

Notice of Audit and Governance Committee

Date: Thursday, 16 October 2025 at 6.00 pm

Venue: HMS Phoebe, BCP Civic Centre, Bournemouth BH2 6DY



Membership:

Chair:

Cllr E Connolly

Vice Chair:

Cllr M Andrews

Cllr S Armstrong
Cllr J Beesley
Cllr J J Butt

Cllr M Phipps
Cllr V Slade
Cllr M Tarling

Cllr C Weight

Independent persons:

Lindy Jansen-VanVuuren

Samantha Acton

NOTE: Membership subject to change pending appointment of councillors to committees at Council meeting on 14 October 2025.

All Members of the Audit and Governance Committee are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpCouncil.gov.uk/ieListDocuments.aspx?MIId=5983>

If you would like any further information on the items to be considered at the meeting please contact: Jill Holyoake 01202 127564 or email democratic.services@bcpCouncil.gov.uk

Press enquiries should be directed to the Press Office: Tel: 01202 118686 or email press.office@bcpCouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpCouncil.gov.uk

AIDAN DUNN
CHIEF EXECUTIVE

8 October 2025

**DEBATE
NOT HATE**



Available online and
on the Mod.gov app

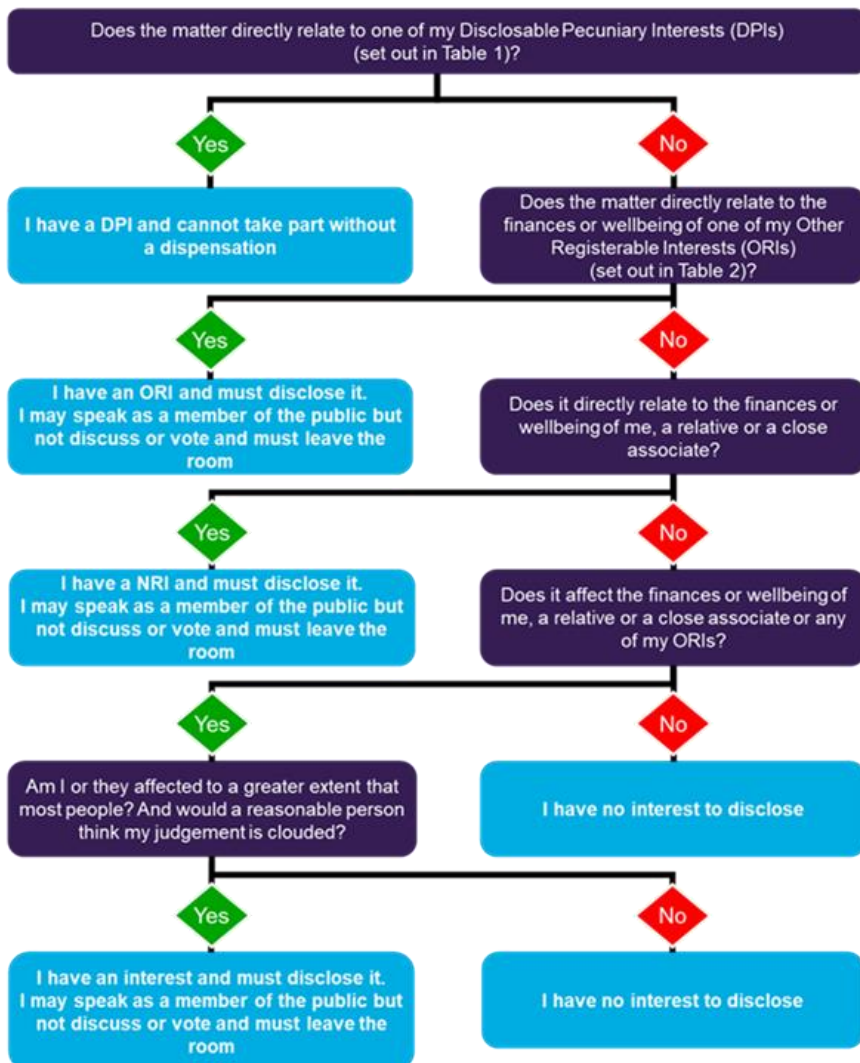


Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

1. Apologies

To receive any apologies for absence from Councillors.

2. Substitute Members

To receive information on any changes in the membership of the Committee.

Note – When a member of a Committee is unable to attend a meeting of a Committee or Sub-Committee, the relevant Political Group Leader (or their nominated representative) may, by notice to the Monitoring Officer (or their nominated representative) prior to the meeting, appoint a substitute member from within the same Political Group. The contact details on the front of this agenda should be used for notifications.

3. Declarations of Interests

Councillors are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance.

Declarations received will be reported at the meeting.

4. Confirmation of Minutes

7 - 28

To confirm and sign as a correct record the minutes of the meeting held on 24 July 2025.

a) Action sheet

29 - 32

To consider any outstanding actions from previous meetings.

5. Public Issues

To receive any public questions, statements or petitions submitted in accordance with the Constitution. Further information on the requirements for submitting these is available to view at the following link:-

<https://democracy.bcpccouncil.gov.uk/ieListMeetings.aspx?CommitteeID=151&info=1&bcr=1>

The deadline for the submission of public questions is midday on Friday 10 October 2025 [midday 3 clear working days before the meeting].

The deadline for the submission of a statement is midday on Wednesday 15 October 2025 [midday the working day before the meeting].

The deadline for the submission of a petition is Thursday 2 October 2025 [10 working days before the meeting].

ITEMS OF BUSINESS

6. External Auditor – Audit Progress & Sector Update

33 - 62

Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities.

The report includes an update on their 2024/25 audit work. Key points of note are:

- **Financial Statements Audit 2024/25** – Grant Thornton aims to present their Audit Findings Report for 2024/25 to the November meeting of the Audit & Governance Committee.
- **Value for Money** – Grant Thornton plan to report their Value for Money arrangements findings in their interim Auditor's Annual Report at the November Audit & Governance Committee.

The report also includes a summary of emerging national issues and developments that may be relevant to the Council.

7. Treasury Management Monitoring update for Quarter 2 2025/26 63 - 70

The report sets out the quarter two position for 2025/26 which forecasts an underspend of £0.3m due to the Council's ability to borrow in the local authority market at lower than budgeted interest rates.

8. Procurement and Contract Management - Delivery Plan Progress Report 71 - 86

BCP Council's Head of Procurement and Contract Management has produced a presentation (Appendix A) which provides an update to Audit & Governance Committee on progress to date in delivering BCP's Procurement and Contract Management Strategy 2024 - 2028.

The presentation includes an update on progress made during the first year of delivery of BCP's Procurement and Contract Management Strategy. Key points of note are:

- **Commitments** – 29 of the 57 commitments described in the BCP's Procurement and Contract Management Strategy 2024 – 2028 are marked as completed
- **Performance against (9) measures** – the presentation includes slides for 7 of the 9 measures described in Section 5.5 of BCP's Procurement & Contract Management Strategy 2024-2028.

The presentation also includes a summary of further reforms to public procurement that are expected to become relevant to the Council.

9. Risk Management - Corporate Risk Register Update 87 - 168

This report updates councillors on the position of the Council's Corporate Risk Register. The main updates are as follows:

- The net score for CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding, has reduced from 12 to 8.
- The risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP, the target risk score

has increased from 8 to 12.

- Risk CR24 – We may fail to adequately address concerns around community safety, this risk has been extended to include risks around the Prevent Duty.
- Risk CR28 – We may fail to adopt a Bournemouth Christchurch and Poole Local Plan. This is a new risk added for this quarter.

Material updates for this quarter are outlined in section 11.

10. Health and Safety Update

169 - 176

This report details the progress made on the delivery of the Health and Safety governance arrangements for BCP Council and highlights:

- The implementation of the Governance Framework continues to be embedded and is working effectively.
- The framework includes the Health and Safety and Fire Safety Board and other meetings at the agreed frequency with generally good attendance.

11. Emergency planning and business continuity annual report

177 - 192

Emergency planning and business continuity are statutory duties for BCP Council. This annual monitoring report gives an overview of key activity in relation to these duties over the period concerned and provides assurance to Audit and Governance Committee with regard to these statutory duties.

12. Internal Audit – Quarterly Audit Plan Update

193 - 218

This report details progress made on delivery of the 2025/26 Audit Plan for the 2nd quarter (July to September 2025 inclusive). The report highlights that:

- 18 audit assignments have been finalised, including 16 'Reasonable' and two 'Partial' audit opinions;
- 25 audit assignments are in progress, including 3 at draft report stage;
- Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion;
- 10 'High' priority audit recommendations have not been fully implemented by the original target date and 3 'Medium' priority recommendations have (or will) not be implemented within 18 months of the original target date. Explanations from respective services have been provided and revised target dates have been agreed.

The Revenues Compliance Team continue to identify and recover Single Person Discount errors and have so far achieved an additional council tax yield of £306,425 since December 2024 (both 2023/24 and 2024/25 NFI matches).

13. Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2024/25

219 - 272

This report details counter fraud work carried out by Internal Audit during 2024/25 to provide assurance on the Council's response to combating fraud

and corruption.

Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner.

Two formal whistleblowing referrals were received and investigated during 2024/25.

The BCP Anti-Fraud & Corruption Policy has been revised to incorporate the new corporate offence introduced by the Economic Crime & Corporate Transparency Act 2023. Under this legislation, organisations may face prosecution if a fraud is committed by an employee, agent, or subsidiary with the intent to benefit the organisation, and the organisation has failed to implement reasonable fraud prevention.

NOTE: In relation to this item of business, the Committee is asked to consider the following resolution in relation to any discussion on the exempt appendix A to the report:

“That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1, 2 and 7 in Part I of Schedule 12A of the Act and that the public interest in withholding the information outweighs such interest in disclosing the information.”

14. Forward Plan (refresh)

273 - 276

This report sets out the refreshed list of reports to be considered by the Audit & Governance Committee for the 2025/26 municipal year in order to enable it to fulfil its terms of reference.

No other items of business can be considered unless the Chair decides the matter is urgent for reasons that must be specified and recorded in the Minutes.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 24 July 2025 at 6.00 pm

Present:-

Cllr E Connolly – Chair

Cllr M Andrews – Vice-Chair

Present: Cllr S Armstrong, Cllr J Beesley, Cllr J J Butt, Cllr M Phipps,
Cllr M Tarling, Cllr T Trent (In place of Cllr V Slade) and Cllr C Weight

Also in attendance: Cllr R Burton, Cllr M Cox.

13. Apologies

Apologies were received from Cllr V Slade and Samantha Acton.

14. Substitute Members

Notification was received that Cllr T Trent was substituting for Cllr V Slade for this meeting.

15. Declarations of Interests

In accordance with his previous declarations, in relation to Agenda Item 8 Cllr M Andrews reported for transparency that he was guarantor to his daughter's tenancy for a house adjacent to Carters Quay.

In relation to Agenda Item 10, Cllr J Beesley reported a non pecuniary interest in that he was a member of Arts Council South West which he understood to have provided some grant towards the works undertaken for Poole Museum.

16. Confirmation of Minutes

The minutes of the meeting held on 29 May 2025 were confirmed as an accurate record for the Chair to sign.

17. Action Sheet

The completed actions on the action sheet were noted.

18. Public Issues

The following public issues were received, with responses to public questions reported by the Chair:

Public Questions:

Agenda Item 13 – To consider and accept a report published by the Local Government and Social Care Ombudsman

Question from Philip Gatrell:

SUBJECT: LGSCO (Ombudsman) Report 10th October 2022 regarding the Council's Maladministration in respect of nursery school top-up fees. Upheld by the High Court judgement 7th February 2025 dismissing the Council's application for Judicial Review challenging the Ombudsman's report.

QUESTION: COUNCIL'S COSTS

Although the complainant Mr X must remain anonymous, the Council's request for the authority's anonymity in reporting was rejected by Judge Lock in judgment paragraphs 140 - 149.

In any event the following information is not exempt at the Monitoring Officer's discretion. It does not entail "personal information" or information subject to legal professional privilege.

What is the total expenditure borne by the Council in respect of this matter - excluding recoverable VAT - analysed as -

- Legal fees and costs broken down by named individual legal advisers and advocates including counsel Peter Oldham?
- Court costs?
- Costs awarded to Ombudsman?
- Other costs and disbursements incurred including separately Officers' travelling etc?

Response:

Unfortunately the Council is currently unable to provide a response to these questions as the costs negotiations are continuing between the respective Parties.

Agenda item 7 – BCP Future Places – Three questions from Ian Redman

Question 1 from Ian Redman:

As part of the FuturePlaces inquiry, will you investigate the £100,000 obtained from the Council's additional restrictions grant fund at the behest of the "BCP City Panel" in November 2021? This was paid to a private company to carry out a "city identity" study known as "the Big Conversation", and seems to have benefited FuturePlaces as well as the local authority - against Paragraphs 9 and 32 of the Government guidance on ARG funds. FuturePlaces stated, in its Poole Civic Centre business

case, that the point of "the Big Conversation" was "for BCP Council to consider its brand proposition and to inform FuturePlaces' placemaking focus". What conflicts of interest existed between the BCP City Panel, ARG fund and FuturePlaces, and how did struggling local businesses benefit from this £100,000 spend, if at all?

Response:

The A&G Committee agreed investigation scope will cover the grant payment circumstances. The investigation will consider whether conflict of interest existed.

On a more general note but relevant to the questions posed, Additional Restrictions Grant (ARG) monies were not solely directed to 'struggling local businesses'. As detailed in other replies to Mr Redman and as verified by government officials from the department responsible for the grant, Councils were able to make local decision and certain grant schemes, ARG4 included, could be used for wider business support activities. The Council determined in ARG4 that 'Destination marketing and promotion' and 'Research and development' were targeted sectors that would be supported to help wider local hospitality and tourism, and by attracting inward investment into the BCP area.

Question 2 from Ian Redman:

External audit highlighted a number of failings such as no business cases, a lack of robust scrutiny, significant risk of a loan being defaulted. Future Places was even mentioned in Private Eyes Rotten Boroughs. Future Places should have been flagged as very high risk from the outset and brought to the attention of this Committee by Internal Audit. Additionally, any new start-up company with no trading history is at a high risk of failure. The losses were predictable. Who is checking if failures within Internal Audit or this Committee played a role in the Future Places losses?

Response:

The Council identified governance issues associated with BCP FuturePlaces in the 2022/23 Annual Governance Statement and the BCP Council Assurance Review.

Section 6, of the A&G committee agreed investigation scope, is headed 'Council oversight of BCP FuturePlaces Ltd'. Specifically, section 6.4 reads 'Consider the adequacy of the role of the Council's internal audit team', the following sub questions will be answered in the final investigation report.

- Was Internal Audit paid any fees by FP? How much and for what?
- What were the internal audit team looking for when they audited FuturePlaces? How often were these audits carried out, how detailed were they, to whom did the audit team report back, what were their findings, and how were any failings addressed or proposed to be addressed?

Question 3 from Ian Redman:

External audit said "The Council did not have a clear business plan for BCP Future Places" and "any payments to BCP Future Places for Outline

Business Cases that the council does not proceed with, will be written off'. At a previous meeting, Councillor Cox said the failure of Future Places was due to the councillors of the last administration, but councillors do not write business cases. Who wrote the original business plan/case for Future Places and did any council officer point out the fundamental flaw with Future Places? i.e. any projects that did not progress would be written off as a cost to the Council.

Response:

A combination of Cabinet, from 29 May 2021 to 22 June 2022, and an Officer Decision Record (ODR), which was delegated by Cabinet, approved the fundamental business case for the creation of the Urban Regeneration Company (URC) that became BCP FuturePlaces. Reports were written by interim and permanent Directors of Delivery – Regeneration.

During this period Cabinet also agreed the Council Commissioning Plan and the Company business plan.

It is relevant to the question that up until 22 June 2022, the funding for the company was from the agreed base revenue budget, i.e. all costs incurred budgeted for and charged to revenue. In the report agreed by Cabinet on 22 June 2022 the funding model changed to one where costs would be financed from a working capital loan of up to £8m. This report at paragraphs 25, 26 (proposed charging mechanism section), paragraphs 40 to 49 (summary financial implications section) and paragraph 69 sets out extensively the risks. Paragraphs 69 is particularly clear and relevant, and reads:

69. iii)

a) Aborted Business case risks, - if the Council does not subsequently agree the business cases brought forward by the company initially this remains a FuturePlaces liability however ultimately this will be a risk borne by the Council as the shareholder.

b) Should any business case approved by BCP Council but then be subsequently aborted at a later date, the previously agreed capitalised costs would need to be written off to the revenue account.

A revised Council Commissioning Plan and the Company Business Plan were produced to take the change of funding approach into account.

Agenda item 6 – Carters Quay update – Three questions from Alex McKinstrey

Question 1 from Alex McKinstry:

Has Internal Audit seen any correspondence from 2020-1 in which concerns were raised about the financial resilience of Inland Partnerships Limited and/or Inland Homes PLC; and if so, how grave were those concerns - was the insolvency of either company seen as a real possibility,

for instance? Also, if concerns were raised, what was the response of the relevant officers and portfolio-holders?

Response:

Internal Audit have not conducted any material investigation into Carters Quay at this point in time. Consequently Internal Audit do not know whether correspondence exist, or not, which might include the financial resilience of Inland Partnerships Limited or Inland Homes PLC.

Background, Reports and presentations to A&G Committee to date have been led by Amena Matin the Director of Investment & Development. This initial review identified financial due diligence was undertaken on three companies as at October 2021: Inland Partnerships Ltd, Inland Homes 2013 Ltd (Parent company) and Inland Homes PLC (Ultimate parent company)

Question 2 from Alex McKinstry:

The report for Item 6 states that, apropos Carter's Quay, "all decisions were taken in line with the Council's Constitution and the Standing Orders at the time". Yet this appears to overlook an email sent by an Inland Homes planning manager to this authority on 24 August 2021, seeking a meeting with the Head of Planning "to ensure we are all on track for implementing in November - as the agreement it will be built for BCP has now been confirmed." In fact, no such agreement had officially been reached and Cabinet would not ratify the agreement for another seven days; full Council, not for another 21 days. Has the email traffic between the Inland companies and this authority been examined for 24 August 2021 and the days immediately prior, to determine whether a clandestine assurance or tacit deal had been entered into by some party or other?

Response:

The email was from a third party and so we are unable to speculate why the e-mail was drafted in those terms. The Local Planning Authority complied with the statutory requirements for planning applications when considering the application which related to a variation to the existed consent.

Question 3 from Alex McKinstry:

Land Registry records for "land east of Jefferson Avenue" show that Inland Partnerships Limited purchased this site on 4 November 2021 for £9,900,000. The same day, a charge was secured against the site in favour of this authority. Does this charge cover the value of the land in full? The reason I'm asking is that, in the Overview and Scrutiny Board papers for 13 October 2023, there were said to be three stages of payment for the Carter's Quay project:

- i) deposit;
- ii) advance payment;
- iii) construction works;

and that the combined cost of (i) and (ii) would be £8,250,000. If this was the value of the charge, there was clearly a massive shortfall between it and the value of the land. If there was indeed a shortfall, why was this deemed acceptable and were any reservations expressed?

Response:

The legal charge is in a form which does not specify a fixed figure but instead secures present and future monies, obligations and liabilities owed by the Seller to the Buyer/Lender and that prevents future dealings without the Lender's consent.

Agenda item 7 – BCP Future Places – Two questions from Alex McKinstry

Question 1 from Alex McKinstry:

Can you confirm how many people have been in touch providing information, documents, etc relating to FuturePlaces and the FuturePlaces investigation?

Response:

Three members of the public have been in touch with the Head of Audit & Management Assurance (HAMA) and have provided information they have obtained through Freedom of Information requests which they believe will assist with the investigation.

Two former employees of BCP FuturePlaces have been in touch and have queried confidentiality matters with the Chair of the A&G Committee and the HAMA. A response was provided. To date, one former employee has provided information and it is understood further information is being prepared.

For the avoidance of doubt, the HAMA has also proactively asked for information and documents from a number of BCP Council staff colleagues and from Councillors. In total this is about 20 individuals.*

*The Chair clarified that this was as of the morning of 24 July 2025.

Question 2 from Alex McKinstry:

In the papers for this Committee on 29 May 2025, it was stated that "the HAMA will immediately inform the Chair of the Audit and Governance Committee, the external auditor, and professional body, if any individual seeks to influence or instruct the HAMA in any way that impacts the independence or objectivity of this investigation." Has there been any attempt to influence or instruct in this manner and if so, can we have as much detail as possible, including details of any actions subsequently taken? (There may of course have been no such attempts to influence.)

Response:

There have been no attempts to influence or instruct the HAMA in a way that impacts the independence or objectivity of the investigation. A variety of people have been asked for, and have given, specific evidence or their

opinion on matters and it is the role of the HAMA to interpret and then report on these matters.

Public Statements:

Agenda item 8 – Information Governance update

Statement from Philip Gatrell:

The Information Governance performance annual update shows:

- Increasing information requests over four years to 2024/25.
- Continuing response rate shortfalls compared with the Commissioner's minimum 90% target for 2024/25. For example -
- All Service Units 83% average
- Legal & Democratic and Finance 64% each

A case emphasising required top down training is the straightforward Finance request sent 4th September 2023, not concluded until I obtained a judicial decision 22nd April 2025 following the hearing 22nd January 2025.

This judgment against a council is rare because it also involves the Commissioner's likewise incorrect complaint decision.

Although I notified obvious response omissions at that stage, the internal review failed to comprehend the cautionary indications. It required two further requests to obtain all the information.

After that late stage Council Officers and Commissioner expressed puzzlement by this clear 2000 Act contravention regarding not fulfilling the original request in time. As the Judge said - "merely a question of semantics" in their reaction.

Agenda item 19 – Annual Governance Statement

Statement from Philip Gatrell:

This statutory Statement records "significant issues" requiring remedial actions to ensure the Council's effective governance.

This regulatory Committee is required to consider and approve the draft Statement subject to possible later revisions before finalisation of the external audit.

It is imperative to address an "elephant in the room" travelling unbridled through Administrations since 1 April 2019.

Namely, that decision making is only as good as the information received but the Committee has not benefitted from awareness of all MATERIAL issues. Because the Constitution incorrectly continues to state that only

likely but not actual contraventions of law are reported by the Monitoring Officer to each Member under the primal “1989 Act”.

Limited to 150 words, my 22 July 2025 public issue for Council provides a determining fact regarding Monitoring Officer correct practice together with illustrative reportable contraventions.

The Statement must accordingly disclose this major defect warranting prompt amendment in the Constitution.

Agenda item 6 – Carters Quay

Statement from Alex McKinstry:

Paragraph 7 to the Carter's Quay report asks: **"Was there too much reliance on ... restricted knowledge of the developer ...?"** Yet information on the Inland companies' financial plight was freely available while this deal was being negotiated. On 9 March 2021, Inland Partnerships Limited published accounts for year ending 30 September 2020, showing a £1,500,000 loss. On 29 April 2021, Inland Homes PLC published accounts for the same period, showing a reduction in pre-tax profits from £25,000,000 to £3,700,000; moreover, page 44 of the accounts described the risk of a "liquidity crisis" in the company as "high", along with "inability to meet ongoing operational costs and other commitments". This was the company chosen to be guarantor of the Carter's Quay agreement. It is extraordinary therefore that "no additional credit checks" were carried out on these companies, as revealed at full Council on 11 July 2023.

The Chair wished to clarify that although one public statement on FuturePlaces had been rejected, she was sure the topic raised (additional revenue grant) would form part of the committee's future discussions. She referred to the number of Freedom of Information (FOI) requests and the volume of information available and how this could become more easily accessible. The Head of Audit and Management suggested the creation of a landing page on the Council's website for interim and final reports on the FuturePlaces investigation, including appendices and all FOI information received.

19. **Carters Quay - Update**

The Director, Investment and Development, 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.

As requested by the Committee, this was a factual report which reviewed the timeline of key events leading up to the Council's acquisition of Carters Quay, focussing on the governance and processes involved and the role of members and officers in decision making. Paragraph 7 of the report proposed a number of key considerations to support members in scoping an investigation, highlighting issues around time constraints, external pressures, senior engagement, due diligence and risk assessment. The next report would provide more detail on these issues. Any questions or

points raised at this meeting would be noted and responded to in full in the next report. The Director thanked current and former colleagues and the senior leadership team for assisting her in highlighting the key issues.

The Chair welcomed members' input in identifying areas where they felt further work may be required, ahead of considering the investigation already included on the forward plan for later in 2025/26. A number of points were raised in the ensuing discussion and officers had the opportunity to comment on these. The following areas of focus were put forward in relation to the scoping of the investigation:

- Whether there had been sufficient investigation into the accounts of Inland Homes companies to ascertain their financial stability?
- How was the valuation agreed: what was the process followed at the time, what were the aims and intentions at the time and had the process now changed?
- More information to be provided on the three stages of payments and how they were arrived at. It was confirmed that the next report would include more information on the valuation figures and payments, some of which was not yet in the public domain.
- The difference between the Cabinet decision on the deferred payment schedule and what actually happened and whether this had been fully understood?
- The speed of the transaction and the apparent pressure to move quickly. Was this to do with the planning consent, were there political and/or external pressures? More understanding of the timings and the relationships between parties would be helpful.
- In terms of governance, what should happen if an officer raises concerns but a leader / councillors decide to press on?
- How thorough was the risk assessment in relation to the sale and was this fully understood/monitored?
- Was the professional / legal advice and information received fully understood by officers?
- Did the council consider the eventuality of insolvency in the market at the time? What was the degree of advice and due diligence re strength of parent company guarantee?
- More information on what happened after 7 April 2021 to change the Council's view that the scheme was not viable?
- It was noted that changes to ways of working had already been made, however the next report could still consider recommendations for further improvements to procedure and governance to strengthen the process.

The Director also confirmed the robust position being maintained with the Administrator by the Council's external insolvency practitioners and provided assurance on the Council's security over the land. It was explained that the Cabinet report due to be considered later in the year would focus on options available to resolve matters going forward. The Committee was focussing on how the Council had arrived at the present position.

Following further discussion about how best to proceed, it was agreed to add the areas of focus to the relevant considerations identified in the report and circulate an updated list to members, within a two month period as suggested by the Chair, and include the information requested in the next report. The Chair indicated that the timing of the next report would be discussed as part of the forward plan but was unlikely to be before Quarter 4 due to the Future Places investigation.

Although not within the scope, Members felt it was important to recognise the consequences of the current situation on those residents living next to Carters Quay, in terms what their original expectations may have been versus the reality of living next to a stalled construction site with unfinished infrastructure and amenities. It was suggested that the impact on local residents and any potential remedies be referred to the Environment and Place Overview and Scrutiny Committee for consideration.

RESOLVED that:

- (a) the Committee notes the process under which the contract was entered and the context in which it was agreed;**
- (b) the Committee accepts that ongoing work is necessary to reach a resolution;**
- (c) the Committee notes that a report will be taken to Cabinet in due course;**
- (d) the areas of focus raised during discussion be added to the list of 'relevant considerations' in paragraph 7 of the report, the revised list to be circulated to committee members and then included with the information requested in the next report to the Committee;**
- (e) the impact of the current situation at Carter's Quay on local residents living next to the site and any potential remedies be referred to the Environment and Place Overview and Scrutiny Committee for consideration.***

Voting: Unanimous

*Note: It was subsequently clarified after the meeting that the appropriate overview and scrutiny committee in terms of remit was the Overview and Scrutiny Board.

20. BCP FuturePlaces

The Head of Audit and Management Assurance (HAMA) provided a verbal update on the progress of the investigation into BCP FuturePlaces.

The HAMA referred to the impact of his day to day workload in preparing the interim report to the Committee on 18 August 2025. His main concerns were around timing, the sheer volume and complexity of the material involved and the work required to process additional questions received and relate them to the agreed scope. Section 4 of the scope (detailed

expenditure incurred by BCP Future Places) was well progressed. It was noted that most areas of the investigation could be dealt with in written report format, However, Members acknowledged that certain elements including financial information may be more easily understood in presentation mode with a flexible approach to how this was delivered.

The HAMA was asked about a particular email with financial information submitted by a member of the public. It was noted that some of the additional submissions were a result of Freedom of Information (FOI) requests. All material was considered but this took time to assess in terms of the completeness of information included and how the information may have been interpreted by the sender. The HAMA advised that he was seeking legal advice on issues of confidentiality to individuals and companies. Members commented on the need to balance the wish to have as much information as possible in the public domain, while noting that there may be a need for exempt business to ensure all parties to the investigation felt able to contribute and the committee was fully appraised.

The HAMA confirmed that he was recording the direct costs of the investigation in terms of his time as the investigator. If required it may also be possible to estimate the indirect costs, for example input from other officers of the council.

The Chair was asked how she intended to deal with correspondence received and circulated to the committee today by an external party. Officers were not aware of the email and the Chief Executive expressed concern at the reported content of the email in relation to a named officer. Following a discussion about the issues raised and assurances provided to the officer concerned, the Chair advised that she would give the email due consideration before determining how to progress the matters raised and would advise the committee accordingly.

21. Information Governance Update

The Data Protection Officer (DPO) & Team Leader, Commercial Contracts & Information Governance, presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The report provided an overview of information governance performance for 2024/25. The Council continued to make steady progress in information governance and was responding to increased demand while improving performance and embedding a culture of compliance. The Committee received a detailed update in relation to the following key areas: performance, in relation to information requests and disclosures; response rates; internal reviews; Information Commissioner's Office enquiries; training; and projects.

The DPO and the Monitoring Officer responded to questions on the report. Members were advised that work was underway to develop training for councillors in alternative formats following a discussion at the Standards

Committee. It was noted that officers may also benefit from alternative provision. Training on information governance covered issues such as data breaches. The team was proactive in supporting service areas where performance rates were lower. It was noted that Artificial Intelligence (AI) once fully developed could be used to increase efficiency. The process for councillors to respond to Freedom of Information and Subject Access Requests was confirmed. Councillors were legally obliged to comply with requests within the timescales provided, this was not something officers could do on their behalf.

RESOLVED that:

- (a) the Committee notes the Information Governance (IG) performance management information for the Financial Year 2024/25 (Q1 to Q4) contained in this report. This includes requests received under the Freedom of Information Act 2000, Environmental Information Regulations, Data Protection Act 2018 and other agency disclosure requests;**
- (b) the Committee notes that currently a review is underway by leadership team of the function of IG within BCP Council.**

Voting: Agreed with no dissent

22. Treasury Management Monitoring Outturn 2024/25 and update for Quarter 1 2025/26

The Assistant Chief Financial Officer (CFO) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'C' to these Minutes in the Minute Book.

The Assistant CFO referred to the economic background to the report and updated on the latest position regarding the Bank of England base rate. The report set out the monitoring of the Council's Treasury Management function for the period 1 April 2024 to 31 March 2025. A deficit of £2.1m was the final position as the Council continued to borrow to fund the accumulating deficit on its Dedicated Schools Grant (DSG). Borrowing was also at higher-than-expected interest rates due to volatility in current debt costs. The report also set out the Quarter One performance for 2024/25 which forecast an underspend of £0.3m due to the Council's ability to borrow in the local authority market at lower than budgeted interest rate. The Assistant CFO advised that a Treasury focussed training session for committee members was being arranged in consultation with the Chair.

The Assistant CFO was asked about the reason for the growing differential between base rate and PWLR rate and whether this was likely to narrow in the foreseeable future. He explained that Government debt was currently seen by the market as more risky than the bank rate. The forecast set out in the report assumed that the PWLR rate would fall over the medium term but at present the Council continued with its policy of short term borrowing.

RESOLVED that:

- (a) the Committee notes the reported activity of the Treasury Management function for 2024/25**
- (b) the Committee notes the reported activity of the Treasury Management function for April to June 2025**

Voting: Agreed with no dissent

23. Increased Borrowing - Poole museum

The Assistant Chief Financial Officer (CFO) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'D' to these Minutes in the Minute Book.

In July 2023 the Committee agreed to reduce the Council's debt threshold. It also agreed to strengthen the governance arrangements around any proposal to increase the debt threshold in future by requiring the Committee to consider the robustness of the ability of any significant new business case to service its debt obligations. In line with this decision the Committee was now asked to consider the business case to increase approved prudential borrowing to fund the Poole Museum project by £1.3 million. This was in relation to Cabinet and Council decisions in July 2025. The detailed financial forecast provided as part of the Cabinet report was included in the report to the Committee for reference.

The Assistant CFO, the Interim Museum Director and the Project Manager responded to questions on the report:

- On the level of confidence that borrowing repayments could be accommodated in the short term before income was realised, it was explained that repayments had been staggered and would increase over time. The project was considered to be affordable in the short and longer term. The business case had been conservative in estimating income and had overestimated in terms of costs and there was confidence that the visitor forecast and revenue potential would support the borrowing repayments. It was noted that the first week of partial reopening had been very successful.
- On how the increase in borrowing compared to the wider picture, it was confirmed that the increase was fairly insignificant within the Council's overall debt and repayments.
- On the variances in fundraising, it was explained why the third party funding had been required to cover a new scope, but it was noted that this had still been beneficial in contributing to the original scope and business plan. The business plan had always included an assumption that borrowing may be needed to mitigate the risk of funding not being secured. It was noted that funding had been double counted in one instance due to clerical error.

- On whether the additional borrowing affected the external grants, Members were assured that there were no associated risks with partnership funding.
- On reasons for variances in expenditure, it was confirmed that this did include an increase in construction related costs, due to a number of factors affecting the industry resulting in significant prolongation.
- On business rates, a Member gave an example of where these had been successfully challenged elsewhere. It was noted that a potential rebate was under consideration, however Members were advised that this was a complex area.
- On the Museum project's longer term sustainability, it was explained that National Lottery funding was supporting work to review the museum's operating model and ten year plan and to develop a resilience strategy to ensure its long-term sustainability as a cultural asset for the community.

RECOMMENDED TO COUNCIL to approve the revised funding strategy for the Poole museums capital schemes which will mean an increase in the approved prudential borrowing of £1.3m.

Voting: Unanimous

24. Risk Management - Corporate Risk Register Update

The Risk and Insurance Manager presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'E' to these Minutes in the Minute Book.

The report provided an update on the position of the Council's Corporate Risk Register. All corporate risks were reviewed during Quarter 1. The report provided a summary of the changes in risk as set out in paragraphs 11 to 13 of the report with full details contained in Appendix 4. The report also updated on the progression of a new Risk Management Policy and the introduction of the new Risk app.

The Risk and Insurance Manager was asked if CR27 could include the expected completion dates and some more information on how the risk was managed. She also provided the following information in response to questions on the report:

- High level net risk and target risk scores which were shown as identical were being reviewed.
- Corporate Management Board (CMB) had agreed to add the Local Plan to the risk register in the next Quarter
- Housing Demand would be checked to see if it was already included in any existing risks or whether a new risk was required.

- In terms of what was being done to raise public awareness of the high level of risk associated with climate change (CR20), this would be checked with the risk owner and a response circulated.

The Chief Financial Officer explained that the generic risks identified by external auditor applied to all councils. Anything specific would be included as part of the annual audit and if required added to the risk register. He also explained why CR09 (ensuring balance budget) and CR23 (Dedicated schools grant) should continue to be treated as separate risks.

It was also noted that the fire safety issues raised by Internal Audit had been referred by Corporate Health and Safety and Fire Safety Board to CMB for consideration.

RESOLVED that the Committee notes the update provided in this report relating to corporate risks.

Voting: Agreed with no dissent

25. Internal Audit - Quarterly Audit Plan Update

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

The report detailed progress made on delivery of the 2025/26 Audit Plan for the 1st quarter (April to June 2025 inclusive). It also included March 2025, as this had come too late to include in the previous update. The Audit Manager drew attention to the five 'Partial' audit opinions as detailed in section 5 of the report and gave an update on their current status. Progress against the audit plan was on track and a provisional list of audits planned for Quarter 2 was provided. Members were reminded that the Committee was able to call in service directors to a future meeting to provide further explanation where recommendations remained outstanding.

The Audit Manager was asked about the process for referring outstanding recommendations to the committee. She explained that these were listed in Appendix 1 of the report in date order and that members may find it helpful to consider how long they had been outstanding. The Head of Audit and Management Assurance reported that explanations had been reviewed and were not deemed to be unreasonable. It was noted that a wider report on schools finances was being drafted which would update indirectly on the Linwood school deficit, the oldest recommendation on the list. The Chair indicated that the committee may wish to revisit the list of outstanding recommendations in the next quarterly report.

RESOLVED that:

- (a) the Committee notes progress made and issues arising on the delivery of the 2025/26 Internal Audit Plan;**

(b) the Committee notes the explanations provided for non-implemented recommendations (Appendix 1) and that it can determine if further explanation and assurance from the Service / Corporate Director is required.

Voting: Agreed with no dissent

26. To consider and accept a report published by the Local Government and Social Care Ombudsman

The Monitoring Officer (MO) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'G' to these Minutes in the Minute Book.

Appendix 1 of the report presented a report published by the Local Government and Social Care Ombudsman on 8 May 2025 in response to a complaint about the Council's Education and Children's Services. The Ombudsman found that the Council had failed to take any action when a concern was raised when a nursery asked for a mandatory top-up charge for its free education places which it was not allowed to do. The Ombudsman found that the Council was at fault and had caused injustice to the parent, Mr X. The Ombudsman had upheld Mr X's complaint and had asked the Council to accept its findings.

The MO explained the reasons for the delay between the Ombudsman's report and the final adjudication. It was noted that one of the causes in not dealing with the original complaint correctly would be addressed through the Council's new centralised complaints service. Members were advised that the Council had now updated all nursery providers. It was noted that the Department for Education (DfE) guidance had been revised in 2024. The Ombudsman was aware of the committee report and was positive about the proactive steps taken by the Council to address the issues raised in the complaint. The Portfolio Holder for Children, Young People, Education and Skills had been in contact with Mr X to provide assurance and it was noted that Mr X would be notified of the committee's decision as soon as practicable. The MO confirmed that no responses were received to the statutory advertisement/publication of the report.

The MO suggested that the committee may wish to consider an item on the LGSCO's and Housing Ombudsman's dealings with the Council at an appropriate time, perhaps at the time their annual letters were received. This was welcomed and it was also suggested that it would be helpful to provide a list of all bodies which local authorities were regulated by.

The Portfolio Holder explained that this had been a learning curve for the Council ahead of other local authorities experiencing similar issues regarding nursery providers and he reiterated that the government guidance had now changed.

RESOLVED that the Committee:

- (a) Considers and accepts the report published by the Local Government and Social Care Ombudsman published on 8 May 2025, which appears at Appendix 1 to this report;
- (b) Approves the reimbursement to Mr X of any “general extras” fees he paid to the nursery from 12 February 2021;
- (c) Approves the payment of £200 to compensate Mr X for his time and trouble in bringing the complaint
- (d) Notes that an apology will be made to Mr X
- (e) Notes the Council has asked the nursery to change its pricing policy so that it is line with the Guidance and Provider Agreement;
- (f) Notes the Council has met with other FEEE providers in the area to inform them of the LGSCO decision and remind them of the Ombudsman’s expectations in terms of pricing.

Voting: For – 8, Against – 0, Abstain – 1

27. Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25

The Head of Audit and Management Assurance (HAMA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'H' to these Minutes in the Minute Book.

Following an annual review and update of the Council’s Declaration of Interests, Gifts & Hospitality Policy for Officers, the revised policy for 2025/26 was approved by the Committee on 27 February 2025. The report summarised the minor changes made to the policy as part of the annual evolution and the improved guidance provided, including clarifications on business relationships, gift acceptance, and hospitality definitions. Bespoke training and awareness sessions continued to be delivered, including this year to Seafront Services, Investment and Development and Housing and the Council’s senior leadership network.

The report also summarised the work of Internal Audit to ensure policy compliance across the Council. Members were advised that on a risk basis this had focussed mainly on Tier 4 officers and above, with 100% compliance reported. The findings in relation to three officers who had been found to be working for two public bodies at the same time were noted in paragraph 12 of the report. The HAMA reported that his overall opinion was that the policy was fit for purpose, with a good level of awareness and compliance across the Council and 100% compliance at senior level.

RESOLVED that the Committee:

- (a) **Audit & Governance Committee note the annual review of Declarations of Interests, Gifts & Hospitality by Officers (2024/25).**
- (b) **Note the opinion of the Head of Audit & Management Assurance that the Policy is fit for purpose and that there was a good level of awareness and compliance in 2024/25.**

Voting: Agreed with no dissent

28. Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2024/25

The Head of Audit and Management Assurance (HAMA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'I' to these Minutes in the Minute Book.

The Committee was advised that following an annual review of the Council's use of the Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA) for 2024/25, it was confirmed that no powers under either act were exercised during the year. The RIPA/IPA policy had been updated to include references to the Investigatory Powers (Amendment) Act 2024 and had added guidance on the use of technology, including Artificial Intelligence, in surveillance. Members noted that covert surveillance remained a last resort, with proportionality a determining factor and only where the issue if proved would result in a minimum six month custodial sentence. The HAMA outlined the oversight and authorisation procedures in place. The Investigatory Powers Commissioner's Office (IPCO) inspection in July 2024 resulted in a letter to the Council (included at Appendix A of the report) stating that they were satisfied with ongoing compliance with RIPA and IPA and ensuring the risks of unregulated surveillance, particularly online, was minimised.

RESOLVED that the Audit & Governance Committee notes that the Council has not made use of powers under the Regulation of Investigatory Powers Act or the Investigatory Powers Act during the 2024/25 financial year.

Voting: Agreed with no dissent

29. Annual Breaches of Financial Regulations and Procurement Decision Records Report 2024/25

The Head of Audit and Management Assurance (HAMA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'J' to these Minutes in the Minute Book.

The HAMA explained why breaches of Financial Regulations (the Regulations) should be avoided and why Procurement Decision Records (PDRs) should be used. He assured committee members of the full and frank nature of his report. Whilst it was preferable for no breaches of the Regulations to occur, he would find it questionable if no breaches were reported in a council the size of BCP Council. Twelve breaches had been identified during 2024/25. These were set out in section 4 of the report.

The HAMA reported in more detail on the reasons for the breach listed as BR1, where a significant amount of expenditure and agency appointments

had not been subject to the required completion of PDRs. He outlined the actions taken to rectify BR1 and the other breaches listed in the report. Only one further similar breach to BR1 (BR11) had since been identified. The Committee was advised that 212 PDRs were approved during 2024/25, of which 28 were for some form of exception where the usual process was not followed for the reasons provided in paragraph 15 and appendix 1 of the report.

The HAMA was asked about officer training on the PDR process, with points raised about the need to ensure this was fit for purpose, well understood and led from a senior level. Members were assured that standard and targeted training was provided and that the general requirements were well known across the Council, as reflected in the relatively low number of breaches identified. It was noted that failure to complete a PDR once a contract had expired was the most common breach. Training aside, it may be that a very small number of errors would always occur considering the sheer volume of procurements across such a large spend base. Failure to comply could also be addressed through disciplinary channels. It was confirmed that there was no suggestion that any of the breaches had resulted in incorrect expenditure, rather it was the internal governance process of not completing the requisite PDR which had not been followed.

Members were updated on the internal Procurement and Contract Management Board which had been set up in 2024 to ensure a greater level of consistency and best practice. One of its roles was to review all breaches to consider whether any changes to procedure were required and/or further training needed. The Chief Financial Officer suggested that he ask the Board to reflect on the discussion points raised by the Committee.

Officers also responded to questions on the use of historic suppliers once a previous contract had ended and on existing and emerging technological solutions in relation to procurement procedures.

RESOLVED that the Audit & Governance Committee notes the breaches of Financial Regulations and relevant Procurement Decisions Records that occurred during 2024/25.

Voting: Agreed with no dissent

30. Chief Internal Auditor's Annual Opinion Report 2024/25

The Head of Audit and Management Assurance (HAMA) presented a report, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'K' to these Minutes in the Minute Book.

The report set out the formal opinion of the Chief Internal Auditor on the 2024/25 financial year. The report provided a consolidated summary of the issues raised in the quarterly reports submitted to the Committee during this time. The Chief Internal Auditor's opinion was set out in the executive

summary of the report and concluded that the Council maintained an adequate and effective framework of governance, risk management, and internal control. While some areas of weakness and non-compliance were identified, appropriate action plans were implemented and all audit recommendations were accepted by management. A rigorous follow up procedure was in place to confirm that all recommendations had been implemented. The report referred to audits planned and completed and provided further detail on those audits where a partial assurance had been given (as previously reported to the committee).

The HAMA placed on record his thanks to the internal audit team for their dedication, hard work and professional diligence. The Chair endorsed his comments and gave thanks on behalf of the committee in appreciation of the huge amount of work undertaken.

RESOLVED that the Audit & Governance Committee notes the Chief Internal Auditor's Annual Report and Opinion on the overall adequacy of the internal control environment for BCP Council.

