are normally set out as part of the annual February budget report with any proposals which need consultation being worked through in advance, to ensure we get the full year effect of the savings. As we have proven by record investment across children's and adult services over the last 2 years, supporting the most vulnerable in our community is at the heart of this administrations agenda and we will continue to prioritise that.*

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2. The Finance Report also proposes a schedule of asset disposals (para 8), to fund the transformation Programme. This is hoped to raise somewhere between £26m to £46m.

Which council assets are you planning to sell to raise this funding?

And which sales do you expect to prioritise?

**Answer.**

*The 7 September Finance Update report to Cabinet agreed the following recommendation, Cabinet agrees to bring forward a capital receipts schedule for additional, non-strategic, asset sales that could be used as an alternative method of financing the Council's Transformation Investment Programme via the Flexible Use of Capital Receipts (FUCR). This workstream is ongoing and the schedule will be brought forward in due course.*

**Questions from Mr McKinstry**

1. Tonight's report should have been released to the public by 11.59 p.m. on Friday 16 September, under the provisions set out in Section 100B of the Local Government Act 1972. That deadline was missed, as was the deadline for two reports for last Tuesday's O & S meeting; as was the deadline for the SPV report for the 20 July meeting; as was the deadline for the finance report for the 2 September meeting. These were all statutory deadlines. How can the Government trust you to abide by a financial strategy when you are repeatedly breaking the law?

**Answer.**

*The Local Government Act does require that the agenda and reports for meetings should be available for inspection at least 5 clear days before the date of the meeting, but nothing in this legislation "requires copies of any agenda, item or report to be open to inspection by the public until copies are available to members of the council". Provided that the agenda and a description of the business to be heard at the meeting are published timeously, the late publication of reports does not invalidate the meeting or make it unlawful. Late publication of reports in support of agenda items should be avoided however but with the pace of work ongoing in this report and number of workstreams ongoing, in particular modelling around the governments announcements during last week it was sensible to prepare the report with as many of those changes as possible.*

2. As the deadline for releasing tonight's report drew near - or even perhaps at an earlier stage in the proceedings - did you consider asking DLUHC to defer the date when the report had to be submitted to them? (That date of course was 30 September.) If so, when did you approach DLUHC about this, and what was their response?

**Answer.**

*To confirm the Chief Finance Officer of the Council met with representatives of DLUHC on the 22 September 2022. At this meeting it was agreed that this report would demonstrate the significant progress the council had made in balancing its 23/24 budget and the fully balanced position would be presented to Cabinet on the 26 October 2022.*

3. Did you seek or receive any advice from a legal officer on the ramifications of breaching the 1972 Act? If so, can you release that advice in full? If you'd rather I went down the Freedom of Information route, could you confirm when precisely you received the advice and from whom, as this will help narrow down the FOI request.

**Answer:**

*The decision to publish the financial update report on Monday was taken collectively by Cabinet and CMB at its meeting on 22 September.*

**Public Statements**

**Statement 1 from Mr Gattrell regarding agenda item 5  
'FINANCIAL STRATEGY UPDATE CABINET REPORT'**

**Observations arising from Accessible data in current absence of report on website & Inadequate FOIA response received 23.9.22 - being 31 days late & 1 working day prior to ICO's otherwise Section 54 caution of potential contempt of court**

**FOIA request: Inflation factors in financial forecasts –**

- Response states "There is not a central collation of the rates applied due to the intricacies that exist."
- In the context of high cost-push inflation no information given for enquiry as to **"latest" CPI or other rates** such as RPI used in forecasts e.g. the MTFPs.

**Discounted Cash Flow (DCF) methods during high inflation –**

- Equally concerning the response states - unlike large entities & central Government - DCF techniques **not used to evaluate financial viability of intended major schemes** extending over future years ie whether on net present values, DCF yield or other appropriate basis.

**Statement 2 from Mr Gattrell regarding agenda item 5  
'FINANCIAL STRATEGY UPDATE CABINET REPORT'**

**Observations concerning the essential Treasury Management of Cashflow with particular regard to Subsection 114(3) of the Local Government Finance Act 1988 and the availability of liquid resources for expenditure during the Council's severe financial constraints**

**Absence of Consolidated Cashflow Forecasts**

- Cashflow forecasts are essential to any organisation when assessing estimated future available **liquid resources** and the **timing** of achieving objectives and necessary discharging of **liabilities** whether revenue or capital.
- Financial data - such as MTFPs & Budget Monitoring Reports - are required on the appropriate **accruals accounting basis** for income & expenditure in arriving at, for example, annual deficits ie they are not representative of cashflow requirements.
- An FOIA response earlier this year states **projected cashflow statements** are "Not prepared". Although it is noted segmentally detailed but apparently **unconsolidated "Treasury Management Monitoring Reports"** are periodically presented to Council meetings.