Voting: Agreed with no dissent

31. Audit & Governance Committee Annual Report 2024/25

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

The Audit & Governance Committee Annual Report 2024/25 circulated at Appendix A provided assurance that the committee had effectively supported the Council in maintaining good governance. The report outlined how the committee fulfilled its terms of reference, complied with national audit committee guidance and contributed to strengthening risk management, internal control, and governance across the Council. It included a foreword, an overview of the committee's activities and a forward-looking section, along with the committee's terms of reference. The report underpinned the Annual Governance Statement and was recommended for approval ahead of its submission to Council in October 2025.

The Chair highlighted the use of an annual report to Council as a positive tool to keep all councillors informed of the committee's work and enable further dialogue.

RESOLVED that that the Audit & Governance Committee approves the annual report prior to its submission to Council on 14 October 2025.

Voting: Unanimous

32. Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance

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

The report set out the Annual Governance Statement (AGS) for 2024/25 which was required to accompany the Council's Statement of Accounts. The report also detailed the minor amendments made to the Local Code of Governance to ensure it was kept updated. It was noted that the draft AGS had already been published as part of the public inspection of the accounts prior to a final version being submitted to the external auditor. The AGS concluded that the Council had effective and fit-for-purpose governance arrangements in place in accordance with the governance framework. The Committee was advised of the process by which the Council's Corporate Management Board (CMB) identified three significant governance issues, namely the Dedicated Schools Grant, the Department for Education Statutory Direction for special educational needs and disability (SEND) services and Mandatory Training. An update against actions being implemented to address these issues would be brought to the Committee in January 2026.

The Audit Manager provided an update on two issues removed from last year's AGS and explained why a fourth issue from this year's AGS relating to housing delivery budget monitoring had been removed. It was noted that other potential issues had also been considered and discussed by CMB but not included. These were detailed in the report for transparency. Members were asked to note typographical amendments to be made to the final AGS, in paragraph 14 of the report to replace the word 'four' with 'three' and in Table 1 of the AGS to read 'Dedicated Schools Grant'.

Committee members focussed their discussion on actions to address the issue of mandatory training. One suggestion was for this matter to be raised with Group Leaders. The Monitoring Officer gave an update on recent discussions at the Standards Committee to progress the training programme for councillors. There was now a standing item on that committee's work programme to review progress and it was noted that the statistics were improving. Standards Committee was also looking at how to improve the accessibility and quality of the training provided. The Chair welcomed the suggestion that the Chair of the Standards Committee be invited to a future meeting to update members on progress.

The Chief Executive highlighted the importance of cybersecurity training in reducing the likelihood of erroneously causing a security breach and the serious consequences for the Council when mistakes were made. Committee members asked that a reminder be sent to all councillors advising them what to do/what not to do and who to contact should they receive an email which raised any concerns. It was noted that training statistics currently included staff who only worked for the Council a few days of the year and that this was being looked at. A member questioned the volume and value of some of the training required. The Chief Executive explained that course content, mandatory criteria and the process for

course completion were all subject to review and any further feedback was welcomed.

RESOLVED that:

- a. The ‘pre-audited’ Annual Governance Statement 2024/25 be approved (subject to any comments received in connection with the public inspection of accounts)**
- b. The annual update of Local Code of Governance be approved.**

Voting: Unanimous

33. Forward Plan (refresh)

The Chair drew attention to the Committee’s forward plan for 2025/26, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'N' to these Minutes in the Minute Book.

The Chair referred to factors to consider in scheduling the report on Carters Quay. It was noted that the timing of the final report on FuturePlaces, currently listed as either September or October, may depend on the outcome of the August meeting. Although the Carters Quay report was led by the Director of Investment and Development it would require the support of Internal Audit. Items already scheduled for committee dates on the forward plan were also noted. Members exchanged views on striking the right balance between ensuring there was sufficient officer capacity and undertaking the investigation in a timely manner. It was concluded that timing of the Carters Quay report be at the discretion of the Chair and Vice Chair in liaison with the relevant officers, with committee members to be kept informed.

The Chair reported that she had held an introductory meeting with the external auditor who had offered to attend a future meeting to talk about committee engagement. It was also noted that the Monitoring Officer would liaise with the Chair regarding the scheduling of the Ombudsman report as discussed in agenda item 13.

RESOLVED that the Audit & Governance Committee approves the Forward Plan for 2025/26 as set out at Appendix A and updated in the discussion.

Voting: Unanimous

The meeting ended at 9.52 pm

CHAIR

ACTION SHEET – BCP AUDIT AND GOVERNANCE COMMITTEE

Last updated – 7 October 2025

Minute number	Item	Action Items remain until action completed.	Who	Outcome
Meeting Date: 24 July 2025				
18	Public Issues	Create landing page on Council website for interim and final reports on BCP Future Places investigation, including report appendices and all Freedom of information (FOI) information received.	Head of Audit & Management Assurance	To be created after meeting on 6 November 2025
19	Carters Quay update* *see also Forward Plan	Add areas of focus raised during discussion to the list of relevant considerations in paragraph 7 of report and circulate revised list to committee members within two months	Director, Investment & Development	Circulated 7/10/25
		Include revised list with information requested in next report to committee	Director, Investment & Development	Will be included and responses provided within next report, timings subject to confirmation by Chair
		Impact of current situation on local residents living next to the site to be referred to the Environment and Place Overview and Scrutiny (O&S) Committee* for consideration. *Note: Subsequently clarified that the appropriate committee in terms of remit was the Overview and Scrutiny Board and therefore redirected.	Democratic Services	Referral considered by O&S Board on 22/9/25 and agreed to include this item (in a form to be determined by Chair in consultation with officers) when scrutinising the Cabinet report on Carters Quay at December's O&S Board.

22	Treasury Management	Arrange date for Treasury training session for committee members, intended to be delivered by external consultants who support Council with its Treasury management	Assistant Chief Financial Officer, in consultation with Chair	In progress, date in November to be confirmed shortly
24	Risk Management – corporate risk register update	CR27 – include completion dates and further information on how risk is managed	Risk & Insurance Manager	The significant actions have been updated and due dates are now provided. Details of how the risk is being mitigated and managed are included on the latest risk update to be provided in October 2025.
		CR20 – check with riskowner on how risk is communicated to public and circulate response	Risk & Insurance Manager	Update awaited from Risk Owner.
26	Local Government and Social Care Ombudsman report* * see also Forward Plan	Circulate details of all bodies which local authorities are regulated by.	Chief Executive to delegate	Uploaded to A&G Teams channel 7/10/25
29	Annual Breaches of financial regulations and Procurement Decision Records report	Ask Procurement and Contract Management Board to reflect on points raised by committee in discussion	Chief Financial Officer	Discussed with Procurement and Contract Management Board on 11/08/25 as part of ongoing / learning process.
32	Annual Governance Statement and Annual review of Local Code of Conduct	Invite Chair of Standards Committee to future meeting to appraise on councillors training	Monitoring Officer	In progress
		Cybersecurity – issue a reminder to councillors on the process to follow if suspicious email received.	Chief Executive to delegate	Reminder issued 1/10/25

33	Forward Plan	Agree which committee date to schedule Carters Quay report in Quarter 4 and advise committee members	Chair and Vice Chair	To be agreed
		Liaise with Chair on scheduling of Ombudsman reports	Monitoring Officer	In progress
		Add External Auditor training to Forward Plan for October 2025	Head of Audit & Management Assurance	Training arranged prior to 16/10/15 committee meeting at 5.00pm

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Auditor – Audit Progress & Sector Update
Meeting date	16 October 2025
Status	Public Report
Executive summary	Grant Thornton, as the Council's appointed External Auditors, have produced a report (Appendix A) which provides an update to Audit & Governance Committee on their progress to date in delivering their responsibilities. The report includes an update on their 2024/25 audit work. Key points of note are: • Financial Statements Audit 2024/25 – Grant Thornton aims to present their Audit Findings Report for 2024/25 to the November meeting of the Audit & Governance Committee. • Value for Money – Grant Thornton plan to report their Value for Money arrangements findings in their interim Auditor's Annual Report at the November Audit & Governance Committee. The report also includes a summary of emerging national issues and developments that may be relevant to the Council.
Recommendations	It is RECOMMENDED that: Audit & Governance Committee notes the External Auditor's progress to date in delivering their responsibilities and the sector update provided.
Reason for recommendations	To update Audit & Governance Committee on the External Auditor's progress to date in delivering their responsibilities. To advise Audit & Governance Committee of emerging national issues and developments that maybe relevant to the Council.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk

Wards	Council-wide
Classification	For Information

Background

1. Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. Grant Thornton, as the Council's External Auditors, have a responsibility to provide regular updates to those charged with governance (Audit & Governance Committee) on progress made in delivering their responsibilities.

External Audit Progress Report

Progress as at September 2025

3. The attached report (Appendix A) details progress made by Grant Thornton in delivering their responsibilities as external auditors.
4. The report includes an update on the following areas for their 2024/25 work, in summary:
 - **Financial Statements Audit 2024/25** – Grant Thornton aims to present their Audit Findings Report for 2024/25 to the November meeting of the Audit & Governance Committee.
 - **Value for Money** – Grant Thornton plan to report their Value for Money arrangements findings in their interim Auditor's Annual Report at the November Audit & Governance Committee.

Sector Update

5. The report also includes a summary of emerging national issues and developments that may be relevant to the Council (as a local authority) which includes:
 - Lessons from 2023/24 auditors' annual reports
 - Local authority accounting: avoiding pitfalls in financial instruments
 - Local government financial sustainability
 - Spending Review 2025
 - Fair Funding Review
 - Public Procurement: Growing British industry, jobs and skills
 - Keeping fit for the future (ten-year NHS plan, implications for local government)
 - Asylum seekers update

Webinar for Audit Committee members

6. A webinar for members of Audit Committees will be held on 27 January 2026 covering Managing Debt and Local Government reorganisation. Invitations are available via the Grant Thornton website or Audit Manager.

Options Appraisal

7. An options appraisal is not applicable for this report.

Summary of financial implications

8. The proposed 2024/25 BCP Council Audit fee is £469,068.

Summary of legal implications

9. There are no direct legal implications from this report.

Summary of human resources implications

10. There are no direct human resources implications from this report.

Summary of sustainability impact

11. There are no sustainability impact implications from this report.

Summary of public health implications

12. There are no public health implications from this report.

Summary of equality implications

13. There are no direct equality implications from this report.

Summary of risk assessment

14. There are no risk implications from this information report.

Background papers

None

Appendices

Appendix A – Grant Thornton – BCP Council Audit Progress Report and Sector Updates

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Bournemouth, Christchurch and Poole Council

Audit progress report and sector updates

30 September 2025



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Audit Progress Report

Introduction

This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Key Grant Thornton team members



Barrie Morris

Key Audit Partner

E: Barrie.Morris@uk.gt.com

Barrie is a Partner based within our Bristol office and leads the Firm's public sector engagement with our regulators, the Financial Reporting Council (FRC) and the Quality Assurance Department of the Institute of Chartered Accountants England and Wales (QAD).

Barrie will have ultimate responsibility for delivering a high quality audit which meets professional standards. He is the key contact for the Chief Executive, the s.151 Officer and the Audit and Governance Committee, meeting frequently with key members of management.

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Katie Whybray

Senior Manager

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Katie's role is to manage the overall delivery of the audit and will ensure that all work allocated is carried out on a timely basis in accordance with the firm's professional standards and to the satisfaction of the Council and the Audit Partner.



Adams Azubilla

Assistant Manager

E: Adams.H.Azubilla@uk.gt.com

Adams is leading on the detailed testing and project management of the audit and addresses queries in respect of technical and audit issues identified during the course of our work.

Adams allocates work to other members of the audit team, ensuring they understand their responsibilities and have received appropriate on-the-job training / coaching.

Progress at 30 September 2025

Draft Financial Statements 2024/25

Bournemouth, Christchurch and Poole Council published its draft financial statements on the 30 June 2025, meeting the national deadline for publishing draft accounts.

Our audit team commenced their work at the beginning of July and we have noted some areas of improvement in the Council's capacity to respond to audit queries over previous years due to additional resource in place to support the process. However, there are some areas where delays have been encountered such as housing benefits where we have not received any working papers from the Council to commence our review in this area.

Our IT work is still in progress with all areas concluded on except the migration of the new council tax, NNDR and housing benefits system where we are still working through reconciliations to order to gain sufficient assurance over the migration process. This review has been complex due to the separate legacy systems in place which have migrated to the Capital Cloud system.

There are some areas of audit testing where testing has not commenced at this stage, however, we are aiming to complete most of the work by the end of October 2025.

This report therefore sets out our progress against the significant risk areas of the audit. As at the end of September 2025 we are continuing to work through the significant risk areas as well as other areas of testing including our review of the Council's implementation of IFRS 16. We plan to bring our Audit Findings Report to the November Audit Committee.

Progress at 30 September 2025

In the table below we have set out the current status of our audit work undertaken in the significant risk areas which we set out in our audit plan.

Significant Risk Area	Commentary
Management override of controls	We have: • evaluated the design and implementation of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; and • identified unusual journals made during the year and the accounts production stage for appropriateness and corroboration. We have been provided with supporting evidence for all journals which we identified in as high risk or unusual journals, and we have reviewed all the evidence in order to conclude that we did not identify any inappropriate journal entries. Our work in this area is currently nearing completion and is currently subject to our internal review process.
Revaluation of land and buildings including council dwellings	We have: • evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • assessed the competence, capability and objectivity of the valuation experts; and • selected items for testing For those Land and building assets which we selected for testing, we are currenting obtaining supporting calculations from the valuer and testing the source data and assumptions within this. For Council dwellings, we have considered the Councils use of the Beacon Approach to value these assets. Our valuation auditor expert is supporting us in this work. Our audit review of the revaluation of land and buildings including council dwellings is currently in progress.

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Progress at 30 September 2025

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Significant Risk Area	Commentary
Investment Properties Revaluations	We have: • evaluated management’s processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; • assessed the competence, capability and objectivity of the valuation experts; and • selected items for testing For those investment properties assets which we selected for testing, we are obtaining supporting calculations from the valuer and testing the source data and assumptions within these. Our audit review of the revaluation of investment properties is currently in progress.
Valuation of the Pension Net Liability	We have: • updated our understanding of the processes and controls put in place by management to ensure that the Council’s pension fund net liability is not materially misstated and evaluated the design of associated controls; • evaluated the instructions issued by management to their management expert (actuary) for this estimate and the scope of the actuary’s work; and • assessed the competence, capability and objectivity of the actuary who carried out the Council’s pension fund valuation; and. We are awaiting our letter of assurance from the auditors of Dorset Pension Fund. Our testing of the pension asset and liability and disclosures within the accounts is in progress.

Progress in September 2025 (continued)

Work on value-for-money arrangements

Under the 2020 Code of Audit Practice, we are required to undertake sufficient work to satisfy ourselves that the Council “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.”

The NAO’s Code of Audit Practice sets out the framework for this work as follows:

- Financial sustainability: how the body plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the body ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the body uses information about its costs and performance to improve the way it manages and delivers its services.

We are planning to report our findings in our interim Auditor’s Annual Report at the November Audit and Governance Committee.

Other areas

In addition to the statutory audit, the Council has also engaged us to conduct some additional assurance work. We refer to this as ‘non-audit services’ and there are strict rules in place setting out what work it is appropriate for External Auditors to undertake.

Further information is included within our 2024/25 audit plan, but the expected work in 2024/25 is the certification of:

- Teachers’ Pensions return; and
- Pooled Capital Receipts return;

In each case the work required is determined by the funding body – for example the Teachers Pension Agency for the Teacher’ Pensions return.

Audit Deliverables

Below are some of the audit deliverables planned for 2024/25

2024/25 Deliverables	Planned Date	Status
Audit Plan We are required to issue a detailed audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council’s 2024/25 financial statements.	Presented April 2025	Complete
Auditor’s Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2025	Not due yet
Audit Findings Report The Audit Findings Report will be reported to the Audit Committee.	November 2025	Not due yet
Auditors Report This includes the opinion on your financial statements.	December 2025	Not yet due

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Sector Updates

Lessons from 2023/24 auditors' annual reports

Recommended reading for Audit Committees:

In August 2025, we published a review of 100 Auditors' Annual Reports (AARs) produced by Grant Thornton for our local government audited bodies across England. This represents about a third of all councils in the country. The AARs offer a wealth of insights on what works, and what doesn't, when it comes to value for money and governance.

48 The reports in our sample showed that financial sustainability remains the major challenge for the majority of councils. Poor governance has led to some councils depleting their reserves and others incurring excessive borrowing, which current government policies around exceptional financial support and statutory override for dedicated schools grant deficits are not helping.

Common challenges for councils include gaps in risk management; high vacancy rates in internal audit; de-centralised contract management; under-supported project management; and the need for stronger, timelier data on performance. For Councils with Housing Revenue Accounts, there are also significant challenges with identifying, costing and managing high volumes of backlog repairs and maintenance work needed to meet regulatory standards.

However, with this being the second year of reporting on lessons from AARs, we also charted notable examples of cases where arrangements have been strengthened since 2022/23, yielding benefits. As well as good practice questions and reminders, the report includes case studies showing better: Control over transformation planning; approach to internal audit; project management; key performance indicator reporting; and rightsized workforce.

AAR findings in August 2025 can be compared to those from one year earlier by accessing the two years of full reporting here:

[Lessons from 2023/24 auditors' annual reports](#)

[Lessons from recent auditor's annual reports](#)



Financial Instruments in Local Government Accounts (1)

Recommended reading for Audit Committees:

Financial instruments are contracts that give rise to a financial asset for one party and a financial liability or equity instrument for another. In local government, these include a wide range of arrangements such as cash, loans, trade receivables and payables, pooled investments, financial guarantees, and more complex instruments like derivatives or loans with embedded features.

These instruments are governed by accounting standards and can significantly influence how a council's financial position and performance are presented in the accounts. Proper identification and treatment of these instruments are essential to ensure that financial statements reflect the true nature of the authority's financial commitments and exposures.

The accounting for financial instruments is not just a technical exercise. It has real implications for financial planning, risk management, and public accountability. Misclassification or incorrect measurement can lead to material misstatements, unexpected financial impacts, or audit challenges. Financial instruments can affect key areas such as the General Fund, usable reserves, and statutory reporting.

Ensuring that these instruments are correctly accounted for supports transparency, compliance with professional and statutory requirements, and the safeguarding of public resources.

We have recently released a thought leadership report, "Local authority accounting: Avoiding pitfalls in financial instruments" which covers financial instruments in detail.

Our full report includes insight about some of the potential pitfalls relating to financial instruments that can occur in local authority accounts. In addition, each section includes a range of challenge questions for authorities to consider.

The table on the next page highlights key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions that Audit Committee members may wish to raise with management.

The full report is available here:

[Local authority accounting: Avoiding pitfalls in financial instruments | Grant Thornton](#)



Financial Instruments in Local Government Accounts (2)

Key areas of focus in accounting for financial instruments, along with explanatory context and suggested questions for Audit Committees to ask:

Area of Focus	Description	Challenge Questions
Identification	Proper identification ensures that all relevant instruments are captured in the financial statements and assessed for risk and impact. While some items like loans and investments are obvious, others may be less visible.	- How have you ensured that all financial instruments, including less obvious or complex arrangements, have been identified? What controls are in place? - Have any new or unusual arrangements been reviewed for potential financial instrument implications?
Classification	Financial instruments must be classified based on how they are managed and the nature of their cash flows. Classification determines how movements are reported in the financial statements and can influence the volatility of reported results.	- What process is followed to determine the classification of financial instruments, and how do you ensure that the classification reflects the nature of the financial instrument, including both business purpose and characteristics? - Have any instruments been classified differently this year, and if so, why?
Measurement	Once identified and classified, financial instruments must be measured appropriately. Measurement affects reported balances and income, and errors can lead to misstatements.	- What valuation methods are used for financial instruments, and how are they validated? Were any experts required during this process? - Do changes in assumptions or market conditions require remeasurement?
Disclosure	Disclosures help users of the financial statements understand the nature, significance, and risks of financial instruments. Disclosures should be tailored to your specific circumstances, avoiding unnecessary complexity or boilerplate language.	- How do you ensure that disclosures are tailored to reflect the authority's specific financial instruments and risks, and are any additional disclosures required for unusual or complex financial instruments, or for particular risks? - Are disclosures complete, clear, and free from unnecessary detail?
Other Considerations	Other considerations include soft loans, capital treatment of financial assets, statutory overrides, and the requirement to make prudent revenue provisions (MRP) for certain losses. These adjustments can have a direct impact on financial planning and budget setting.	- Have all relevant statutory overrides and adjustments been correctly applied and disclosed, and what impact have these adjustments had on the General Fund or other usable reserves? - Are expected credit losses / impairments reflected in the financial strategy?

Other structural changes

Key information for Audit Committees to be aware of:



Multi-year allocations – 11th June 2025

15 The Spending Review on 11th June 2025 committed to multi-year allocations through the upcoming 2026/27 Local Government Finance Settlement. An assessment of each council's needs and resources was also committed to.

[Spending Review 2025 \(HTML\) - GOV.UK](#)

Additional information on the Spending Review and Fair Funding Review can be seen on pages 22 and 23 of this update.



Simplified local structures – 24th June 2025

The Minister of State for Housing, Communities and Local Government announced on 24th June 2025 that Councils with a committee system will be required to transition to a leader and cabinet model. He also announced a ban on creating new directly elected council mayors.

[Written statements - Written questions, answers and statements - UK Parliament](#)



Pensions pooling – 11th August 2025

Seven Council pension funds announced plans to join the Border to Coast pool on 11th August 2025. The government has committed to allow some “limited flexibility” to other administering authorities looking for new asset pools (moving away from Access and Brunel) but does expect all to conform as closely as possible to the 31 March 2026 deadline for meeting new minimum standards set for asset pooling.

[Pension Investment Review Final Report](#)



English Devolution and Community Empowerment

The English Devolution and Community Empowerment Bill was presented to the House of Commons and given its first reading on 10th July 2025; and its second reading on 2nd September 2025. With ayes of 365 and noes of 164 on 2nd September, the Bill now moves to Committee stage.

[English Devolution and Community Empowerment Bill](#)

Local government financial sustainability

Key information for Audit Committees to be aware of:

On 18th June 2025, the Committee of Public Accounts reported that “MHCLG has implemented short-term and unsustainable approaches to keep local government afloat”.

As evidence, the Committee reported that :

- ❖ Forty-two local authorities had to receive exceptional financial support;
- ❖ Spending on special educational needs and disabilities has outstripped the money available from the Department for Education to pay for it.

Adding to concern, the Committee also reported:

- ❖ MHCLG does not know if the billions spent delivering services locally results in better outcomes for people;
- ❖ Neither MHCLG nor HM Treasury have assessed the impact that increases in national insurance contributions will have; and
- ❖ There is significant uncertainty around how the proposed local government finance reforms and reorganisation will be implemented.

Two days later, on 20th June 2025, the government announced that the statutory override for dedicated schools grant deficits will be extended by another two years, until 31 March 2028. There is no clarity yet about how the debt associated with the grant will be managed once this new period of statutory override ends.

For wider debt burdens, the [LocalGov daily bulletin 19th August 2025](#), reported that Freedom of Information request responses from 254 councils found that:

- ❖ There has been a 60% increase in Council debt over the last sixty years; and
- ❖ Roughly a fifth of council tax revenue is being spent on payments for debt interest.

For a full copy of the Committee of Public Accounts report see [Local Government Financial Sustainability](#).



The Spending Review

Key questions for Audit Committees to ask officers:

- ❖ Have we calculated what impact the Spending Review will have on the assumptions in our medium-term financial plan?
- ❖ If the impact is negative, what mitigation is planned?

Background:

The Spending Review on 12th February 2025 did not directly address local government debt (other than that in some cases exceptional financial support increases the debt). However, the Spending Review did provide an additional £3.3 billion of grant funding in real terms for local authorities in 2028/29 compared with 2023/24. This included:

- ❖ Over £4 billion of funding available for adult social care in 2028-29 compared to 2025/26.
- ❖ £555 million to help more children stay with their families; and £560 million, between 2026/27 and 2029/30, to refurbish and expand children's homes and foster care placements.
- ❖ £39 billion for a successor to the Affordable Homes Programme over 10 years from 2026/27 to 2035/36.

- ❖ £100 million for a new community partnership approach to spending on adults with complex needs.

The Spending Review also announced a new £3.25 billion Transformation Fund to support the reform of public services so that they are focused on prevention, including for special educational needs and disability and homelessness.

The intention is that investment in digital technology and artificial intelligence transformation programmes will drive productivity improvements and help to deliver the government's missions.

[Spending Review 2025 \(HTML\) - GOV.UK](#)



Fair Funding Review 2.0

Key questions for Audit Committee to ask officers:

- ❖ What impact do we expect the Fair Funding Review to have on our medium-term financial plan?
- ❖ Have we calculated what level of support we will need from transitional arrangements?
- ❖ What mitigations are we planning if we don't receive transitional support?

54 Background:

Between June and August 2025, the government ran a [public Fair Funding Review consultation](#) on how it should implement Fair Funding Review 2, including on how the local government grant system should be made fairer and how transitional arrangements should work.

Under the Fair Funding Review, significant changes to the grant funding system for English local government are now expected to take effect on 1st April 2026, for the 2026/27 financial year. It is expected that grant funding will be allocated to English local authorities using a three-part system, consisting of an assessment of relative need, based on socio-economic indicators; an area costs adjustment; and a resource assessment, measuring the capacity of each council to raise council tax.

It is expected that:

- ❖ There will be no further retained business rates revenue;
- ❖ Recent spending on social care and deprivation will influence the formula; and
- ❖ There will be reduced funding for Councils with higher capacity to raise council tax.

The new methodology will apply to the Revenue Support Grant, which will also swallow up several other smaller grants that Councils currently receive.

Because the existing system has been untouched for many years, and because no new money will accompany the review, there are likely to be some very large changes to some councils' funding allocations.

The [Local Government Information Unit](#) recently argued that “in many ways (the changes) will start to put England back onto its pre-2013 footing”; and a three-year transitional period has been proposed.

Nevertheless, the changes are going to be difficult for some Councils to absorb, especially those that already have other issues with their financial sustainability.



Public procurement

Key questions for Audit Committee to ask officers:

- ❖ How much do we currently spend per annum on contracts with small and medium-sized enterprises and voluntary, community and social enterprises?
- ❖ Do we test whether our suppliers pay their creditors within appropriate timescales?
- ❖ Which outsourced services, if any, have we assessed to test whether outsourcing is still the best solution?

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Background:

Between June and September 2025, the government consulted on public procurement. With an estimated £385 billion spent through public procurement every year, the consultation is intended to support implementation of the new National Procurement Policy Statement.



Cabinet Office

Proposals that are being consulted on include:

- ❖ Mandating large contracting authorities with procurement spend over £100 million per annum to publish their own 3-year target for direct spend with small and medium-sized enterprises and voluntary, community and social enterprises; and report against it annually;
- ❖ excluding suppliers from bidding for major contracts (over £5 million per annum) if they cannot demonstrate they pay their invoices within an average of 60 days;
- ❖ requiring contracting authorities to make a standard assessment before procuring a major contract to test whether service delivery should be inhouse or outsourced;
- ❖ mandating contracting authorities to carry out a public interest test prior to making a sourcing decision on major service contracts; and
- ❖ requiring contracting authorities to publish the results of the public interest test in the tender notice.

The government states that the proposals will “open up more opportunities for small and medium-sized enterprises (SMEs) and voluntary, community, and social enterprises (VCSEs), which are vital for driving the UK economy”.

For a full understanding of the proposals that were put forward, follow this link: [Public Procurement: Growing British industry, jobs and skills](#)

Keeping fit for the future

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Key question for Audit Committees to ask officers:

- ❖ What changes to governance structures do we expect the new ten-year health plan to have on us?
- ❖ How are we preparing?

Background:

On 3rd July 2025, the government outlined the new ten-year NHS plan [Fit for the future](#). The plan points to a closer working partnership between local government and Integrated Care Board (ICBs), stating that:

- ❖ The number of ICBs will be reduced from 42 and the remaining ICBs will then be encouraged to adjust their boundaries to match those of new combined authorities;
- ❖ the government's aim over ten years is that ICBs will be coterminous with strategic authorities wherever feasibly possible;
- ❖ Integrated Care Partnerships will be abolished but in future, a neighbourhood health plan will be drawn up by local government, the NHS and its partners at single or upper tier authority level under the leadership of the Health and Wellbeing Board, incorporating public health, social care, and the Better Care Fund;
- ❖ mayors are going to replace local government representatives on ICB Boards;
- ❖ local authorities are going to take up Local HealthWatch social care functions; and
- ❖ from 2026, every single or upper tier local authority will be required to participate in an external public health peer review exercise, on a 5-year cycle, with the results directly informing local plans.

Keeping the leisure estate fit for the future

Key question for Audit Committees to ask officers:

- ❖ How are repairs and maintenance and replacement costs for our leisure estate reflected in our medium-term financial plan?
- ❖ Are we on track to cover replacement costs for the leisure estate?

Background:

Some £400 million was announced in [Fit for the future](#) for grassroots sports facilities, but it is not yet clear how much of that will be directed to local authorities. On 2nd August 2025, the [Local Government Association](#) reported that:

- ❖ Since 2010, 500 swimming pools have closed, representing a loss of over 34,000 square metres of water space. Nearly half of the closures occurred in the last five years.
- ❖ 63 per cent of main sports halls and 60 per cent of swimming pools are beyond their expected lifespans or in need of refurbishment.
- ❖ 24 per cent of council areas face the risk of reducing or closing leisure services due to rising energy and operational costs.

An early understanding of the condition of the estate will help to maximise the effectiveness of any funding that does become available to Councils.



Asylum seekers update

Key questions for Audit Committees to ask their officers:

- ❖ How do we capture and report accommodation costs?
- ❖ Have we calculated whether costs are matched by grant income received?
How are we managing any difference?
- ❖ What are our safeguarding responsibilities? What assurance do we have that we are meeting them?
- ❖ What assurance do we have that we are meeting our duty of care to children and vulnerable adults?

Background:

On 29th August 2025, the Court of Appeal ruled that The Bell Hotel in Epping Forest can continue to house asylum seekers, overturning an interim injunction that Epping Forest District Council had secured ten days previously to restrain the use of the hotel for such a purpose unless planning permission was granted. The Council was then denied the opportunity to appeal to the Supreme Court.

[Home Office data](#) published on 21st August 2025 shows that 115 other Councils currently have hotels within their areas that are housing asylum seekers. Those Councils may have been watching the outcome of The Bell Hotel case closely.

[The National Audit Office](#) recently estimated that it costs £15.3 billion per annum to house asylum seekers in hotels; and that hotel accommodation accounts for 76% of the annual cost of asylum contracts but houses only 35% of people in asylum accommodation system.

The [Spending Review 2025](#) committed to ending government use of asylum hotels during the current Parliament. The expectation is that these will be replaced by central government owned accommodation, probably delivered by purchasing tower blocks and former student accommodation. However, no timeline has been set for this initiative yet. Without a timeline, hotel costs are likely to be incurred and need managing for some time yet.



Future Webinars for Audit Committee members

We plan to hold a webinar for members of Audit Committees on 27th January 2026. Invitations will be available shortly on our website or can be obtained from your Engagement Lead or Audit Manager.

Areas our webinar will help with include:

Managing debt:

Understanding the true level of debt across all sources;

Assessing the viability of plans for debt repayment;

Understanding and assessing current and future exposure to risk; and

Best practice for Councils managing debt.

Local government reorganisation:

Understanding and anticipating outcomes from the latest submissions;

Managing change whilst waiting for decision announcements; and

Preparing for next steps after decision announcements.



Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.



Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crossectoral-guidance-notes-2021-edition>



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Audit & Governance Committee

Report Subject	Treasury Management Monitoring update for Quarter 2 2025/26
Meeting date	16 October 2025
Status	Public
Executive summary	The report sets out the quarter two position for 2025/26 which forecasts an underspend of £0.3m due to the Council's ability to borrow in the local authority market at lower than budgeted interest rates.
Recommendations	It is recommended that Audit & Governance Committee: 1) note the reported activity of the Treasury Management function for April to September 2025.
Reasons for recommendations	It is a requirement under the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice that regular monitoring of the Treasury Management function is reported to Members. Council are required to approve any changes to the prudential indicators based on a recommendation from the Audit & Governance Committee.
Portfolio Holder	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Service Director	Adam Richens, Chief Financial Officer
Classification	For information and recommendation
Report author	Russell Oakley, Finance Manager - Technical ✉ russell.oakley@bcpcouncil.gov.uk Matthew Filmer, Assistant Chief Financial Officer ✉ matthew.filmer@bcpcouncil.gov.uk

Background Detail

1. Treasury Management is defined as the management of the Council's cash flows, its borrowings and investments, the management of the associated risks and the pursuit of the optimum performance or return consistent with those risks.
2. The Treasury Management function operates in accordance with The Chartered Institute of Public Finance and Accountancy (CIPFA) 'Treasury Management in the Public Services' Code of Practice (2021).
3. The Treasury Management function manages the Council's cash flow by exercising effective cash management and ensuring that the bank balance is as close to nil as possible. The objective is to ensure that bank charges are kept to a minimum whilst maximising interest earned. A sound understanding of the Council's business and cash flow cycles enables funds to be managed efficiently.
4. This report considers the treasury management activities in relation to the Treasury Management Strategy. Also included is a summary of the current economic climate, an overview of the estimated performance of the treasury function, an update on the borrowing strategy, investments and compliance with prudential indicators.

Economic Background - MUFG Corporate Markets (Formerly Link Treasury Services)

5. On 6th August, the Bank of England's Monetary Policy Committee (MPC) voted 5-4 to reduce the Bank Rate 0.25% to 4%. A further vote on 17th September saw the committee hold this rate with a vote of 7-2 with two members voting for a further cut.
6. The voting patterns from August and September mean Bank rates are not expected to be cut again in 2025. The Monetary Policy Committee continue to suggest a gradual and careful rate cuts which are now expected to reach 3.5% during the middle of 2026.
7. CPI inflation has risen over the last quarter reaching 3.8% in August and is expected to remain around the 4% point for the remainder of 2025 before falling in 2026 towards the targeted 2%.
8. The main inflationary factor is the price of food, but overall business costs associated with higher wages and National insurance are also seen as a driving factor along with impacts of wider global events.
9. The Chancellors national budget due on 26th November 2025 is expected to address economic and fiscal pressures, with a target of delivering for working people.

Interest Rates

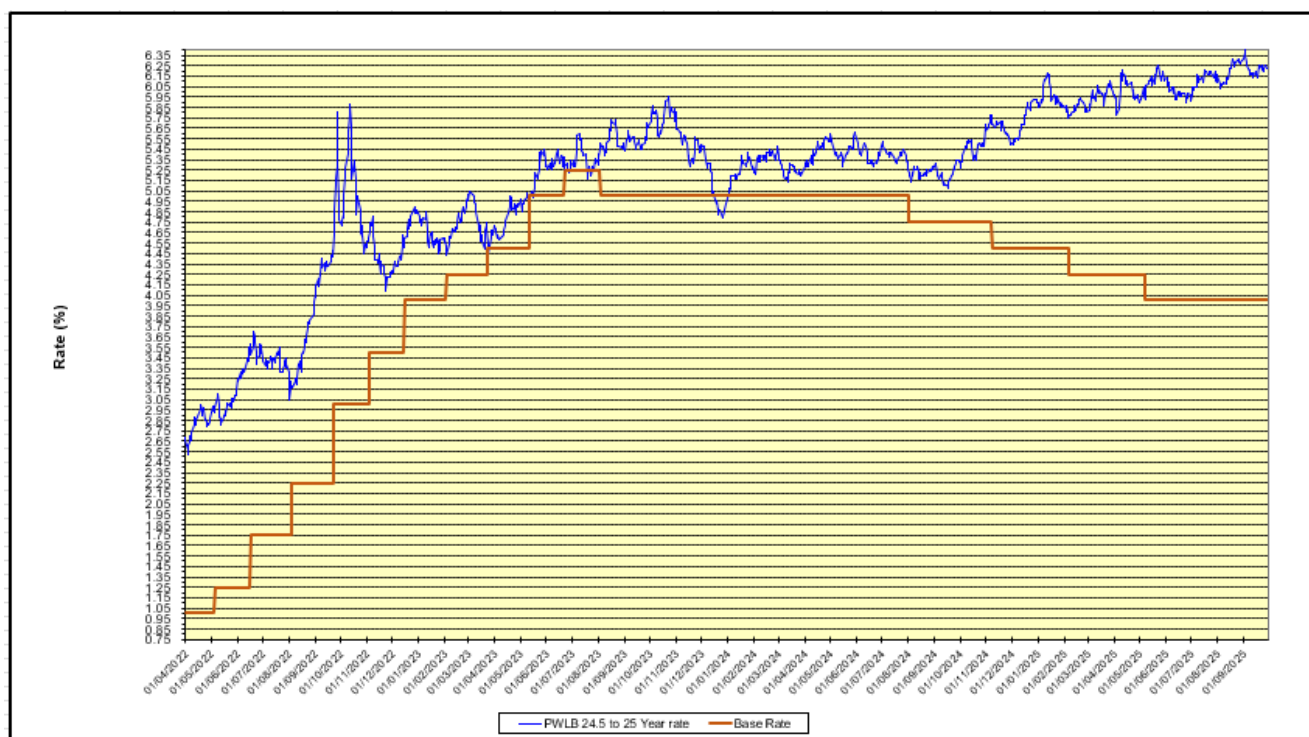
10. Table 1 below, produced by the authority's treasury consultants MUFG Corporate Markets, sets out their current projection of interest rates over the medium term.

Table 1: Interest rate projection (MUFG Corporate Markets)

Interest Rate Forecasts								
Bank Rate	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27
MUFG CM	4.00%	3.75%	3.75%	3.50%	3.50%	3.50%	3.50%	3.25%
Cap Econ	4.00%	3.75%	3.50%	3.25%	3.00%	3.00%	3.00%	3.00%
5Y PWLB RATE								
MUFG CM	4.70%	4.50%	4.40%	4.30%	4.30%	4.30%	4.20%	4.20%
Cap Econ	5.00%	4.80%	4.70%	4.60%	4.50%	4.50%	4.50%	4.60%
10Y PWLB RATE								
MUFG CM	5.20%	5.00%	4.90%	4.80%	4.80%	4.80%	4.70%	4.70%
Cap Econ	5.60%	5.40%	5.30%	5.20%	5.10%	5.10%	5.20%	5.30%
25Y PWLB RATE								
MUFG CM	5.90%	5.70%	5.70%	5.50%	5.50%	5.50%	5.40%	5.40%
Cap Econ	6.20%	6.00%	5.90%	5.70%	5.50%	5.60%	5.60%	5.70%
50Y PWLB RATE								
MUFG CM	5.60%	5.40%	5.40%	5.30%	5.30%	5.30%	5.20%	5.20%
Cap Econ	5.80%	5.60%	5.50%	5.30%	5.20%	5.20%	5.30%	5.40%

11. Table 2 below, demonstrates the historic trend of interest rates payable for PWLB loans of 25 years vs the Bank of England rate.

Table 2: PWLB Historical Rates Information (April 2022 to date)



Treasury Management Performance 2025/26

12. Table 3 below shows the overall treasury management position for 2025/26. The current forecast is an underspend of £300k on interest payable budgets. This is due to greater availability of funds within the local authority market than expected, this market provides lower rates compared to short term PWLB borrowing used to forecast borrowing costs.

Table 3: Treasury Management performance 2025/26

	Forecast 2025/26 £'000	Budget 2025/26 £'000	Variance 2025/26 £'000
<u>Expenditure</u>			
Interest Paid on Long Term Borrowings	2,920	2,920	0
Interest Paid on Short Term Borrowings	6,062	6,362	(300)
<u>Income</u>			
Investment Interest Received	(1,105)	(1,105)	0
Deductions from general fund	450	450	0
Total	8,327	8,627	(300)

Borrowing

13. Table 4 below shows the closing level of borrowing for the Council's two loans pool.

Table 4: Council Borrowings as at 30 September 2025

Initial Loan Value £'000	Interest Rate	Balance as at 30 Sept 2025 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Short Term Borrowing						
10,000	3.95%	10,000	22-Oct-2025	10,000	-	Lancashire County Council Pension Fund
5,000	4.15%	5,000	14-Nov-2025	5,000	-	Cherwell District Council
10,000	4.15%	10,000	21-Nov-2025	10,000	-	Southampton City Council
5,000	3.95%	5,000	15-Jan-2026	5,000	-	Torbay Borough Council
5,000	3.90%	5,000	23-Jan-2026	5,000	-	Liverpool City Region Combined Authority
10,000	4.00%	10,000	23-Jan-2026	10,000	-	London Borough of Croydon
4,000	3.95%	4,000	30-Jan-2026	4,000	-	Nottinghamshire Fire Authority
5,000	3.95%	5,000	30-Jan-2026	5,000	-	Royal Borough of Windsor & Maidenhead
5,000	3.95%	5,000	16-Mar-2026	5,000	-	Crawley Borough Council
5,000	4.10%	5,000	07-Apr-2026	5,000	-	Harborough District Council
15,000	4.12%	15,000	15-Apr-2026	15,000	-	West Yorkshire Combined Authority
5,000	4.15%	5,000	17-Apr-2026	5,000	-	Rugby Borough Council
3,000	4.10%	3,000	24-Apr-2026	3,000	-	Merseyside Fire & Rescue Authority
4,000	4.50%	4,000	05-May-2026	4,000	-	Arun District Council
5,000	4.10%	5,000	08-May-2026	5,000	-	London Borough of Islington
5,000	4.25%	5,000	22-May-2026	5,000	-	PCC for Hampshire
5,000	4.50%	5,000	26-May-2026	5,000	-	Milton Keynes Council
5,000	4.40%	5,000	29-May-2026	5,000	-	London Borough of Redbridge
111,000		111,000		111,000	-	

Initial Loan Value £'000	Interest Rate	Balance as at 30 Sept 2025 £'000	Maturity Date	General Fund Pool £'000	HRA Pool £'000	Source
Long Term Borrowing						
5,000	4.45%	5,000	24-Sep-2030	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2031	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2032	-	5,000	PWLB
5,000	4.45%	5,000	24-Nov-2032	-	5,000	PWLB
5,000	4.75%	5,000	24-Sep-2033	-	5,000	PWLB
5,000	4.60%	5,000	23-Feb-2035	-	5,000	PWLB
5,000	4.72%	5,000	22-Aug-2036	-	5,000	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
5,000	2.80%	5,000	20-Jun-2041	5,000	-	PWLB
10,000	1.83%	10,000	22-Jul-2046	10,000	-	PWLB
2,500	6.75%	2,500	06-Mar-2056	-	2,500	PWLB
1,500	6.75%	1,500	13-Mar-2057	-	1,500	PWLB
1,500	5.88%	1,500	07-Mar-2058	-	1,500	PWLB
42,488	3.48%	42,488	28-Mar-2062	-	42,488	PWLB
43,908	3.48%	43,908	28-Mar-2062	-	43,908	PWLB
17,000	1.54%	17,000	17-May-2068	17,000	-	PWLB
12,500	1.56%	12,500	16-Aug-2068	12,500	-	PWLB
12,500	1.55%	12,500	16-Aug-2069	12,500	-	PWLB
188,896		188,896		62,000	126,896	
22,625	2.26% + RPI Annually	13,498	17-Oct-2039	13,498	-	Prudential Assurance Co
49,000	2.83%	45,875	24-Nov-2054	45,875	-	Phoenix Life Limited
71,625		59,373		59,373	-	
Total Short term and Long Term Borrowing						
371,521		359,269		232,373	126,896	

Investments

14. A full list of investments held by the authority as at 30 September 2025 is shown in Table 5 below.

Table 5: Investment Summary as at 30 September 2025

Investments	Maturity Date	Principal Amount £	Interest %
<u>Fixed Term Deposits</u>			
Sub Total		0	
<u>Call Account</u>			
Aberdeen Standard Liquidity Fund		700,000	
LGIM Sterling Liquidity Fund		9,400,000	
Total		10,100,000	

15. The Treasury Management function has achieved returns of 4.26% for the period 1 April 2025 to 30 September 2025 for its combined investment, in line with the SONIA overnight rate of 4.20%.

Prudential Indicators

16. The Treasury Management Prudential Code Indicators were set as part of the 2025/26 Treasury Management Strategy. It can be confirmed that all indicators have been complied with during all of 2025/26 and the period 1 April 2025 to 30 September 2025.
17. Reporting to members is to be done quarterly. Specifically, the Chief Finance Officer (CFO) is required to establish procedures to monitor and report performance against all forward-looking prudential indicators at least quarterly. The CFO is expected to establish a measurement and reporting process that highlights significant actual or forecast deviations from the approved indicators. However, monitoring of prudential indicators, including forecast debt and investments, is not required to be taken to Full Council and should be reported as part of the authority's integrated revenue, capital and balance sheet monitoring.
18. In conjunction with the chair of Audit & Governance Committee we will look to carry out a training session to all members.

Compliance with Policy

19. The Treasury Management activities of the Council are regularly audited both internally and externally to ensure compliance with the Council's Financial Regulations. The recent internal audit in March 2025 rated the Treasury Management function as "Reasonable" assurance which means that there is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
20. The Treasury Management Strategy requires that surplus funds are placed with major financial institutions but that no more than 25% (AA- Rated Institutions) or 20% (A to A- Rated) of the investment holding is placed with any one major financial institution at the time the investment takes place. It can be confirmed that the Treasury Management Strategy has been complied with during all of 2025/26 and the period 1 April 2025 to 30 September 2025.

Summary of Financial/Resource Implications

21. Financial implications are as outlined within the report.

Summary of Legal Implications

22. There are no known legal implications.

Summary of Equalities and Diversity Impact

23. The Treasury Management activity does not directly impact on any of the services provided by the Council or how those services are structured. The success of the

function will have an impact on the extent to which sufficient financial resources are available to fund services to all members of the community.

Summary of Risk Assessment

24. The Treasury Management Policy seeks to consider and minimise various risks encountered when investing surplus cash through the money markets. The aim in accordance with the CIPFA Code of Practice for Treasury Management is to place a greater emphasis on the security and liquidity of funds rather than the return gained on investments. The main perceived risks associated with treasury management are discussed below.

Credit Risks

25. Risk that a counterparty will default, fully or partially, on an investment placed with them. There were no counterparty defaults during the year to date, the Council's position is that it will invest the majority of its cash in the main UK Banks which are considered to be relatively risk adverse and have been heavily protected by the UK Government over the last few years. The strategy is being constantly monitored and may change if UK Bank Long Term ratings fall below acceptable levels.

Liquidity Risks

26. Aims to ensure that the Council has sufficient cash available when it is needed. This was actively managed throughout the year and there are no liquidity issues to report.

Re-financing Risks

27. Managing the exposure to replacing financial instruments (borrowings) as and when they mature. The Council continues to monitor premiums and discounts in relation to redeeming debt early. Only if interest rates result in a discount that will benefit the Council would early redemption be considered.

Interest Rate Risks

28. Exposure to interest rate movements on its borrowings and investments. The Council is protected from rate movements once a loan or investment is agreed as the vast majority of transactions are secured at a fixed rate.

Price Risk

29. Relates to changes in the value of an investment due to variation in price. The Council does not invest in Gilts or any other investments that would lead to a reduction in the principal value repaid on maturity.

Background papers

30. Treasury Management report to Full Council on 11th February 2025
<https://democracy.bcpccouncil.gov.uk/documents/s56116/Treasury%20Management%20Monitoring%20report%20for%20the%20period%20April%20to%20December%202024%20and%20Treasury%20Management%20.pdf>

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Procurement & Contract Management - Delivery Plan Progress Report
Meeting date	16 October 2025
Status	Public Report
Executive summary	BCP Council's Head of Procurement and Contract Management has produced a presentation (Appendix A) which provides an update to Audit & Governance Committee on progress to date in delivering BCP's Procurement and Contract Management Strategy 2024 - 2028. The presentation includes an update on progress made during the first year of delivery of BCP's Procurement and Contract Management Strategy. Key points of note are: • Commitments – 29 of the 57 commitments described in the BCP's Procurement and Contract Management Strategy 2024 – 2028 are marked as completed • Performance against (9) measures – the presentation includes slides for 7 of the 9 measures described in Section 5.5 of BCP's Procurement & Contract Management Strategy 2024-2028. The presentation also includes a summary of further reforms to public procurement that are expected to become relevant to the Council.
Recommendations	It is RECOMMENDED that: (i) Audit & Governance Committee notes progress to date in delivering BCP's Procurement and Contract Management Strategy 2024 – 2028 and the update provided. (ii) Audit & Governance Committee consider an approval mechanism to refine the (9) measures described in Section 5.5 of the Procurement and Contract Management Strategy 2024 – 2028.
Reason for recommendations	To update Audit & Governance Committee on BCP's progress to date in delivering against the commitments described in the BCP's Procurement and Contract Management Strategy 2024 – 2028. To advise Audit & Governance Committee of emerging national issues and developments that may become relevant to the Council.

Portfolio Holder(s):	Cllr Jeff Hanna, Portfolio Holder for Transformation, Resources and Governance
Corporate Director	Adam Richens, Chief Financial Officer
Report Authors	Stuart Bickel Head of Procurement and Contract Management ☎01202 817805 ✉ stuart.bickel@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. Procurement & Contract Management Board was established in March 2024, with oversight of all Procurement & Contract Management activity across BCP Council.
2. The Procurement & Contract Management Board provides an annual update to Corporate Management Board (most recently July 2025).
3. Section 5.4. of BCP's Procurement & Contract Management Strategy 2024 – 2028 describes a Delivery Plan approved by the Procurement and Contracts Board with progress reported to Audit and Governance at 6-month intervals.
4. Section 5.5 describes nine measures by which delivery will be measured and monitored.
5. BCP's Head of Procurement and Contract Management has a responsibility to provide 6-monthly updates to those charged with governance (Audit & Governance Committee) on progress made in delivering BCP's Procurement & Contract Management Strategy 2024 – 2028, approved by Cabinet September 2024.
6. Most of the provisions of the Procurement Act 2023 went live on 24 February 2025.

Delivery Plan Progress Report

Progress as at September 2025

7. The attached presentation (Appendix A) summarises progress made in delivering the 57 commitments described in BCP's Procurement & Contract Management Strategy 2024 – 2028.
8. Appendix A includes charts plotting 2024/25 data for 7 of the 9 measures described in Section 5.5 of BCP's Procurement & Contract Management Strategy 2024 – 2028.

Sector Update

9. The report includes a summary of the Government's consultation, launched in July 2025, titled Public Procurement: Growing British Industry, Jobs and Skills which sets out further reforms to public procurement following the Procurement Act 2023.

Options Appraisal

10. An options appraisal is not applicable for this report.

Summary of financial implications

11. There are no direct financial implications from this report.

Summary of legal implications

12. There are no direct legal implications from this report.

Summary of human resources implications

13. There are no direct human resources implications from this report.

Summary of sustainability impact

14. There are no sustainability impact implications from this report.

Summary of public health implications

15. There are no public health implications from this report.

Summary of equality implications

16. There are no direct equality implications from this report.

Summary of risk assessment

17. There are no risk implications from this information report.

Background papers

[Procurement and contract management strategy | BCP](#)

Appendices

Appendix A – Delivery Plan Progress Report for Audit & Governance v1.00

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BCP Council Procurement & Contract Management Strategy 2024 – 2028

Delivery Plan Progress Report for Audit & Governance Committee

Stuart Bickel – Head of Procurement and Contract Management

October 2025

Contents

Page	
3	Further reforms to public procurement
4	Delivery Plan Status Dashboard
5-12	Performance against (9) measures described in Section 5.5 of BCP’s Procurement & Contract Management Strategy

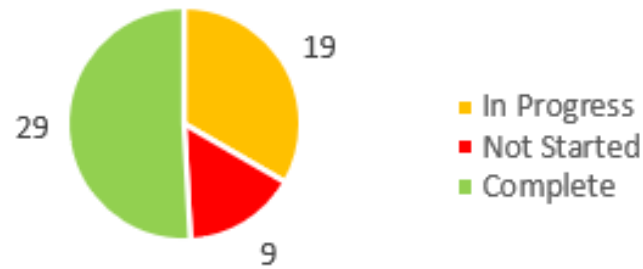
Further reforms to public procurement

- In July 2025, the Government launched a consultation titled *Public Procurement: Growing British Industry, Jobs and Skills* which sets out further reforms to public procurement following the Procurement Act 2023.
- Summary of questions – Can we do more to leverage:
 - Spend with SMEs and VCSEs?
 - Prompt payment to supply chains?
 - Flexibility when procuring people focused services?
 - Strong business cases relating to in-sourcing / out-sourcing decisions?
 - Social Value?
- BCP has responded to the consultation
- The LGA is preparing a sector-wide response

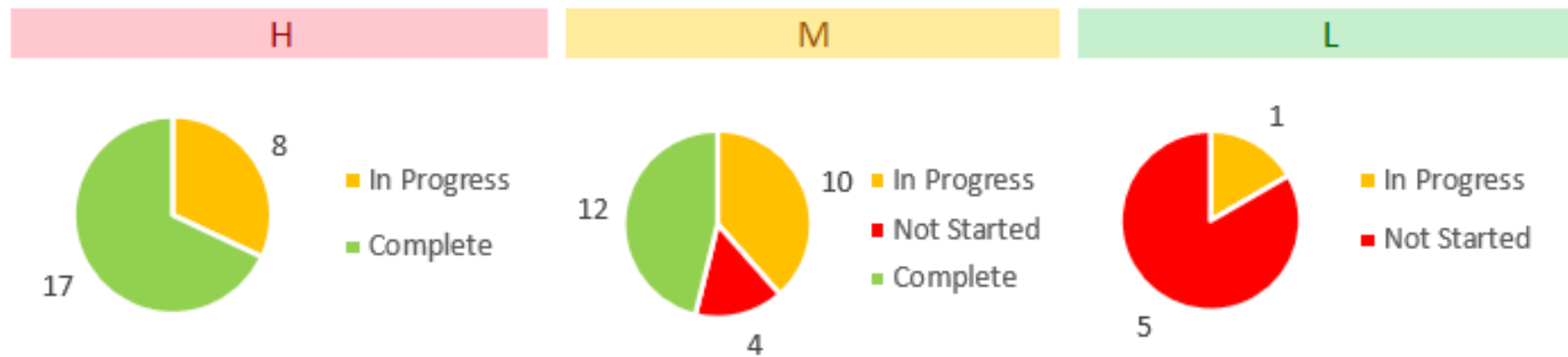
Delivery Plan Status Dashboard

Purpose: To provide a high-level summary of delivery progress to date. The slide shows status across all 57 of the commitments described in BCP's Procurement & Contract Management Strategy 2024 – 2028. This is also broken down by priority level (High, Medium, Low), enabling stakeholders to quickly assess delivery performance, identify areas requiring attention, and support informed decision-making.

Completion Status



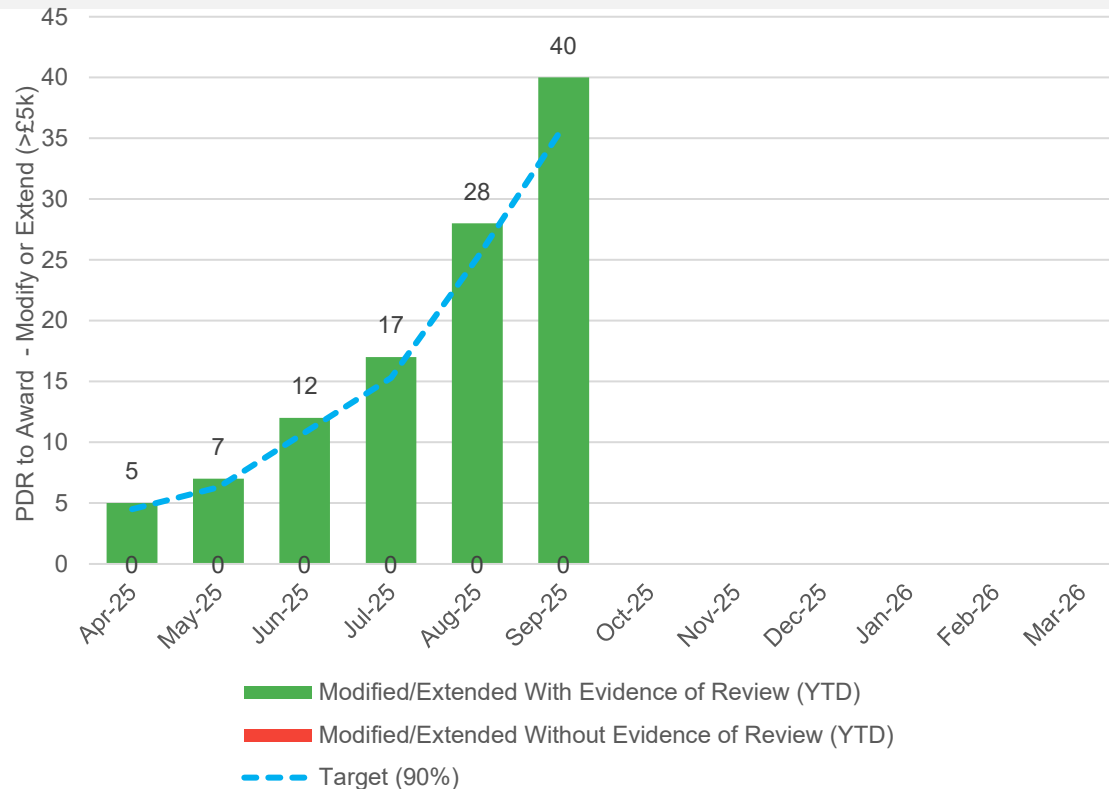
By Priority



Justified Extensions

Purpose: To show that where BCP has extended contracts such extensions are justified by satisfactory supplier performance reviews. This is a proxy for reducing the number and value of contracts extended without being reviewed and offered to the market (Measure required by Audit & Governance Committee).

Data shows: Cumulative year to date count



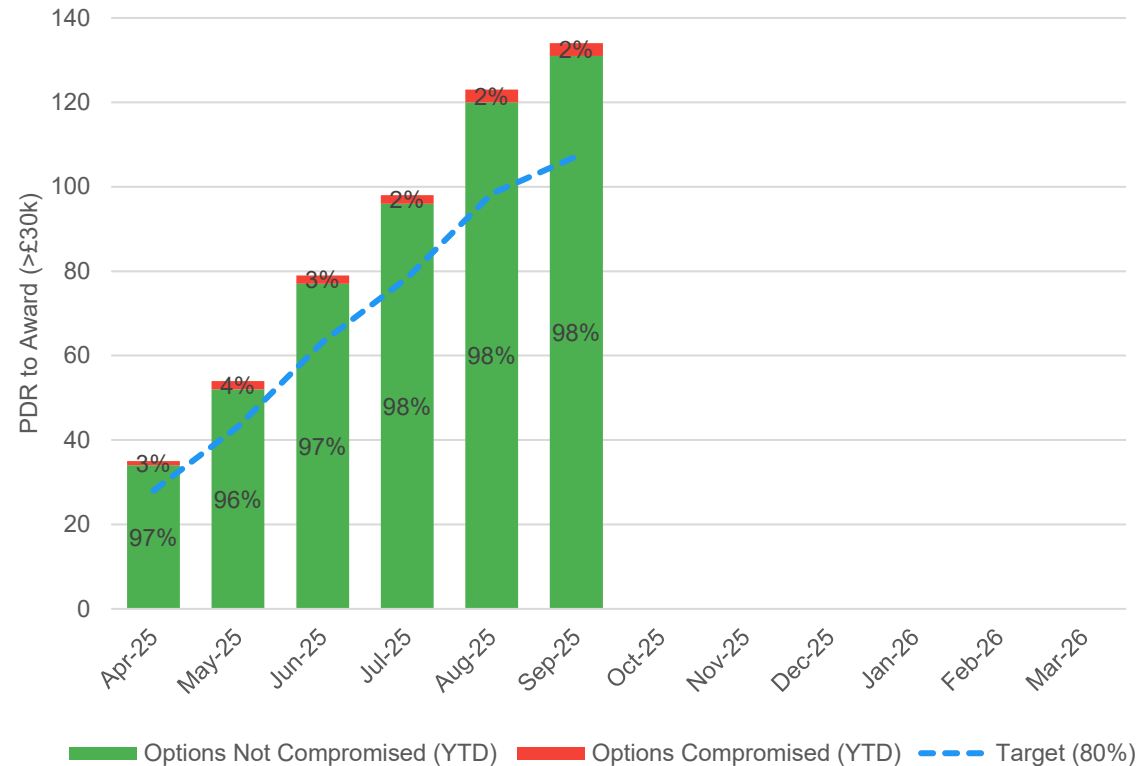
- **RAG Status:** ● Green
- **Current Performance:** 100%



Early Procurement Service engagement

Purpose: To show that BCP's procurement options were not compromised by time constraints. This is a proxy for increasing the number of staff engaging with the Procurement Service as soon as a need to procure is identified (Measure required by Audit & Governance Committee).

Data shows: Cumulative year to date count

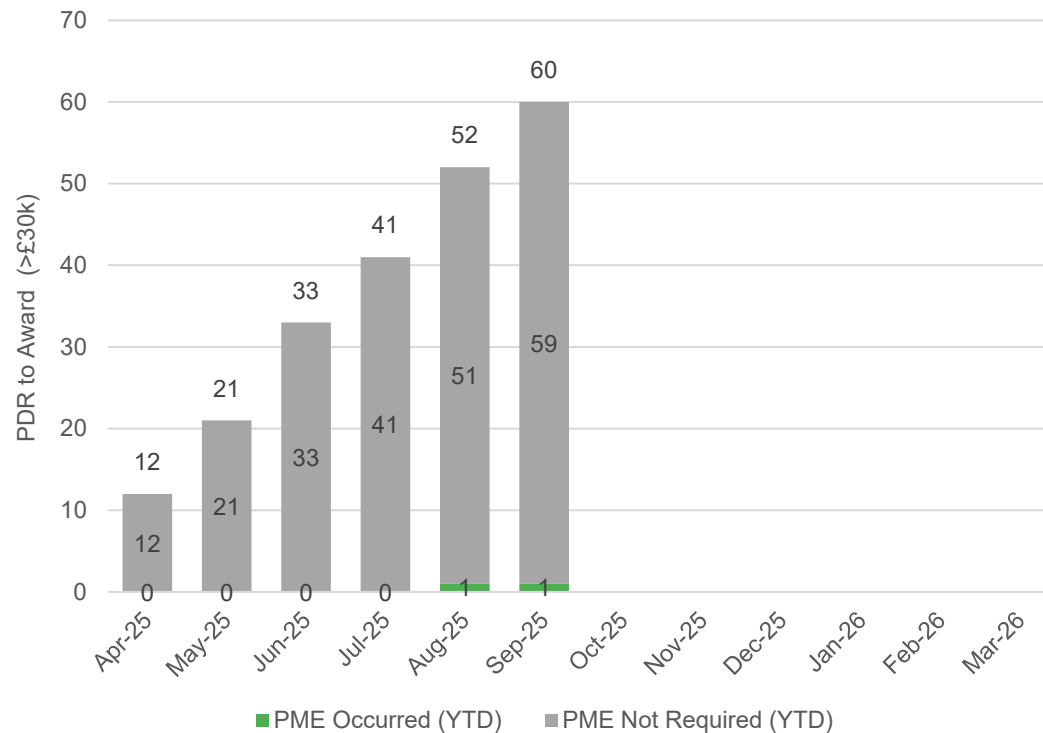


- **RAG Status:** ● Green
- **Current Performance:** 98%



Preliminary Market Engagement (PME)

Purpose: To show the proportion of above £30k procurements where it was relevant and proportionate to include PME. This is a proxy for increasing the number of pre-procurement market engagement activities undertaken (Measure required by Audit & Governance Committee).
Data shows: Cumulative year to date count.

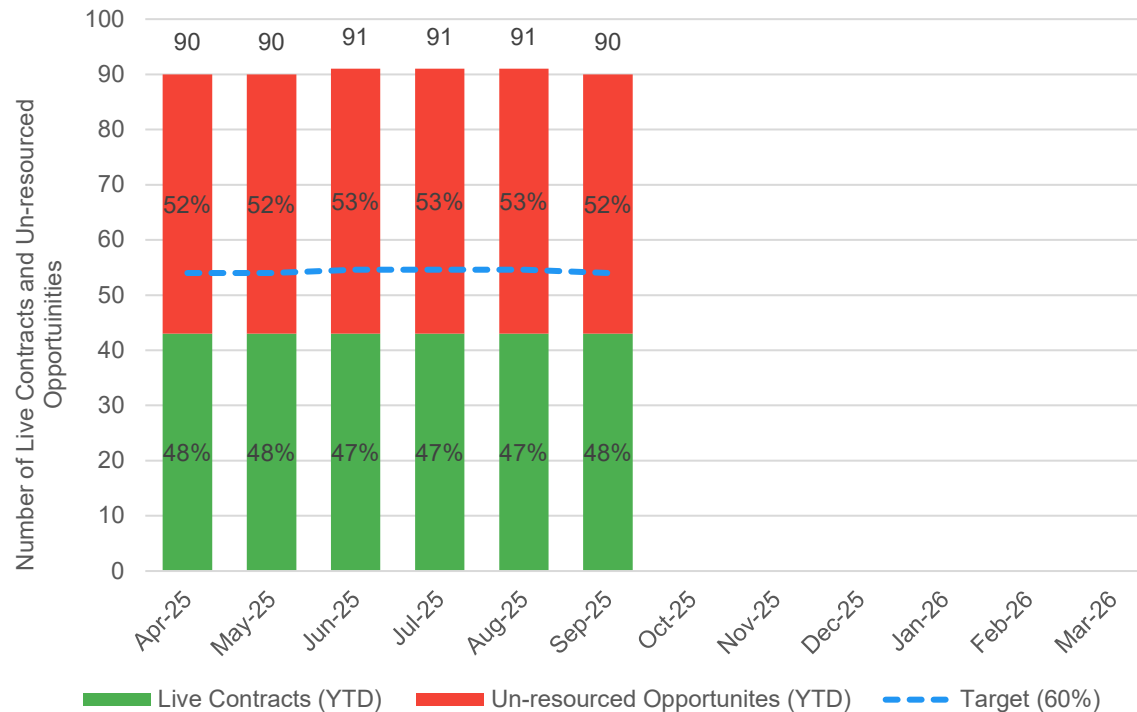


- **RAG Status:** N/A
- **Current Performance:** N/A
- **Note:** This KPI is for information only and indicates neither good nor poor performance.

Un-resourced opportunities for corporate contracts

Purpose: To show that where BCP has identified opportunities to leverage savings / efficiencies through corporate contracts that such corporate contracts have been procured and are live. This is a proxy for reducing the number of multiple contracts for the same or similar council requirements (Measure required by Audit & Governance Committee).

Data shows: Month-by-month count (non-cumulative).



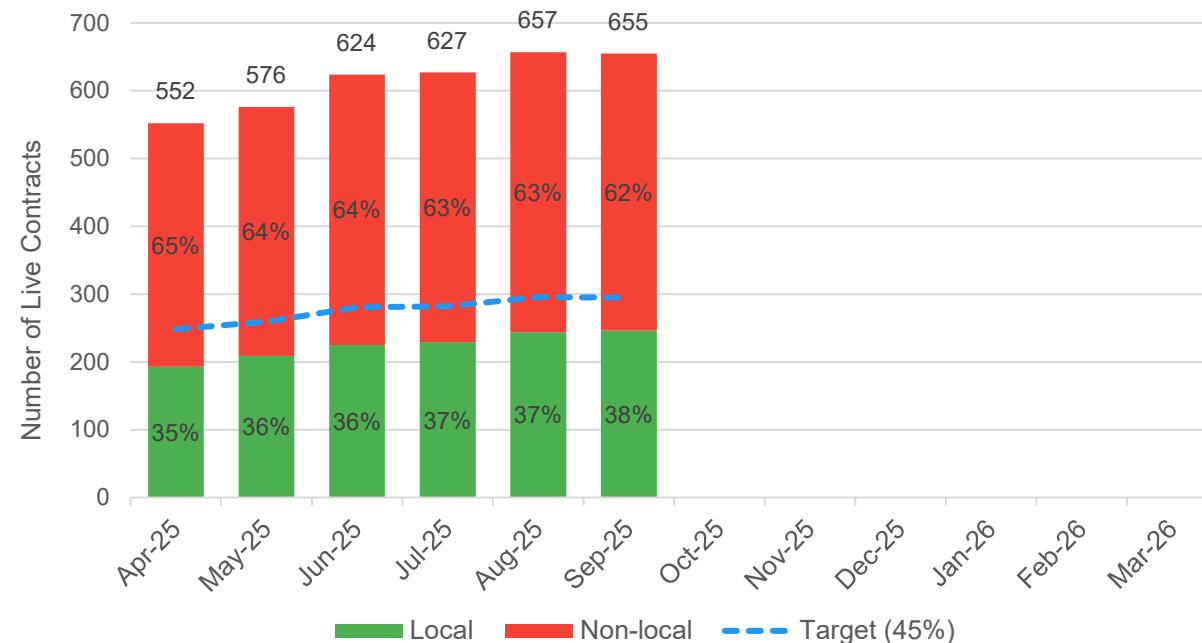
- **RAG Status:** ● Amber
- **Current Performance:** 48%
- **Note:** The aspirational target of 95% has been tempered to 60% reflecting BCP's decision not to grow BCP's Procurement and Contract Management Service.



Local contracts

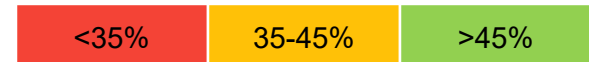
Purpose: To show the percentage of BCP's contracts awarded to local suppliers. This is a proxy for increasing local spend and number of contracts awarded to local suppliers (Measure required by Audit & Governance Committee).

Data shows: Month-by-month count (non-cumulative). Note that where a BCP contract has multiple suppliers, it is classified 'local' one or more supplier has BH, DT, or SO postcode. Dorset postcodes are BH, DT & SP (Salisbury). SO used in place of SP as SO is closer to BCP.



- Local is the postcode (BH, SO, DT) defined within the contracts register

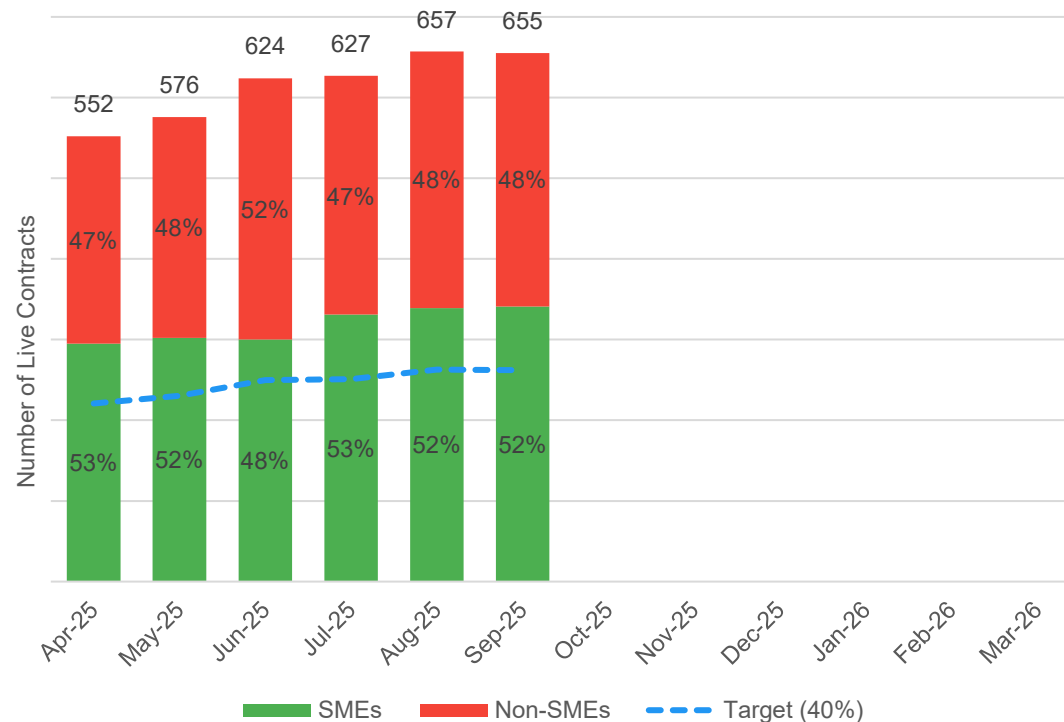
- RAG Status:** ● Amber
- Current Performance:** 38%
- Note:** The Tussell & LocalGov report dated July 2025 shows 39% of BCP's total spend in 2024 as local spending. This ranks BCP 169th out of 311 councils
- Co-pilot indicates that on average, English councils award c47% of contracts to suppliers within the same county.



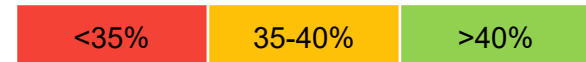
SME contracts

Purpose: To show the percentage of BCP's contracts awarded to Small and Medium-sized Enterprises (SMEs). This is a proxy for increasing the number of contracts awarded to SMEs (Measure required by Audit & Governance Committee).

Data shows: Month-by-month count (non-cumulative). Note that where a BCP contract has multiple suppliers, it is classified SME contract if one or more suppliers SME.



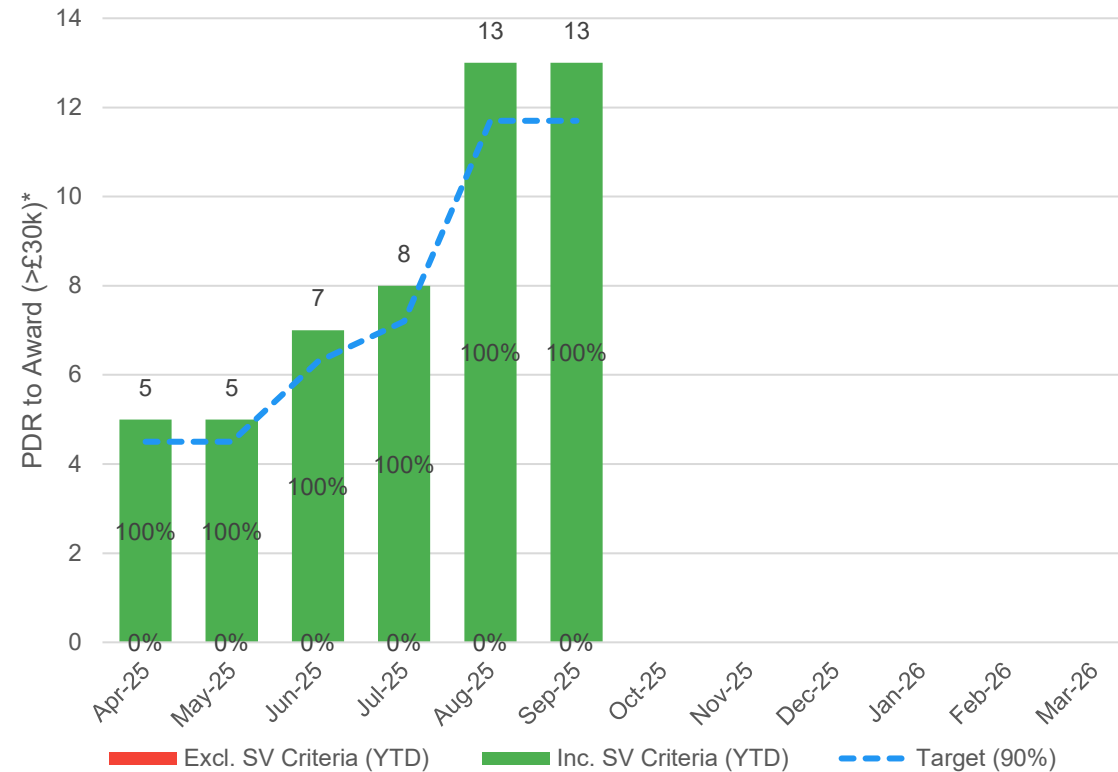
- **RAG Status:** ● Green
- **Current Performance:** 52%
- **Note:** The Tussell & LocalGov report dated July 2025 shows 46% of BCP's total spend in 2024 as SME spending. This ranks BCP 54th out of 311 councils.
- Co-pilot indicates that on average, English councils award c38% of their procurement budget to SMEs.



Social Value (SV)

Purpose: To show that where it was relevant and proportionate to include SV criteria in procurements above £30k, such SV criteria were included. This is a proxy for increasing the number of contracts that seek to leverage social value benefits (Measure required by Audit & Governance Committee).

Data shows: Cumulative year to date count.



*PDR to Award (>£30k) where relevant and proportionate

- **RAG Status:** ● Green
- **Current Performance:** 100%
- **Note:** Delivery Plan item 4.3 describes a commitment to improve delivery of social value. This is work in progress: Procurement Board / CMB tasked a BCP wide Social Value Statement Working Group with drafting a Statement for CMB / Cabinet approval in Autumn 2025.



KPIs under development

KPI 1 - On-contract spend

Purpose: To show that BCP has strong governance in place around third party spend. This is a proxy for increasing the percentage of spend that is categorised as on-contract spend (as opposed to off-contract spend). (Measure required by Audit & Governance Committee).

Co-pilot: On average, English councils have about 20-30% of their spend with third parties classified as off-contract purchasing

Target: Red <60%; Amber 60-70%; Green >70%

Development status: KPI under development with IT and Financial Systems Team

KPI 20 - Savings

Purpose: To show the savings attributed to the effective procurement of goods, works or services. This is a proxy for increasing the level of savings attributable through effective procurement. (Measure required by Audit & Governance Committee).

Target: TBC

Development status: KPI under development with reflective challenge with Procurement Board

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Risk Management - Corporate Risk Register Update
Meeting date	16 October 2025
Status	Public Report
Executive summary	This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows: • The net score for CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding, has reduced from 12 to 8. • The risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP, the target risk score has increased from 8 to 12. • Risk CR24 – We may fail to adequately address concerns around community safety, this risk has been extended to include risks around the Prevent Duty. • Risk CR28 – We may fail to adopt a Bournemouth Christchurch and Poole Local Plan. This is a new risk added for this quarter. Material updates for this quarter are outlined in section 11.
Recommendations	It is RECOMMENDED that: Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.
Reason for recommendations	To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for Risk Management and enhance its governance framework.

Portfolio Holder(s):	Councillor Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Fiona Manton Risk & Insurance Manager ☎01202 127055 fiona.manton@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Update and Information

Background

1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that Risk Management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.
2. In accordance with the Financial Regulations and the Risk Management Policy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's Risk Management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.
3. In line with the decision-making framework in place for BCP Council it was agreed that effective from day one BCP Council would, as an interim measure, adopt the legacy Bournemouth Risk Management framework. The scoring matrix in this framework was adjusted to reflect the increased remit of the new authority.
4. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board (CMB) continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

Corporate Risk Review

5. Members will recall from the previous updates that the Corporate Risk Register was established at the commencement of BCP Council. It has been routinely reviewed on a quarterly basis.
6. In order to provide the committee with insight in terms of the approach to risk management, a summary of the process followed is shown at Appendix 1.
7. To assist in the understanding of prioritisation of risk, the council's risk matrix and definitions is shown at Appendix 2.
8. At Appendix 3 a dashboard is included with summarised information.
9. To assist the committee with the context of the Corporate Risks, at Appendix 5 is a diagram which outlines the risk hierarchy in place in the organisation.

10. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the committee a table of the full risks is shown at the beginning of Appendix 4. This is ranked according to the net risk score from the highest to the lowest.

Changes in Risk During Quarter 2 – 2025/2026

11. During the quarter, the risks have been reviewed and in addition to the updates to each risk, the material updates to the register are as follows:
 - a) Note that the net score for CR02 – We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding, has reduced from 12 to 8. The Director of Commissioning, Resource and Quality advises that:

The risk associated with safeguarding children and young people in Bournemouth, Christchurch and Poole has reduced significantly following our three year improvement journey, verified by the outcome of the Ofsted Inspection of Local Authority Children's Services (ILACS) in December 2024, which rated the service as **'Good'** overall. This represents a substantial improvement from the previous 'Inadequate' judgement in 2021 and reflects the positive transformation of services, described by Ofsted as "unrecognisable from that found at the last ILACS inspection". Inspectors highlighted that children in Bournemouth, Christchurch and Poole now receive timely and effective help and protection, with notable improvements in social work practice and leadership oversight. All key judgement areas were rated 'Good' except for care leavers, which was assessed as 'Requires Improvement to be Good' but with many positives noted. This outcome demonstrates strengthened safeguarding arrangements, robust leadership, and a culture of continuous improvement, significantly mitigating previous risks in this critical area.
 - b) Note that risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP, the target risk score has increased from 8 to 12.
 - c) As previously agreed by CMB. Risk CR24 – We may fail to adequately address concerns around community safety, this risk has been extended to include risks around the Prevent Duty.
 - d) Risk CR28 – We may fail to adopt a Bournemouth Christchurch and Poole Local Plan. This is a new risk added for this quarter.
12. In addition to the usual update process and as part of the on-going horizon scanning for new risks, CMB were asked to consider if those items identified as part of the Annual Governance Statement process are suitably reflected in the council's Corporate Risk Register. Members will recall that details of the Annual Governance Statement Process were presented to this committee at the July meeting. The review by CMB considered both the Significant Governance Issues identified in this process and also the other issues identified for possible inclusion in the Annual Governance Statement but which did not meet the significant governance criteria. CMB did not identify any additional items for inclusion in the Corporate Risk Register as part of this process on this occasion but will continue to consider these issues as part of the quarterly review process.

13. Whilst it may be noted that many of the risk scores have not changed, this is not reflective of management action or inaction. Risks will continue to be influenced by a number of factors including national impacts and operational environment changes. During each quarter risk owners routinely review the allocated scores along with further discussion by CMB.
14. During this quarter in addition to the review of individual risks, the connectivity of risks continues to be considered in relation to the Corporate Risk Register. CMB will continue to be mindful of the accumulation of risk. New risk causes may impact across several risks and in turn compound the overall risk position for the council in a negative way.
15. Full details of the updates for this quarter can be found in Appendix 4.

Director Level Risk Review

16. As part of this quarter's considerations, Corporate Directors reviewed the risk registers within their directorates to identify whether any risks currently considered at Director level should be escalated to the Corporate Risk level. The position was then discussed by CMB as a group to confirm the decisions.
17. As a result of these discussions the following was noted and agreed:
 - a) Corporate Directors will continue to review all risks rated High within their directorates. This currently equates to 44% of the total Director level risks.
 - b) The above review will include the consideration of whether any risks or commonality of risk need to be escalated or added to the Corporate Risk Register.

Key Assurance Risk Review

18. As part of the overall risk framework and to ensure risks are considered at all levels, CMB also considered those risks identified as part of the key assurance risk framework. This included the following risk registers:
 - Health and Safety and Fire Safety Board
 - Resilience Governance Board
19. CMB reviewed these risks and considered whether either individual risks or a board level risk needed to be included on the Corporate Risk Register. No risks were escalated from these registers during the quarter.

Dynamic Risk Review Process

20. Recognising the rapidly changing environment and the increasingly complex interaction between some of the corporate risks, a standard agenda item has been added to CMB to add a further layer to the risk review process.
21. This process allows for more dynamic consideration of the immediate responses required to some of the corporate risks, which will help the Corporate Risk Register to be considered, managed and communicated through the organisation.
22. The consideration of the risks in this way will also inform the regular quarterly reviews that continue to take place in a more timely manner, by flagging changes in risk profile ahead of the regular reviews with risk owners, which will continue to take place.

23. Discussions are in progress to incorporate corporate risks within a performance report that will routinely be presented to Cabinet. A further update on the position with this will be provided to this committee once the process for risk engagement with Cabinet is agreed.
24. In support of the continuing development of the risk framework, the Corporate Strategy Delivery Board continues to complete review risks as part of the standard agenda.

Risk Management Process and Development

25. The process of developing a new Risk Management Policy for the council continues. The policy draws upon best practice as set out in standards such as the Orange Book, ISO 31000, CIPFA and ALARM (Association of Local Authority Risk Managers).
26. Progress on the development of this policy has been delayed due to other significant urgent issues. Time will be allocated to complete the discussions around the risk appetite and finalisation of the risk categories during the next quarter allowing the policy to return to this committee for noting at the next meeting.

Service Development

27. In addition to the reviews of corporate risks, the Risk Management team continues to be engaged in the refresh of director level risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic Risk Management environment and how the Risk Management team can support them in this to deliver a consistent and embedded approach to Risk Management throughout the council.
28. As part of the role of the team, continuous “horizon scanning” is undertaken to identify issues that may give rise to risk for the council. When matters are identified, these are raised with the relevant Corporate Director/Director for review and consideration of any necessary action. Examples during this quarter include:
 - Routinely reviewing the outcomes of partial assurance internal audit reports to raise risk issues with the relevant service risk champion to ensure, if appropriate, they are suitably reflected and captured in the directorate risk register.
 - Circulating information from a risk management perspective on various topics.
 - Sharing training opportunities on areas of risk.
29. The new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
30. The suite of dashboards and reports have been identified and will now be considered by ICT in terms of the further development phase.

Summary of financial implications

31. Financial implications relevant to risks are detailed within the relevant risk registers.

Summary of legal implications

32. There are no direct legal implications from this report.

Summary of human resources implications

33. There are no direct human resources implications from this report.

Summary of sustainability impact

34. There are no direct sustainability implications from this report.

Summary of public health implications

35. There are no direct Public Health implications from this report.

Summary of equality implications

36. There are no direct equality implications from this report.

Summary of risk assessment

37. The risk management implications are set out within the content of this report.

Background papers

Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 24 July 2025.

Appendices

Appendix 1 - Summary of Risk Management Process

Appendix 2 - BCP Council's Risk Matrix and Definitions

Appendix 3 - Risk Dashboard

Appendix 4 - Full Risk Details Including Summary

Appendix 5 - Risk Hierarchy

BCP Council - Risk Management

Identify Risks	Evaluate Risks	Treat Risks	Review Risks																																						
Process to be integrated into council business as usual and considered by all business areas RISK is the effect of uncertainty on objectives. Risk is usually expressed in terms of causes, potential events, and their consequences. Risk management is the planned approach and should consider the following: - Those which threaten the achievement of our objectives - Those which go against our values - Those relating to the legal and regulatory frameworks we work within - Those relating to our own policy and internal control framework Consider what could go wrong or what more could we achieve?	Combination of the impact and likelihood of an event and its consequences (Gross or Inherent risk) <table border="1"><tr><td colspan="2"></td><th colspan="4">THREATS</th></tr><tr><td rowspan="5">Likelihood</td><td>Almost Certain (4) >90%</td><td>4</td><td>8</td><td>12</td><td>16</td></tr><tr><td>Likely (3) 60-90%</td><td>3</td><td>6</td><td>9</td><td>12</td></tr><tr><td>Could Happen (2) 20-60%</td><td>2</td><td>4</td><td>6</td><td>8</td></tr><tr><td>Unlikely /Rarely (1) 0-20%</td><td>1</td><td>2</td><td>3</td><td>4</td></tr><tr><td></td><td>Low (1)</td><td>Medium (2)</td><td>High (3)</td><td>Extreme (4)</td></tr><tr><td colspan="2"></td><th colspan="4">Impacts</th></tr></table> Red – High Risks, immediate action Amber – Medium priority, review current controls Green – Low priority, limited action, continue to review			THREATS				Likelihood	Almost Certain (4) >90%	4	8	12	16	Likely (3) 60-90%	3	6	9	12	Could Happen (2) 20-60%	2	4	6	8	Unlikely /Rarely (1) 0-20%	1	2	3	4		Low (1)	Medium (2)	High (3)	Extreme (4)			Impacts				Consider each risk and ask: - Can we reduce the likelihood? - Can we reduce the impact? Risk Responses: - Terminate (stop the activity or remove a risk cause) - Transfer (pass specific loss risk ownership to another party) - Treat (contain the risk at an acceptable level by the application of controls) - Tolerate (accept the risk) Consider the risk score after the risk responses have been considered. The revised combination of impact and likelihood and its consequences post current mitigations (Net or Residual risk) Devise contingencies and action plans to reduce the mitigated risks to an acceptable level.	Risk Registers - Record all identified risks, risk owners, risk evaluation, risk treatment and risk action plans - Regular monitoring as part of business as usual Council risk monitoring - Risk registers reviewed in Directorates quarterly - Challenge process via Risk Team - Regular reporting to CMB Council's Corporate Risks - Regular review by CMB - Quarterly review by Risk leads - Quarterly monitoring by Audit and Governance Committee
		THREATS																																							
Likelihood	Almost Certain (4) >90%	4	8	12	16																																				
	Likely (3) 60-90%	3	6	9	12																																				
	Could Happen (2) 20-60%	2	4	6	8																																				
	Unlikely /Rarely (1) 0-20%	1	2	3	4																																				
		Low (1)	Medium (2)	High (3)	Extreme (4)																																				
		Impacts																																							

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Risk Scoring Matrix and Impact and Likelihood Scoring Definitions

THREATS					
Likelihood	Almost Certain (4) >90%	4	8	12	16
	Likely (3) 60 - 90%	3	6	9	12
	Could Happen (2) 20 - 60%	2	4	6	8
	Unlikely/ Rarely (1) 0 - 20%	1	2	3	4
		Low (1)	Medium (2)	High (3)	Extreme (4)
	Impacts				

Please see below for an explanation of impact and likelihood scoring definitions.