**Statement 1 from Mr McKinstry regarding agenda item 5**

I'm astounded this administration can allow a vital report to breach a statutory deadline by ten days. The breach lays this report wide open to legal challenge; an instructive case is *Joicey, R (application of) v Northumberland County Council* (2014), where Justice Cranston said "information must be published by a local authority in good time for members of the public to ... digest it and make intelligent representations". The same surely applies to committee members, who've had just 30 hours to study a make-or-break report for Cabinet tomorrow. It smacks of scrutiny being downgraded, which brings me to my second statement.

**Statement 2 from Mr McKinstry regarding agenda item 5**

We know from Appendix A to tonight's report that this Council must undergo an external assurance review of its governance arrangements. I welcome this passionately, and hope the assessors have access to the recent draft AGS consultation, including my e-mail to Head of Audit dated 23 August, which spells out - in my view - everything that has gone wrong with BCP's governance lately: OSB abolished, fewer scrutiny meetings, whips ubiquitous, the ruling party holding the casting votes. An external review would therefore be most timely and I sincerely hope it would guide BCP's governance back towards a stabler footing.

34. Scrutiny of the Finance Strategy Update Cabinet Report

The Leader of the Council presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

The Committee were asked to scrutinise and comment on the report and if required to make recommendations or observations as appropriate.

In response to a question regarding how this year's budget gap compared with two years ago, the Leader of the Council confirmed that the MTFP on 1 October 2020 showed a £50m gap, of which about £30m was in relation to Covid, for which the Council received assistance from the Government. Last year the gap was about £10m.

It was further confirmed that for the current year, 2022/23, there would be £20m coming from Central Government, which would result in the Council having a £4.2m surplus. It was advised that a report would be going to Cabinet in October, that will have the formal response regarding the balancing of the budget.

The Committee were advised that work on an asset register was ongoing and in response to a question regarding what assets were intended to be closed, it was explained that any asset disposal would not have any impact on capital disposal. More in-depth options would be available during the next couple of weeks.

The Committee was advised that although the Winter Gardens project had been removed from the Capital Programme, the Council was still committed to delivering a regeneration scheme and the Future Places Team had been asked to draw up further options. Planned expenditure had, therefore,

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been taken out of the current Capital Programme, but would be reintroduced when any plans were agreed, to reflect the proposed works. Concern was raised regarding issues of staffing and in particular Agency staff and Business Support posts, as it had been advised that no new costs were to be incurred. It was asked what impact this would have on existing staff and services. It was acknowledged that whilst the Council had significant numbers of agency staff, this was being reviewed, with plans to move these members of staff onto permanent contracts. However, there would still be a number of agency staff necessary for some posts. As part of the transformation programme, there was an aim to reduce the requirement for and number of Business Support posts.

The Chief Executive confirmed that, in relation to presenting a balanced budget, the Council was moving in the right direction, but final Cabinet and Council decisions would be needed to finalise this.

In response to a question regarding the selling of any Council-owned assets and how much money needed to be raised by selling assets and over what period, it was advised that this came under the capital receipts workstream, and further reports would be presented as work progressed. £76m needed to be collected by capital budget or the sale of assets.

The Leader advised that they remained unapologetic that they maintained their ambition to not sell any Council-owned assets. The shortfall in the High Needs block was a national problem, which had been discussed with Ministers and a national solution was expected but not guaranteed. The Leader continued that they did not think that the Council was in a particularly dire position, but that they had confidence that the Government would deliver support, so the Council was in a better position than last year. The Chief Executive advised that the Government's High Needs scheme had never been sufficient, as there had been an increase in demand and the funding did not meet the needs. This was not linked to the Council budget position and should not be funded by council tax.

The Leader of the Council confirmed that the Council could generate financial receipts from capital projects and that there would be some commerciality. The Council needed to fully recover costs and being commercial was the right thing to do.

Whilst there was support for the proposed new apprenticeship scheme, there was concern from the Committee that apprentices could be used to fill vacancies. The Leader advised that the Council was trying to significantly 'grow our own', filling vacancies by apprenticeships. It was judged as an investment in the future and providing a more resilient workforce.

It was confirmed that the Council was conducting a review of car park charges.

The Committee was advised that a date for this Committee to receive a further report in October had not been confirmed. Although there was a date in the calendar, it would be changed.

In response to a question regarding what Cabinet was minded to do about charges for Community events, it was advised that there were ambitions to upskill the community, allowing the Council to step back.

In response to a question regarding what consultation would be conducted before certain services would be reduced/cut., it was advised that an exercise would be carried out, to see if any services could be reappointed

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across the authority. It was considered to be right and proper to engage between October 2022 to February 2023, when the Council has to deliver the budget.

The meeting ended at 8.30 pm

CHAIRMAN