Impact of Risk

Impact Scoring Guidance

Threat (Negative) Impacts Scores		
1	Low	a) Potential financial loss of less than £200k b) Minor injury c) Minor legal/regulatory consequence d) Minor impact outside single objective/local system e) Internal adverse publicity, minor reputational damage/ adverse publicity f) Minor service disruption g) Minimal service user complaints
2	Medium	a) Potential financial loss of between £200k and £999,999 b) More serious injury c) Significant legal/ regulatory consequence d) Significant impact on objective/s, processes or systems e) Significant localised reputational damage f) Significant service disruption g) Multiple service user complaints
3	High	a) Potential financial loss of between £1m and £1,999,999 b) Major disabling injury c) Substantial legal/ regulatory consequence d) Substantial impact on objective/s, processes or systems e) Prolonged adverse local and national media coverage f) Substantial service disruption g) A substantial number of service user complaints
4	Extreme	a) Potential financial loss of over £2m b) Fatality and/or multiple injuries c) Major legal/regulatory consequence d) Major impact on corporate level objective/s e) Major/severe reputational damage/ national adverse publicity f) Central government interest/ administration g) Loss of all critical services for a significant period of time

Likelihood of Risk

Likelihood Scoring Guidance

Threat (Negative) Likelihood Score		
1	Unlikely/ Rare	a) 0 - 20% chance of occurrence b) 1 in 20 year event c) May occur only in exceptional circumstances d) Has never or very rarely happened before
2	Could Happen	a) 20 - 60% chance of occurrence b) 1 in 10 year event c) Is unlikely to occur but could occur at some time/in some circumstances
3	Likely to Happen	a) 60 - 90% chance of occurrence b) 1 in 5 year event c) Will probably occur at some time/in most circumstances
4	Almost Certain	a) Over 90% chance of occurrence b) Occurs on an annual basis c) Is expected to occur in most circumstances

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Risk Ref	Risk Title	Risk Lead	Cabinet Member	Residual or Net Risk Scores				Direction of travel during Year
				Q03: 2024-25	Q04: 2024-25	Q01: 2025-26	Q02: 2025-26	
CR27	Risk CR27 - We may fail to adequately address concerns around environmental impacts - cliff management/instability	Chief Operations Officer	Councillor Richard Herrett Councillor Andy Hadley	N/A	16	16	16	↔
CR23	Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit	Chief Executive	Councillor Mike Cox	16	16	16	16	↔
CR09	Risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	Director of Finance	Councillor Mike Cox	12	12	12	12	↔
CR15	Risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	Director of People & Culture	Councillor Jeff Hanna	16	16	12	12	↓
CR04	Risk CR04 – We may suffer a loss or disruption to IT Systems and Networks from cyber attack	Director of IT and Programmes	Councillor Jeff Hanna	12	12	12	12	↔
CR20	Risk CR20 – Potential of climate change to outstrip our capability to adapt	Director of Marketing, Comms & Policy	Councillor Andy Hadley	12	12	12	12	↔
CR26	Risk CR26 - Risks Associated with the availability of Generative Artificial Intelligence (GenAI)	Director of IT and Programmes	Councillor Jeff Hanna	9	9	9	9	↔
CR18	Risk CR18 – We may fail to provide adequate customer interfaces	Director of Customer, Arts and Property	Councillor Andy Martin	9	9	9	9	↔
CR02	Risk CR02 - We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	Corporate Director for Children's Services	Councillor Richard Burton	12	12	12	8	↓
CR21	Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements	Director of Housing and Public Protection	Councillor Kieron Wilson	6	6	6	6	↔
CR28	Risk CR28 - We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	Chief Operations Officer	Councillor Millie Earl	N/A	N/A	N/A	6	New
CR25	Risk CR25 – We may be unable to effectively transform services to achieve efficiencies and improve service standards	Corporate Management Board Collective	Councillor Jeff Hanna	4	4	4	4	↔
CR16	Risk CR16 – We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities	Director of Marketing, Comms & Policy	Councillor Millie Earl	6	6	4	4	↓
CR24	Risk CR24 – We may fail to adequately address concerns around community safety	Director of Housing and Public Protection	Councillor Kieron Wilson Councillor Andy Hadley	4	2	2	2	↓

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Audit and Governance Committee – October 2025

Corporate Risk Register – Risk Table

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR27	We may fail to adequately address concerns around environmental impacts - cliff management/instability	16	16	Glynn Barton, Chief Operations Officer	Corporate Risk
CR23	Potential implications of the Dedicated Schools Grant financial deficit	16	8	Aidan Dunn, Chief Executive (Cathi Hadley, Corporate Director for Children's Services and Adam Richens, Director of Finance)	Corporate Risk
CR09	We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP	12	12	Adam Richens, Director of Finance	Corporate Risk
CR15	We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support	12	12	Sarah Deane, Director of People and Culture	Corporate Risk
CR04	We may suffer a loss or disruption to IT Systems and Networks from cyber attack	12	9	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk
CR20	Potential of climate change to outstrip our capability to adapt	12	8	Isla Reynolds, Director of Marketing, Comms & Policy	Corporate Risk
CR26	Risks associated with the availability of Generative Artificial Intelligence (GenAI)	9	6	Sarah Chamberlain, Director of IT and Programmes	Corporate Risk
CR18	We may fail to provide adequate customer interfaces	9	2	Matti Raudsepp, Director of Customer and Property Operations	Corporate Risk
CR02	We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding	8	8	Cathi Hadley, Corporate Director for Children's Services	Corporate Risk
CR21	Impact of global events causing pressure on BCP Council & increase in service requirements	6	6	Kelly Deane, Director of Housing and Public Protection	Corporate Risk

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR28	We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan	6	6	Glynn Barton, Chief Operations Officer	Corporate Risk – New Q2 2025
CR25	We may be unable to effectively transform services to achieve efficiencies and improve service standards	4	4	Corporate Management Board Collective	Corporate Risk
CR16	We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities	4	2	Isla Reynolds, Director of Marketing, Comms & Policy	Corporate Risk
CR24	We may fail to adequately address concerns around community safety	2	2	Kelly Deane, Director of Housing and Public Protection	Corporate Risk
CR01	Failure to respond to the needs arising from a changing demography.	N/A	N/A	N/A	Risk removed Q4 2022
CR03	Failure to ensure adequate Information Governance – now Key Assurance – Information governance Board Risk	N/A	N/A	N/A	Risk removed Q2 2020
CR05	Failure to plan effectively for EU Transition	N/A	N/A	N/A	Risk Removed Q2 2020
CR06	Failure to adequately respond to an incident involving the activation of the emergency plan– now Key Assurance – Resilience Governance Board Risk	N/A	N/A	N/A	Risk Removed Q2 2020
CR07	Failure to provide adequate services as a result of an incident requiring a business continuity response– now Key Assurance – Resilience Governance Board	N/A	N/A	N/A	Risk Removed Q2 2020
CR10	Failure to deliver effective health and safety to protect staff, councillors including the public	N/A	N/A	N/A	Risk removed Q3 2020

Risk Ref	Risk Title	Net Risk Score	Target Risk Score	Risk Owner	Risk Status
CR11	Ability of the council to function and operate efficiently in the delivery of single services across the area of BCP	N/A	N/A	N/A	Risk removed Q1 2023
CR12	Failure to achieve appropriate outcomes and quality of service for young people	N/A	N/A	N/A	Risk removed Q4 2023
CR13	Failure to deliver the transformation programme	N/A	N/A	N/A	Risk removed Q4 2023
CR14	Continuity of Public Health arrangements for health protection	N/A	N/A	N/A	Risk removed Q3 2023
CR17	Risk to Reputation of Place & Council if summer arrangements are not managed	N/A	N/A	N/A	Risk Removed Q3 2022
CR19	We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT)	N/A	N/A	N/A	Risk Removed Q1 2025
CR22	Failure of local care market to meet increasing demand	N/A	N/A	N/A	Risk removed Q4 2023

AUDIT AND GOVERNANCE COMMITTEE

October 2025

CORPORATE RISK REGISTER UPDATE Q2 – 2025/26

- 1.1 Mitigation actions and significant changes this quarter are detailed below.
1.2 The table below is a key to arrow directions in relation to individual risk scoring.

RISK DIRECTION OF TRAVEL STATUS	
	Risk impact or likelihood has <u>increased</u> since last review.
	Risk impact or likelihood has <u>decreased</u> since last review.
	There is <u>no change</u> to the risk impact or likelihood

Risk CR27 – We may fail to adequately address concerns around environmental impacts – cliff management/instability

Risk Owner – Glynn Barton, Chief Operations Officer

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Richard Herrett, Cabinet Member for Destination, Leisure and Commercial Operations, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy

Links to Corporate Objective(s):

- Our communities have pride in our streets, neighbourhoods and public spaces
- Climate change is tackled through sustainable policies and practice
- Using data, insights and feedback to shape services and solutions

Risk Information

This risk has been created to capture emerging risks in relation to environmental impacts. The first risk to be included under this group is that of cliff instability and the risk will primarily reflect this initially. The risk will continue to develop to include further areas over the next several months.

Risk Causes (definite situational facts affecting our objective) (please list):

In respect of cliff stability, the cause is linked to natural elements of cliff movement as well as groundwater penetrating the cliff face. Increased risk is through lack of maintenance of existing specialist drainage infrastructure over the last couple of decades.

No budgeted funding to look after existing cliff drainage infrastructure and undertake the remedial works required.

Risk Impacts (contingent effect on objective) (please list):

Failure of Seafront assets such as retaining walls and access pathways.

Risk of damage to property and inability to operate services – both have an asset and financial risk. Potential for larger failures such as the East Cliff Lift slip in 2016, also posing risk to life.

Financial impact linked to cost of work associated with works to stabilise the cliffs and respond to slips as well as lost income from the inability to operate commercial services when impacted directly by slips or within a compound exclusion area.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Environmental, Physical, Economic, Political, Social, Technological, Legislative, Customer, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

A Cliff Management Strategy (CMS) is being developed by the Flood and Coastal Erosion Risk Management Team (FCERM) to inform Seafront as to engineering investment needs. A Specialist Geotechnical Engineer has been employed to lead on strategy delivery and provide future technical advice. The Cliff Management Working Group has been set up to table and discuss ongoing risks and actions.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2025
List All Significant Actions Below:		
Action 1:	CMS risk register to be developed	31 Dec 2025
Action 2:	CMS to demonstrate funding needs for immediate priority issues and future likely needs	31 Dec 2025
Action 3:	Maintenance regime to be developed, funded and actioned	31 Dec 2025
Action 4:	Monitoring of cliffs via visual inspection as well as GPS and drone technology, in line with CMS recommendations	Ongoing
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	4	16		

Quarter Update

Funding identified through Finance Team to support priority areas of focus regarding cliff stability. Cliff Management Group currently identifying key areas of focus for this spend and seeking relevant approvals. Spend will focus on delivering work to limit requirement for further future interventions and respond to key interventions already identified.

Work due to commence on site this week (week commencing 1 September 2025 in relation to West Cliff slip) to start the initial stages of site inspections linked to required interventions. Further works identified to undertake essential drain clearance will assist in reducing the risk, however, this is an item that requires a consistent and long-term focus to keep the risk likelihood lower.

It is worth noting that we have had a very dry summer and the risks being mitigated are current known risks, we may find further risks are identified.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		Recently reviewed and updated based on the planned works but risk will not have reduced until works undertaken

Risk CR23 – Potential implications of the Dedicated Schools Grant financial deficit
Risk Owner – Aidian Dunn, Chief Executive (Cathi Hadley, Corporate Director for Children’s Services and Adam Richens, Director of Finance)
Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance
<u>Links to Corporate Objective(s):</u> Using our resources sustainably to support our ambitions
Risk Information In respect of 2024/25 the July 2025 Financial Outturn report to Cabinet set out that the council spent £111.9m on SEND revenue expenditure, which was £49.9m more than the £62m DSG grant allocation and £5.3m more than the quarter 3 forecast. In respect of 2025/26 the February 2025 Budget and Medium Term Financial Plan (MTFP) Update report set out that the council was originally forecasting revenue spending of £122m on Special Educational Needs and Disability (SEND) services. This was £55.7m more than the £64.5m revenue grant provided by the Department for Education (DfE) as part of the Dedicated Schools Grant (DSG), High Needs Block allocation. The 2025/26 quarter one budget monitoring report presented to Cabinet on the 1 October 2025 set out that the deficit in 2025/26 is now £67.2m once funding adjustments and prior tear adjustments are considered. This means the accumulating DSG deficit which was £113.3m on the 31 March 2025 is now forecast to be £180.5m on the 31 March 2026. Government have put in place a Statutory Instrument (SI) which states the council cannot contribute to the deficit, cannot hold a reserve to act as a counterweight and has been required to move the deficit to an unusable reserve where it will sit as though it did not exist within the council’s accounts or balance sheet. In June 2025 the government set out plans, as part of a consultation of the Fair Funding Formula, to extend the period covered by this statutory instrument to 31 March 2028. 2025/26 was a watershed moment, it is the first time the council starts a financial year with an accumulated deficit on its DSG in excess of the total amount of its reserves and balances. In other words, it was the first time the council started a financial year in a technically insolvent position. The total reserves and balances of the council were £83m as of 31 March 2025. In setting the budget for 2025/26 the council also had to address the fact that it had run out of headroom to be able to cashflow the accumulating DSG deficit. Options explored included the possibility of the council entering the government Exceptional Financial Support (EFS) programme and seeking a capitalisation direction which would be formal permission to borrow to fund the £57.5m original deficit for 2025/26. This approach could have led to government intervention, for example a further Best Value Notice. Eventually, the government recommended that we temporarily borrow the £57.5m as part of our Treasury Management activity. This is on the basis that councils can exceed their agreed borrowing limits provided it is seen as just being temporary and is associated with the ebb and flow of Treasury Management activity. The government advocated this approach on the basis that they have committed to putting forward in 2025 a plan to return the national SEND system to financial sustainability. The risks posed by this annual imbalance between revenue expenditure and government funding for the SEND service presents an existential threat to the financial viability and sustainability of the council and one which government must address in 2025.
Risk Causes (definite situational facts affecting our objective) (please list): Insufficient grant funding is provided to the council by the government with insufficient recognition of growing demand and high costs of provision.

Risk Impacts (contingent effect on objective) (please list):

Financial sustainability of the council, including insufficient cash flow to meet normal service expenditure with further risk of illegality from the need to borrow to meet revenue expenditure to maintain appropriate levels of statutory services.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- **Economic** – inability to meet financial commitments
- **Legal** - breach of regulations that prohibit borrowing for revenue expenditure
- **Resources** – impact on other areas of the council (capital and revenue) as expenditure is limited to preserve cashflow.
- **Reputation** – lack of confidence in the ability of the council to manage its financial affairs as indicated by the issue of a S114 notice (effective bankruptcy).

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Cabinet Report: December 2024: Assessing the serious cashflow issue caused by ever-increasing demand and cost outstripping High Needs Dedicated Schools Grant government funding. Set out not just the background and context to the issue but all the activity including that of the Chief Executive, Director of Finance, Leader and Local MPs in trying to draw attention to and resolve the issue.

Council Report: February 2025: Set out the conclusion and approach to be taken in drawing the 2025/26 Budget. This included the acknowledgement of both the External Auditor and CIPFA that temporary borrowing via Treasury Management powers was a pragmatic but not sustainable outcome.

14 February 2025: CIPFA published paper: Reforming SEND finance: meeting need in a sustainable system.

Cabinet Report: May 2025: MTFP Update report. Reminded members of the risk and included a brief update on messaging from government.

Cabinet Report: July 2025: MTFP Update. Included letters from the Leader to the Secretary of State and Director of Finance to the Ministry of Housing, Communities and Local Government (MHCLG) setting out the ongoing concerns about the SEND deficit.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	Chosen strategy/ies: Not possible to eliminate the funding gap through reduced expenditure as there are statutory requirements. Strategy is to secure additional DSG grant.
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Not possible - the solution must be additional funding or a completely redesigned system.
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	The service are implementing a management plan to build and address sufficiency as appropriate.
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases, the most appropriate response may be to tolerate or accept the risk.	No – it cannot be tolerated, and government have to deliver a solution.

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	4	16		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue to reflect on good practice examples of how any annual deficit can be kept to a minimum.	Ongoing
Action 2:	Monitor activity and statements delivered by the government	Ongoing
Action 3:	SEND White Paper	Autumn
Action 4:	Provisional 2026/27 Local Government Finance Settlement	Dec 2025
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

As set out above the original £57.5m deficit for 2025/26 is now anticipated to be circa £67.2m.

On the 25 September 2025 the council's Chief Executive and Finance Director met with representatives of MHCLG in a follow-up to the July letters. As part of the conversation, it was emphasized that the government were alert to the issues and were committed to the reform of the SEND system. It was emphasized that current legislation does not allow borrowing costs to fund the deficit to be charged to the DSG and that it is highly unlikely any council tax flexibility would be given to support the financing of such costs. Any support that will be made available will be announced as part of the provisional 2026/27 local government finance settlement which means just before the Christmas recess.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR09 – We may fail to maintain a safe and balanced budget for the delivery of services, and managing the MTFP
Risk Owner – Adam Richens, Director of Finance
Cabinet Member (BCP Council – Democracy) – Councillor Mike Cox, Deputy Leader of the Council, Vice-Chair of Cabinet and Cabinet Member for Finance
<u>Links to Corporate Objective(s):</u> Using our resources sustainably to support our ambitions
Risk Information The council has a legal responsibility to ensure it can balance its budget. As part of this framework, it is not permitted to have negative reserves. Council approved its 2024/25 Budget at Council on 20 February 2024, based on the following main aspects: • 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities • £38m of savings, efficiencies, increases to fees and charges, and service reductions of which £13.5m is in relation to transformation • Provision of £7.5m in extra resources to cover demand and inflationary pressures, including any pay changes, in the council's highest priority area, Children's Services • Provision of £15.2m in extra resources to cover demand and inflationary pressures, including any pay changes, to the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services • Elimination of the £30m structural deficit/funding gap created by using £30m of reserves to balance the 2023/24 budget. The Financial Outturn position as set out in a July 2025 Cabinet report provides the evidence that the council delivered services in 2024/25 within the parameters of the approved General Fund Budget. Council approved its 2025/26 Budget at Council on 11 February 2025, based on the following main aspects. • 4.99% Council Tax increase (2.99% basic and 2% Social Care Precept) in line with the maximum threshold for upper tier authorities • £7.8m of savings, efficiencies, increases to fees and charges, and service reductions of which £1.7m is in relation to transformation • Provision of £6.5m in extra resources to cover demand and inflationary pressures in the council's highest priority area, Children's Services • Provision of £14.4m in extra resources to cover demand and inflationary pressures in the most vulnerable members of our community via investment in Wellbeing Services be that adult social care or housing services • Temporary borrowing of £57.5m to finance the difference in 2025/26 between the £122m revenue expenditure on Special Educational Needs and Disability (SEND) services and the £64.5m Department for Education (DfE) grant allocation as part of the Dedicated Schools Grant (DSG) High Needs Block allocation. Council on the 11 February 2025 were presented with a balanced Medium Term Financial Plan (MTFP) covering the period 2026/27 and 2027/28. Notably there is a £4.9m funding gap in 2026/27 which is then recovered in 2027/28. Cabinet on the 13 May 2025 and the 16 July 2025 were provided with updates on the MTFP which tends to ebb and flow through to formal Budget Council in February each year. These reports also provided details of a scenario planning exercise designed to help shape the activity needed to ensure a balanced 2026/27 budget is delivered.
Risk Causes (definite situational facts affecting our objective) (please list): • Expenditure of the authority is higher than all available sources of income.

Risk Impacts (contingent effect on objective) (please list):

- S151 Officer would be required to issue a formal s114 report.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- Customer/Citizen, Economic, Political, Reputational

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- Microsoft Dynamics Enterprise Resources System implemented in April 2023 to improve the provision of financial management information underpinned by the principle of self-service. Therefore, real time budget monitoring information made available to budget holders.
- Regular meetings between portfolio holders and senior officers in respect of the financial strategy and the budget position.
- Regular MTFP update reports to Cabinet
- Quarterly budget monitoring reports to Cabinet including progress against budget savings.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Cabinet report: Quarter 1 Budget Monitoring 2025/26	Oct 2025
Action 2:	Cabinet report: MTFP Update report	Oct 2025
Action 3	Cabinet report: Quarter 2 Budget Monitoring 2025/26	Nov 2025
Action 4	Cabinet report: MTFP Update report	Dec 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	3	12		

Quarter update

The financial outturn report for 2024/25 demonstrates that as per the assumption underpinning the 2025/26 budget, the council delivered its financial outturn for 2024/25 within the parameters of the approved budget for the year and continues its track record of robust financial management arrangements.

Cabinet on the 1 October 2025, as part of the quarter one budget monitoring report were informed that the council is now forecasting to exceed its £356m net budget for 2025/26 by £3.7m. The report sets out proposals to apply a brake by implementing a spending freeze on non-essential expenditure and on recruitment.

As set out in risk CR23, Council agreed to borrow £57.5m in 2025/26 to cashflow the difference between the £122m it is forecasting to spend on SEND services and the £64.5m revenue grant provided by the DfE as part of the DSG, High Needs Block allocation. This is a short-term arrangement on the basis that the government have committed to putting forward in 2025 a plan to return the national SEND system to financial sustainability. The Leader of the Council and Director of Finance in July 2025 have separately written to Government to seek assurance around the continual existential threat to the council caused by the growing SEND Deficit. The Quarter 1 Budget Monitoring report to Cabinet on the 1 October set out this deficit is now forecast to exceed the £57.5m increase assumed in the 2025/26 original budget.

Alongside this the May and July MTFP Update reports set out the potential implications of the Governments Fair Funding Review 2.0 and their plans for a new local government funding formula based on factors such a population and poverty aimed at allocating more resources to deprived areas and in doing so directing more resources towards the North of the country. Consequentially, the government had planned to release details for the 2026/27 Local Government Finance settlement in November 2025 to support authorities financial planning. However, as the Chancellor has now pushed back the Autum Budget until the 26 November 2025, almost a month later than in 2024, then in all likelihood the finance settlement is now not likely until just before the Christmas recess.

An updated MTFP report on the 29 October 2025 will set out the latest position regarding delivering a legally balance budget for 2026/27.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	
Target Score	↑	

Risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support

Risk Owner – Sarah Deane, Director of People and Culture

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

Developing a passionate, proud, valued and diverse workforce

Risk Information

A new People Strategy was launched in December 2023 which covers the period from 2024 to 2027. The People Strategy is closely aligned to the corporate vision and ambitions, and the transformation agenda. There are twelve key workstreams in the People Strategy together with a three-year detailed implementation plan. BCP Council needs to have the right staff, at the right time, in the right roles to deliver front line and corporate services effectively and efficiently.

Key outcomes:

- single pay structure and terms and conditions to ensure fair and equal pay
- high performance culture
- improved workforce planning
- improved talent attraction and retention
- improved wellbeing and absence rates
- improved leadership development
- full automation of HR systems to support efficiencies and new ways of working.

Risk Causes (definite situational facts affecting our objective) (please list):

Pay and Reward has created significant risks to the delivery of the overall objectives within our People Strategy.

On 30 June 2025 however, both recognised trade unions confirmed that their members had voted to accept the latest offer. This offer and its implementation was approved by Council on 22 July 2025 and we are in the process of finalising and signing the collective agreement with the trade unions.

The threat of industrial action has been removed as a result of members voting to accept the Pay and Reward offer and the potential for significant numbers of equal pay claims, similar to that other local authorities have experienced, has now greatly reduced. There do remain some risks to the organisation, however, as follows:

Potential for claims to arise

It is still the case, and has been the experience of others, that the introduction of a new job evaluation scheme and pay structure could bring the potential for a range of employment claims and challenges to grading and role assessment. We have built appropriate appeals mechanisms, involving trades union colleagues, into the agreement.

Risk of increased levels of turnover

The updated certainty that the ballot outcome now gives us provides clarity for our colleagues on the way forward together with the associated timescales for this. It is acknowledged, however, that there are colleagues who still remain unsatisfied with the outcome and these changes will present challenges and anxiety. Support will be provided to those who wish to access it, but others may choose to seek alternative employment and it is possible that our turnover levels may be slightly higher than normal as

we move forward into implementation and beyond into the period of pay protection for those colleagues seeing a reduction in pay.

Financial risk - Incremental drift

The Medium Term Financial Plan and corporate resources provided for the cost of Pay and Reward, do not include additional exposure by the authority to annual incremental drift. Services have been required to manage this cost historically within their base budget allocation and will continue to do so. However, it should be highlighted that this cost is estimated to have increased significantly due to the additional head room in this enhanced offer. For 1 April 2026, this cost is estimated to now amount to circa £4.0m for 2026/27 and can be compared to an annual cost of around £1.5m under the current arrangements. This cost will be mitigated by various issues including turnover, take-up of colleague benefits (eg salary sacrifice schemes) and performance. There will then be further similar exposure in future years which this enhanced offer has increased due to the additional headroom on grades.

Risk to viability of services

The increases in base salary costs, including the additional incremental drift and changes to terms and conditions, may challenge the viability of numerous services including those that are expected to achieve full cost recovery and those covered by fees and charges where the fee is based on the level acceptable to the market. It will also reduce the amount of grant funding available for non-salary cost expenditure.

Appeals

The numbers of colleagues wishing to appeal their role profile mapping is unknown at this time with the window for appeals to be lodged opening in December 2025. Previous experience of implementing job evaluation in the preceding councils has highlighted the likelihood of significant numbers of requests. The appeals process will therefore run into and throughout December 2026 as needed. Successful appeal outcomes will mean greater financial impacts on services and could ultimately impact further on the viability of services and balancing the budget.

Attracting new talent

Recruitment literature and job information will provide certainty to prospective colleagues and it is hoped that our improved offer and new colleague benefits will significantly support our employer value proposition, encouraging a wider range of applications for our vacancies and reducing our need to appoint agency cover for vacant posts. However, leading up to implementation, we will need to advertise both the current and future salaries, which has the potential to create some confusion and/or concern where salary levels are falling.

National skills shortage

As well as the Pay and Reward impact, there remains a national shortage of skills which means that there are still significant recruitment difficulties in some areas of the council. The council relies heavily on agency workers to fill hard-to-recruit business critical roles, particularly in frontline services, which affects our ability to serve residents effectively. Agreement of the new Pay and Reward offer will help this situation but will probably not solve it completely.

Risk Impacts (contingent effect on objective) (please list):

The developments in Pay and Reward have created more certainty for our colleagues and for the majority will be seen as a positive step forward but it is acknowledged that the situation will also bring concern and anxiety for some who will see a reduction in their pay. It is anticipated that the ongoing process of implementation leading on to appeals will continue to destabilise the workforce for a period of time. During this time there will be an increased risk of grievances, and higher turnover with resultant increase in recruitment costs, low morale and employee engagement in specific areas, together with a negative impact on employees' wellbeing and financial situations. This could mean that some service delivery may be affected.

The People and Culture 2024/25 growth bid was not approved, and this therefore means that full delivery of the people strategy will not be possible within the original planned timescale and that further development of our Talent Acquisition efforts will be delayed due to limited capacity for proactively searching for passive candidates with niche skills, which is crucial for increasing direct hires and reducing agency costs.

The People and Culture team are continuing to work on key priorities however and have made good progress with our new careers site and development of our Employee Value Proposition amongst other key achievements within the People strategy.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Resource, Legal, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- The threat of immediate industrial action has been removed since achieving a vote to accept the offer from both recognised trade unions
- Support for colleagues impacted negatively by Pay and Reward is in place
- Services are beginning to work through the financial impact that Pay and Reward will have on their budgets and to better understand mitigation strategies
- Potential sources of mitigation for budgetary pressures include national insurance savings delivered from new benefits such as the salary sacrifice additional pension fund voluntary contributions and other salary sacrifice schemes and reduced costs from any current market supplements not required or required at a lower level.
- Whilst the growth bid submitted for consideration to resource the full Talent Acquisition operating model has been rejected due to the financial landscape of the council, the Talent Acquisition Team continue to deliver some of our Talent Acquisition ambitions.
- Services continue to work with People and Culture to undertake risk assessment of retention issues in relation to Pay and Reward and look to put mitigation options in place.
- Change and wellbeing training sessions have been delivered together with signposting to relevant toolkits and means of support.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	✓
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	✓

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Implementation of Pay and Reward	1 Dec 2025
Action 2:	People Strategy Implementation Plan	2027
Action 3:		
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	3	12		

Quarter Update

Council approved the implementation of the Pay and Reward proposals within this quarter. The update remains consistent with the last quarter as the risks had been more recently reviewed and updated knowing the proposals would be considered by Council and if approved, would significantly reduce risks to the organisation in some areas

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		Recently reviewed and updated
Net Score		Recently reviewed and updated
Target Score		Recently reviewed and updated

Risk CR04 – We may suffer a loss or disruption to IT Systems and Networks from cyber attack
Risk Owner – Sarah Chamberlain, Director of IT and Programmes
Cabinet Member (BCP Council – Democracy) – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance
<u>Links to Corporate Objective(s):</u> Working together everyone feels safe and secure
Risk Information BCP Council relies heavily on digital technology and online capability, including in the delivery of essential and public-facing services. Disruption can come in many forms (some described below), both deliberate through acts of cyber-crime, or accidental through loss of hardware or infrastructure. Both can cause immense disruption to the council by denying staff and public access to key services. Even traditional face-to-face services can be impacted by a loss of IT systems as many back-office functions rely entirely on the availability of computers and data. Nationally, the threat of cyber-attack remains high on the UK.GOV National Risk Register, featuring prominently across the register with the potential for disruption to national infrastructure, finance, telecommunications, transport and social care systems. Cyber is ranked the number one surveyed risk by the Business Continuity Institute in 2024 and again moving into 2025. While there are huge opportunities and benefits for the council by continuing to actively leverage technology in support of the transformation agenda, our vulnerabilities become greater as we increasingly rely on cyberspace.
Risk Causes (definite situational facts affecting our objective) (please list): Some of the highest risk causes include: Phishing attacks: These attacks use social engineering tactics to trick individuals into revealing sensitive information, clicking on malicious links or trying to defraud the council of money. These often lead to further breaches by allowing the attacker to gain access to the council's systems and data. Ransomware attacks: These attacks involve encrypting the council's data and demanding payment in exchange for the decryption key. Insider threats: These threats can come from employees, contractors, or other individuals with access to the council's systems and data. Supply chain attacks: These attack target third-party vendors or suppliers to gain access to the council's systems and data.
Risk Impacts (contingent effect on objective) (please list): A loss or disruption to IT systems, specifically those caused by cyber-attacks, can incapacitate essential networks, for example, by encrypting or destroying data on which vital services depend. Such attacks could cause a variety of real-world harm if services such as Social Care, Housing or Place (Highways etc) are impacted. Financial loss is the most common impact through direct loss of funds, recovery costs and Information Commissioner's Office fines. There are also reputational impacts. Public confidence may be affected if the council is not able to adequately protect its IT systems and networks against loss or disruption, whether caused accidentally or intentionally.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

IT and Programmes have in place robust mitigations to assist in the management of this risk, however this is still considered a “when, not if” event and the risk will never be totally mitigated. Continued focus on end-user training as it is ALL staff and councillors who provide the best and last line of defence against cyber attacks. IT Security Course Completion Rates continue to show an upward trend in most areas of the council.

IT Security Course completion is now actively tracked by managers as part of annual performance reviews under our new framework, and as such we are expecting to see this upward trend continue.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the ‘whole’ risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	Partial
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Yes

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		Ongoing
List All Significant Actions Below:		
Action 1:	Training and increase user awareness of risks: ITSEC teams continue to deploy monthly cyber awareness training to all staff digitally.	Ongoing
Action 2:	Increased cyber detection and response tooling: Annually, IT and Programmes undertake an exercise to bid for capital or additional revenue funding to improve or maintain its IT infrastructure and cyber security posture.	Ongoing

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	3	9		

Quarter Update

We have had positive and constructive conversations with our members in our efforts to ensure active participation in cyber MetaCompliance training and we will continue to monitor and report on this with our Legal and Democratic colleagues.

MetaCompliance cyber training completion rates continue to increase with our active drive for participation and monitoring at 82% across the organisation.

An additional IT Security resource joins the IT Security team in September 2025 to ensure additional resilience and capacity.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	
Target Score	↔	

Risk CR20 – Potential of climate change to outstrip our capability to adapt
Risk Owner – Isla Reynolds, Director of Marketing, Comms & Policy
Cabinet Member (BCP Council – Democracy) – Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy
<u>Links to Corporate Objective(s):</u> • Climate change is tackled through sustainable policies and practice • Using data, insights and feedback to shape services and solutions
Risk Information The International Panel on Climate Change's 5th report has robustly concluded that climate change is unequivocally real and caused by human activity such as the burning of fossil fuels and destruction of habitats releasing greenhouse gases at unprecedented levels and limiting the earth's ability to reabsorb them. The UK Government has committed to achieving 'net zero' greenhouse gas emissions by 2050, and a challenge of this scale will require transformative change to the UK economy. BCP Council has declared a climate and ecological emergency committing the council and region to decarbonising the economy and society by 2030 and 2045 respectively (the latter having been agreed by Cabinet on 6 March 2024). There are a number of departments across BCP Council that are central to the response to climate change. However, the all-encompassing nature of achieving net zero means that all council departments and arms-length bodies, have a role to play. To be more resilient to the threat posed by climate change, in addition to meeting the challenges of achieving net zero, it is vital that all of BCP Council and its organisations effectively manage climate change risks. Climate change risks should not be considered in isolation and should be clearly integrated into the strategy of an organisation. It is vital for organisations to recognise that the potential impacts of climate change are not only to do with the physical effects on people and the environment, but also to do with the effects of the transition to a changing climate and the adaptation and mitigation work involved. Similarly, the impacts of climate change should not only be considered as long-term risks.
Risk Causes (definite situational facts affecting our objective) (please list): Floods, sea level rise and coastal change, changes in temperature and rainfall.
Risk Impacts (contingent effect on objective) (please list): Floods will have a significant impact on infrastructure causing damage to buildings and wide-scale disruption to service delivery; sea level rise and coastal change will pose risks to certain communities and organisations; and changes in temperature and rainfall will place additional pressures on infrastructure. Physical risks can also lead to indirect economic and social impacts through supply chain disruptions, subsequent impacts from infrastructure damage (for example, lack of transport, communication, manufacturing) or market shifts (such as increases in insurance premiums, changes in the need for government support, consumer attitudinal and expectation changes).
Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best: Citizen, Social, Environmental, Economic, Physical, Resource, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions**Physical risk mitigations in place:**

The most immediate risk to the Bournemouth, Christchurch and Poole area comes from Flooding and Coastal Erosion. As a result, most of the council's adaptation resources have been dedicated to addressing these.

The Flooding and Coastal Erosion Risk Management (FCERM) team have been involved in joint authoring of draft policies relating to flood risk, coastal change risk and Sustainable Urban Drainage to support Bournemouth, Christchurch and Poole's development agenda for the next 15 years. A Strategic Flood Risk Assessment (SFRA) is also in preparation, which includes a new assessment for Bournemouth, Christchurch and Poole's open coast to establish the risk from wave action. A new Christchurch Bay and Harbour FCERM Strategy is in preparation for managing flood and coastal erosion risks for the next 100 years in a sustainable way from Hengistbury Head to Hurst Spit, as is a new integrated cliff management strategy for all the Bournemouth, Christchurch and Poole area sea cliffs and chines. The team is also preparing a new beach management plan that will draw together historic information on how beaches between Sandbanks and Hengistbury Head have been managed, to create a single reference for how the beach is managed to ensure it provides its vital coast protection function.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place and flooding and coastal erosion management measures in place as described above.

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	3	12		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score expected completion date and list all the significant actions required to achieve this score and when they are each individually due to be completed.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Sustainability Officer to prepare climate change vulnerability data to aid adaptation planning/awareness.	October 2025
Action 2:	Poole Bridge to Hunger Hill is the last remaining undefended waterfront in the town centre, with a high risk of tidal flooding, increasing significantly over the next century due to climate change and sea level rise. Community Infrastructure Levy funding to contribute to a permanent flood defence along 1.5 km of the eastern side of Holes Bay is to be considered by Cabinet in June 2025.	June 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

A vulnerability tool has now been developed. The system uses StatMap GIS software and helps to identify areas at risk, focusing on flood risk in association with areas of deprivation.

The tool is being shared as part of a wider climate update to directorates.

The climate progress report is being drafted, reporting on Bournemouth, Christchurch and Poole's and area-wide carbon reduction during 2024/25, the report will go to Cabinet in December 2025 for consideration.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR26 – Risks associated with the availability of Generative Artificial Intelligence (GenAI)

Risk Owner – Sarah Chamberlain, Director of IT and Programmes

Cabinet Member – Councillor Jeff Hanna, Cabinet Member for Transformation, Resources and Governance

Links to Corporate Objective(s):

- Using data, insights and feedback to shape services and solutions
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Creating an environment for innovation, learning and leadership

Risk Information

Artificial intelligence (AI) is a way of using computers to replicate human intelligence - Generative AI (GenAI) is one of many forms of AI.

GenAI produces texts, images and other content from people telling the model what to do (sometimes referred to as 'prompting'). GenAI models have learnt from a huge amount of information, often taken from the internet, to produce this content.

GenAI can already be accessed by staff and councillors through:

- Websites (e.g. ChatGPT, Bing or Dal-E)
- Individual apps for personal computers or phones (e.g. Google Assistant lets you ask when your first meeting is)
- Plug-ins for websites (e.g. Expedia allows people to use GenAI to ask for travel plans and flight details)
- New features within computer software (e.g. Microsoft CoPilot and CoPilot365)

Currently, GenAI is most used to support individual tasks and act as a personal assistant, for example:

GenAI can help you be more creative:

- Create images and videos from scratch by simply telling a tool what you want to see
- Come up with lots of new ideas in seconds - for example, coming up with icebreakers for meetings

It can help you be more productive:

- Create first drafts of an email or document for you to finish writing, and then find ways to improve the quality of your writing once you have done so
- Quickly find sources of information and break down complex topics into easy-to-understand information
- Summarise meeting notes and documents

However, improvements and the widespread availability of GenAI tools means it can also be used for many other tasks, changing how we work, how residents engage with us and how the council runs and makes decisions.

The Local Government Association has identified several key risks the use of GenAI places on councils ([external link to LGA website](#)).

The risks identified include insufficient data foundations, a lack of capacity or knowledge within information governance and data protection teams, the perpetuation of digital exclusion and wider forms of exclusion, insufficient knowledge across different business areas in the council, a lack of transparency, job losses, and the impact on resident trust if not implemented transparently and appropriately.

To achieve a balance between innovation and regulation, this high-level risk will attempt to lay out some of the early identified risks, and potential mitigation, that BCP Council will consider as it embraces the use of GenAI within the organisation.

Risk Causes (definite situational facts affecting our objective) (please list):

Trust and Transparency: There are risks about the potential for GenAI to generate misleading or false information, also known as “hallucinations”. This could lead to the spread of misinformation or disinformation or even lead to incorrect advice being provided to residents if unchecked which could lead to undesirable outcomes.

Ethics and Bias: GenAI models can inadvertently perpetuate or amplify existing biases present in the data they were trained on. This could lead to unfair or discriminatory outcomes.

Data Privacy: GenAI often requires access to large amounts of data for training and operation. Ensuring the privacy and security of this data is a significant concern. Without sufficient technical controls or user-training in place it is likely that potentially sensitive data may be exposed.

Data Retention and Compliance: GenAI models often retain training data, which may conflict with Subject Access Request requirements to delete or anonymise personal data upon request and affect the ability to comply fully with Freedom of Information Act requests.

Misuse of Technology: GenAI could be used for political propaganda, compromising local/national security, leaking confidential data, vexatiously increasing council officer workloads, and disseminating inaccurate information.

Cybersecurity Risks: As with any digital technology, GenAI systems can be vulnerable to cyber-attacks or can be leveraged to initiate more complex or sophisticated attacks (such as spear-phishing).

Erosion of Public Trust: If not properly managed, the issues above could lead to a loss of public trust in the council's use of GenAI and data in general.

Risk Impacts (contingent effect on objective) (please list):

As described above, the impacts are largely financial or reputational:

- Financial impacts through fines if data breaches occur without appropriate technical, procedural or policy controls being in place
- Reputational impacts with residents and erosion of trust in council use of data
- Increasing cyber security risks (CR04)
- Progressing with our Data and Innovation Programme with corporate buy-in is imperative to ensure we optimise the output of our Transformation Programme. We need to continue to innovate and drive continual improvement, to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around customers' needs.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Technological, Customer/Citizen, Economic, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

- Microsoft CoPilot365 GenAI tool is currently only in a Project Managed proof of concept stage amongst 300 colleagues from all areas of the council. Review of pilot and next steps linked to Data and Innovation Programme being shared and scoped.
- BCP Council's existing [Information Security Policy](#) already describes expected staff and councillor behaviours in respect of responsible use of IT in general.
- IT Security Training published to all staff and councillors is available through the MetaCompliance Training portal.
- Rules regarding ethical and responsible use of AI published to [Our Intranet](#).
- Our Digital Strategy reflective of our Digital vision for BCP Council has been shared with our Directors Strategy Group, Corporate Strategy Board and with our portfolio holder. Our Data and Innovation Programme will drive the delivery of this and the initial 'discovery phase' of this programme has been signed off by our Corporate Strategy Board and is underway.
- AI briefing and overview to be scheduled with Cabinet.
- The Data Loss Prevention (DLP) initiative is progressing. Led by Information Governance to put in place an information classification scheme to be applied to all council documents.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	No
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	No
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	Yes
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	Yes

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Develop and implement GenAI Strategy document. This should describe: • How use of GenAI will be governed within BCP Council • How BCP will be training staff and councillors and providing regularly updated guidance on the responsible use of GenAI to support their work • To our residents, how BCP Council will use GenAI, especially if we start to use it to support public facing or critical service areas • How BCP Council's professional areas (IT, Information Governance, Legal, Risk, Audit etc) will continue to account for potential future uses of Generative AI, ensuring all necessary technical infrastructure, safeguards and policies are in place for responsible uses and are compliant with required legislation (UK GDPR etc) UPDATE: Our Digital Strategy reflective of our Digital Vision for BCP Council has been shared with our Directors Strategy Group, Corporate Strategy Board and with our portfolio holder. Our Data and Innovation Programme will drive the delivery of this and the initial 'discovery phase' of this programme has been signed off by our Corporate Strategy Board and is underway.	In progress, October 2025
Action 2:	Implement Microsoft Data Loss Prevention (DLP). CoPilot and CoPilot365 has access to whatever data the user has access to. It is therefore imperative that additional technology is implemented to help mitigate the risks of staff or councillors "sharing" content that could make it visible to a wider set of users than intended. DLP is a security solution, already available under existing licencing (but not enabled), that identifies and helps prevent the unsafe or inappropriate sharing, transfer or use of sensitive data contained in the M365 eco-system (Teams, OneDrive, SharePoint).	TBC

	A project has been agreed and is currently being scoped to deliver DLP and timelines for deployment will be published in due course. UPDATE: The first phase has been completed with Corporate Management Board (CMB) accepting the proposal to adopt the recommended Data Classification Scheme on all council document artefacts and emails. Phase 2 is now underway. It has extended the userbase and will ensure the technical controls applied to these labels will not “break” existing working practices prior to a full deployment later in the 2025/26 financial year. Internal discussion progressing with our colleagues in Information Governance to support delivery of this project. Scheduled September 2025 to agree collaborative approach to resolution.		
Action 3:	Formation of AI Governance Board for long term policy setting and decision making around appropriate use of specific GenAI tools for agreed use-cases. Linked to Data and Innovation Programme. UPDATE: We maintain conversations with other local authorities and business to understand approaches in other organisations. An ‘AI council’ or governance board is recommended and will be approached as a deliverable within the Data and Innovation Programme. Initial triage approach to substantive AI Use Cases has been agreed by CMB and Director led business cases will be presented in September 2025.	October 2025	
Action 4:	Consider any upskilling/resourcing of the council’s Information Governance Teams to be able to provide effective professional advice to support any established AI Governance bodies and wider colleagues. Our Data and Innovation Programme will have a key workstream focusing on how our organisation is set up operationally to support our Digital Strategy and requirement for strong governance in support of this. UPDATE: Still recommended but not started, this has been scoped as an output for Phase 1 of the Data and Innovation Programme.	October 2025	
Action 5:	Develop IT and Programmes expertise on the topic of GenAI through formal training. Several staff in IT and Programmes are just starting a 13-month programme called “AI for Business Value”. Topics covered include AI ethics, Identifying Opportunities for AI, Managing AI change in your organisation and Measuring AI ROI (return on investment) and Business Impact. UPDATE: AI business analysis training underway as described above for 5 staff within IT and Programmes. Additionally, we have extended our training offering across the organisation and are seeing some very positive uptake. Technical training on developing secure and effective AI tools, as well as more detailed and formalised end-user training on how to effectively adopt and leverage these tools, will fall within scope of	In progress	

	the deliverables for Phase 1 of the Data and Innovation programme.				
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Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		

Quarter Update

We maintain our focus on agreeing our sustainable operational model for our approach to GenAI within the organisation which is underpinned by the necessity to ensure its ethical use and the safety and reliability of our data. A key focus within our Data and Innovation Programme.

We have successfully established an initial phase 1 automated approach to substantive AI Use Cases that are presented to ensure we are progressing based on these requirements, but that they also drive return on investments and are aligned to our IT Technical Strategy and Standards. CMB have agreed the initial approach for phase 1 which we will evolve into phase 2 of the Data and Innovation Programme.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR18 – We may fail to provide adequate customer interfaces

Risk Owner – Matti Raudsepp, Director of Customer and Property

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Andy Martin, Cabinet Member for Customer, Communications and Culture

Links to Corporate Objective(s):

Providing accessible and inclusive services, showing care in our approach

Risk Information

While full-scale transformation of the council is underway, there is a risk that our current customer service capabilities, capacity, systems and processes fail to provide the level of responsiveness that our communities and residents expect. This risk is specifically focused on the short-term capabilities of the council.

Full baselining and data monitoring of the corporate Customer Contact Centre is now possible with the significant upgrade to the council's legacy telephony arrangements having been undertaken during the Covid pandemic. Data is now available across all telephone contact lines within the corporate Customer Contact Centre, but there remains much less robust data in respect of the lines that continue to be managed within services. This reflects the current fragmented customer contact picture, which the transformation process is designed to simplify through the introduction of new customer contact technology and the consolidation of customer contact staff (as far as practicably possible) into a single council front door.

Risk Causes (definite situational facts affecting our objective) (please list):

- The end-to-end customer journey is affected by a range of factors, both within the contact centre and also within services. Delays in redesigning any aspect of the journey can impact the customer experience
- The availability of new digital functionality may arise incrementally which means that in the short term the management of customer contact can become more, not less, complicated, potentially impacting the customer experience.

Risk Impacts (contingent effect on objective) (please list):

- Call answering performance that does not meet customer expectations. Customer contact is subject to ongoing handoffs to services, which may complicate and extend the process and increases the risk of failure and customer dissatisfaction
- Completion of end-to-end processes that take longer than expected
- Customers in need of important support fail to receive a timely response to address their needs.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- Customer/Citizen
- Technological
- Political

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	3	12		

Mitigations in Place & Completed Actions

- Temporary funding for 2022/23 ended in March 2023 which resulted in a reduction of approximately 20 staff who had been used to improve call response performance. Call response times have fallen back as a consequence
- Call handling performance data is available to monitor performance on a line-by-line basis, which can support the allocation of available staff resources. The implementation of the council's Target Operating Model along with streamlined technology and processes is anticipated to mitigate the loss of temporary funding, but it is anticipated that there will be pressure on capacity in the interim
- New BCP Council website successfully launched, replacing legacy sites, allowing for further development based on a single platform
- Web pages under review and being rewritten to ensure clarity, and as a basis to support development of further online digital functions
- New contact centre telephony system successfully implemented in December 2023
- New Customer Relationship Management (CRM) system now in place with legacy digital functionality being updated within the new system. This creates additional opportunities for improving existing and new online services
- Reductions in contact centre staffing were necessary in 2023/2024, 2024/25 and 2025/26 in order to contribute to essential Medium Term Financial Plan savings requirements

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	3	9		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Implementation of selected, high volume, high impact customer journey improvements	April 2024 Ongoing
Action 2:	Service redesign to improve and simplify customer journeys	Ongoing
Action 3:	Complete next phase of the new Dynamics CRM system, which provides a platform for new digital service development	Complete
Action 4:	Complete rewrite of website pages	Complete
Action 5:	Identify and redesign key, high volume customer journeys to achieve faster resolution and increased service efficiency	Review April 2026

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

Following the implementation of the foundational elements of the MS Dynamics CRM, the focus has been on how the new functionality can be exploited to improve customer experience and increase the resilience of the corporate contact centre. The Customer Strategy is being refreshed to clarify our priorities and a business case for investment is being prepared to secure the capacity necessary to pursue the redesign and optimisation of customer journeys, to introduce greater online services and give consideration to the role and opportunities that Automated Intelligence (AI) can offer. In the meantime, the contact centre has experienced pressures on response times, particularly in the areas of council tax enquiries (due to the implementation of a new revenues and benefits system) and Blue Badge applications (due to staff absence and turnover). Further work is planned to address these areas, particularly with respect to reviewing the Blue Badge process to ensure it is optimised to consistently turnaround applications with the target 12-week timescale.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	Risk remains given ongoing transformation and change within the organisation
Net Score	↔	Mitigations remain ongoing and sensitive to resourcing constraints
Target Score	↔	

Risk CR02 - We may fail to achieve appropriate outcomes and quality of service for children and young people including potential inadequate safeguarding

Risk Owner – Cathi Hadley, Corporate Director for Children's Services

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Richard Burton, Cabinet Member for Children, Young People, Education and Skills

Links to Corporate Objective(s):

- High quality of life for all, where people can be active, healthy and independent
- Working together, everyone feels safe and secure
- Those who need support receive it when and where they need it
- Skills are continually developed, and people can access lifelong learning
- Intervening as early as possible to improve outcomes
- Working closely with partners, removing barriers and empowering others
- Providing accessible and inclusive services, showing care in our approach

Risk Information

Corporate Context

Safeguarding is the responsibility of all councillors and corporate officers, and this is reflected in the Corporate Safeguarding Strategy which was agreed by Cabinet in September 2019.

BCP Council had a Special Educational Needs and Disabilities (SEND) inspection in June 2021 which identified significant gaps in services which are being addressed through a SEND Improvement Plan and a Department for Education (DfE) Statutory Notice. A review by the DfE and NHS England (NHSE) in July 2023 concluded that not enough progress was being made and a Statutory Direction from the Secretary of State has been issued to BCP Council.

BCP Council Children's Services had an ILACS inspection (an Inspection of Local Authority Children's Services) in December 2024 and achieved a Good rating from Ofsted. This acknowledges that children's services provide

Quality of education and care:

Children's services rated as "good" provide a good standard of education, care, and support for children.

Effective safeguarding:

Safeguarding practices are deemed to be effective, meaning children are protected from harm and their welfare is prioritized.

Positive impact on children and families:

The services have a positive impact on the lives of children, young people, and their families, with evidence of sustained improvement.

Partnerships

BCP Council must ensure that it is working with all partners in the most effective way to identify, assess and respond to safeguarding issues, and those which cut across Children's, Adults' and Community Safety. BCP Council does this through various boards: the Pan Dorset Safeguarding Partnership, BCP Children's Safeguarding Board and Community Safety Partnership being examples.

Communities

Key consideration for the Communities directorate in discharging the range of duties provided across a range of services, community safety and domestic abuse.

Children's Services

There is an increase in demand for services and in the complexity of need in children and young people presenting to Children's Services across Children's Social Care and Education and Skills. This is placing demand on resources and budgets. For example, there is an increase in the number of children with complex needs placed in residential care which creates additional pressure on the Children's

Service's budget; providers also increase their costs and there is an increase in Education, Health and Care Assessments.

There is a shortage of Children's Services social workers nationally, which means that there is a reliance on agency staff which puts pressure on budgets and can affect the continuity and consistency of service to our children and young people. Whilst there has been significant progress in stabilising the workforce the Pay and Reward programme may have an impact on this going forward.

Risk Causes (definite situational facts affecting our objective) (please list):

- Lack of collaboration with partners
- Shortage of staff and staff capacity
- Insufficient specialist local and national placements from both in-house and external provision which also drives up the cost of placements
- Failure to deliver safe service to children and families as per the findings of the Ofsted ILAC inspection December 2021 and the Care Quality Commission/Ofsted SEND Inspection July 2021
- Poor identification and management of risk across the service and partnership.

Risk Impacts (contingent effect on objective) (please list):

- Victims, death or serious injury
- Children and Young People being placed further away from networks
- Delays in finding suitable homes
- Poor performance assessment
- Poor staff morale and further retention issues
- Litigation costs and failure to meet legislative requirements
- Council-wide economic impact with more children being placed out of borough and additional budget pressure
- Adverse media coverage - damaged reputation/public image.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Customer, physical, legislative, resource, social, contractual, political, reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	4	4	16		

Mitigations in Place & Completed Actions

Children's Directorate

- Focus on the SEND improvement journey to ensure core services are safe for vulnerable children and young people.
- Since the Good Ofsted rating and removal of Children's Social Care Statutory Intervention the governance for Children's Social Care has been reviewed and new accountability structures put in place, a new development plan has been put in place to drive forward the service in place of an Improvement Plan.
- The strongest mitigation is to have the capacity and resources to meet the rising demand of need across the services and to have the assurance of the quality of practice through quality assurance frameworks and governance processes.
- Robust governance is in place to ensure that improvement continues at pace in SEND.

- Partners have launched the Children and Young People's Partnership plan which clearly identifies the shared priorities for delivering improved services for our children, young people and families. There is a SEND Improvement Board which is chaired by a DfE Advisor and the Board holds service, council and partners accountable for the delivery of improvements identified in the improvement plan.
- DfE Advisor and Improvement Officers have been assigned by the DfE to oversee and support the improvement of services as identified in the Statutory Notices to Improve from the Secretary of State for SEND.
- Education Services are subject to termly Ofsted Monitoring meetings which oversee improvement and hold the service accountable for meeting statutory standards.
- A Quality Assurance Framework has been embedded into Children's Social Care practice giving the assurance that practice standards are maintained or improving. Governance processes introduced in 2022 continue to review practice and give increasing assurance that children are safeguarded. Ofsted in their ILACs Inspection 2024 confirmed that Children in BCP are safeguarded.
- Scheme of Delegation reviewed and updated for Children's Services.
- Monthly budget management meetings between Finance and budget holders.
- Financial accountability is held at Senior Leadership Team and Children's Strategic Transformation Board through reporting by the Finance Manager.
- Ensure the BCP model of corporate support services and systems is fully conducive to the children's improvement journey.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking, but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	4	2	8		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Deliver on the SEND Improvement Plan (8 areas for improvement)	January 2026
Action 2:	Deliver on the Education Improvement plan	June 2026
Action 3:	Sufficient suitable accommodation available for our Care Experienced young people and placement choice of good quality locally for children in care	June 2026
Action 4:	Deliver on the new Children's Social Care Development Plan	April 2027

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	4	2	8		

Quarter Update

Our primary focus in the last quarter has been preparing for the upcoming SEND and Alternative Provision Inspection. We are working closely with our partners in the Local Area Partnership to ensure we deliver the best possible outcomes for our families, children, young people, and the council.

Since receiving the Good Ofsted Outcome in December 2025, we have established a new Governance Framework for Children's Social Care through a new accountability framework which holds the service accountable to ensure children continue to be safeguarded appropriately across the Bournemouth, Christchurch and Poole area.

We continue to prioritise the financial position of Children's Services, particularly the DSG budget and the Children Social Care Placements Budget.

We are working hard to assess the impact of the new Children Social Care Reforms and are developing our approach to introduce these. We have introduced the new Children's Agency Social Work Regulations and are currently developing our approach to implement the Families First programme by April 2026

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↓	
Target Score	↔	

Risk CR21 – Impact of global events causing pressure on BCP Council & increase in service requirements

Risk Owner – Kelly Deane, Director of Housing and Public Protection

Cabinet Member ([BCP Council – Democracy](#)) – Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services

Links to Corporate Objective(s):

Working together everyone feels safe and secure

Risk Information

Several global conflicts have required a humanitarian response/offer of refuge to those fleeing and in each case the UK government has set out its policy for accommodating and resettling refugees in every local authority area. The schemes in operation are:

- UK Refugee Resettlement (UKRS - previously known as the Gateway Scheme/Syrian Resettlement scheme)
- Afghan Resettlement (ACRS/ARAP)
- Homes for Ukraine/ Ukraine Family scheme
- Communities for Afghans Scheme

In addition to these schemes the Home Office also accommodates all who arrive and apply for asylum in the UK and, if granted refugee status, these households require access to accommodation and support with community integration. Due to the exponential increase in the volume of asylum seekers arriving in the UK, the government has become reliant on contingency accommodation (nightly let hotels). Bournemouth, Christchurch and Poole currently have hotels who are contracted by the Home Office to provide this accommodation while those housed await their asylum decision.

Risks related to asylum and refugee resettlement include:

- Potential homeless presentations from Ukrainian refugees should the H4U scheme support from government (financial incentives to sponsors) be discontinued
- Lack of required support for those seeking asylum and those who are already refugees
- Safeguarding risks to asylum seekers/refugees as well as to staff or the public not being mitigated
- Pressure on the Bournemouth, Christchurch and Poole housing market which is already inhospitable and unable to meet demand of Bournemouth, Christchurch and Poole families
- Pressure on Primary, Secondary and Community NHS services from these cohorts of new patients
- Pressure on social care services (notably Children's Services as a result of Unaccompanied Asylum Seeking Children)
- Pressure on Homelessness services as asylum seekers receive positive decisions on their applications and are given notice to vacate their Home Office funded hotel accommodation
- Repeat homelessness where single people subsequently apply for family reunion visas
- Pressure on schools to provide education and related support to refugee children
- A detrimental impact on the tourism economy in Bournemouth, Christchurch and Poole as hotels in use are a significant portion of the available rooms (impact anticipated more in summer months)
- Concerns around community cohesion and tensions in relation to asylum and refugee resettlement
- Increase in activity of extremist groups

Gaza and Israeli conflict

In addition to the information provided above we are also monitoring any localized tensions relating to the conflict in Israel and Gaza and receive regular updates regionally and nationally regarding the complex situation.

Protests

The Public Protection team is working closely with Dorset Police around an increase in planned and unplanned protests both in relation to the Gaza and Israel conflict and around immigration. In the last quarter there has been an increase in protests requiring a multi-agency approach and an increase in protests at the Civic Centre site and around asylum accommodation. The protests have remained peaceful, with minimal arrests or dispersals. There has been a national rise in protests, with some areas of the country experiencing violence and rioting, however, this has not transpired locally. Going forward we are now seeing an increase in regular planned protests by key protest groups. Dorset Police hold the lead, however a separate command structure has been set up within BCP Council to support. Teams such as Facilities Management, CSAS (Community Safety Patrol Officers) and highways have been engaged to provide security to the Civic site, manage traffic flow on the network and engage with protest groups. Risks from protests include:

- Damage to the Civic Centre or cenotaph
- Disruption at council meetings affecting the civic process
- Disruption to communities
- Disruption to businesses
- Disruption to the transport network

Extensive planning between BCP Council and Dorset Police is undertaken for each protest to mitigate these risks.

Home Office Engagement

The Home Office have recently engaged with the Chief Executive and relevant Directors to advise that they are moving towards increased engagement to ensure there is a triangulated approach between the government, councils and police in regard to community tensions.

Risk Causes (definite situational facts affecting our objective) (please list):

- Conflict in Israel and Gaza and increasingly in the surrounding territories
- Home Office SAP (Streamlined Asylum Process) policy and related notices to vacate hotels
- Transport of ARAP/ACRS refugees from other 3rd countries to the UK (in MoD accommodation and into private rented sector)
- National and local tensions around the asylum and immigration process and trend of increased protests
- Lack of clarity regarding Ukraine visa scheme and continued government support of sponsorship

Risk Impacts (contingent effect on objective) (please list):

- Heightened community tensions and inter-faith relationships
- Crime and disorder risks
- Number of homeless applications increased
- Number of former asylum seekers found to be street homeless increased
- Disruption to the transport network, business operations and community

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

- Multi-agency partnership working and governance framework in place, communication channels in place e.g. briefings, webpages, dedicated staff team established, links with government agencies
- Strategic leadership from BCP Council in relation to asylum accommodation and refugee resettlement, identifying need for collaboration with all stakeholders and progressing with impact assessment for the council and its partners of asylum and refugee resettlement
- Additional grant funded resource recruited to manage this new programme and case manage households now resident in the Bournemouth, Christchurch and Poole area and enable proactive preventative support
- Engagement with the Home Office and their contracted providers to discuss and deliver dispersed asylum accommodation in the community
- Work with the voluntary and community sector (VCS) to address gaps in support required across all schemes
- Appropriate use of tariff incomes to incentivize hosting sustainment and access to move-on accommodation for Ukrainian refugees
- Intensive prevention/welfare case support to Ukrainian scheme guests and hosts to discuss options and planned exit from the scheme if funding does end
- Lobbying of the Ministry of Housing, Communities and Local Government and the Home Office re pressures and required resources to address family reunion homelessness
- Participation in Local Authority Housing Fund programme (government grant funded) to mitigate the risk of homelessness for Ukrainian and Afghan refugees while adding to housing portfolio of BCP Council longer term
- Lobbying on the pressures being experienced by local authorities to Ministers and the Home Office
- Regular updates from the Home Office on the situation in Gaza and Israel, both abroad and in the UK
- BCP Council command structure working with Dorset Police to manage protest intelligence and responses.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Continue to monitor community tensions relating to the conflict in Gaza and Israel and work with partners to address as needed	ongoing
Action 2:	Continue to work with Dorset Police regarding regular planned protests	ongoing
Action 3:	Continue to monitor community tensions relating to protests and work with partners to address as needed	ongoing
Action 4:		
Action 5:		
Action 6:		

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		

Quarter Update

Community tensions are being monitored through multi agency channels and Community Impact Assessments are in place to track response and updates.

The Home Office have recently engaged with the Chief Executive and relevant Directors to advise that they are moving towards increased engagement to ensure there is a triangulated approach between the government, councils and police in regard to community tensions.

Joint Communication Strategies are in place between the Council and Dorset Police to minimise any community tensions and protests are managed through established tactical governance.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		National tensions relating to these matters are exacerbating community tensions in Bournemouth, Christchurch and Poole.
Net Score		Suitable risk assessment, monitoring and mitigation is in place.
Target Score		

Risk CR28 – We may fail to adopt a Bournemouth, Christchurch and Poole Local Plan
Risk Owner – Glynn Barton, Chief Operations Officer
Cabinet Member (BCP Council – Democracy) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet
<u>Links to Corporate Objective(s):</u> • High quality of life for all, where people can be active, healthy and independent • Good quality homes are accessible, sustainable and affordable for all • Employment is available for everyone and helps create value in our communities • People and places are connected by sustainable and modern infrastructure • Revitalised high streets and regenerated key sites create new opportunities • Our green spaces flourish and support the wellbeing of both people and nature • Climate change is tackled through sustainable policies and practice
Risk Information The council has a statutory duty to prepare and maintain a Local Plan. The National Planning Policy Framework (NPPF) sets out that the planning system should be genuinely plan-led with succinct and up-to-date plans. Currently BCP Council is operating using the Local Plans of the predecessor authorities that include over 300 policies, a significant proportion of which are out of date. The Bournemouth, Christchurch and Poole Local Plan will provide one plan that sets out the vision and planning framework for the Bournemouth, Christchurch and Poole area for the next 15 years. It will provide the land use policies that help us to implement our commitment to address the climate and ecological emergency. It will confirm our strategic approach to the delivery of a range of development, including market and affordable housing, employment, tourism, community facilities and supporting infrastructure. The Local Plan has to balance these development requirements against the need to protect the built and natural environment. Once adopted, all planning applications will be determined against the Local Plan, making it the most important place-shaping document for the Bournemouth, Christchurch and Poole area. A new Local Development Scheme has been agreed by the council which sets out the timeline to prepare the Local Plan by 2028 under the government's new planning system which requires plans to be prepared in 30 months. This includes a period of time for the soundness of the plan to be examined by the Secretary of State before it is adopted by the council. There is a risk that the Local Plan will not be adopted by the end of 2028 as set out in the Local Development Scheme.
Risk Causes (definite situational facts affecting our objective) (please list): - Failure for the council to agree a spatial strategy to meet the development needs of the area, particularly in the context of the high housing target for the area (set by national policy), changes to national Green Belt policy and the possible options for development - That the Plan is not supported by the Secretary of State at examination, which could be due to issues with the quality and extent of evidence required to support the plan, that the duty to cooperate has not been met or the spatial strategy is not robust to meet development needs - Changing national policies and requirements in relation to Plan making
Risk Impacts (contingent effect on objective) (please list): Failure to adopt a new Local Plan will result in the policies from the predecessor local plans becoming increasingly out of date for decision making. Without a Local Plan to allocate new sites and demonstrate a five-year supply of land for housing there is 'presumption in favour of sustainable development' in favour of granting residential planning applications and resulting in less control over the location, scale,

quality and design of development and any supporting infrastructure. There is also a result of a higher number of appeals to planning decisions and refused applications being approved on appeal.

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

- Environmental: Failure to have up to date policies to protect the environment, habitat sites, flood risk, climate change
- Social – Failure to deliver the homes needed to meet the needs of our communities
- Legal – Failure in statutory duty to prepare a Local Plan potentially leading to government intervention. Legal challenges in relation to applications determined in the absence of an up-to-date plan
- Political: Failure to deliver government policy
- Reputational: Reputational damage over the ability of the council to effectively plan for the area and determine applications.

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		New Risk

Mitigations in Place & Completed Actions

- Monitoring and management of the Local Plan by the Director of Planning and Transport
- Assigning resources and project management support to enable Local Plan delivery
- Providing regular progress updates to senior management and councillors
- Review of the existing evidence base and the early procurement of up-to-date evidence
- Working closely with relevant external organisations and delivery partners to obtain information as efficiently as possible
- Development of early engagement and communications strategy, including workshops with councillors, and wide public communications and consultation
- Completing the proposed Gateway stages under the new planning system which enables early engagement with the Planning Inspectorate on examination soundness issues
- Regular (monthly) Duty to Co-operate meetings with Dorset Council planning officers as a key neighbouring authority. Includes having a standing agenda and keeping meeting notes.

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	3	2	6		New Risk

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

	Due Date/s:
Overall Target Score Expected Completion Date:	
List All Significant Actions Below:	
Action 1:	Deliver briefing to all councillors June 2025
Action 2:	Undertake call for sites exercise Aug 2025
Action 3:	Procure evidence base Sept 2025
Action 4:	Formally update governance arrangements Sept 2025
Action 5:	Complete early engagement activity Feb 2026
Action 6:	Complete Gateway 1 May 2026

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	3	2	6		New Risk

Quarter Update

New risk this quarter.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	New Risk	
Net Score	New Risk	
Target Score	New Risk	

Risk CR25 – We may be unable to effectively transform services to achieve efficiencies and improve service standards
Risk Owner – Corporate Management Board Collective
Cabinet Member (BCP Council – Democracy) – Councillor Jeff Hanna – Cabinet Member for Transformation, Resources and Governance
<u>Links to Corporate Objective(s):</u> • Creating an environment for innovation, learning and leadership • Using our resources sustainably to support our ambitions • Using data, insights and feedback to shape services and solutions
Risk Information With the closure of the BCP Transformation Programme in March 2025, it is essential we maintain our focus on achieving the efficiencies targeted as outputs of the programme and that we have a sustained focus on improving service standards. Efficiencies and improved service standards are predicated on having the resource (financial and people) to identify and implement the changes necessary to achieve the council's operating model. An environment of increasing financial challenges or other demands on council resource could slow the rate of tangible benefits associated with transformation or require the council to reassess its initial ambitions based on what is achievable.
Risk Causes (definite situational facts affecting our objective) (please list): • Reduction in financial and human resources available to deliver, support and drive a culture of change, innovation and focus on efficient approach to service delivery and practice • Increase in demand on services to deliver business as usual and lack of workforce engagement with innovation • Conflicting corporate and service led priorities • Further requests for service transformation funding • Lack of funds to build growth, capacity and capability in established Centres of Expertise i.e. Data and Analytics, Procurement, Projects and Programmes (PPM) • Transformation Programme closing without a sustained plan of approach for continuous improvement and strategic intent, to build on the outputs of transformation, to drive efficiencies and realise ongoing associated benefits.
Risk Impacts (contingent effect on objective) (please list): • Slower pace of change • Unable to achieve Target Operational Model and foundations to enable ongoing efficiencies across our organisation • Negative view of the Transformation Programme and what it promised, both internally within our organisation and outwardly by our residents. Detrimental to our reputation and great success with the Transformation Programme and its outputs. • Poor return on the investment we have made on our technology stack and the opportunities we have to link this with strategic systems and innovation/efficiencies • Inability to meet our vision to deliver seamless, accessible, and personalised digital experiences that empower our customers, simplify interactions and ensure every service is intuitive, efficient and designed around their needs • Longer term associations to our ability to recruit if we are unable to offer modernised, efficient approaches to our work, service delivery and processes through technology.
Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best: The following risk categories apply: Corporate Risk Categories: Technological, Customer/ Citizen, Economic, Political

Service Risk Categories: Resource, Technological

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

Following the closure of the Transformation Programme we maintain the following mitigations:

- The Transformation Programme, formally agreed by Cabinet and Council, was closed in March 2025. The Data and Innovation Programme has been initiated and is in first-stage discover phase; signed off by the BCP Council Corporate Strategy Delivery Board to ensure robust governance, reporting is maintained and that we continue to drive outputs and deliverables.
- Our Digital Strategy has been written and published, with the Data and Innovation Programme focused on delivering this vision.
- Corporate Strategy Delivery Board established to ensure maintained focus on continuous improvement and strategic delivery to meet Corporate Strategy objectives.
- Resourcing/capacity (both within the core programme team and service areas) is on the programme risk register and we are actively reviewing our corporate priorities with our Corporate Management Board (CMB) and councillors to ensure we are focused on delivering agreed priorities. The Corporate Transformation Programme closed in March 2025. However, our exposure to this risk remains as we maintain our focus on continued improvement and optimisation of the foundations we have established, through the delivery of the Data and Innovation Programme, our Customer Strategy and our efforts to build the capacity and capability to deliver this.
- Digital Working Group provides monthly updates to our members on outputs of the initial programme. Our aim is to continue to share insight and progress of our digital strategy to meet the associated aims of BCP Council Corporate Strategy.

We must remain focused on achieving our digital vision and realising associated benefits:

Data and Innovation Programme:

- First phase 'discovery' is underway, aligned to corporate Digital Strategy. The programme and strategy have been agreed with our Corporate Strategy Board and in ongoing conversations with our Portfolio Holder. Continued focus on Artificial Intelligence and innovation; development of our corporate approach to Co-Pilot and response to first phase rollout.
- Identification of use cases: working with our Microsoft partner to identify funded opportunities to help us demonstrate tangible opportunities for efficiencies using technology to drive and support workforce engagement and build our business case for growth.
- Ongoing focus on evolving and establishing the service offering of the Data and Analytics Centre of Expertise
- Focus on data quality, integrity and accuracy across the organisation
- Data migration and ownerships
- Information governance, data protection and compliance
- Strategic focus on how we drive, govern and agree innovation as an operational model within IT and Programmes and across the organisation.
- Drive organisational change through data led decision making
- We have agreed an initial triage approach to substantive AI Use Cases that have business cases associated with them; led by associated Directors. These will commence in September 2025 Corporate Management Boards.
- We aim to playback the outputs of this first 'discovery' phase in November 2025.

- Strong focus as we move out of this phase on our future IT and Programmes operating model to ensure a sustainable approach to digital governance and optimal digital efficiencies.

Digital Strategy:

- Digital Strategy published and has been shared with Corporate Strategy Board and our Directors Strategy Group. It will also feed into the delivery of the Customer Strategy.

Systems Ownership, Consolidation & Integration:

- Sustained focus on successful implementation and support of systems
- Deliver systems ownership model
- Maintain strategic supplier relationships
- Consolidate and rationalise

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	2	4		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

	Due Date/s:
Overall Target Score Expected Completion Date:	
List All Significant Actions Below:	
Action 1:	Continue Children's Transformation Programme – programme extended UNDERWAY
	April 2026
Action 2:	Continue Adults' Transformation Programme
	April 2027

	UNDERWAY	
Action 3:	Develop and establish a new Data and Innovation Programme UNDERWAY	Phase 1 November 2025
Action 4:	Continue Strategic Corporate Management Board and Cabinet Members Digital Working Group (ensuring robust knowledge exchange)	Ongoing

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	2	4		

Quarter Update

Positive progress has been made with the Data and Innovation Programme, alongside the publication of our Digital Strategy.

The Data and Innovation Programme aims to deliver our Digital Strategy with first phase ‘discovery’ planned for playback in November 2025 to our Corporate Strategy Board and to members through our Digital Working Group.

The programme has 4 key workstreams which have focused on:

1. Employee Empowerment and Digital Adoption
2. Technology and AI
3. Our Data
4. Governance, Collaboration and AI

Additionally, the operational team are focused on collaborating with third parties, our partners and colleagues in local authorities to address and learn from challenges collaboratively and take an efficient approach to shared challenges whilst working to the pace of change in technology and the benefits this offers.

We continue to work with our colleagues in Customer to understand their strategic intent and support their programme required to deliver the digital aspects.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score	↔	
Net Score	↔	
Target Score	↔	

Risk CR16 – We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities
Risk Owner – Isla Reynolds, Director of Marketing, Comms & Policy
Cabinet Member (BCP Council – Democracy) – Councillor Millie Earl, Leader of the Council and Chair of Cabinet
<u>Links to Corporate Objective(s):</u> Working closely with partners, removing barriers and empowering others
Risk Information The new Corporate Strategy focuses on working with partners and enabling communities. As the council moves to this model of delivery that relies more on working with others and securing funding through partnerships, there is a risk of a negative impact on communities if partnership working fails or is not optimal. This risk could occur due to: • poor working relationships with or between partners • inability to secure funding available via partnership working Partnerships can include other agencies such as the police, other councils or organisations such as BIDs (Business Improvement Districts) and specialist boards (eg Destination Marketing Board). A helpful definition is in the council's Partnership Guidance: "a partnership is any arrangement involving the Council and one or more other organisations (from any sector) who share the responsibility for agreeing and subsequently delivering a set of actions and outcomes that support or contribute to achievement of the Council's corporate priorities." Partnership arrangements have also been highlighted as a risk in the Annual Governance Statement and external audit reports.
Risk Causes (definite situational facts affecting our objective) (please list): • Lack of resources to identify partnerships, maintain a council partnership register, develop and gain approval for a partnership governance framework • Lack of resources to ensure guidance is shared, promoted and championed • Lack of resources to manage partnership relationships effectively • Lack of resources or ability to identify and engage in partnership working and funding opportunities • Changes to partner objectives, funding or behaviour • Policy changes and funding opportunities following the recent change of government
Risk Impacts (contingent effect on objective) (please list): • Poor relationships impede delivery of services to communities • Lack of funding impacts delivery across various services (depending on partnership) • Council is not compliant with its own policy and/or recommended guidance from Government/other organisations
Risk Categories (for impacts) – please see pages 2-5 of this guidance – choose all that apply in either Service or Corporate Categories whichever fits best: Economic, Social, Environmental, Citizen, Resource, Physical, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	3	9		

Mitigations in Place & Completed Actions

- Partnership governance guidance in place – being reviewed
- Partnership register in place – being updated

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	2	4		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score expected completion date and list all the significant actions required to achieve this score and when they are each individually due to be completed.

		Due Date/s:
Overall Target Score Expected Completion Date:		
List All Significant Actions Below:		
Action 1:	Review and update the Partnership Register	April 2025
Action 2:	Templates to be circulated to Directors for review and update of the partnership register	Sept 2025
Action 3:	Corporate Management Board (CMB) to determine what level of corporate oversight is required for partnerships. Head of Service to bring a report to CMB outlining actions taken and to enable CMB to: - consider whether all existing partnerships are still required and fit for purpose to deliver corporate priorities efficiently and effectively, and thereafter to: - provide assurance (such as via a best practice checklist) over the governance arrangements in place for key partnerships - agree and co-ordinate production of relevant performance information to facilitate corporate oversight	December 2025
Action 4:	Ensure framework is operational/provide relevant performance information facilitating corporate oversight	

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

Following a restructuring of the files to mirror the current organizational structure, all directors have been asked to update their partnership registers using the recent guidance provided. This was completed ahead of schedule.

New team members have now joined the Policy, Strategy and Performance team. In the coming quarters, work will continue to review the updated registers in line with the guidance to deliver actions 3 and 4.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		
Net Score		
Target Score		

Risk CR24 – We may fail to adequately address concerns around community safety
Risk Owner – Kelly Deane, Director of Housing and Public Protection/ Rob Carroll, Director of Public Health and Communities
Cabinet Member (BCP Council – Democracy) – Councillor Kieron Wilson, Cabinet Member for Housing and Regulatory Services, Councillor Andy Hadley, Cabinet Member for Climate Response, Environment and Energy
Links to Corporate Objective(s): Working together everyone feels safe and secure
Risk Information Emerging public concerns around areas including, but not limited to, Bournemouth Town Centre show public concern for residents and visitor safety. A number of initiatives are in place to mitigate the risks including: • Police Operation Clear, Hold, Build that tackles organised crime which is significantly linked to serious violence • A new Serious Violence Strategy that works with partners to address the root cause of serious violence • Policing operations increasing visibility such as Operation Nightjar and Operation Track • Town Centre Action Partnership Group and tactical groups that have a multi-agency response to tackle issues in Bournemouth Town Centre • Evidence-led approaches to the deployment of resources • Six-weekly multi-agency walk arounds in Bournemouth Town Centre to identify issues relating to environmental concerns and safety concerns • Community Safety Partnership (CSP) in place to tackle the most prevalent issues in relation to community safety • Initiatives delivered based on CSP priorities around serious violence, violence against women and girls, exploitation and anti-social behaviour. In the Bournemouth, Christchurch and Poole area, violence against women and girls (VAWG) is one of the four key priorities for the Safer BCP Community Safety Partnership. Tackling issues relating to VAWG and all gender based violence is also a key priority for the Safer BCP Serious Violence Strategy, following the detailed analysis undertaken through our Serious Violence Needs Assessment. To this effect we have a BCP Adults Safeguarding Board, and Pan-Dorset Children's Safeguarding Board alongside other groups including a Domestic Abuse Strategic Group, Serious Violence Delivery Group (Sexual Offences), Sex Workers Risk Assessment Conference, MARAC (multi-agency risk assessment conference - high risk domestic abuse) and other task and finish groups as identified through the monthly data analysis.
Risk Causes (definite situational facts affecting our objective) (please list): • Reduction in resources to address community safety concerns • Public perception of issues and local media reporting • Changes to partner objectives, funding or behaviour • Policy changes and funding opportunities following the recent change in government • Global and political decisions, including asylum policies and conflict in the Middle East

Risk Impacts (contingent effect on objective) (please list):

- Reduction in public perception and public confidence
- Failure to deliver on statutory duties
- Fear of crime increases
- Potential risk to exploitation from extreme ideology

Risk Categories (for impacts) – please [see pages 2-5 of this guidance](#) – choose all that apply in either Service or Corporate Categories whichever fits best:

Citizen, Social, Physical, Resource, Economic, Environmental, Political, Reputation

Gross Risk Score – this is the rating of a risk as if there were no mitigations in place:

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Gross Score	3	2	6		

Mitigations in Place & Completed Actions

- Six-weekly multi-agency street audits to identify defects and issues in Bournemouth Town Centre
- Supporting Dorset Police in Clear, Hold, Build initiative, hotspot policing and key operations to enhance visible presence across the conurbation
- Partnership Action Group for Bournemouth Town Centre
- Serious Violence Strategy and Serious Violence Delivery groups to identify and tackle serious violence issues in Bournemouth, Christchurch and Poole, monitored through the statutory BCP Community Safety Partnership
- Safer Streets 5 funding - completed
- Successful grant funding from Department for Transport (DfT) for an anti-social behaviour (ASB) Community Safety Accreditation Scheme pilot managing anti-social behaviour on the public transport network - completed
- Successful grant funding under the Bus Service Improvement Programme to install 250 CCTV cameras at the most used bus stops – completed
- Pan-Dorset Prevent Partnership working to raise awareness of Prevent and Contest with partners across BCP

Risk Response Strategies

Please indicate all strategies which are being utilized in the management of this risk:

	Chosen strategy/ies:
Termination: It is impossible to remove or eliminate all risk from an undertaking but it is possible to avoid a particular identified cause.	
Transfer: Transfer does not change the risk directly but involves others in its management. The risk transfer strategy aims to pass ownership and/or liability for a particular threat to another party nearly always for payment of a risk premium. This strategy rarely transfers the 'whole' risk. Risk transfer falls into two groups: financial instruments and contractual arrangements.	
Treat: By far the greatest number of threat risks will be treated in this way. The purpose of risk treatment or mitigation is to contain the risk at an acceptable level.	✓
Tolerate/accept: There may be limited ability to do anything about some risks, or for a limited number of minor threats the cost of taking action may be disproportionate to the potential benefit gained. In these cases the most appropriate response may be to tolerate or accept the risk.	

Net risk Score – this is the rating of a risk with current mitigations in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Net Score	2	1	2		

All Significant Actions to Achieve Proposed Target Risk Score:

Please confirm the overall target score **expected completion date** and list all the significant actions required to achieve this score and **when they are each individually due to be completed**.

		Due Date/s:
Overall Target Score Expected Completion Date:		April 2025
List All Significant Actions Below:		
Action 1:	Continue Partnership Action Group and associated tactical delivery	April 2025
Action 2:	Deliver Department for Transport Grant funded ASB project	Complete
Action 3:	Community Safety Partnership Executive Board to review Community Safety concerns	October 2025
Action 4:	Prevent Week of Action to take place in October 2025 - BCP leading for the South West region	October 2025

Target Risk Score – this is projecting forward to what the scoring of a risk will be when further actions or mitigations have been completed and are in place

Assessment Level	Impact (I)	Likelihood (L)	Risk Score (IxL)	Risk Matrix	Movement during Quarter
Target Score	2	1	2		

Quarter Update

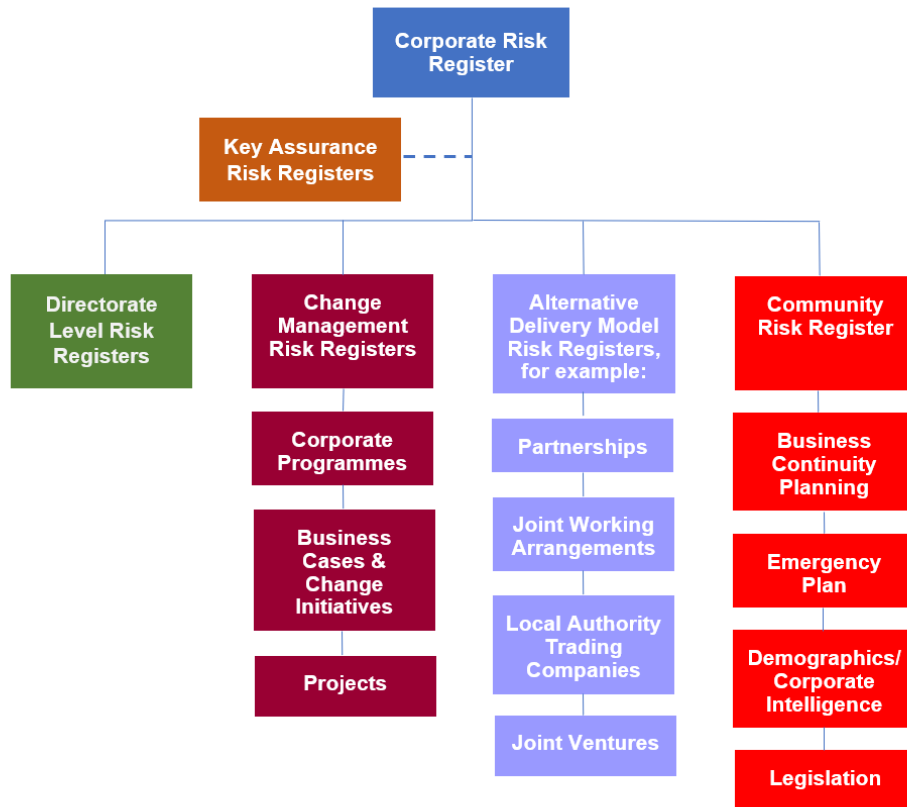
Like many locations across the country, we have seen anti- and pro-immigrations protests outside hotels housing refugees and asylum seekers in Bournemouth, Christchurch and Poole. In addition, over the August 2025 bank holiday weekend we have seen a number of incidents which appear to be hate-crime motivated - these have been widely reported in the local media. We attended an Information Advisory Group (IAG) meeting with Dorset Police and community representatives on 3 September 2025 to hear the community sentiments and concerns regarding any current community tensions around community safety. These will be further explored through September 2025 and taken to the BCP Community Safety Partnership Executive Board in October 2025 for discussions around any mitigating actions partners may want to consider.

Direction of Travel

Please provide a commentary on the direction of travel of the risk. It is appreciated risks may not change enough in a quarter to warrant a change to the scoring but please provide a direction of travel for the risk and provide an explanation against each assessment level.

Assessment Level	Direction of Travel during Quarter (please indicate: the same, increased, decreased)	Explanation
Gross Score		Although we have seen an increase in activity over the August 2025 bank holiday weekend there are mitigating measures and planned actions in place. This will be reviewed by the BCP Community Safety Partnership in October 2025.
Net Score		
Target Score		

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Health and Safety Update
Meeting date	16 October 2025
Status	Public Report
Executive summary	This report details the progress made on the delivery of the Health and Safety governance arrangements for BCP Council and highlights: • The implementation of the Governance Framework continues to be embedded and is working effectively. • The framework includes the Health and Safety and Fire Safety Board and other meetings at the agreed frequency with generally good attendance
Recommendations	It is RECOMMENDED that: (a) Audit and Governance Committee notes the continued progress in implementing the Health and Safety governance arrangements and operational updates (b) Health and Safety ongoing governance arrangements updates continue to be reported annually to the Audit and Governance Committee
Reason for recommendations	Following its meeting in October 2024, the Audit and Governance Committee requested an annual update to provide on-going assurance that health and safety governance arrangements effectively operate. The Audit and Governance Committee terms of reference include the following in the 'Other functions' section - to consider arrangements for health and safety.
Portfolio Holder(s):	Councillor Mike Cox, Portfolio holder for Finance
Corporate Director	Health & Safety - Aidan Dunn, Chief Executive
Report Authors	Rebecca Lawry, Corporate Health and Safety Manager
Wards	Council wide
Classification	For Recommendation Decision

Background

1. The service provided by the Corporate Health and Safety team is to ensure competent, specialist and risk-based advice and guidance is afforded to the Council to enable it to safely carry out its statutory duties. These duties fall under the legislative framework of the Health & Safety at Work etc. Act 1974 and assist in promoting a positive safety culture throughout the council.
2. The BCP Council Health, Safety and Welfare Policy (reviewed September 2025) sets out roles and responsibilities and places the Health & Safety and Fire Safety Board at the centre of strategic oversight and performance monitoring.
3. The BCP Council Health and Safety and Fire Safety Governance framework below details the Governance arrangements, including the Health and Safety and Fire Safety Board, directorate meetings and the Safety Supporters Forum.



Ongoing Governance arrangements assurance

4. Health & Safety and Fire Safety Board meetings, chaired by the Chief Operations Officer or Chief Executive, continue quarterly with members attending remotely via Microsoft Teams. Attendance at these meetings by Directors (or their representative) since the last report to this Committee has been reasonable.
5. As part of our health and safety procedure, directors are made aware of all reported incidents that involve colleagues in their area. Not only is this good practice but it also contributes to strengthening our health and safety culture and Governance Framework. Through the sharing of incidents to directors we can demonstrably show there is senior leadership oversight, accountability and a commitment to health and safety.
6. Most directorates hold specific quarterly Health & Safety and Fire Safety meetings via Microsoft Teams. These meetings remain critical to our Governance arrangements. In lower Health and Safety risk areas, such as support directorates, health and safety matters are incorporated into standard senior leadership meetings as a standing agenda item.

7. The Safety Supporters Forum commenced in December 2020 and has met quarterly since. The forum comprises of representatives from directorates, known as their Safety Supporters, Corporate Health and Safety, Corporate Fire Safety and Union representatives.
8. The forum provides a means for consultation with all employees as per statutory requirements. Colleagues can share best practices and issues at the workplace and operational level and it provides a two-way communication tool between employees and the Board. A Microsoft Teams channel facilitates communication between attendees. In addition, Safety Supporters are invited to their quarterly directorate meetings.

Reporting to the Board

9. The Health & Safety and Fire Safety Board meetings facilitates discussion of strategic issues and emerging trends. This ensures that the meeting remains fit for purpose and considers the evolving nature of BCP Council services, our workforce, buildings and other assets.
10. A Corporate Health & Safety and Fire Safety Risk Register is established and is regularly reviewed between and at the Board meetings. This register contains directorate high-level risks that need further mitigation measures to reduce the current risk level. These are raised at the Board to agree on necessary risk reduction measures.

Operational updates

Resource

11. The Corporate Health and Safety (H&S) team continue to sit within the Resources directorate, under Finance, Estates and Benefits. The team report to the Head of Audit and Management Assurance along with Internal Audit, Emergency Planning and Insurance & Risk Management.
12. The H&S team comprises of one Manager, two Advisors, one Junior Advisor and one Training and Business Support Officer.

Corporate work

13. Since the last Committee meeting a further two maintained schools have been visited to carry out a Safer School Inspection. Another inspection is scheduled for November 2025.

To date five inspections of our fourteen maintained schools have taken place. Generally, the Health and Safety Management processes at the schools are to a very high standard. The team continue to work with schools to improve aspects of their site management.
14. The team are in the process of producing inspection templates designed specifically for the higher risk depots and lower risk office accommodation. It is anticipated that these will be ready to be used in the next few months. These proactive inspections will ensure that we remain compliant with regulations and that services are working in accordance with our corporate health and safety procedures and best practice.
15. Following the initial procurement of lone working product solutions to a single supplier, the team are now undertaking the ordering of new products. This ensures that we can streamline the process from the initial order to the configuration, testing

and issuing of a device. We have also undertaken several face-to-face training sessions to build user's confidence which in turn fosters a positive safety culture.

Corporate systems

16. The Incident Reporting System (IRS) which provides an online reporting tool for colleagues to log accidents and near misses continues to be developed by our inhouse ICT team. Planned enhancements include back office functionality to allow faster analysis and reporting by the safety team. Further reporting categories will be added to capture other incidents such as verbal abuse and adverse events.
17. The Cautionary Contact List (CCL) has been improved to allow all colleagues to search one database. Previous council registers have now been removed from use.
18. The design of the in house health surveillance database has been completed. The database is now in use and facilitates the retention of all health surveillance information of colleagues in a centralised location. This ensures that we can meet our legal requirements in terms of record retention in a central repository.
19. Our in house ICT team are currently working on the design of a Display Screen Equipment (DSE) database. It is envisaged that the assessments will be able to be completed online and electronically retained in one location. The assessments will be easily accessed by the individual user, their manager and the Health and Safety team.

Policies and procedures

20. A fully functioning [intranet landing page](#)* exists where colleagues can access all live policies and procedures. *This is an internal link for Councillors and colleagues only.

Health and Fire Safety
Intranet Home ▾ Health and Fire Safety Home Health and Safety Library Fire Safety Library

On these pages you will find things you need to know about health and fire safety at BCP Council.

Contact:

- health.safety@bcpcouncil.gov.uk
- fire.safety@bcpcouncil.gov.uk

First Aid

- [Report an accident or near miss](#)
- [Procedure for reporting an accident or near miss](#)
- [BCP Defibrillator locations](#)
- [First Aid procedure and forms](#)
- [First Aid training](#)

Health at work

- [Working from home guidance](#)
- [Cautionary Contact List \(CCL\)](#)
- [Living safely with respiratory infections, including COVID-19 \(gov.uk\)](#)
- [Working in council buildings](#)
- [Using personal protective equipment](#)
- [Building ventilation advice](#)
- [Hot water bottle safety](#)

[View all](#)

Health and Safety Library

- [Health, Safety and Welfare Policy](#)
- [Health and Safety and Fire Safety Governance Framework](#)

[View all](#)

Fire safety

- [Fire Safety Policy](#)
- [Fire Safety Library](#)
- [Fire Safety Aide Memoirs](#)
- [Personal Emergency Evacuation Plan](#)

[View all](#)

21. Health and safety policies and procedures are reviewed annually. Many procedures are updated more frequently in response to emerging issues or to provide further clarification on particular points.

Documents that have undergone updates since the last Committee include, but are not limited to:

- Health, Safety and Welfare Policy
- Display Screen Equipment Procedure and associated form

- Lifting Operations and Lifting Equipment Procedure
- Noise Procedure and associated documents
- Personal Protective Equipment Procedure
- Safety Training Procedure
- Vibration Procedure and associated documents
- Whole Body Vibration Procedure and associated documents
- Cautionary Contact List Guidance

Health and Safety Executive (HSE) interventions

22. Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) we have a statutory duty to report certain work-related accidents to the Health and Safety Executive (HSE).
23. These notifications include fatalities (there have been none), specified injuries and over 7 day incapacitation to colleagues. Should a member of the public be taken to hospital from the scene of the accident, this is also notifiable. Additional reportable categories include Dangerous Occurrences, certain Occupational Diseases and exposure to substances known to be carcinogenic or classified as a biological agent (there have been none).
24. Between 1 October 2024 to 1 October 2025, 28 of these notifications were submitted to the HSE by the Corporate Health and Safety team. These consisted of 3 notifications reported on behalf of schools, two Dangerous Occurrences and 28 injury related reports.

Summary of financial implications

25. The 2025-26 budget for the Corporate Health & Safety is £263,400. This includes £64,000 for corporate training for all mandatory and safe levels for all colleagues across the Council. The training budget covers training for areas such as first aid, de-escalation and personal safety, asbestos awareness and duty to manage, manual handling, working at height and others.
26. Since the last Audit & Governance Committee meeting, this training budget has made it possible for the team to facilitate 68 courses. This has enabled 657 colleagues to receive essential health and safety training.
27. No material under or overspends are projected in the Health and Safety team.
28. No financial implications are arising from the specific recommendations of this report.
29. There are potential financial risks associated with inadequate or non-compliant health, safety and welfare practices that could lead to financial penalties and losses. The governance arrangements outlined in this report help to mitigate these.

Summary of legal implications

30. No legal implications are arising from the specific recommendations of this report.
31. The Council is legally obliged to have adequate health and fire safety arrangements in place and the current governance arrangements support demonstrating compliance with these obligations.

Summary of human resource implications

- 32. No human resource implications are arising from the specific recommendations of this report.
- 33. Where necessary, colleagues in People and Culture are contacted to ensure that HR implications of any health and safety management actions are considered.

Summary of environmental impact

- 34. There are no environmental impacts arising from the specific recommendations of this report.

Summary of public health implications

- 35. There are no public health implications arising from the specific recommendations of this report.

Summary of equality implications

- 36. No equalities implications are arising from the specific recommendations of this report.
- 37. Where necessary, the Corporate Health and Safety team work alongside People and Culture colleagues to ensure that both equality and health and safety aspects are considered to safeguard that equality aspects, such as disability, are suitably actioned.

Summary of risk assessment

- 38. Failure to report annually would leave the Committee unaware of continuing governance arrangements. This failure increases the risk of ongoing governance falling below acceptable standards.
- 39. Annual reporting to this Committee is considered appropriate. However, there should remain the option for exception reporting if relevant officers or members are concerned that governance arrangements may have been compromised.

Useful links:

- 40. [Health, Safety and Welfare Policy](#) (internal link only for Councillors and officers).

Appendices

None

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Emergency planning and business continuity annual report
Meeting date	16 October 2025
Status	Public Report
Executive summary	Emergency planning and business continuity are statutory duties for BCP Council. This annual monitoring report gives an overview of key activity in relation to these duties over the period concerned and provides assurance to Audit and Governance Committee with regard to these statutory duties.
Recommendations	It is RECOMMENDED that Audit and Governance Committee notes: a) The emergency planning and business continuity activity that has taken place during the monitoring period b) The improved resourcing position within the Emergency Planning Team which has enabled the team to refocus on the work programme in support of the organisation c) The background information on the national context for resilience and how this is likely to direct local level activity
Reason for recommendations	It is a statutory requirement for BCP Council to have effective emergency planning and business continuity planning and arrangements in place in accordance with the Civil Contingencies Act 2004 and to therefore ensure it can provide assistance to the communities of the BCP Council area in the event of disruption.

Portfolio Holder(s):	Cllr Andy Martin
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Alyson Whitley, Emergency Planning and Resilience Manager alyson.whitley@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For update and information

Background

1. This report provides an update on the emergency planning and business continuity arrangements in place across BCP Council and related activity during the period of this annual monitoring report from November 2024 to October 2025. It also provides information about the strategic context of emergency planning which influences and impacts local activity.
2. It is a statutory requirement for BCP Council to have effective emergency planning and business continuity arrangements in place in accordance with the seven duties placed on BCP Council as a category 1 responder under the Civil Contingencies Act 2004 (CCA).
3. As part of the council's statutory duties it has to come together under the multi-agency partnership of the Local Resilience Forum (LRF) to plan, prepare and train for emergencies. The LRF is not a legal entity; it is a partnership comprising the category 1 and category 2 responder organisations that operate within the footprint of Dorset LRF. The Dorset LRF area is coterminous with the Dorset Police boundary.
4. LRF members have to plan together to be able to use their collective resources in the most effective way in the event of an emergency. BCP Council is a constituent, accountable member of the partnership. LRF planning and activity should therefore not be seen as something separate and discrete to BCP Council. The council has a duty to ensure that it is fully engaged in both the development of multi-agency emergency plans and planning and, in the event of an emergency, responding and recovering alongside partner agencies, drawing on the full range of council resources to deliver both aspects.
5. Dorset LRF has a dedicated team funded by LRF partner agencies to facilitate multi-agency planning in line with the requirements of the CCA. This is called the Dorset Civil Contingencies Unit (CCU). The team currently has no legal responsibilities under the CCA. The accountability remains with the category 1 and 2 responder organisations who essentially pay the CCU to assist with delivering these CCA multi-agency planning responsibilities. These responsibilities are set out in the LRF CCU partnership agreement and this is monitored by the LRF Governance Board comprising a representative from each funding partner.
6. Within BCP Council, emergency planning and business continuity are council wide responsibilities with all services having a role to play in planning and preparation and responding when an incident occurs. The council is supported by a small team of resilience professionals.
7. In summary, there are two modes of activity: planning and preparation and response and recovery and these are carried out at two different levels, BCP Council (single agency) and Dorset LRF (multi agency). The BCP Council Emergency Planning and

Resilience Team supports the council in driving resilience work forward in both modes and at both levels and acts as the everyday interface with the LRF partnership.

Resilience Overview and National Update

8. At the time of the last report in October 2024, the findings of two significant public inquiries had been published in the preceding couple of months. These were the:
 - COVID-19 Inquiry Module 1 report published in July which focussed on national level planning and preparation
 - Grenfell Phase 2 report published in September which examined the response of the local authority and Government
9. The Government subsequently provided an initial acknowledgment of the findings of the public inquiries and promised to set out its strategic approach to resilience and a renewed national resilience framework.
10. In July 2025 the [National Resilience Action Plan](#) was issued, replacing the previous Government's National Resilience Framework. The plan has been aligned with the National Security Strategy and the COVID-19 Inquiry Module 1 report.
11. The national resilience plan focusses on three key areas:
 - a. All-hazards approach – to build resilience across the increasingly volatile and varied risks we face
 - b. Whole of society - how the UK Government is taking action to build our national resilience and how it will support the whole of society to build their own resilience
 - c. Supporting vulnerable people – experience has shown that the consequences of emergencies are often disproportionately felt across society. Assessing and planning for people who are vulnerable in different types of emergencies is core to the action plan.
12. New national guidance on identifying and supporting persons who are vulnerable in an emergency was issued in March 2025 and is being considered as part of internal and multi-agency planning.
13. At a local level we are waiting to see how the national resilience action plan will cascade down to LRFs and category 1 responders with corresponding shifts in expectations and the potential for legislative changes. Whilst putting mechanisms in place to help develop community resilience is one of the national resilience standards for LRFs, it is worth noting that there are currently no legal duties in relation to community resilience for category 1 responders set out in the CCA. This is potentially under consideration for the 5-yearly review of the legislation due in 2027. It was considered as part of the last review in 2022 but was not adopted as a change.
14. The Government has, however, recently undertaken a consultation on a change to Regulation 23 of the CCA which currently requires category 1 responders to have regard to the activities of relevant voluntary organisations in their area when preparing for and responding to emergencies. The Grenfell Tower inquiry recommended strengthening partnership working requirements between category 1 responders and voluntary, community and faith (VCF) organisations. The proposal is that, in future, category 1 responders will be required to establish and maintain partnerships with VCF organisations in the area. The emphasis of this change is on preparing for and responding to emergencies rather than developing community resilience, but it demonstrates the intent and the first potential change in legal requirements.
15. A further recommendation from the Grenfell public inquiry is that humanitarian assistance should be recognised as the ninth principle of emergency management (the others being anticipation, preparedness, subsidiarity, direction, information, integration,

cooperation and continuity). Human aspects or humanitarian assistance is 'those activities aimed at addressing the needs of people affected by emergencies; the provision of psychological and social aftercare and support in the short, medium and the long term'. (Eyre et al, 2007). This may include survivors of an incident, the family and friends of survivors and the deceased, those responding to the emergency, and the community living and working in the area affected. It is about ensuring timely, practical support with a sympathetic and understanding approach to enable those affected to recover both practically and psychologically. It is important that the humanitarian assistance response to any incident is considered as early as possible in response and is co-ordinated effectively.

16. Government has accepted this recommendation and has published for consultation a draft National Resilience Standard for Humanitarian Assistance for all LRFs to meet. It sets out basic level compliance and then additional levels of good and leading practice that LRFs will, in future, be judged against. Local authorities are the lead organisations for humanitarian assistance planning and co-ordination and BCP Council will have an important role in delivering against this. This new, draft standard is being reviewed by the Dorset LRF Human Aspects Working Group which is chaired by BCP Council Emergency Planning. As set out in last year's report, it has been agreed in principle to introduce the Human Aspects Lead Officer (HALO) role undertaken by a senior officer in the local authority to co-ordinate the multi-agency human aspects response from the start of the response and into the recovery. Adoption of the HALO model was also a recommendation from the Grenfell public inquiry.

BCP Council Resilience Update

17. Following successful recruitment in the summer of 2024, the Emergency Planning Team has now been at full complement (four team members) for a year. There is therefore a much-improved resourcing picture compared to last year's report to committee. This has enabled the team to start getting back on track with work that had had to be delayed and to provide greater support to services.
18. Whole of society resilience has been embedded into the National Resilience Action Plan and was also a core component of the previous National Resilience Framework. Last year BCP Council approved a new part-time role dedicated to community resilience and the Community Resilience Officer has been in post since March this year. The post sits within Communities but works in close conjunction with the Emergency Planning Team.
19. As part of this work, two awareness sessions on community resilience for councillors are being held, the first one at 5 p.m. on 21 October and a second one planned for November with the date to be confirmed. Elected members have a crucial role to play in supporting the development of community resilience and this awareness session is to raise awareness and start engagement with councillors.
20. BCP Council has been granted £30,000 by Dorset LRF through this year's national LRF capacity funding allocation to be used to deliver against community resilience objectives. BCP Council's community resilience objectives are:
 - Priority 1: Community resilience in known high risk/vulnerable areas e.g. flood warning areas, areas prone to wildfire, areas previously subject to significant power outages following storms
 - Priority 2: Improved community resilience across BCP - looking at community emergency response plans for Parish and Town Councils, community networks, community led 'emergency contact hubs', role of councillors in community resilience
21. Some of last year's LRF funding was used to purchase a number of heavy-duty power banks with solar panels that could be delivered to communities in a power

outage such as Storm Eunice in March 2022 where a small number of roads in a more remote part of Hurn were without power for 5-6 days. BCP Council has been allocated four power banks which are now held at the Civic Centre and can be deployed as part of our emergency response if and when this capability is required.

22. At a BCP Council level both tiers of the resilience governance structure, the Resilience Board and the Resilience Forum, which look to monitor and embed resilience across the organisation have continued to meet. The Resilience Board maintains a risk register of cross-cutting risks related to resilience that it monitors. A copy of the Board risk register overview can be found at Appendix A. Many of the items discussed in this report are reflected on the Board risk register.
23. The Board recently had a presentation from the Environment Agency in conjunction with BCP Council Flood and Coastal Erosion Risk Management (FCERM) to look at the strategic flood risk across BCP Council and what this means in the longer term. It highlighted the national shift towards becoming flood resilient rather than purely building lots of new defences. This echoes the national focus of whole of society resilience and the need for all our communities to adapt to the increased risk of river, coastal and surface water flooding that can impact everyone's daily lives. The EA is soon to embark on public engagement regarding the Lower Stour flood risk strategy and is keen to work with relevant council departments on the best way to engage with a range of communities that may be affected.
24. A new corporate-wide BCP Council Security Group has been established, chaired by the Chief Operations Officer as a first step to embedding a security culture across the organisation. BCP Council has a disparate range of duties and requirements under the broad heading of security. These include three of the four pillars that sit under the national counter terrorism strategy ([CONTEST 2023](#)); Protect, Prepare and Prevent. Pursue, the fourth pillar, is undertaken by national and local counter terrorism police. These sit alongside the council's wider duties to staff and public for the four areas of public, personnel, cyber and physical security (buildings and public realm spaces). Different areas of the council are involved and responsible for delivering against these various aspects of security.
25. The inaugural meeting of the group took place in early September, and the group will meet quarterly and report to the BCP Council Resilience Board. Its objectives, as set out in the group's terms of reference, are:
 - To provide a strategic forum for corporate oversight and co-ordination of all security-related matters across BCP Council to ensure an effective joined-up approach, communication channels and pan-organisational awareness.
 - To have a single point of contact for BCP Council for security matters at an executive level supported by nominated lead officers for the three CONTEST pillars.
 - To receive updates on any security-related issues that have occurred during the quarter and to consider BCP Council learning and any corporate actions required to address these.
26. The BCP Council power outage working group supported by the council's Project and Programme Management Team has met three times over the past few months and four workstreams have been established. These are:
 - a. Command and control
 - b. Warning and informing
 - c. People
 - d. Infrastructure

27. A council response protocol for a power outage is being drafted for November which will give basic response information with more development work to follow in the new year. This is a complex piece of work as it seeks to tackle issues such as how do you respond to an emergency with a prolonged loss of communications, power and infrastructure that we take for granted. The work will not only be useful to help manage the response to such an extreme risk but will help to enhance BCP Council's resilience and its wider emergency response capabilities in the round.
28. BCP Council has been looking to address the recommendations arising from the Grenfell public inquiry. One of the recommendations emphasised *'the need for the staff of local authorities to treat resilience and preparedness for emergencies as an essential part of their responsibilities'*. As a result of this, a standard clause in relation to emergency response is being added to all new BCP Council contracts being issued under Pay and Reward.

Emergency Response

29. The two most significant emergency responses during the monitoring period have been in response to storms Bert (November 2024) and Eowyn (January 2025). Storm Bert saw flooding on the Lower Stour and resulted in the proactive evacuation of residents of Iford Bridge by multi-agency partners and ultimately a number of rescues of residents who decided to remain in situ and had to be taken out by boat due to surrounding flood water. BCP Council mobilised staff from Adult Social Care, Housing, FCERM and Private Sector Housing Enforcement to Iford Bridge in support of residents. The response lasted several days and presented a number of challenges. Storm Eowyn looked to be a repeat of Storm Bert but in the end the water did not quite reach the same levels. Residents were again encouraged to evacuate to avoid the risk of flooding.
30. A full debrief took place for both incidents and a debrief report was produced and presented at the Resilience Board. There were a number of learning points with a range of recommendations including the production of a site-specific flood response plan for Iford Home Park and further work to look at staffing capacity and health and safety and welfare of responding staff.
31. Iford Bridge Home Park site is licensed by BCP Council and the council has now prosecuted the home park site owner three times for non-compliance with the conditions of its site licence, some of them related to flood resilience. This has not, however, as yet resolved the issue and the council continues to look at how this can best be addressed.
32. BCP Council responded to the significant fire and evacuation at the Gainsborough care home in Swanage. Whilst not located within the BCP Council area, BCP residents were living in the care home and were affected by the incident. BCP Council staff were mobilised to the incident to ensure an appropriate response.
33. There have been a significant number of wildfires over the monitoring period and these started quite early in the year in March. A reasonable proportion of these were classed as deliberate. Based on recent years, the wildfire season is extending and starting earlier. None of the fires in the BCP Council area reached major incident status but did require significant assets to extinguish them. The Holt Health fire near Wimborne was declared a major incident due to its severity and the mobilisation of national assets and fire and rescue services from all over the country to tackle it.
34. There were a number of avian flu cases in both the captive and the wild bird population in May and June and a 3km monitoring zone was put in place around the Hurn by the Animal and Health Plant Agency (APHA), supported by the BCP Council Animal Health. The Countryside Team dealt with the cases in the wild bird population. Comms and Public Health were also involved. The Emergency Planning Team facilitated a learning event after the incidents to assist with identifying learning. Issues

at the time were access to PPE and fit testing for FFP3 masks as well as a lack of national clarity on who leads on cases in the wild bird population as APHA do not. This has been escalated to a national level for clarity to feed into the update of the Dorset LRF animal disease response plan (see emergency planning update below).

Emergency Planning Update

35. One of the seven duties as a category 1 responder is to warn and inform the public before, during and after an emergency. Each individual agency has this responsibility, but there is also a requirement to do so on a multi-agency basis with a co-ordinated approach. With various organisational changes across the Dorset and wider area, the LRF warning and informing group that met to undertake planning work collectively lost its chair and ceased to meet. Warning and informing had been flagged up as a gap through the LRF capability risk reviews. The Director of Marketing, Communications and Policy for BCP Council has taken on strategic leadership for warning and informing and has relaunched this group on behalf of the LRF. A strategic level warning and informing group has met twice over the past few months, has produced a warning and informing strategy setting out the approach to warning and informing, and is in the process of completely rewriting the out-of-date warning and informing plan. This draws on collective experience and learning, both positive and negative, of the past few years responding to incidents such as COVID, wildfires, flooding, evacuations and protests.
36. A Duty LALO scheme and weekly rota was launched at the start of September. The LALO, Local Authority Liaison Officer, is an officer deployed to the scene of an incident to act as the council's eyes and ears and to feed back useful information to help the council manage its response. Until now this has been done on an ad hoc basis. It has taken some time to get to this point as those on the rota have been drawn from staff volunteering to take on this specialist emergency response role on top of their day jobs. The rota works on a weekly basis with an officer on call as part of a paid rota 24/7. The next step is to implement a similar rota for Duty Loggist, but previous attempts to secure volunteers have to date failed. Work is ongoing with the Business Support Team to find a way forward.
37. Local authorities are deemed to be the lead planner and co-ordinator of human aspects planning and response along with the lead agency for recovery. The human aspects area of work and the associated plans have been identified as a gap across Dorset LRF and been highlighted on the LRF business risk register. An LRF funded Human Aspects Co-ordinator was recruited into the BCP Council Emergency Planning Team from May 2024 to April 2025. No further funding was available to continue the post into this financial year and therefore the work has fallen back to the BCP Council Emergency Planning Team to lead the Dorset LRF Humanitarian Assistance Working Group and continue to drive this important area of work forward rather than having a dedicated resource.
38. A key role of the local authority is to provide emergency shelter and support to those who may be evacuated from their homes as a result of an emergency. This is done through the provision of rest centres. The BCP Council Supporting People in Emergencies: Rest Centre Plan setting out how the council will go about doing this including appropriate venues that could be used has been produced and been signed off by the Resilience Board. A training programme for staff has been developed to aid the role out of this plan. The Emergency Planning Team are running 5 separate sessions and at the end of this about 100 staff from Adult Social Care, Children's, Housing and Communities will have been trained.
39. An Iford Bridge Home Park flood response plan has been produced following the learning and recommendations from Storm Bert. The plan was developed in conjunction with a range of services, has been through a consultation and been approved by the Resilience Board. The wider BCP Council flood response plan is

currently out for consultation with services. This plan again draws on learning from last winter's storms and flooding.

40. In terms of other plans, BCP Council has contributed to the review and refresh of the following LRF response plans:
 - a. Coastal pollution
 - b. Rockfalls and landslides
 - c. Excess deaths
 - d. Loss of utility – potable water
 - e. Animal disease
 - f. Major accident hazard pipeline (MAHP)
 - g. Off-site emergency plan for Alderney 8 Reservoir (BCP Council lead responsibility)
41. As part of the ongoing humanitarian assistance work, a Dorset multi agency reception centre framework document has been out for consultation along with a draft LRF psychosocial plan. BCP Council has been instrumental in driving this work forward. Further work is required to develop detailed plans for areas of response such as survivor reception centres and friends and family reception centres. These will be drawn on in planning for significant response operations and exercises coming up later this year.
42. BCP Council is participating in Exercise Pegasus, the national pandemic flu exercise taking place in three phases in September, October and November with Government playing at the end of one week and local play taking place at the start of the next week. LRFs have been asked to work through a workbook of questions and issues based on the decision taken by Government the week before. Dorset LRF is using the opportunity to sense check its draft LRF and Local Health Resilience Partnership (LHRP) communicable disease and pandemic response plans and identify any gaps.
43. BCP Council will also be playing a significant role in a 2-day multi-agency live play exercise taking place in the BCP Council area in the new year. This will provide the council with an opportunity to look at its own and multi-agency humanitarian assistance plans and processes and put these to the test as well as giving staff a chance to rehearse their roles. There is a lot of preparatory work required to deliver this as there are currently gaps in some of the LRF humanitarian assistance planning as referenced above.

Business Continuity Update

44. Business continuity is a complementary duty to emergency planning in that it is inward facing, looking at how the council responds to an internal disruption to its everyday running. It is ultimately designed to ensure that the council can still continue to deliver critical services and support its communities, even in the event of an emergency.
45. All services were required to undertake a test of their cascade arrangements to staff using the Microsoft Office 365 portal as part of this as its use is built into business continuity plans. This was so that staff had the opportunity to try this out on non-corporate devices and understand how they could access it and what it would and would not allow them to do. The test was generally considered to be a success with useful learning for services.
46. All services are also required to undertake an annual review of their service business impact assessment and service level continuity plan to ensure these are up to date. Progress against this is reported to the Resilience Board. Within this planning, services

are asked to consider a loss of electricity and this is being used to inform some of the activity of the BCP Council power outage working group.

47. The South West Regional Cyber Crime Unit (RCCU) been invited to deliver an exercise to test the council's cyber response plan and related business continuity arrangements on 9th December. This is an important activity as the risk of experiencing and having to recover from some form of cyber incident is ever growing.

Summary of financial implications

48. There are no direct financial implications of this report. The council's Emergency Planning and Resilience Team has an operating budget of £336,700 for 2025/26. This budget provides the funding for 4 staff as well as standby and call out payments for the 24/7/365 pool of Emergency Planning Duty Officers (Bronze) and the other specialist emergency response roles discussed in paragraph 19. Gold and Silver duty holders are not paid to be on call or if called out, this having been evaluated within the pay and grading of their core roles. There is also a £72,900 budget for the council's contribution to the Dorset CCU as described in paragraph 4.

Summary of legal implications

49. Failure to have in place effective emergency planning or business continuity planning and arrangements may result in the council not meeting its statutory requirements under the Civil Contingencies Act.

Summary of human resources implications

50. There are no direct human resources implications from this report.

Summary of sustainability impact

51. There is no direct sustainability impact from this report. However, it should be noted that the frequency of emergencies related to severe weather, be it extreme heat, drought, wildfires, storms or flooding, is likely to increase over coming years as a result of climate change. Having seen the range of extreme and intense weather-related incidents experienced across the country and around the globe this year, the council needs to ensure it is well prepared to respond to the consequences of these through its emergency planning and preparedness alongside any mitigation and adaption measures through its climate change programme.

Summary of public health implications

52. There are no direct public health implications from this report. Having emergency and business continuity plans in place in line with the council's statutory duties means that it will be better placed to respond to public health emergencies or public health consequences of incidents as and when they occur.

Summary of equality implications

53. There are no direct equality implications from this report. include the impact assessment summary taken from either of the above documents with a link to full documents or attach as appropriate OR

Summary of risk assessment

54. Failure to have in place effective emergency planning and business continuity arrangements could result in the council not being able to effectively respond to an emergency affecting Bournemouth, Christchurch and Poole or not being able to deliver critical services in the event of disruption.
55. As resource becomes more stretched across the council, the engagement from services in the planning side of emergency planning and business continuity becomes increasingly pressured. Resilience activity is often seen as an 'add on' to the day job rather than being seen as part of it and this intensifies when services are under significant pressure. This means that it is harder to progress work and that the timeframes for completing work are becoming longer. This can lead to gaps in plans and capability. It also means that staff often do not engage in or withdraw at the last minute from training and exercising although this is part of the organisation's legal responsibilities under the CCA.

Background papers

None

Appendices

Appendix A – BCP Council Resilience Board Risk Register Overview

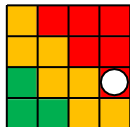
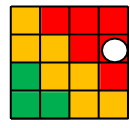
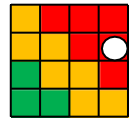
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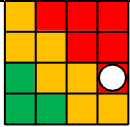
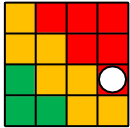
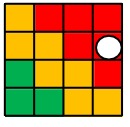
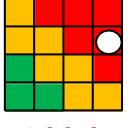


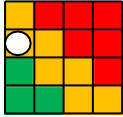
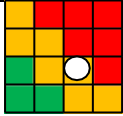
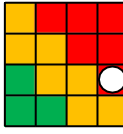
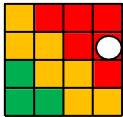
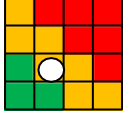
Resilience Board Risk Register Overview

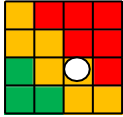
Overall responsible officer – Aidan Dunn, Chief Executive

Cabinet Member for Emergency Planning and Response – Cllr Andy Martin

Risk Ref	Risk Title	Current Score	Risk Strategy	Risk Owner	Risk Status
RGB1	Failure to adequately respond to an incident involving the activation of the corporate emergency plan (de-escalated from the Corporate Risk Register to this Board risk register)	 8 high	Treat	Aidan Dunn, Chief Executive	Active risk 
RGB2	Failure to provide adequate services as a result of an incident requiring a business continuity response (de-escalated from the Corporate Risk Register to this Board risk register)	 12 high	Treat	Aidan Dunn, Chief Executive	Active risk 
RGB3	A lack of resource (financial and staffing) leads to an inability to undertake an appropriate all hazards approach to planning across the organisation	 12 high	Treat	Aidan Dunn, Chief Executive	Active Risk 
RGB4	A lack of suitability trained or experienced staff are available for incident response. This includes		Treat	Sarah Deane, Director of People	Active risk

Risk Ref	Risk Title	Current Score	Risk Strategy	Risk Owner	Risk Status
	staff with up-to-date professional development in response including specialist emergency response roles such as Golds, Silvers, Duty Officers and LALOs but also staff who could be pulled in to support the emergency response.	 8 high		and Culture	↔
RGB5	Lack of a properly resourced and equipped resilient incident co-ordination centre (partly due to a lack of a resilient building from which to continue operations)	 12 high	Treat	Matti Raudsepp, Director of Customer and Property Operations	Active risk ↓
RGB6	Lack of resilient telecommunications	 8 high	Treat	Sarah Chamberlain, Director of IT and Programmes	Active risk ↔
RGB8	Inability to collate vulnerable people and establishment data and map it in a timely fashion to support incident response	 12 high	Treat	Director Wellbeing	Active risk ↔
RGB9	Inability to deliver an effective humanitarian assistance response including the set up and running of rest centres, survivors' reception centres and humanitarian assistance centres and lead the wider multi-agency humanitarian response.	 12 high	Treat	Director Wellbeing	Active risk ↔

Risk Ref	Risk Title	Current Score	Risk Strategy	Risk Owner	Risk Status
RGB10	Lack of a co-ordinated approach to increasing community or whole of society resilience across the BCP Council area.	 3 medium	Treat	Kelly Deane, Director of Housing and Public Protection/Rob Carroll, Director of Public Health and Communities	Active risk 
RGB11	Inability to implement the requirements of the National Emergency Plan for Fuel or deliver critical services in a fuel disruption.	 6 medium	Treat	Betty Butlin, Director Adult Social Care	Active risk 
RGB12	Inability to deliver an effective emergency response in the event of a national power outage	 8 high	Treat	Isla Reynolds, Director of Marketing, Comms & Policy	Active risk 
RGB13	Lack of a corporate training and exercising programme for emergency planning and business continuity	 12 high	Treat	Adam Richens, Director of Finance	Active risk 
RGB14	Failure of the corporate resilience governance arrangements	 4 medium	Treat	Aidan Dunn, Chief Executive	Active Risk 

Risk Ref	Risk Title	Current Score	Risk Strategy	Risk Owner	Risk Status
RGB15	Lack of clarity of the role of councillors in emergency planning and response	 6 medium	Treat	Robin Watson, Director Law and Governance	New Risk

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Internal Audit – Quarterly Audit Plan Update
Meeting date	16 October 2025
Status	Public Report
Executive summary	This report details progress made on delivery of the 2025/26 Audit Plan for the 2nd quarter (July to September 2025 inclusive). The report highlights that: • 18 audit assignments have been finalised, including 16 'Reasonable' and two 'Partial' audit opinions; • 25 audit assignments are in progress, including 3 at draft report stage; • Progress against the audit plan is on track and will be materially delivered to support the Chief Internal Auditor's annual audit opinion; • 10 'High' priority audit recommendations have not been fully implemented by the original target date and 3 'Medium' priority recommendations have (or will) not be implemented within 18 months of the original target date. Explanations from respective services have been provided and revised target dates have been agreed. The Revenues Compliance Team continue to identify and recover Single Person Discount errors and have so far achieved an additional council tax yield of £306,425 since December 2024 (both 2023/24 and 2024/25 NFI matches).
Recommendations	It is RECOMMENDED that Audit & Governance Committee: Note progress made and issues arising on the delivery of the 2025/26 Internal Audit Plan. Note the explanations provided for non-implemented recommendations (Appendix 1) and determine if further explanation and assurance from the Service / Corporate Director is required.
Reason for recommendations	To communicate progress on the delivery of the 2025/26 Internal Audit Plan. To ensure Audit & Governance Committee are fully informed of the significant issues arising from the work of Internal Audit during the quarter.

Portfolio Holder(s):	Cllr Mike Cox, Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Not applicable
Classification	For Information

Background

1. This report details Internal Audit's progress against the 2025/26 Audit Plan for the period July to September 2025 inclusive ("Quarter 2") and reports the audit opinion of the assignments completed during this period.
2. The report also provides an update on significant issues arising and implementation of internal audit recommendations by management (as at 30 September 2025).

Delivery of Internal Audit Plan –Quarter 2 2025/26

3. 18 audit assignments have been **finalised** as outlined below:

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
	2024/25/26 Audit Plan					
1	Investment & Development	Housing Acquisitions Programme Review ➤ Programme Governance – including review of officer decision records ➤ Programme Budget – including calculation, forecasting, reporting & overspend ➤ Compliance with Financial Regulations – including approvals & breach reporting ➤ Programme Funding – including grants ➤ Fraud – including potential risk areas ➤ Lessons Learned	Partial	3	7	0
2	Housing & Public Protection	Housing Rents ➤ Former Tenant Arrears – including recovery & write offs ➤ Current Tenant Arrears – including recovery of arrears ➤ Performance Metrics ➤ Rent Accounts – including set up of accounts & audit trails ➤ Calculation of Rents ➤ Reconciliations	Reasonable	0	4	0
3	Environment	Coroner & Mortuary Service ➤ Review of Services and Costs as per Shared Coroner and Mortuary Service Agreement with Dorset Council – including key governance and financial management arrangements	Reasonable	0	6	2
4	Commercial Operations	Car Parking Income ➤ Strategic and operational planning arrangements – including contractual arrangements ➤ Fees and charges including parking permits and season tickets ➤ Income collection, storage, banking, reconciliation and refunds – including cash, card payments & parking apps/pay by phone ➤ PCN appeals, disputes, refunds and amendments, including debt recovery, write-offs and reporting	Reasonable	0	7	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
5	Education & Skills	Schools Financing ➤ Financial oversight of Maintained School Budget – including review of: • Projected budget forecasts (three years / year to date) out turn • Processes for managing budget deficits considering any sufficiency and strategic planning	Partial	3	1	0
6	Commercial Operations	Seafront Planning Compliance ➤ Compliance with Planning Requirements ➤ Ensuring planning requirements have been met for the Seafront / Commercial Operations temporary facilities, including review of: • the application / award and monitoring processes • sample of temporary facilities to ensure compliance against planning requirements • progress made against the actions identified	Reasonable	0	1	0
2025/26 Audit Plan						
7	Housing & Public Protection	Leaseholder Charges ➤ Governance – including policies & procedures, performance information & reporting ➤ Leaseholder & service charges – including charge calculation & leaseholder information maintenance & reconciliations ➤ Billing & collection – including charge billing, income monitoring & refunds ➤ Arrears - including monitoring & collection	Reasonable	0	7	1
8	Marketing, Comms & Policy	Social Media Management ➤ Governance and Policy Framework – including approval process for account creation and content publishing, and crisis communication protocols ➤ Account Inventory and Oversight – including management of accounts, dormant accounts & actions taken over unauthorised accounts ➤ Monitoring and Analytics – including reach and engagement with audience	Reasonable	0	4	3
9	IT & Programmes	BACS Bureau ➤ Governance – including procedures & reconciliations between BACS payments made and BACS files prepared ➤ Permissions – including user permissions & separation of duties ➤ Business Continuity	Reasonable	0	3	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
10	Customer & Property	Customer - Corporate Complaints ➤ Governance Arrangements – including policies, procedures, training, oversight and ensuring compliance with best practice guidance ➤ Performance Management – including ensuring compliance with documented complaints handling processes and timescales ➤ Corporate Complaints Centralisation Project - review of project management arrangements for the corporate complaints centralisation project ➤ Counter Fraud Arrangements	Reasonable	0	1	2
11	Children's Service	Children's Complaints ➤ Governance Arrangements – including policies, procedures, roles & responsibilities and oversight arrangements ➤ Complaints Performance – including review of sample of complaints to ensure they comply with process & timescales, and use enhance service quality ➤ Complaints classification – including ensuring correct classification between complaints and service requests	Reasonable	0	1	1
12	Finance, Estates and Benefits	Financial Assessments ➤ Social Services Financial Assessments – including compliance with legislation ➤ Deferred Payments – including application process, management of payments & recovery of funds	Reasonable	0	1	1
13	Planning & Transport	Concessionary Travel (Counter Fraud) ➤ Review of arrangements for the operation and management of concessionary fares to ensure the risk of fraud is minimised including: • Policies and procedures • Eligibility, application, renewal and changes of circumstances process • Usage monitoring to identify unused, misuse or fraudulent used passes • Vendor claims and contract – transport provider claims for reimbursement • Prevention & detection of fraudulent use & claims (incl. National Fraud Initiative)	Reasonable	0	2	1
14	Finance, Estates & Benefits	Housing Benefit and Council Tax Reduction Scheme (KFS) ➤ Review of any system or process changes and their impact on service delivery ➤ Ensure key controls operating over assessments, overpayments and reconciliations	Reasonable	0	0	0

	Service Area	Audit & Scope	Audit Opinion	Recommendations		
				High	Med	Low
15	Children's Services	St Joseph's Catholic VA Primary School ➤ Review arrangements to ensure effective internal controls are in place over: Governance, Budgeting, Purchasing, Income & Banking, Payroll, Asset Management, and Insurance	Reasonable	0	4	7
16	People & Culture	Business Planning & Performance Management (Service KAF) ➤ Review of business planning arrangements including the Service plan, objectives, roles and responsibilities and Service Level Agreements ➤ Review of performance management arrangements including relevant KPIs, performance reporting and monitoring of performance data	Reasonable	0	1	0
17	Housing & Public Protection	Food Safety Regulatory Compliance ➤ Governance and performance – including review of • Policies, roles & responsibilities for compliance with the Food Safety Act (FSA). • Performance and management oversight arrangements • Risk Management arrangements ➤ Food Safety and Inspection Procedure – including review of • Food inspection process (compliance with corporate policies and legislation, record keeping, inspection prioritisation process) ➤ Reporting to the FSA	Reasonable	0	4	1
18	Planning & Transportation	Bus Subsidy Arrangements ➤ Policies and Procedures/Governance – including ensuring changes made to bus subsidy arrangements are robust, fair and transparent ➤ Process – including policy/procedure, processes in place for changes to bus subsidy routes, changes to bus subsidy routes comply with relevant legislation ➤ Reporting arrangements – both public reporting (notifying residents of changes to routes and challenge) and Internal reporting	Reasonable	0	1	0
Total Recommendations				6	55	19

Key:

- **Substantial Assurance** - There is a sound control framework which is designed to achieve the service objectives, with key controls being consistently applied.
- **Reasonable Assurance** - Whilst there is basically a sound control framework, there are some weaknesses which may put service objectives at risk.
- **Partial Assurance** - There are weaknesses in the control framework which are putting service objectives at risk.
- **Minimal Assurance** - The control framework is generally poor and as such service objectives are at significant risk.

- **KFS** – Key Financial System
- **KAF** – Key Assurance Function

Partial Assurance Audit Opinions

4. There were two 'Partial' assurance audit reports issued during the quarter as follows:

2024/25/26 Investment & Development – Housing Acquisitions Programme Review

– three high and seven medium priority recommendations were made to address the following issues:

High Priority	
Overall Programme Governance	Programme targets not clearly established and lack of dedicated programme board with associated monitoring arrangements.
Officer Decisions Records	Officer Decision Records (ODRs) were lacking key information.
Programme Budget Expected Outturn	Additional funding was not reflected and/or clarified in the overall programme budget.
Medium Priority	
Budget Calculation	No evidence to support original calculation of programme budget.
ODR Refurbishment Cost Details	ODRs did not include additional external contractor work costs.
Programme & Budget Reporting	Latest annual progress update report to Cabinet in December 2024 did not include a financial implications section.
Procurement Process	Unable to confirm that Procurement Decisions Records were in place for expenditure with several third party contractors.
Grant Claim Oversight	Lack of management oversight of grant claims for each property acquisition.
Funding Transparency	No clear approval for change of funding for three property acquisitions from Housing Revenue Account to General Fund.
Conflicts of Interest	No formal process for dealing with conflicts of interest relating to property acquisitions has been established or documented.

2024/25/26 Education & Skills – Schools Financing (Deficit Management) – three high and one medium priority recommendations were made to address the following issues:

High Priority	
Maintained School's Deficit Position 2024/25	There are no agreed deficit recovery plans in place for three schools who are in a reserve balance deficit as required by the DfE.
Special School Deficit	The special school banding review may increase funding from when it is implemented, however, a large deficit for one special school needs to be considered.
Roles & Responsibilities for managing deficit recovery	There are no defined internal processes for managing and responding to maintained school deficit positions and recovery.
Medium Priority	
BCP Financing for Maintained Schools	The BCP Financing for Maintained Schools scheme has not been updated since 2019.

5. There were no 'Minimal' assurance audit reports issued during the quarter.
6. There were no "Risks Accepted" formally accepted during the quarter.
7. The status of **audits in progress** at the end of the quarter are outlined below:

	Service Area	Audit	Progress
1	Adult Social Care	Deprivation of Liberty Safeguards	Draft
2	IT & Programmes	ICT (Core KAF)	Draft
3	IT & Programmes	Guest WIFI Networks	Draft
4	Adult Social Care	Direct Payments (Counter Fraud)	Fieldwork
5	Adults Commissioning	Out of Borough Placements	Fieldwork
6	Children's Social Care	Parenting Assessment Team	Fieldwork
7	Commercial Operations	Cash Income - Seafront Arcade	Fieldwork
8	Customer & Property	In House Team Operating Model	Fieldwork
9	Finance, Estates and Benefits	Financial Management (Core KAF)	Fieldwork
10	Finance, Estates and Benefits	Main Accounting (KFS)	Fieldwork
11	Finance, Estates and Benefits	Moveable Assets (Counter Fraud)	Fieldwork
12	Finance, Estates and Benefits	Contract Payments (Counter Fraud)	Fieldwork
13	Law & Governance	Officer Decision Records	Fieldwork
14	People & Culture	Business Continuity (Service KAF)	Fieldwork
15	People & Culture	HR / Payroll Data (Data Analytics)	Fieldwork
16	People & Culture	Payroll (KFS)	Fieldwork
17	Planning & Transport	Business Planning & Performance Management and Risk Management (Service KAF)	Fieldwork
18	Public Health & Communities	Public Health Grant	Fieldwork
19	Children's Social Care	Pathway Plans	Scoping
20	Customer & Property	Blue Badges (Counter Fraud)	Scoping
21	Environment	Passenger Transport Operations (KAF)	Scoping
22	Finance, Estates and Benefits	Council Tax (KFS)	Scoping
23	Finance, Estates and Benefits	Non-Domestic Rates (KFS)	Scoping
24	Housing & Public Protection	Procurement & Contract Management (Service KAF)	Scoping
25	IT & Programmes	Application Development	Scoping

8. The 2025/26 Audit Plan has been kept under review to ensure that any changes to risks, including emerging high risks, are considered along with available resource. The table below shows the changes which have been made to the Audit Plan during quarter 2.

9. Due to changes within the team (see paragraph 35 below), there are approximately 120 core audit days less available during 2025/26 than originally planned. These have been found from the audits identified in the table below and those previously reported to Committee.
10. Wherever possible, alternative sources of assurance have been identified for those areas removed from the plan, including from other assurance providers, such as Care Quality Commission and Housing Inspectorate, or alternative Internal Audit work, such as follow up of recommendations.

Table showing amendments to the 2025/26 Internal Audit Plan (during Quarter 2)

Service Area	Audit	Added / Removed (Days)	Internal Audit Risk Score	Rationale
Housing & Public Protection	Housing Quality New Social Housing Regulations Compliance	Removed (-15)	High	The Regulator of Social Housing have announced they are carrying out an inspection at BCP Council in October, the scope of which is anticipated to cover the same areas as the proposed audit. Internal Audit have provided information to the service in preparation for the inspection. Assurance for this area in 2025/26 will be provided by the Inspectors' report.
Housing & Public Protection	Port Health	Removed (-10)	Medium	This has been postponed to 2026/27 due to the gap in resource identified in paragraph 9 above. This was chosen as it was a 'medium' risk.
ASC Commissioning	ASC Commissioning Recommendation Follow Up	Removed (- 5)	High	The recommendations for this audit will be followed up as part of the standard follow up process. Although no issues are anticipated, if any concerns are identified as part of the normal process, then a targeted audit will be undertaken. Assurance for this area in 2025/26 will be provided via the standard follow up process and outstanding recommendations flagged in the Quarterly report process.
Commercial Operations	Major Events Governance	Removed (- 20)	High	This has been postponed to 2026/27 to allow for the Council's response to Martyn's Law to be included in the scope. A full audit of this area was carried out in late 2022/23 and the recommendations have recently been followed up. Assurance for this area in 2025/26 has been provided via the standard follow up process. The one outstanding medium recommendation is shown in Appendix 1.
Commercial Operations	Business Continuity (Service KAF)	Added (+ 20)	Medium	In conjunction with the Service Manager, this was added as a replacement audit for Major Events Governance to ensure sufficient audit coverage in Commercial Operations. The scope will include review of business continuity

				arrangements in the service, including compliance with corporate requirements.
Housing & Public Protection / Customer & Property	Asset Management (Facilities Management) – BCP Homes Health & Safety Compliance	Removed (- 20)	High	A detailed audit of this area was carried out in 2024, the results of which were reported to Audit & Governance Committee in October 2024 as this was a 'partial' assurance report. The recommendations in the report have been followed up as part of the standard follow up process and all recommendations, bar one medium, have been implemented. Assurance for this area in 2025/26 has been provided via the standard follow up process. As no areas of concern were identified during the follow up, further Internal Audit work was not considered necessary during the year. Note – an Asset Management (Facilities Management) Health & Safety Compliance review for BCP Leisure will be carried out during Quarter 4 – which is also delivered by the Facilities Management in Customer & Property.
Law & Governance	ICT (Service KAF)	Removed (- 15)	Medium	This was removed from the plan following discussions with the Service Director as the scope was to include the implementation of the legal case management system but this review is no longer required. This has been replaced by the risk management audit below.
Law & Governance	Risk Management (Service KAF)	Added (+ 10)	Medium	In conjunction with the Service Manager, this was added as a replacement audit for ICT to ensure sufficient audit coverage in Law & Governance. The scope will include review of risk management arrangements in the service, including compliance with corporate requirements.
Adult Social Care	To be agreed	Removed (anticipated to be in the region of 40 days)	Medium	The Care Quality Commission (CQC) will be undertaking an inspection of Adult Social Care during Quarter 3. The scope of this has yet to be confirmed, but it is likely that it will cover at least one, if not more, of the internal audits planned in Adult Social Care this year, which would result in duplication. In addition, officers and managers in the

				service will be servicing the external review resulting in reduced availability to support an internal audit. Internal Audit are working with senior management in Adult Social Care to identify appropriate audit/s to be removed from the plan and this will be reported to the next Audit & Governance Committee. Assurance for this area/these areas will be provided by the CQC report.
Total		Reduction of 95 days		

11. Quarter 3 planned audits are shown below. As the audit plan is risk-based, it may be that the plan is amended, for example, following emergence of higher risk areas.

2025/26 Audits Planned for Quarter 3 – Provisional

Unless otherwise stated, all audits are 'assurance'

	Service Area	Audit	IA Risk Score	Provisional Scope – to be agreed with Management
1	Law & Governance	Risk Management (Service KAF)	Medium	To review compliance with corporate Risk Management arrangements.
2	Education & Skills	Adult Learning	Medium	Examine the effectiveness of adult learning programmes, ensuring they meet the needs of the community, provide value for money, comply with statutory requirements and address any skill gaps.
3	Education & Skills	Capital Programme	High	Review the planning, governance, and delivery of the capital programme within the Children's Directorate, ensuring projects are on time, within budget, and aligned with strategic priorities.
4	Schools	The Priory CE VA Primary School	Medium	To ensure adequate financial Management at maintained schools.
5	Adult Social Care	Emergency Duty Service	Medium	To review the operation of the Emergency Duty Service.
6	Adult Social Care	Extra Care Housing	High	To review allocation & monitoring of extra care housing.
7	Schools	St. Edwards RC/CE VA School	Medium	To ensure adequate financial Management at maintained schools.
8	Marketing, Comms & Policy	Human Resources (Service KAF)	Medium	To review HR process within Marketing, Comms and Policy to ensure that corporate policies are being complied with.
9	IT & Programmes	Project & Programme Management (Core KAF)	Medium	Review of the corporate provision of Project Management support to the organisation, including risks of ineffective projects and lack of effective controls
10	Investment & Development	Business Continuity (Service KAF)	Medium	To review compliance with corporate requirements.
11	Housing & Public Protection	Right to Buy (Counter Fraud)	High	Review arrangements to prevent and detect fraud within the right to buy process.
12	Adults Commissioning	Safeguarding - BCP Safeguarding Partnership	High	Review of the effectiveness of the BCP Safeguarding Partnership.

13	Schools	Burton CE Primary School	Medium	To ensure adequate financial Management at maintained schools.
14	Adult Social Care	ASC Contact Centre	Medium	To review effectiveness of the ASC contact centre <i>Note – this may be removed from the plan depending on the scope of the CQC review.</i>
15	People & Culture	HR (Core KAF)	Medium	Annual Key Assurance review on provision of core HR services, such as key policies, training, sickness management.
16	Finance, Estates and Benefits	Debtors (KFS)	High	Review of key controls in the debt management system.
17	Finance, Estates and Benefits	Debt Data Analysis	As above	To be undertaken in conjunction with the Debtors audit.
18	Law & Governance	Local Land Charges	Medium	To review process for processing of land charges and income, including potential new system.
19	Schools	Highcliffe St Mark Primary School	Medium	To ensure adequate financial Management at maintained schools.
20	Customer & Property	Fire Safety - Corporate Buildings (Core KAF)	High	Review of new governance arrangements and statutory compliance, and issues raised in service Fire Safety KAFs.
22	Marketing, Comms & Policy	Business Planning & Performance (Core KAF)	Medium	To review corporate guidance and process for Service Planning and performance monitoring arrangements and guidance.

12. Based on the progress against the plan to date, as shown in the paragraphs above, the plan is on track to be materially delivered in time to support the Chief Internal Auditor's annual audit opinion.

Significant Issues Arising and Other Work

Single Person Discount

13. The Compliance Team have been undertaking the Council Tax Single Person Discount (SPD) reviews since December 2024.
14. The initial objective of the team was to complete the review of the 4,182 outstanding 2023/24 National Fraud Initiative (NFI) matches, passed back from Internal Audit, against current information/data.
15. As of 30 September 2025, the team have completed the review of all 4,182 matches. There are 344 reviews letters left to issue for 23/24. This has so far resulted in 307

SPDs being identified as errors, raising additional council tax yield to £198,323, which includes financial penalties being issued for on 172 SPDs totalling £12,040.

16. The team are also reviewing the 24/25 NFI matches, to further improve council tax yield. 568 reviews have been issued to date and we have identified a further £108,102 including £10,150 penalties.
17. In addition, the team are in the process of setting up a new team to carry out automated reviews for all discounts / exemptions outside of NFI data matching process.

BCP FuturePlaces Ltd

18. An investigation is currently being undertaken by the Chief Internal Auditor into BCP FuturePlaces Ltd. Part A of the investigation report, covering scope items 1- 4 was brought to this Committee on 24 September 2025, with Part B, scope items 5 - 8, to be brought to this Committee later in 2025.

Other work

19. During Quarter 2, testing and verification was undertaken to certify grant schemes of over £8.6 million as required by the grant funding conditions. The grants include:
 - Bus Subsidy
 - Local Transport Capital funding – including Integrated Transport & Highway Maintenance Block and Pothole
20. Ten Early Education Fund (EEF) audit final reports were issued during Q2. This brings the total completed in the year to date to 17 out of the 32 on the 2025/26 plan. No significant issues were identified.
21. Following the introduction of the Global Internal Audit Standards (GIAS) on 1 April 2025, work is continuing to ensure full compliance with the new Global Internal Audit Standards (GIAS).

Implementation of Internal Audit Recommendations

22. It is a requirement of the Audit Charter that all High Priority recommendations that have not been implemented by their first or subsequently agreed target date will be reported to the Audit & Governance Committee (where the revised target date has not previously reported). This is to ensure the Committee is fully appraised of the speed of implementation to resolve, by priority, the most significant weaknesses in systems and controls identified.
23. There were 10 high recommendations across 5 audits which met the criteria; they are shown in detail in Appendix 1.
24. All remaining High Priority recommendations followed up during the period were found to have been satisfactorily implemented by management.
25. The Audit Charter also requires any Medium Priority recommendations where the original target date has been exceeded (or will exceed) by over 18 months to be reported to Audit & Governance Committee.
26. As at the end of September, there were 3 recommendations across 3 audits which met this criteria.
27. Audit & Governance Committee are asked to review Appendix 1, along with the explanations and the revised timescales. Relevant Directors can be asked for further

explanations as required; explanations can be in written or verbal form, as the Committee deems appropriate for each individual circumstance.

Options Appraisal

28. An options appraisal is not applicable for this report.

Summary of financial implications

29. The BCP Council Internal Audit Team budgeted cost for 2025/26 is £818,500; this figure is inclusive of all direct costs, including supplies & services, but it does not include the apportionment of central support costs (which are budgeted in aggregate and apportioned to services as a separate exercise). The budget figure also includes the Head of Audit & Management Assurance who manages other teams.
30. At this stage of the financial year, based on assumptions for the remainder of the year, there is a small projected underspend forecast in the region of £5,000.

Summary of legal implications

31. This report gives a source of assurance on the adequacy and effectiveness of the risk, control, and governance systems in place.

Summary of human resources implications

32. The Internal Audit Team currently consists of 12.95 FTE inclusive of the Head of Audit & Management Assurance, which has reduced from 14.3 FTE following a minor restructure.
33. As previously reported, this is largely (1 FTE) due to the end of the contract period for the three apprentices, two of which have now been appointed on a permanent basis. This takes the team back to the position prior to the appointment of the apprentices, which was always intended to be a temporary measure to facilitate the recruitment of auditors in a challenging market. This change was reflected in the 2025/26 audit planning.
34. The remaining difference (0.35 FTE) is due to the appointment of the replacement Audit Manager on a part-time basis.
35. It is anticipated that there is a decrease of approximately 120 core audit days available on the 2025/26 audit plan (see paragraph 9), primarily due to the Audit Manager vacancy (approximately three months) and the new Audit Manager part-time contract.
36. In the annual report, the Chief Internal Auditor must provide an opinion on whether the resources are sufficient to provide Audit & Governance Committee and the Council's Corporate Management Board with the assurances required. Due to the changes outlined above, the Chief Internal Auditor is keeping this under active review to ensure sufficient coverage this year. This will include consideration of assurances provided by external bodies, such as CQC, Housing Inspectorate and Ofsted, breadth and depth of internal audit coverage provided. If necessary, the CIA will seek to appoint temporary resource to ensure that the Council is provided with an audit opinion.
37. The specialist IT audit contractor has commenced delivery of the Application Development audit.

Summary of sustainability impact

38. There are no direct sustainability impact implications from this report.

Summary of public health implications

39. There are no direct public health implications from this report.

Summary of equality implications

40. There are no direct equality implications from this report.

Summary of risk assessment

41. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix 1 - High Priority recommendations - original target date for implementation was not met and Medium Priority recommendations outstanding for 18 months beyond the original target date

Appendix 1 - Table showing High Priority recommendations where the original target date for implementation was not met (where revised target date has not previously been reported to A&G or the previously reported revised date has passed) and Medium Priority recommendations outstanding for 18 months beyond the original target date

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
Developer Contributions – Management of Spend (2023/24/25) - Partial assurance				
The 4 high and 5 medium priority recommendations have yet to be implemented				
R1. In liaison with the MasterGov system project team, Management should: (a) Carry out a comprehensive review of all existing Planning Obligations systems and policies and develop a unified policy framework to ensure consistency and reduce errors. (b) Clearly define and document any specific requirements for the Planning Obligations module within the MasterGov system. Ensure that the system is integrated with the General Ledger and includes a robust tracking system to link specific developer contributions to their associated expenditures. (c) Develop a detailed formal plan for the collation, review, cleansing and transfer of data to the new system including timescales, responsibilities and allocation of suitable and sufficient resource. (d) In consultation with Finance, ensure that interface arrangements with the Council's financial systems are formally defined, agreed and incorporated into the MasterGov project plan. (e) Establish clear operational responsibilities and resourcing arrangements to take effect following implementation to include regular reviews and updates of data to ensure integrity and accuracy is maintained.	31/12/24; 30/6/25; 30/9/25	The new MasterGov system is now in place but there are still management capacity issues, including long term sickness and vacancy which restrict the ability to be able to address issues. The service is attempting to recruit a Planning Contributions Coordinator who will implement these recommendations, however, as yet, this post has not been filled. Whilst MasterGov went live in March, the teams are still working on post-implementation challenges and the issues regarding developer contributions will be dealt with when the new post has been recruited to.	31/3/26	Yes – Jan 25, July 25

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
R2. In liaison with Legal and Planning colleagues, Management should: (a) Conduct a thorough search for all missing s.106 documentation. (b) Establish a centralised, secure repository for documentation to ensure ease of access and protection from loss, giving explicit consideration to digitisation of new and existing s.106 agreements for ease of access and resilience. (c) Review existing Planning Obligation records to ensure all records are complete, accurate and up-to-date with a focus on filling gaps in critical information such as expiry dates.				
R3. In liaison with Accountancy, Management should: (a) Introduce robust arrangements to accurately track and link specific developer contributions to their associated expenditures. This should include detailed records that demonstrate compliance with each s.106 agreement. (b) Establish regular reporting mechanisms to monitor compliance with s.106 agreements and spending of contributions. (c) Carry out periodic sample compliance checks to ensure that developer contributions are accurately and comprehensively logged, allocated and spent appropriately within agreed timescales.				
R4. In liaison with relevant Service Directorates, Management should: (a) Improve resilience and minimise errors by developing formal procedure notes relating to processing of Planning Obligations and associated records management covering all legacy areas, systems and Service Directorates.				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
This should include the agreement and implementation of clear communication channels and protocols for information sharing between Service Directorates, Planning and Accountancy. Standardised reports should be developed for provision of information to Service Directorates when funds are transferred to them and for Service Directorates to provide timely updates on how and when developer contributions have been spent. (b) Provide comprehensive training for all relevant staff to ensure that Planning Obligations procedures and processes are fully understood and implemented effectively.				
Children's Services – Health & Safety & Fire Safety (2024/25) – Partial assurance One of the four high priority recommendations has been implemented; the three outstanding recommendations are shown below:				
A complete and accurate record of all buildings and sites under the responsibility of Children's Services should be in place, regularly updated and agreed between with the Corporate Fire Safety Team, Children's Service and the Asset Management Team.	30/6/25, 31/8/25	A list of children's buildings has been obtained from Asset Management and access to the asset management system has been granted. The process of reconciling the buildings listed with the children's building register is currently underway. Upon completion of this reconciliation, assurance can then be provided that: • Fire safety checks have been conducted at all relevant buildings (see Recommendation below), and • Each building has an appointed Local Fire Safety Co-ordinator (see to Recommendation below).	31/12/25	Yes
All fire safety checks at Children's Services buildings must be completed according to their required schedule. Furthermore, ensure that there is adequate cover to undertake fire safety checks when a Fire Warden is unavailable.	31/5/25, 31/8/25	All fire safety checks have been completed on known sites, any sites from the asset register that do not accommodate staff are being reviewed now. Fire Wardens are being appointed across all sites, there is some reluctance to take on this responsibility, so we need more time to conclude this piece of work.	31/12/25	Yes
All Children's Services buildings should have an assigned LFSC. This should be communicated to the Corporate Fire Safety Team. In addition, LFSCs should be up to date with the relevant	30/9/25	As above (jointly working on ensuring there is an LFSC at every site) and will also ensure they are appropriately trained. October and November are the target training dates to complete this piece of work.	31/12/25	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
fire safety training and this should be appropriately recorded.				
ASC - Supplier Assurance (2024/25) – Partial assurance Three out of four of the high priority recommendations made have been implemented. The medium priority recommendation is due to be followed up shortly.				
A supplier assurance procedure to be established for ASC placements which covers: • Roles and responsibilities • What supplier assurance/due diligence checks are required prior to placement • Record keeping requirements. • Ongoing contract monitoring requirements.	30/6/25	The recommendation has been 'substantially' completed. ASC Commissioning have created a 'Roles and Responsibilities document' that has been finalised, and the Care Home Guidance is awaiting full SMT ratification.	30/11/25	No
Asset Management (Estate Management) 202/26 – Partial assurance The one high priority recommendation has yet to be implemented, as below. The six medium priority recommendations are not yet due to be followed up.				
A reconciliation between financial records, Civica TechForge and paper records must be carried out at least annually to ensure that all assets are identified and recorded. The Corporate Property Officer should formally document the inefficiencies currently associated with Asset Management in a report to Cabinet and any other appropriate boards and panels to ensure that there is widespread understanding within the organisation of these risks and inefficiencies.	31/7/25	The Finance and Property teams are working together to implement the recommendation. Work has commenced on the reconciliation. The majority of Asset numbers and income sheets have been aligned but require further work and a decision about what level we add the valuations to Civica will be. The aim is to start this loading process in January 2026 when we have a full team, in the meantime assets can continue to be aligned and the adoption of the Site and Building Codes must be adopted into any externally maintained spreadsheets away from Civica (TechForge). Only when Estates received a full valuation summary of all relevant assets showing the old asset codes against the latest TF Civica Codes can we then accomplish a full reconciliation. As noted in the report, the reconciliation to paper records is expected to take until 2030 based on current capacity.	Update to be provided to A&G for position as at 31/3/26 2030 for full implementation	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
		The cost of using Land Registry to align all assets is being explored.		
Children's - Commissioning delivery (2024/25) – Partial assurance One of the two high priority recommendations has been implemented, and the remaining high recommendation is shown below. Four of the six medium priority recommendations have also been implemented.				
A governance review of the gateway boards should be carried out, including: - Whether the gateway boards are the most effective way to achieve their intended purposes. - Decision logs and forward plans - Timeframes for how often terms of reference should be reviewed. - Mechanisms for ensuring terms of reference are being adhered to, including attendance. - Specifying quorum for meetings.	30/9/25	At the time of this audit Care Episode (CEG) / Independence and Transition (IATG) / Brokerage Gateway panel were in place or being established. Since restructure and new Heads of Service in CIC and Commissioning a review of the Gateways has taken place. CEG / IATG and Brokerage Gateways no longer exist and have been replaced with: - Creative Care Panel (live June 2025) - New Terms of reference, decision logs and forward plans are now in place. - Accommodation Planning Panel (reviewed June 2025) – Joint CSC / Housing Protocol is under review, once approved the Accommodation Planning Panel may be reviewed to ensure terms of reference are appropriate. This Panel is led by Housing and CSC; Commissioning do not attend as Housing have a legal duty to provide accommodation post 18yrs. We are awaiting confirmation that the terms of reference have been formally adopted.	30/11/25	No
Medium Priority Recommendations – outstanding 18 months beyond the original target date (not previously reported OR revised date exceeded)				
Commercial Operations - Major Events Governance (2022/23) – Reasonable assurance Four out of five of the medium priority recommendations have been implemented, with the remaining recommendation shown below. No high priority recommendations were made during the audit.				
Events Management System / Database: A formal options appraisal should be undertaken for the creation of a single	31/1/24	This action arising from this recommendation requires dedicated project support. This work has been initially	31/12/25	No

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
comprehensive events case management system and associated procedures, processes and workflows. The system should include (as a minimum): (a) All event-related information and associated documentation including application forms, checklists, risk assessments, associated certification and licencing, correspondence (both with the applicant and other internal and external stakeholders) and designated Events officer / single point of contact in case of organiser query or concern as appropriate (e.g. for major events) (b) Standing data tables containing standard fees and charges to be applied according to event type and scale criteria (c) Fees and charges applied to each event including payment status (d) Approvals obtained (both Events Team and other Service Directorates where appropriate) including named officers for ease of reference in case of query (e) Reporting functionality to facilitate management oversight and reconciliation of expected income to financial system data		scoped and is waiting on a new Project Management Officer to be assigned from the central project team which is being done on a priority basis. The Events team will also be looking at what can be done in the meantime without the central project team to move the work forward.		
ASC – Managing Other People’s Money (2022/23) – Partial assurance The three high priority recommendations and five of the six medium priority recommendations have been implemented. Progress on the remaining medium priority recommendation is shown below.				
The remaining legacy Barclays and HSBC accounts should be closed as soon as possible. Where accounts are currently unable to be closed, regular reconciliations must be undertaken.	31/3/24	Significant process has been made to address the recommendation. At the time of the audit, there were over 147 legacy bank accounts open, and as at September 2025, all but two had been closed. Appropriate action is underway against all these accounts to facilitate their closure.	30/12/25	No
Planning Contributions (2023/24) – Reasonable assurance Six of the eight medium priority recommendations made in the audit have yet to be implemented. One is reported below and the other five were reported to the July Audit &				

Recommendation	Original/ Revised Target Date/s	Explanation from Director	Revised Target Date	Previously Reported to A&G?
Governance Committee.				
Approval and implementation of revised Planning Scheme of Delegation should be expedited.	31/3/24	The service is attempting to recruit a Planning Contributions Coordinator who will implement this recommendation, however, as yet, this post has not been filled.	31/3/2026	No

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AUDIT AND GOVERNANCE COMMITTEE

Report subject	Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2024/25
Meeting date	16 October 2025
Status	Public Report with exempt appendix
Executive summary	This report details counter fraud work carried out by Internal Audit during 2024/25 to provide assurance on the Council's response to combating fraud and corruption. Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner. Two formal whistleblowing referrals were received and investigated during 2024/25. The BCP Anti-Fraud & Corruption Policy has been revised to incorporate the new corporate offence introduced by the Economic Crime & Corporate Transparency Act 2023. Under this legislation, organisations may face prosecution if a fraud is committed by an employee, agent, or subsidiary with the intent to benefit the organisation, and the organisation has failed to implement reasonable fraud prevention.
Recommendations	It is RECOMMENDED that: a) the counter fraud work & investigations carried out by Internal Audit during 2024/25 be noted; b) the whistleblowing referrals received during 2024/25 be noted.
Reason for recommendations	To enable the Audit & Governance Committee to consider the effectiveness of the Council's governance arrangements surrounding counter fraud and corruption including whistleblowing.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance  nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Decision and Information

Background

1. The purpose of this report is to inform the Audit & Governance Committee of counter fraud work undertaken by Internal Audit during the 2024/25 financial year for the Council.
2. This report also provides a summary of the number, nature and outcome of specific investigations and formal whistleblowing referrals received for the Council during the 2024/25 financial year.

Internal Audit Counter Fraud Work 2024/25

3. Internal Audit have carried out the following work to provide assurance on the Council's response to combating fraud & corruption:

Strategic

- The BCP Council's Corporate Fraud Risk Register was reviewed and updated during the year and shared with the corporate risk team for consideration in service directorate risk registers.
- The BCP Council Anti-Fraud & Corruption, Whistleblowing, Declaration of Interests, Gifts & Hospitality, and the Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) policies were reviewed and updated in the year as part of the annual evolution process. All were assessed as performing effectively during 2024/25. These policies are subject to an annual evolutionary review and approval by the Audit & Governance Committee.

NOTE Links to these documents are at the end of this report under Appendices.

Culture

- Monitored general employee fraud awareness through completion of the BCP Council mandatory e-learning modules which covered fraud prevention, bribery and whistleblowing. As at August 2025 a total of 87% of all employees (5,551 out of 6,327) had completed the fraud awareness e-learning; this is an increase from 80% as at September 2024.
- E-learning completion by individual directorates ranged between the highest level of 100% and the lowest level of 62% (96% & 55% respectively last year). It should be noted that the directorates with lower levels of completion include manual workers for which access to the learning is more challenging.
- Targeted fraud awareness sessions were provided to specific officers and senior management teams as required during the year.

Deterrence

- Corporate fraud communications were presented in the year to promote fraud awareness and give guidance to staff on counter fraud policy/procedures.
- Specific 'Fraud Alerts' were issued to relevant service areas (including schools) throughout the year. These alerts come from a variety of sources including the Council's bank, local authority sector groups and central government entities.

Prevention & Detection

- Finalised work on the 2024/25 National Fraud Initiative (NFI) data matching exercise resulting in the following final outcomes:
 - Two duplicate creditor payments were identified totalling £4,748,70. One payment (£1,020) has been fully recovered and the other payment (£3,728,70) is being recovered. Some further potential duplicate payments are currently being reviewed by the Purchase to Pay Manager.
 - 156 Blue Badges have been cancelled as a result of matches against deceased national records and further work is ongoing to conclude the review.
 - 782 concessionary travel passes have been cancelled as a result of matches against deceased national records.
 - Reminders were issued to some officers of the need to declare potential declarations of interests resulting from matches of employees to company directors.

- As a result of matching payroll data three employees were found to be working for two public bodies at the same time. None of the employees had declared the other employment as required by the Council's Declaration of Interests, Gifts & Hospitality Policy. After further investigation by Internal Audit and management, two officers were dismissed and one officer resigned. Further details of these investigations are included in Confidential Appendix A. The cases are being considered for criminal or civil action, including recovering any wrongly paid salary.
 - Work was completed (by end of November 2024) by Internal Audit on a Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD. Discounts were removed where fraud or error was found, and the national penalty charge (£70) was levied for failure to notify the Council of a change in circumstances. The Internal Audit pilot resulted in a total yield of £675,793 (including financial penalties of £26,880) and removing 556 single person discounts. The work is now being undertaken by the Income Maximisation & Compliance Team and progress reported to the Audit & Governance Committee as part of the Internal Audit quarterly update.
- Seven high risk fraud areas were reviewed as part of the 2024/25 Audit Plan as detailed in the table below:

Fraud Risk Area	Outcome & Recommendations
Homecare/Residential Care Payments	Reasonable assurance audit opinion. Improvements to the governance & oversight and the detection of errors/potential fraud arrangements were recommended.
Procurement Cards	Reasonable assurance audit opinion. Improvements to the unresolved transactions, unapproved transactions, and the reporting of fraudulent transactions arrangements were recommended.
Mandate Fraud	Reasonable assurance audit opinion. A recommendation was made to consider the cost/benefit of using enhanced bank account validation tools.
Direct Payments (Children's)	Reasonable assurance audit opinion. Improvements to the reporting of inappropriate/fraudulent transactions process, direct payment set up and managed accounts monitoring checks were recommended.
Contract Award	Reasonable assurance audit opinion. No formal recommendations were made.
Cash Income	Reasonable assurance audit opinion. Income was generally found to be recorded correctly and reconciled adequately, however some improvements were recommended to the cash income controls operating in libraries and council tax kiosks.
Planning Applications	Reasonable assurance audit opinion. Improvements to the general procedures, declaration of interests, planning performance agreements, income reconciliations and concept meetings arrangements were made.

- As part of the 2025/26 Audit Plan the following high-level fraud risk areas are planned to be reviewed; Contract Payments, Direct Payments (Adults), Right to Buy, Blue Badges, Concessionary Travel, Moveable Assets, Cash Income (Seafront Arcade).

Investigations

- Internal Audit have investigated all allegations of suspected fraud or financial irregularity in a proportionate manner. Details of investigations that have been led or carried out by Internal Audit during 2024/25 are detailed in Confidential Appendix A. This appendix involves exempt information and is submitted as a confidential paper to this report. An additional list of all thefts of Council equipment reported to the Insurance Team has also been included in Confidential Appendix A.

NOTE - Human Resources are responsible for supporting management with investigations into potential staff misconduct for matters which are non-financial related.

Corporate Counter Fraud Work

- During 2024/25 Internal Audit have provided specialist investigative resource to support Management with high risk fraud areas.
NOTE - Single Fraud Investigation Service (DWP) are responsible for taking action regarding Housing Benefit fraud and BCP Revenues and Benefits are responsible for taking action on Council Tax/NDR/Council Tax Reduction Scheme fraud.
- Work was carried out with BCP Housing teams to assist in the validation of all Right to Buy Applications. The results of this work are detailed below.

Fraud Risk Area	Total 24/25	Total 23/24	Total 22/23
Right to Buy Checks	143	32	36
Applications withdrawn	4	0	1
Cases Refused	0	1	0

- During this financial year the legislation relating to Right to Buy scheme was changed. The change meant that any applications submitted after 21 November 2024 attracted a far lower discount. Consequently, there was a significant number of applications in the weeks prior to that date. 94 applications were submitted or dealt with in November and December 24 alone, compared to an average of 5 per month in the remaining 10 months of the year.
 - The four applications withdrawn this year were as a result of checks carried out by Internal Audit.
- Work has also been carried out to assist with the investigation of Blue Badge and Housing Tenancy fraud referrals as detailed below:

Fraud Risk Area	Total 24/25	Total 23/24	Total 22/23
Blue Badge Referrals	31	11	25
Badges recovered	0	0	1
Warning letters issued	3	0	1
Housing Tenancy Referrals	37	26	32
Property recovered	0	0	1
Property succession refused	0	0	1

- Blue badge referrals have increased during 2024/25, however this is closer to the level of referrals received during 2022/23 and given the size of the authority not considered to be excessive or cause for concern.
- Housing Tenancy referrals during 2024/25 have returned to a similar level expected.

Local Government Transparent Code 2015

7. The Transparency Code requires the annual publication of data relating to the Council's counter fraud work. The table below reproduces the information published on the Council's website (for information).

Mandatory Publication Level	2024/25	2023/24	2022/23
Number of occasions that powers have been used under the Prevention of Social Housing Fraud (Power to Require Information) (England) Regulations 2014, or similar powers.	0	0	0
Total number (absolute and full time equivalent) of employees undertaking investigations and prosecutions of fraud.	Headcount 4 FTE 2	Headcount 4 FTE 1.75	Headcount 4 FTE 2
Total number (absolute and full time equivalent) of professionally accredited counter fraud specialists	Headcount 2 FTE 1.25	Headcount 2 FTE 1.25	Headcount 2 FTE 1.25
Total amount spent by the authority on the investigation and prosecution of fraud. (aggregate salaries + on-costs)	£118,134	£97,548	£96,139
Total number of fraud cases investigated.	289	144	176

8. The 289 total cases investigated in 2024/25 is broken down by type in the table below along with a comparison to previous years 2023/24 and 2022/23:

Investigation Type – Fraud, financial irregularity or whistleblowing	2024/25	2023/24	2022/23
Council Tax Discount – public tip off, usually anonymous	121	58	67
Housing Tenancy - public tip off, usually anonymous	38	26	34
Internal Audit led investigations (see Confidential Appendix A)	37	22	22
Unpaid Non Domestic Rates - public tip off, usually anonymous	16	12	5
Blue Badges - public tip off, usually anonymous	34	11	25
Financial Assessments	5	6	0
Fraud referrals not related to BCP Council (after initial investigation)	23	3	12
Housing Applications - public tip off, usually anonymous	5	1	4
Direct Payments misuse - public tip off, usually anonymous	1	0	0
Other miscellaneous	9	5	7
TOTAL	289	144	176

9. The increase in Council Tax Discount referrals maybe attributed to the work undertaken during 2024/25 by Internal Audit on the Single Person Discount (SPD) pilot project to increase Council Tax yield by systematically reviewing all National Fraud Initiative (NFI) data matches that may indicate fraud or error in relation to residents claiming SPD.

Counter Fraud Best Practice

10. An annual assessment has been carried out to review the Council's arrangements on managing the risk of fraud and corruption using a tool provided by CIPFA.
11. The current assessment outcome (score of 94%) states: *"The organisation is meeting the standard set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption. The leadership has acknowledged its responsibilities for managing the risks and it has robust arrangements in place to identify and manage*

risks. It has a counter fraud strategy, backed up by the resources and arrangements in place to carry it out. The organisation is proactive in managing fraud and corruption risks and responds effectively. Stakeholders can be confident in the approach taken by the organisation and meeting the standards of the counter fraud code contributes to good governance. Whilst no organisation is 'fraud proof,' the organisation has taken robust steps to ensure its resilience. This high level of performance should be acknowledged within the organisation's annual governance report."

12. The Council has achieved its goal of continually improving its resilience to fraud (as stated in the Anti-Fraud & Corruption Policy) by using the counter fraud resource available during 2024/25 to ensure adequate risk, control and governance arrangements are in place.

Whistleblowing Referrals 2024/25

13. A Whistleblowing Policy exists to ensure qualifying individuals are able to raise concerns they may have safely, without fear of harassment or victimisation. There are certain types of disclosure covered by a Whistleblowing Policy which are specified in the Public Interest Disclosure Act 1998.
14. The Council's Whistleblowing Policy, approved annually by this Committee, requires a summary of the number, nature and outcome of Whistleblowing referrals investigated in the year to be presented to this Committee.
15. Two formal whistleblowing referrals were received and fully investigated during the last financial year (1 April 2024 – 31 March 2025), details are included in Confidential Appendix A. These cases were resolved in line with the Whistleblowing Policy.
16. Promotion of the BCP Whistleblowing Policy is undertaken through annual evolution and corresponding communication to all staff, briefings delivered at officer meetings, and inclusion within the Fraud Prevention e-learning module available on the Council's intranet.
17. The Policy will be reviewed and formally approved annually by this Committee to ensure ongoing development and legislative compliance.

Updated Anti-Fraud & Corruption Policy for 2025/26

18. The Economic Crime and Corporate Transparency Act 2023 represents a pivotal step in the UK government's efforts to enhance its legislative framework against economic crime. A notable feature of this Act is the introduction of the 'failure to prevent fraud' offence. This offence holds an organisation criminally liable if an employee, agent, subsidiary, or other "associated person" commits a specified fraud offence with the intent to benefit the organisation, and the organisation lacks adequate fraud prevention measures.
19. As a result of this new offence an additional appendix has been added to the BCP Anti-Fraud & Corruption Policy entitled "Economic Crime and Corporate Transparency Act 2023 – Failure to Prevent Fraud Requirements" to demonstrate the Council's arrangements to address this new offence that came into force w.e.f. 1 September 2025.
20. In accordance with delegated authority to the Head of Audit & Management Assurance as approved by the Audit & Governance Committee on the 27/02/25 (see Appendix B) this amended policy has been introduced and is being subsequently reported back to this committee.

Options Appraisal

21. An options appraisal is not applicable for this report.

Summary of financial implications

22. The Fighting Fraud & Corruption Locally 2020 strategy states "Every £1 that a local authority loses to fraud is £1 that it cannot spend on supporting the community".

23. It is recognised that fraud against the Council harms residents and taxpayers of Bournemouth, Christchurch and Poole and for that reason fraud and corruption will not be tolerated.
24. The total amount spent by the Council on the investigation and prosecution of fraud is summarised in the Local Government Transparency Code 2015 table in paragraph 7 above.

Summary of legal implications

25. There are no direct legal implications from this report.

Summary of human resources implications

26. There are no direct human resource implications from this report.

Summary of sustainability impact

27. There are no direct environmental implications from this report.

Summary of public health implications

28. There are no direct public health implications from this report.

Summary of equality implications

29. There are no direct equality implications from this report.

Summary of risk assessment

30. The risk implications are set out in the content of this report.

Background papers

None

Appendices

Appendix A – Internal Audit Led Investigations and Thefts of Council Equipment reported to Insurance Team 2024/25 (Confidential)
Appendix B – Anti-Fraud & Corruption Policy (updated September 25)

BCP Council Anti-Fraud & Corruption Policy

[Internal access](#)
[External access](#)

BCP Whistleblowing Policy

[Internal access](#)
[External access](#)

BCP Declaration of Interests, Gifts & Hospitality (for officers)

[Internal access](#)

BCP RIPA and IPA Policy

[Internal Access](#)
[External access](#)

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By virtue of paragraph(s) 1,2,7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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Anti-Fraud & Corruption Policy

Live from 1 April 2025

Annual evolution changes to this policy are shown in red text each year

Finance

Author: Head of Audit & Management Assurance

Version: V2025.3

Review Date: Annual evolution, next due April 2026



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1 PURPOSE OF THIS POLICY

Public trust and confidence in the way the Council conducts its business is vital in preserving its reputation as an organisation that operates with integrity and high standards as it strives to achieve its objectives as stated in the Council's Corporate Strategy.

Public confidence will be weakened if fraud and corruption occur and will be strengthened if positive action is taken to prevent, detect, and deal with fraudulent acts.

The purpose of this document is to:

- Highlight relevant legislation
- Set out the Council's approach to countering fraud and corruption
- Detail roles and responsibilities of officers and councillors
- Provide further detailed guidance for officers and managers

2 WHO MUST COMPLY WITH THIS POLICY?

This policy applies to:

- Any person who is currently employed, directly or indirectly by Bournemouth, Christchurch and Poole Council (BCP) including those whose relationship is with a wholly owned entity, including trading companies and Arm's Length Management Organisations (ALMOs);
- Elected or Co-Opted councillors; and
- Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, etc.

Failure to comply with the procedures set out in this policy may lead to a criminal offence being committed and disciplinary action being taken. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

3 STATEMENT FROM THE CHIEF EXECUTIVE

I am fully committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour throughout BCP Council's activities and by all councillors and colleagues.

The diverse nature of services provided by the Council means that there are many areas where we could be a target for fraud. BCP Council will ensure that we understand the main fraud and corruption risks we are facing and will strive to ensure we have robust processes in place to prevent it occurring in the first instance. We will also ensure that our anti-fraud measures continue to evolve to meet the changing challenges of potential fraudsters.

We recognise that fraud against the Council harms residents and taxpayers of Bournemouth, Christchurch and Poole and for that reason fraud and corruption will not be tolerated. We will deal openly and forcefully with councillors, employees, contractors, service providers or the public who act dishonestly or with the intent to defraud the Council or our partners.

All councillors and colleagues have a personal responsibility to promote a culture of good governance by ensuring that effective measures are in place to prevent fraud, corruption and other irregularities and by promptly identifying and reporting potential instances for investigation.

4 LEGISLATION AND DEFINITIONS

FRAUD

The Chartered Institute of Public Finance defines fraud as “any intentional false representation, including failure to declare information or abuse of position that is carried out to make gain, cause loss or expose another to the risk of loss”.

Please note, where this policy refers to ‘fraud’ this also encompasses theft.

The [Fraud Act 2006](#) created a general criminal offence of fraud and identified three main ways in which it can be committed:

- Making false or misleading representations
- Failing to disclose to another person information which he/she is under a legal duty to disclose
- Abuse of a position of trust

CORRUPTION

There is no universally recognised definition of corruption, however a good working definition is: The abuse of entrusted power for private gain. Forms of corruption include lack of impartiality, cronyism, and embezzlement.

WHISTLEBLOWING

The [Public Interest Disclosure Act 1998](#) aims to protect individuals who make certain disclosures of information in the public interest, to allow such individuals to bring action in respect of victimisation, and for connected purposes.

As the types of disclosures covered by the Public Interest Disclosure Act 1998 extend beyond fraud and corruption, the Council maintains a separate Whistleblowing Policy.

MONEY LAUNDERING

Money Laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin so they can be retained permanently or recycled into further criminal enterprises.

[The Money Laundering, Terrorist Financing and Transfer of Funds \(Information on the Payer\) Regulations 2017](#) (and as amended 2019, 2022 & 2024) require the Council to put in place best practice procedures and policies to prevent and protect their services from being used for potential money laundering activities.

The Council’s arrangements for complying with these regulations are found at Appendix C.

BRIBERY

The [Bribery Act 2010](#) defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

The Council's arrangements for complying with the Bribery Act 2010 are found at Appendix D.

CRIMINAL FINANCES

Part 3 of the [Criminal Finances Act 2017](#) entered into force on 30 September 2017 creates the corporate criminal offence of failure to prevent tax evasion.

The Council's arrangements for complying with the Criminal Finances Act 2017 are found at Appendix E.

THEFT

The [Theft Act 1968](#) defines theft as "a person is guilty of theft if they dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it."

SOCIAL HOUSING FRAUD

The [Prevention of Social Housing Fraud Act 2013](#) made tenancy fraud a criminal act.

FAILURE TO PREVENT FRAUD

The [Economic Crime and Corporate Transparency Act 2023](#) means the Council could face the risk of criminal prosecution and unlimited fines if they fail to prevent fraud. This legislation requires organisations to proactively assess their fraud risk exposure and develop effective frameworks to prevent, detect, and respond to fraud.

OTHER RELEVANT LEGISLATION

There is other related fraud and corruption legislation not detailed here (e.g. [Proceeds of Crime Act 2002](#) and [the Regulation of Investigatory Powers Act 2000 \(RIPA\) \(as amended 2024\)](#) and [Investigatory Powers Act 2016](#) (IPA) which came into force on 11 June 2019).

5 COUNCIL RESPONSIBILITIES

The Council has a statutory duty under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs. BCP has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

The Accounts and Audit Regulations (England) 2015 require the Council to have appropriate control measures in place to enable the prevention and detection of inaccuracies and fraud. The Council is committed to an effective anti-fraud approach designed to reduce losses by:

- Acknowledging and understanding fraud risks faced.
- Preventing fraud happening and detecting it when it does occur.
- Pursuing and punishing fraudsters and recovering losses.

All officers and councillors are expected to follow the 'Nolan' [seven principles of public life](#) which are the ethical standards expected of public office holders. The principles are selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.

Detailed roles and responsibilities in relation to fraud and corruption are set out in Section 13 of this document.

6 FRAUD AND CORRUPTION RISKS

The Council regularly reviews its exposure to the risk of fraud and corruption. Internal Audit supports the maintenance of a risk register of all Council fraud and corruption risks. Management are responsible for ensuring that fraud and corruption risks are identified within their service area, and appropriate mitigating actions are put in place.

All officers and managers have a role in identifying and managing the risks of fraud and corruption within the Council. The risk of fraudulent or corrupt activity is assessed as part of the Council's overall risk management arrangements.

The Internal Audit Plan includes targeted reviews of service areas which have been identified as at high risk of fraud and corruption. Internal Audit also provide specialist investigative resources to support management with some aspects of external fraud risks to the Council.

Internal Audit participates in a number of anti-fraud networks through which they are alerted to new and emerging risks.

7 DETERRENCE, PREVENTION AND DETECTION

DETERRENCE

A strong anti-fraud culture is an effective deterrent to potential fraudsters, whether internal or external to the Council, who may be considering committing or attempting to commit fraudulent or corrupt acts.

The Council is committed to embedding an anti-fraud culture where staff at all levels regard fraud and corruption as unacceptable, are vigilant in the workplace to the indicators of fraud and corruption and are confident in the mechanisms for reporting and investigating fraud. Arrangements include HR policies and procedures, staff fraud awareness training and the Council's Whistleblowing Policy which encourages individuals to raise concerns.

Acts of fraud and corruption by employees are considered to be gross misconduct which, if proven, will lead to dismissal. The Council will consider the full range of sanctions, including prosecution, and where appropriate cases will be referred to the Police for further investigation.

PREVENTION

The Council's codes of conduct, declaration of interests, gifts & hospitality policy, financial regulations, procurement guidance and recruitment procedures have all been designed to reduce the risk of fraud and corruption. Managers have a responsibility to ensure that employees are aware of, and comply with, these and other relevant policies.

Managers are responsible for assessing the potential risk exposure of fraud and corruption within their own service's activities and for implementing strategies to reduce this risk. They are responsible for ensuring that robust systems are in place which meet key control objectives and minimise the potential for fraud and corruption. They must regularly ensure that the controls are appropriate and working as intended. They must also ensure that opportunities for fraud are identified and eliminated from systems at the earliest opportunity. Further guidance for officers and managers can be found in Appendix A.

Internal Audit provide advice to managers to ensure they are fully aware of the need to consider the preventative aspects of fraud and corruption work.

The recruitment of appropriate personnel to the organisation is essential in maintaining a strong anti-fraud culture. Procedures for recruitment include obtaining references, right to work and criminal record checks.

DETECTION

The implementation and review of robust systems of internal control by management is critical to detecting irregularities. Important controls to detect potential fraud include management checks, reconciliation processes and exception reports.

Internal Audit carry out a programme of counter-fraud work every year and report the outcomes to the Audit & Governance Committee.

8 REPORTING CONCERNS

EVERYONE TO WHOM THIS POLICY APPLIES is responsible for

- Contacting the Police immediately if a crime is in progress, or an emergency response is required.
- Making an immediate note of the concerns (recording all relevant details, such as what was said in phone or other conversations, the date, the time and the names of anyone involved)
- Promptly reporting the suspicions to your line manager or Internal Audit (see contact details below). If the concern falls under the Council's Whistleblowing Policy the employee will be afforded protection from any detriment
- Not telling anyone else about the suspicions
- Not approaching or accusing individuals directly
- Not reporting the matter to the Police (unless under the circumstance above)
- Not carrying out an investigation (as this may damage any subsequent investigation)
- In cases of suspected money laundering, immediately advising the Council's designated Money Laundering Reporting Officer (See Employee Obligations under the Council's Anti Money Laundering Requirements Appendix C)

Concerns can be reported to Internal Audit via the following:

- Fraud Hotline: 01202 817888
- Fraud email: fraud@bcpcouncil.gov.uk

MANAGERS are additionally responsible for

- Contacting the Police where a theft or burglary has occurred or has been reported by an employee as having taken place (and the Insurance Team notified).
- Ensuring any concerns raised with them are promptly notified to the Head of Audit & Management Assurance. The investigation process will follow the Fraud Response Plan (see Appendix B).

9 INVESTIGATIONS & SANCTIONS

INVESTIGATION

The Chief Internal Auditor is responsible for determining the nature of any investigative work required in respect of any allegation of fraud or corruption, usually in consultation with the service manager.

Investigations will follow the procedures outlined in the fraud response plan as shown at Appendix B.

Financial Regulations set out rights of access for the Chief Internal Auditor and nominated representatives to enable an effective investigation to be undertaken.

SANCTIONS

Acts of fraud and corruption by employees are considered to be gross misconduct which, if proven, will lead to dismissal. The Council will consider the full range of sanctions, including prosecution, and where appropriate cases will be referred to the Police for further investigation.

The decision to refer cases to the Police will be taken by the Chief Internal Auditor following consultation with the relevant manager, the Monitoring Officer and the Chief Financial Officer. A protocol has been established to guide and document this process, which ensures that the application of sanctions is done in a comprehensive, consistent, and proportionate manner.

Financial Regulations give the Chief Internal Auditor the right to refer cases directly to the Police where a clear criminal offence has occurred, or it is considered that an internal inquiry would compromise the integrity of the investigation and/or otherwise prejudice the interests of the Council or the general public.

The Council will take all possible action to recover losses from fraud and corruption, including expenses incurred during an investigation, using criminal and civil law to the fullest extent.

10 FRAUD AWARENESS

Mandatory fraud awareness training is in place for all employees, through an [E-learning portal](#), to reinforce key anti-fraud messages and ensure a consistent level of awareness across the organisation. In addition to this, specialist training is available to officers, in particular those areas identified as at risk from bribery or money laundering.

Regular communications are issued by Internal Audit to promote fraud awareness by communicating information on corporate anti-fraud policy and guidance to staff, schools and Councillors including examples of recent frauds.

The Council ensures that those undertaking anti-fraud work, including investigation and systems review, do so within ethical and professional frameworks and with appropriate training, accreditation and resources for the role.

11 WORKING WITH OTHERS

The Council works in partnership with other organisations including other Local Authorities to share knowledge of fraud risks and specialist anti-fraud resources, investigate allegations, and also to provide a co-ordinated response.

The Council is committed to exchanging information with other local and national agencies to identify and prevent fraud. The Council is committed to full participation in the National Fraud Initiative and other data-matching exercises.

12 MONITORING

The Council's arrangements for countering fraud and corruption are measured and reported upon in the following ways:

- Records are maintained of whistleblowing reports and fraud Investigations, including the outcome of police investigations, subsequent application of sanctions, and recovery of losses.
- The Council participates regularly in fraud surveys and benchmarking exercises.
- The Council aspires to continually improve its resilience to fraud and Internal Audit measures improvement using the CIPFA 'Code of Practice on Managing the Risk of Fraud and Corruption' tool.
- Annual report to the Audit & Governance Committee covering the outcomes of all anti-fraud work and the effectiveness of the Whistleblowing Policy.

13 DETAILED RESPONSIBILITIES

All Employees	Employee responsibilities are: • to uphold the highest standards of conduct, propriety and accountability by adherence to legal and Council requirements, rules, procedures and practices including the 'Nolan' seven principles of public life. • to be open, honest and politically neutral in their work • to comply with the Council's Anti-Fraud & Corruption Policy • to comply with the Council's Employee Code of Conduct • to comply with the Council's Declaration of Interests, Gifts & Hospitality Policy including making a 'base' declaration where required and keeping this declaration up to date. • to be aware of the possibility of fraud and corruption both internal and external • to report any concerns or suspicions regarding fraud, corruption or other irregularities, if need be via the Whistleblowing Policy • to report any vulnerabilities or suspicions of money laundering in accordance with guidance issued by the Money Laundering Reporting Officer
Managers	In addition, Manager's responsibilities are: • to create an atmosphere where honesty and integrity are valued highly, and fraud, corruption and dishonesty are not tolerated

	• to promote staff awareness and ensure staff understand their own responsibilities • to make available appropriate training to employees • to ensure that there are mechanisms in place within their service areas to assess the risk of fraud & corruption. • to ensure that any systems under their control have been designed to minimise the likelihood of acts of fraud and corruption • to notify the Chief Internal Auditor immediately of any suspected fraud, irregularity, improper use or misappropriation of the Council's property and/or resources • pending investigation and reporting, managers must take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration • to act in accordance with the Whistleblowing Policy to support any employees who have 'blown the whistle' • to ensure declarations of interests, gifts & hospitality forms are held centrally with the service directorate or with the Monitoring Officer for Tier 4 and above officers. • to instigate the Council's disciplinary procedures where the outcome of an audit or special investigation indicates improper behaviour
Chief Internal Auditor	• to consider the adequacy of the Council's anti-fraud and corruption arrangements • to support the preparation and maintenance of an Anti-Fraud & Corruption Policy • to liaise with the Police and Courts in the investigation and prosecution of fraud and corruption as necessary • to determine the nature of any investigation work required in respect of any allegation of fraud or corruption. • to ensure that actions are identified to improve controls and reduce the risk of recurrence of irregularities • to produce an annual report to the Audit & Governance Committee covering the outcomes of all anti-fraud work and the effectiveness of the Whistleblowing Policy
Chief Finance Officer	• to develop, maintain and implement an Anti-Fraud & Corruption policy (and associated whistleblowing policy) that stipulates the arrangements to be followed for preventing, detecting, reporting and investigating suspected fraud and irregularity • to advise on the controls required for fraud prevention and detection • to appoint a Money Laundering Reporting Officer and Deputy to ensure that systems are in place to counter opportunities for money laundering and that appropriate reports are made • to ensure that effective preventative measures are in place to reduce the opportunity for bribery occurring in accordance with statutory requirements of the Bribery Act 2010 • to ensure rights and powers of internal auditors and fraud investigators are upheld at all times across the organisation
Monitoring Officer	• to advise councillors and officers on ethical issues, standards and powers to ensure that the Council operates within the Law and statutory Codes of Practice

Chief Executive	to support and promote the development of a strong anti-fraud & corruption culture.
Councillors	- to support and promote the development of a strong anti-fraud & corruption culture. - to adopt high standards of conduct in order to uphold “general principles of conduct” and all other legal requirements, rules, procedures and practices - to immediately notify an appropriate officer of any suspicions of fraud or corruption - to report any suspected breach of the Code of Conduct by another Councillor to the Standards Board
Audit & Governance Committee	to consider arrangements for anti-fraud and corruption, including ‘whistle-blowing’ including approval of the Anti-Fraud & Corruption Policy and the outcomes of any investigations in relation to this policy
Standards Committee	to monitor and advise upon the content and requirement of Codes, Protocols and other procedures relating to standards of conduct for councillors
External Audit	- to establish an understanding of management processes in place to prevent & detect fraud - to establish an understanding of how the Audit & Governance Committee gain assurance from management over the identification and responding to risks of fraud in the Council. - to respond to whistleblowing disclosures when acting as an external prescribed person or body.
Partners, Contractors, Suppliers, Public	to be aware of the possibility of fraud and corruption against the Council and report any genuine concerns or suspicions to a Manager, Internal Audit, the Chief Executive or a Councillor.

14 FURTHER INFORMATION AND EVIDENCE

Consultees

The following individuals/groups have been consulted during this year’s evolution of this policy:

Name
Internal Audit
Statutory Officers Group

Equalities Impact Assessment

Assessment date	Reviewed as part of this year’s evolution. Minor amendments have been made which have been assessed by the Service Unit Equality Champion as having minor negative equalities impacts but mitigating actions are in place. Updated EIA assessment as per Appendix H.
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Document Control

Approval body	Audit and Governance Committee
Approval date	27 February 2025

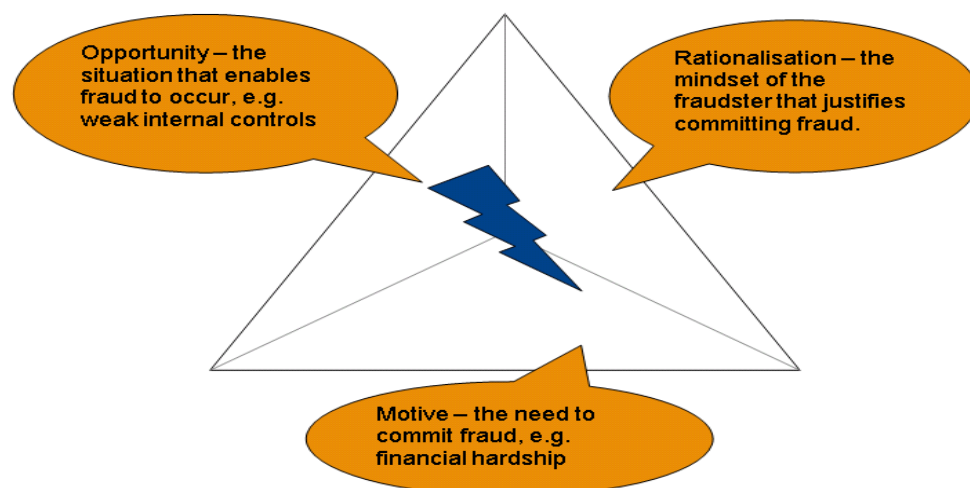
V1 – December 2018	New Policy created (please note any version changes in the future will be shown in red text)
V2 – March 2020	Annual policy review. Added Criminal Finances Act 2017 Requirements (new Appendix E). Added new definition of Corruption. Updated legislation/link <u>The Money Laundering, Terrorist Financing (Amendment) and Transfer of Funds (Information on the Payer) Regulations 2019</u> and value to not take any cash payment amended from £12,000 to £10,000 (same as Financial Regulations). Some other minor changes made including reformatting to BCP corporate formatting requirements.
V2021.1 – March 2021	Annual policy review. Included reference to new BCP Declaration of Interests, Gifts & Hospitality Policy. Updated contact details and made some minor best practice wording changes. Appended EIA screening tool.
V2022.1 – March 2022	Annual policy review. Updated definition of corruption. Included Regulation of Investigatory Powers Act 2000 and Investigatory Powers Act 2016 under other relevant legislation. Minor other wording and contact detail changes.
V2023.1 – March 2023	Added manager guidance to contact the Police where a theft or burglary has occurred and to notify the Insurance Team. Added statement that Financial Regulations give the Chief Internal Auditor the right to refer cases directly to the Police where a clear criminal offence has occurred. Anti-Money Laundering Requirements Appendix C: updated legislation/link to <u>The Money Laundering and Terrorist Financing (Amendment) (No. 2) Regulations 2022</u> . Anti-Money Laundering Requirements Appendix C: added need to investigate the circumstances where a refund is requested and expanded indicators to look for to include attempts to make any large cash payments / deposits, attempts to makes any abnormally large payment / deposits, and requests a refund for a series of overpayments.
V2024.1 – March 2024	Annual policy review. Under Other Relevant Legislation added links to <u>Proceeds of Crime Act 2002</u> , <u>Regulation of Investigatory Powers Act 2000</u> and <u>Investigatory Powers Act 2016</u> . Added to Appendix A Further Guidance for Officers & Managers guidance on examining identity documents. Included in Appendix C Anti-Money Laundering Requirements a statement that the Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.
V2025.1 – February 2025	Updated some links to latest versions of legislation. Updated link to e-learning system (now Skillgate). Added reference to <u>The Money Laundering and Terrorist Financing (High-Risk Countries) (Amendment) Regulations 2024</u> under Appendix C. Added need to carry out enhanced due diligence checks if customer is high risk under Appendix C. Added direct link to Criminal Finances Act in Appendix E. Removed reference and link to CIPFA School Fraud Risk Assessment tool in Appendix G as no longer accessible.
V2025.2 – February 2025	Minor amendments to strengthen EIA after EIOA panel review
V2025.3 – July 2025	Added Appendix F relating to the Economic Crime & Corporate Transparency Act (ECCTA) 2023 – Failure to Prevent Fraud in accordance with delegated authority to the Head of Audit & Management Assurance as approved by the Audit & Governance Committee on the 27/02/25. Reordered the appendices to group legal act requirements sections together. Insertion of ECCTA into list of relevant legislation.

FURTHER GUIDANCE FOR OFFICERS & MANAGERS

WHY DOES FRAUD OCCUR?

Three key elements exist in most acts of fraud and corruption and are shown in the diagram below;

The Fraud Triangle



1. Opportunity

The fraudster will usually look for opportunities to commit fraud. They may have heard stories from others who have cheated an organisation in a certain way before and may seek to copy this. Detailed knowledge of internal systems may make it easier for fraud to occur, particularly if the fraudster is aware of its weaknesses or has excessive control responsibility.

Weak internal controls make it easier for fraud to be successful and reduce the likelihood of it being identified. Managers are therefore responsible for ensuring that any systems under their control have been designed to minimise the likelihood of acts of fraud and corruption.

2. Motive/Incentive/Pressure

A person who commits fraud may be pressured to, or need to, commit fraud. It might be due to a financial need such as living beyond their means, debts, a desire for material goods, or to feed an addiction. The sense of beating the system may also act as a motivator.

3. Rationalisation

A fraudster will often justify to themselves why they have committed fraud. They may see their act as revenge for inadequate pay or excessive workload. They may convince themselves that they'll pay the money back one day; or that the organisation is so big it won't miss the small amount taken.

TRUST & HONESTY

- Almost all internal fraud involves the abuse of trust
- Reliance on trust and honesty is not a fraud control

WARNING SIGNS OF POTENTIAL FRAUD

Supplier Invoices

- There is no record of an official order made
- The invoice contains errors in details such as officer's name and addresses
- Goods have not been received
- Stated website has limited contact information
- Invoices and or supporting documents appear inadequate/photocopied or obviously altered

Customer Applications and Payments

- Gaps in information given
- Unable to supply identification
- Unable to provide original documents
- Unwilling to meet at their home
- Large transactions paid by cash
- Overpayments made and refunds requested

Internal

- A person has a sudden change of lifestyle without apparent reason or unexplained and sudden wealth
- Noticeable personality or routine changes - continually works after hours, comes in frequently on weekends, insists on taking work home, requests for unusual patterns of overtime
- Possessiveness of job and records - reluctant to take holiday, go off sick or share responsibility
- Misfiled or missing documents such as receipts, estimates, correspondence.
- Computer enquiries made which are not necessary/relevant to job role
- Suppliers & contractors insisting on dealing with a particular officer
- Unexplained budget pressures
- Poor audit trails

EXAMPLE KEY CONTROLS

Some "key" controls that should ensure systems are robust are detailed below:

- Pre-employment checks are carried out for all new staff.
- Sound accounting processes, prompt financial reporting, budgets independently monitored, apparent discrepancies investigated, bank accounts promptly reconciled.
- Supervision of high fraud risk areas like cash collection.
- Independent monitoring and checking of data and supporting documentation.
- Proper arrangements for the receipt, recording and checking of goods received or services rendered.
- Responsibility for financial tasks clearly defined, documented and understood.
- Adequate separation of duties ensuring that more than one employee is involved in tasks like income collection and payment processing.
- Proper authorisation procedures which require approval of material transactions
- Physically securing and accounting for controlled stationery and cheques.
- Payment only on production of original supporting documentation.
- Processes to monitor compliance with these controls by, for example, reviewing completion of control documents and reconciliations.

REPORTING CONCERNS – Guidance for EMPLOYEES	
✓	✗
• do raise the matter ○ the sooner the problem is raised and looked into the sooner any wrong doing can be stopped. • do make an immediate note of your concerns ○ it is important that you make an immediate note of key details such as what caused your suspicion, when things happened and who was involved. • do pass on your suspicions to someone in authority ○ for an employee this would normally be your Line Manager, however this may not always be appropriate (see “Reporting Concerns” under the Anti-Fraud & Corruption Policy) • do check the Council’s whistle-blowing policy ○ this will give you more information on how you can safely raise a genuine suspicion within the Council and who you should talk to.	• don’t do nothing ○ if you are worried that some wrong-doing is happening within the Council, please don’t keep it to yourself. • don’t be afraid to raise your concern ○ the Council’s whistle-blowing policy will provide safeguards. • don’t approach or accuse any individual directly • don’t try to investigate the matter yourself ○ both the above could only make matters worse and prejudice the official investigation.

N.B. The regulations for Money Laundering have specific and clear guidance for what to do if you suspect Money Laundering is occurring. Check the Anti-Money Laundering Requirements at Appendix C.

REPORTING CONCERNS – Guidance for MANAGERS	
✓	✗
• do be responsive to staff concerns ○ you need to encourage staff to be able to raise any genuine concerns with you. You should reassure them that if they raise concerns with you, they will be protected from victimisation or reprisal. • do note details ○ get as much information as possible from the person raising the concern. If they have made notes or have documentary evidence, ask for copies of these. • do evaluate the information objectively and consult ○ before you take the matter further, you need to decide whether the suspicions seem justified. Consider the facts as you have them and consult with Internal Audit about what should happen next.	• don’t ignore concerns raised with you ○ as a Manager you should reassure staff about raising concerns. • don’t approach or accuse any individuals directly ○ you may inadvertently tip off a fraudster before evidence has been collected. • don’t convey your suspicions to anyone other than those with the proper authority to investigate • don’t try to investigate the matter yourself

• do deal with the matter promptly ○ the sooner the problem is passed on by you for investigation the sooner the potential fraud or corruption can be stopped • do advise the Chief Internal Auditor who will advise on the appropriate course of action, in line with the Fraud Response Plan Appendix B	○ both the above could only make matters worse and prejudice the official investigation.
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GUIDANCE ON EXAMINING IDENTITY DOCUMENTS

The National Document Fraud Unit at the Home Office, has prepared valuable guidance around document identification and verification to increase awareness of the different types of identity documents used for identification purposes, including indicators to help recognise forged documents. Please click on the link below to access this information - [Home Office Guidance on Examining Identity Documents 2023](#)

Remember that detecting document fraud requires a combination of attention to detail, familiarity with authentic documents, and the use of appropriate tools and technologies. If you suspect a document is fraudulent, please consult your manager or contact Internal Audit.

Further advice can be sought from Internal Audit on any of the above areas by e-mail fraud@bcpcouncil.gov.uk or phone 01202 817888.

FRAUD RESPONSE PLAN

Please note that this is intended as a guide and not all stages will be followed in all circumstances or necessarily in the order detailed below.

Stage 1 – Commencing an Investigation

Decisions to proceed with an investigation will be made by the Chief Internal Auditor (in liaison with the appropriate service manager). The Chief Internal Auditor will determine the involvement of other officers including the Chief Finance Officer and the Head of Human Resources, and the applicability of the Council's Whistleblowing Policy.

Stage 2 – Appointment of Investigating Officers

For each investigation, the first step will be to appoint an Investigating Officer. This will usually be an officer from the service concerned who will consult on the detailed investigation process with Internal Audit. The Chief Internal Auditor will appoint a lead officer from Internal Audit and decide on the overall lead for the investigation (depending on its nature/significance).

Stage 3 – Planning the Investigation

The Investigating Officer will need to liaise with the Internal Audit lead officer to ensure that a plan of action is drawn up. Internal Audit will as a matter of priority ensure that all relevant evidence including documentary records pertaining to the investigation are immediately secured.

Stage 4 – Referral to Police

If the investigation relates to a suspected criminal offence, the Chief Internal Auditor will need to consider (in conjunction with the Manager, the Monitoring Officer and the Chief Financial Officer) whether to inform the Police. If they decide that a formal police investigation is necessary, then liaison with the Police will normally be via the Internal Audit lead officer.

Stage 5 – Gathering Evidence

The Investigating Officer will ensure, in conjunction with the Internal Audit lead officer that all evidence of fraud or corruption relating to the investigation is gathered legally, objectively, systematically and in a well-documented manner. Where this is being carried out in conjunction with a Police investigation the Internal Audit lead officer will be responsible for preparing any required statement and assembling all evidence and exhibits. The Internal Audit lead officer will keep the Investigating Officer fully informed of all developments with any Police investigation.

Stage 6 – Progress Reviews

During the investigation, the Investigating Officer/lead Internal Auditor will produce interim reports (which can be verbal reports) on progress and findings.

Stage 7 – Conclude Investigation and Improve System Controls

The Investigating Officer/lead Internal Auditor will produce a final report that may be used by management as a basis for disciplinary action, where necessary, in liaison with Human Resources. An issues report will identify any system weaknesses that enabled the fraud to occur and recommend improvements.

Stage 8 – Recovering Losses

The Investigating Officer/Lead Internal Auditor will ensure that all opportunities are followed to obtain compensation for any losses incurred including insurance, voluntary restitution or compensation claims.

Stage 9 – Press Release

The decision to issue press statements about fraud or corruption cases that have been investigated and proven by the Council will be made by the Investigating Officer, Chief Internal Auditor, and Monitoring Officer together with the Council's Communications Team. They will take account of, on a case by case basis, any sensitive and legal issues involved and the need for confidentiality.

ANTI-MONEY LAUNDERING REQUIREMENTS

1 INTRODUCTION

What is money laundering?

Money laundering is a process by which the illegal proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently or recycled into further criminal enterprises.

The source of money, either in cash, paper or electronic form (often referred to as “dirty money”) is disguised and is given the appearance of being clean funds. These are normally used to hide the proceeds of serious criminal activities such as but not limited to terrorism, drug smuggling, theft and fraud.

Legislation

The legislation which is relevant to this Anti-Money Laundering Policy is:

- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (“MLR”) as amended by [The Money Laundering and Terrorist Financing \(Amendment\) Regulations 2019](#), [The Money Laundering and Terrorist Financing \(Amendment\) \(No. 2\) Regulations 2022](#), and [The Money Laundering and Terrorist Financing \(High-Risk Countries\) \(Amendment\) Regulations 2024](#)
- The Proceeds of Crime Act 2002 (“POCA”) (as amended by the Serious Organised Crime and Police Act 2005)
- The Terrorism Act 2000 (“TA”) (as amended by the Anti-[Terrorism](#) and Security Act 2001 and the Terrorism Act 2006).

Money Laundering Regulations

The Council is not defined as a ‘regulated business’ under the regulations and therefore is not legally obligated to apply the provisions of all of the regulations. However, the Council is committed to complying with the spirit of the legislation and regulations as advocated by the Chartered Institute of Public Finance & Accountancy’s (CIPFA) guidance.

The money laundering legislation, regulations and this policy aim to provide preventative measures to reduce the risk of money laundering occurring and to aid identification of any money laundering activity that may occur.

While the risk to the council of contravening the legislation is low, it is important that all employees are familiar with their responsibilities. Serious criminal sanctions may be imposed for breaches of the legislation.

The Council will cooperate fully with law enforcement authorities, regulatory bodies, and other relevant agencies in combating money laundering and terrorist financing.

2 THE COUNCIL'S AND EMPLOYEES' OBLIGATIONS

Council's Obligations

Under the legislation and best practice guidance the Council must:

- Appoint a Money Laundering Reporting Officer ("MLRO") (Compliance and Nominated Officer) to receive disclosures from employees and councillors of money laundering activity (Paragraph 3);
- Implement a procedure to enable the reporting of suspicions of money laundering (Paragraph 4);
- Maintain client identification procedures (due diligence) where appropriate;
- Maintain record keeping procedures (Paragraph 5);
- Undertake an assessment of the money laundering risk that the Council is exposed to (Paragraph 6);
- Train relevant employees on their anti-money laundering responsibilities (Paragraph 7).

Employees' Obligations

Under the legislation and best practice guidance employees must:

- Immediately report any suspected money laundering activity (see section 9, Possible indicators of money laundering) to the Money Laundering Reporting Officer (MLRO) as detailed in the Money Laundering Disclosure Procedure section below
- Not take any cash payment over £10,000 (please note this can be a single transaction or a series of related transactions) and formally report any attempt to do so to the MLRO.
- Verbally report any cash transactions over £5,000 but lower than £10,000 to the MLRO (see Money Laundering Disclosure Procedure section below)
- Investigate the circumstances where a refund is requested.
- Not discuss money laundering suspicions with anyone other than the MLRO
- Undertake customer due diligence wherever possible.

3 THE MONEY LAUNDERING REPORTING OFFICER (MLRO)

The Money Laundering Reporting Officer (MLRO) for the Council is the Head of Audit & Management Assurance. The MLRO is responsible for receiving disclosures regarding suspicions of money laundering activity, evaluating the information provided and, determining whether to report suspicions of money laundering to the National Crime Agency.

Disclosures of suspected money laundering must be made to the MLRO using the Money Laundering Disclosure Procedure in paragraph 4 below. If the MLRO is unavailable the Deputy Money Laundering Officer (Deputy Chief Internal Auditor) must be contacted in their absence.

Disclosure by an Employee

Numerous scenarios could occur where Council employees in the course of their job become aware of potential money laundering activity. In order to prevent the risk of prosecution, employees need to be aware of the need to report these instances.

Where an employee knows or suspects that a money laundering activity is taking/has taken place or becomes concerned that their involvement in a matter may breach legislation, they must disclose this to the MLRO **immediately**.

The suspected money launderer **must not** be informed in any way that a report has been made against them.

The disclosure must include as much detail as possible and should include:

- Names and addresses of persons involved (if a company/public body please include nature of business)
- Nature, value and timing of activity involved
- Suspicions regarding the activity

Once the employee has reported the matter to the MLRO they must follow any directions they are given. The employee **must not** make any further enquiries into the matter.

Consideration of Disclosure by the Money Laundering Reporting Officer

Upon receipt of a disclosure, the MLRO must note the date and acknowledge it.

The MLRO will consider the disclosure and any other available internal information they think relevant. This may include:

- Reviewing other transaction patterns and volumes
- The length of any business relationship involved
- The number of any one-off transactions and linked one-off transactions
- Clarification of events with the discloser
- Any identification evidence held.

The MLRO will undertake such other reasonable enquiries they think appropriate in order to ensure that all available information is taken into account in deciding whether a report to the National Crime Agency (NCA) is required (such enquiries being made in such a way as to avoid any appearance of “tipping off” those involved).

Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:

- There is actual or suspected money laundering taking place; and
- There are reasonable grounds to know or suspect that this is the case; and
- Whether he needs to seek consent from the NCA for a particular transaction to proceed.

5 CUSTOMER DUE DILIGENCE

The Council is not defined as a 'regulated business' under the regulations but as the Council is committed to complying with the spirit of the regulations customer due diligence best practice should be followed wherever possible:

- Identify the person seeking to form the business relationship or conduct the transaction (this could be an individual or a company).
- Verify their identity using reliable, independent sources of information
- Identify who benefits from the transaction
- Monitor transactions to make sure they are consistent with what you understand about that person or company
- Understand the source of their funds
- Ensure there is a logical reason why they would want to do business with the Council
- **Enhanced due diligence ([as per Government guidance](#)) should be carried out if a customer is identified as high risk i.e. a politically exposed person or from a high risk country as defined by [The Money Laundering and Terrorist Financing \(High-Risk Countries\) \(Amendment\) Regulations 2024](#).**

6 MONEY LAUNDERING RISK

The Council will produce a risk assessment to identify and assess the risk of money laundering and terrorist financing that the Council faces. In addition, money laundering will form part of the Council's Fraud Risk Register.

7 TRAINING

In support of this policy, the Council will:

- Make all staff aware of the requirements and obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation; and
- Give targeted training to those most likely to encounter money laundering.

8 OFFENCES UNDER THE ACTS

The broad definition of money laundering means that potentially anybody (and therefore any Council employee, irrespective of what sort of Council business they are undertaking) could contravene the money laundering regulations if they become aware of, or suspect the existence of criminal property, and continue to be involved in the matter without reporting their concerns.

Primary money laundering offences:

1. Concealing, disguising, converting, transferring criminal property or removing it from the UK
2. Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person
3. Acquiring, using or processing criminal property

Secondary money laundering offences:

- Failure to disclose any of the three primary offences

- “Tipping off” whereby somebody informs a person or persons who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation

Failure to report suspicious money laundering activities or be involved in money laundering activities may lead to a criminal offence being committed and disciplinary or legal action being taken against you. Any internal disciplinary action will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

9 PRACTICAL GUIDANCE

Possible Indicators of Money Laundering

The success of money laundering often depends upon a transaction appearing ‘normal’ however there are a number of ways to identify possible money laundering.

Beware of potential transactions where the other party:

- Enters into transactions which make little or no financial sense, or which go against normal practice;
- Cancels transactions without good reason and requests a cheque for previously deposited funds;
- Attempts to make any large cash payments / deposits;
- Attempts to make any abnormally large payment / deposits;
- Makes large overpayments of fees or money on account;
- Requests a refund for a series of overpayments;
- Is happy to enter into an apparent bad deal for them;
- Is unwilling to explain the purpose of a transaction or method of payment or refuses to provide information requested without reasonable explanation;
- Suddenly changes their pattern of activity or method of payment;
- Enters into arrangements beyond their apparent financial means or if the Buyer or Seller's financial profile does not fit (particularly in relation to property transactions);
- Unnecessarily routes funds through third party accounts or has overly complicated financial systems; and / or
- Uses more than one Solicitor / Conveyancer in the sale or purchase of a property or land or if there is an unexplained and unusual geographic use of a solicitor in relation to a property's location

Similarly, you will need to be wary if information about the customer reveals criminality or association with criminality (e.g. previous benefit fraud or suspected benefit fraud).

ANTI-BRIBERY REQUIREMENTS

1 INTRODUCTION

This policy appendix is in place to ensure compliance with the Bribery Act 2010. It explains the process through which the Council intends to maintain high standards and to protect the organisation, employees, councillors and business partners against allegations of bribery and corruption.

The Council is committed to the highest possible standards of openness, probity and accountability and to conduct its business in an honest and open way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

The Council attaches the utmost importance to this policy and any breach of this policy will be regarded as a serious matter and is likely to result in disciplinary action and possibly criminal prosecution.

2 WHAT IS BRIBERY?

The [Bribery Act 2010](#) defines bribery as giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith.

The Bribery Act 2010 introduced the following criminal offences:

- **The offence of bribing another person (section 1).** This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity, or to reward a person for the improper performance of such a function or activity. It is not an issue whether the person given the bribe is the same person who will perform the function or activity concerned.
- **The offence of being bribed (section 2).** This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly. It does not matter whether the recipient of the bribe receives it directly or through a third party, or whether it is for the recipient's ultimate benefit or not.
- **Bribery of a foreign public official (section 6).** This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them as a public servant and to obtain or retain business, or any other related advantage in the conduct of business.
- **A corporate offence of failure to prevent bribery (section 7).** A commercial organisation* could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation or to obtain or retain an advantage in the conduct of business for the organisation.

*The Council accepts that public bodies (in particular its commercial activities) may be classed as a "commercial organisation" in relation to the corporate offence of failing to prevent bribery. In any event, it represents good governance and practice to have adequate procedures in place to protect the Council, councillors, employees and partners from reputational and legal damage. It is in the interests of everybody connected to the Council to act with propriety at all times.

3 WHAT ARE THE CONSEQUENCES?

An individual guilty of a criminal offence under sections 1, 2 or 6 of the Bribery Act, in addition to potential disciplinary action, is liable on conviction in:

- A magistrates court, to imprisonment for a maximum term of 12 months (six months in Northern Ireland), or to a fine not exceeding £5,000, or to both.
- A crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both.

The Council, if convicted under sections 1,2, or 6 will also face the same level of fines and if guilty of an offence under section 7, is liable to an unlimited fine.

4 WHAT DO I NEED TO DO AS AN EMPLOYEE?

- **Be aware of the Bribery Act 2010** and this document
- **Declare any conflicts of interests** in accordance with the Council's Declaration of Interests, Gifts & Hospitality Policy.
- **Declare any gifts or hospitality** in accordance with the Council's Declaration of Interests, Gifts & Hospitality Policy.
- **Abide by separation of duties** in systems
- **Comply with delegated authority limits** for decisions
- **Ensure transparency of all activities** by retaining sufficient documentation for all transactions
- **Complete the Fraud Awareness e-learning module**
- **Speak up if you have any concerns** (see 'Reporting Concerns' section of the Council's Anti-Fraud & Corruption Policy and/or the Council's Whistleblowing Policy)

5 WHAT HAS THE COUNCIL PUT IN PLACE TO PREVENT BRIBERY OCCURRING?

The Council has put in place robust arrangements which comply with Ministry of Justice Guidance which focuses on the Six Principles for Bribery Prevention:

1. Proportionate Procedures

There are several policies and procedures which are in place that contribute towards prevention, detection and investigation of bribery including:

- Constitution and Scheme of Delegation
- Financial Regulations
- Procurement Guidelines
- Anti-Fraud & Corruption Policy
- Whistleblowing Policy
- Declaration of Interests, Gifts & Hospitality Policy
- Internal Audit Plan
- Risk Management Framework
- Codes of Conduct for councillors and Employees
- Disciplinary Procedures and Rules

2. Top level commitment

- A strong anti-fraud culture is established and outlined in the Council's Anti-Fraud & Corruption Policy. Councillors and senior management are committed to ensuring anti-bribery arrangements are robust and adequate.

3. Risk Assessment

- An annual Fraud and Corruption Risk Assessment is undertaken which considers the risk of bribery across all service areas
- All managers are responsible for regularly reviewing the risks from Fraud and Corruption in their business

4. Due diligence

- All necessary efforts are made to ensure that business partners are known and that business relationships are transparent and ethical

5. Communication (including training)

- Commitment to embedding anti-bribery within the Council is in place via policies, procedures and anti-fraud training arrangements.
- Consistent and proportionate sanctions are applied in line with disciplinary policies and the Anti-Fraud & Corruption Policy

6. Monitoring and review

- Internal Audit regularly review systems assessed as at high risk of bribery
- The relevant policies and procedures are regularly reviewed

CRIMINAL FINANCES ACT 2017 REQUIREMENTS

1 INTRODUCTION

This policy appendix is in place to ensure compliance with the Criminal Finances Act 2017 Part 3 (CFA 2017).

The CFA 2017 introduces a new Corporate Criminal Offence of failure to prevent the facilitation of tax evasion. Under the CFA 2017, the Council, if found to be facilitating tax evasion, could face an unlimited fine and consequent damage to its reputation.

The Council aims to conduct its financial affairs in a law abiding way and does not tolerate either the commitment or facilitation of tax evasion.

The Council attaches the utmost importance to this policy and any breach of this policy will be regarded as a serious matter and is likely to result in disciplinary action and possibly criminal prosecution.

2 LEGISLATION

[Part 3 of the CFA 2017](#) entered into force on 30 September 2017, and creates the corporate criminal offence of failure to prevent tax evasion.

Tax evasion is the illegal non-payment or under-payment of taxes, usually as the result of making a false declaration (or no declaration) of taxes due to the relevant tax authorities, which results in legal penalties if the perpetrator is caught.

Tax avoidance, by contrast, is seeking to minimise the payment of taxes without deliberate deception. This is often legitimate but is sometimes contrary to the spirit of the law, e.g. involving the exploitation of loopholes.

Importantly the corporate criminal offence of facilitation only applies to tax evasion. The third party must be found guilty of tax evasion before the Council can be found to have facilitated it.

It is a criminal offence for anyone to evade paying tax of any kind, and also to help anyone to do so. Any individual found to be guilty of this could be subject to criminal proceedings under existing legislation. However, under the Criminal Finances Act 2017 in the event of there being both:

- a) Criminal tax evasion by either a UK or overseas taxpayer (as an individual or an entity) under existing law, and,
- b) Criminal facilitation of this offence by an 'associated person' of the Council

then the Council will automatically be charged with the corporate offence of failing to prevent its representatives from committing the criminal act of facilitation unless it can demonstrate that it had 'adequate' or 'reasonable procedures' in place to prevent that facilitation. If found guilty, the typical consequences for the Council could be an unlimited fine and reputational damage and the potential disbarment from public/governmental contracts.

The scope of 'associated persons' is widely drafted and includes Council officers, its employees, workers, agents, sub-contractors and other people/organisations that provide services for, or on behalf of Council.

3 WHAT DO I NEED TO DO AS AN EMPLOYEE/ASSOCIATE?

Staff and associates are reminded that they are required at all times to abide by the Council's policies, procedures and guidance.

Failure to comply with these policies, procedures and guidance, including in particular failure to comply with the obligations detailed in this policy, may result in disciplinary action for staff and the termination of arrangements with associates.

Should staff or associates be concerned that another employee or associate is facilitating a third party's tax evasion, they should report this to their (own) manager. The Council's Whistle-Blowing Policy can also be engaged.

4 WHAT HAS THE COUNCIL PUT IN PLACE TO PREVENT FACILITATION OF TAX EVASION?

It is a defence to the corporate criminal offence of facilitating tax evasion if the Council can prove that it has in place such prevention procedures as it is reasonable to expect in the circumstances.

Government guidance suggests an appropriate set of prevention measures which gives due recognition to the following:

1. Risk assessment

The Council's systems of risk and control are designed to ensure regularity. The Council's Internal Audit Team conduct regular compliance checks paying specific attention to areas of high risk (as identified from the Council's Fraud Risk Register) and report any concerns to management and the Audit & Governance Committee.

The following are common Council tax evasion risks which management and employees have a duty to prevent. This list is by no means exhaustive:

- **Incorrect VAT treatment/reclaim**
 - Employee agrees to mis-describe services provided to a third-party in order to facilitate a VAT reclaim by them.
 - Employee authorises a VAT invoice from a supplier knowing that they are not VAT registered.
- **Income Tax\National Insurance Payments**
 - Off payroll working (IR35) - Council fails to identify workers and associates that should be paid via the payroll system rather than the creditors system. A supplier wishes to be treated as a self-employed contractor so that payments to them are paid gross and they can evade paying the appropriate income tax and national insurance liabilities. Council officer helps the supplier by falsifying information on the Employment Status Questionnaire.

- Failure to deduct the tax and NI at the correct rate. For example, a manager agrees to allow one of their staff to claim home to work travel through an expense claim. However, knowing that it is against Council policy and to help their employee from having to pay tax which is properly due, they allow their employee to describe the claim as travel away from the office.
- An employee is rewarded by way of a gift voucher over and above HMRC trivial gift limits (currently £50).
- **Incorrect Expense claims**
Employee authorises an expense claim with photocopied receipts knowing that the claimant will use the original receipts to support a tax reclaim.
- **Construction Industry Scheme**
Supplier submits an artificially low labour breakdown on their invoice to avoid tax being deducted on the labour element or no tax being deducted at all. A lack of understanding as to what work comes within the scope of the scheme or the implications of not applying the scheme.
- **Paying the wrong entity**
Employee accepts request to pay one entity knowing that the goods/services have been provided by another entity and that the purpose of the change is to evade tax.
- **Incorrect gift aid**
Employee allows a payment for goods/services to be described as a donation so that the donor can claim tax relief.
- **Payment in Kind**
Third parties not employed by the Council perform work in return for a payment in kind e.g. travel to a conference or use of facilities, knowing that no tax will be paid on the payment.
- **Direct Payments (for Care & Support Services)**
Failure to ensure deduction of Income Tax and National Insurance from payments made to personal assistants by recipients of Direct Care Payments.
- **Grants**
Failure to ensure that grant funding is used for its intended purpose. The Council gives a grant to an organisation for a specific project or service which may include the employment of staff. Staff are paid without the appropriate deduction of Income Tax and National Insurance.
- **Payment to overseas workers**
Using a third-party to pay in-country workers on the Council's behalf, where you know that there is a withholding obligation, and that the third-party will not comply with that obligation.

2. Proportionality of risk-based prevention procedures.

The Council has systems of controls in place to address specific risks. These controls include policy and guidance documents such as the Council's Whistle-Blowing Policy and Anti-Fraud & Corruption Policy.

3. Top level commitment.

This policy appendix has been endorsed by the Corporate Management Board and the Audit & Governance Committee as part of the Anti-Fraud and Corruption Policy.

4. Due diligence.

Reasonable care and caution is exercised when processing all transactions particularly high value/high risk area payments. Regular monitoring takes place and particular caution is exercised when making payment to new suppliers.

5. Communication (including training).

All staff, especially those involved in processing and approving financial transactions, will be made aware of this policy via their induction. Information is also available on the Council's intranet.

6. Monitoring and review

Regular monitoring and review of systems of controls and policies is carried out by Internal Audit and any findings/concerns reported to management and the Audit & Governance Committee.

ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023 – FAILURE TO PREVENT FRAUD REQUIREMENTS

1 INTRODUCTION

This policy appendix is in place as a result of the [Economic Crime and Corporate Transparency Act 2023](#), specifically the 'failure to prevent fraud' offence (sections 196-206).

The Economic Crime and Corporate Transparency Act 2023 represents a pivotal step in the UK government's efforts to enhance its legislative framework against economic crime. A notable feature of this Act is the introduction of the 'failure to prevent fraud' offence. This offence holds an organisation criminally liable if an employee, agent, subsidiary, or other "associated person" commits a specified fraud offence with the intent to benefit the organisation, and the organisation lacks adequate fraud prevention measures.

Additionally, this offence can apply if the fraud is committed to benefit a client of the organisation. Importantly, it is not necessary to prove that directors or senior managers were aware of or directed the fraudulent activity.

BCP Council's only defence against this offence is the existence of reasonable counter-fraud measures and procedures at the time the offence occurred. This policy appendix sets out those procedures in detail.

The offence will not extend to individual liability for persons within the organisations who may have failed to prevent the fraudulent behaviour. However, this does not preclude the employee or agent who committed the base fraud, or anyone who encouraged or assisted them, being prosecuted for the base fraud in addition to the corporate being prosecuted for failing to prevent it. Fraud and corruption committed by employees are treated as gross misconduct, which, if substantiated, will result in dismissal. The Council also considers the full range of sanctions, including criminal prosecution, and refers cases to the Police where appropriate.

2 LEGISLATION

The Economic Crime and Corporate Transparency Act 2023 received Royal Assent on 26 October 2023. The 'failure to prevent fraud' offence came into effect on 1 September 2025.

Corporate Criminal Liability

Large organisations, including Bournemouth, Christchurch, and Poole Council, face the risk of criminal prosecution and unlimited fines if they fail to prevent fraud. This legislation requires organisations to proactively assess their fraud risk exposure and develop effective frameworks to prevent, detect, and respond to fraud.

Scope of the Offence

The offence applies to all large bodies, corporate entities, subsidiaries, and partnerships. This includes businesses, large not-for-profit organisations such as charities, and incorporated public bodies like Bournemouth, Christchurch, and Poole Council.

To ensure the burden on businesses is proportionate, only 'large organisations' are in scope, defined by the Companies Act 2006 as meeting two out of three criteria:

- More than 250 employees
- More than £36 million turnover
- More than £18 million in total assets

It should be noted that the Council as a parent organisation can be assigned liability for failing to prevent fraud if an employee of a subsidiary commits fraud for the parent organisation's benefit and the parent organisation did not take reasonable steps to prevent it.

What types of fraud are relevant to this offence?

The offence applies to the fraud and false accounting offences which the government considers are most likely to be relevant to large corporations. These are:

- Fraud by false representation (Section 2, Fraud Act 2006)
- Fraud by failing to disclose information (Section 3, Fraud Act 2006)
- Fraud by abuse of position (Section 4, Fraud Act 2006)
- Obtaining services dishonestly (Section 11, Fraud Act 2006)
- Participation in a fraudulent business (Section 9, Fraud Act 2006)
- False statements by company directors (Section 19, Theft Act 1968)
- False accounting (Section 17, Theft Act 1968)
- Fraudulent trading (Section 993, Companies Act 2006)
- Cheating the public revenue (common law)

The Council's only defence against this offence is to have reasonable counter-fraud defences and procedures in place at the time the offence was committed, and these are listed in this policy.

3 WHAT HAS THE COUNCIL PUT IN PLACE TO PREVENT FRAUD?

BCP Council continues to focus on the following key areas to sustain an effective fraud risk management programme to prevent fraud:

- 1. Top level commitment:** Preventing and detecting fraud is the responsibility of senior management. This policy appendix has been endorsed by senior management and the Audit & Governance Committee as part of the Anti-Fraud and Corruption Policy. They continue to create a culture where fraud is not tolerated and staff feel empowered to speak up if they encounter fraudulent practices.
- 2. Risk assessment:** An annual Fraud and Corruption Risk Assessment is undertaken which considers the risk of fraud across all service areas and is incorporated into the annual audit plan. All managers are responsible for regularly reviewing the risks from fraud and corruption in their area of the Council.
- 3. Proportionate risk-based prevention procedures:** The Council's procedures for preventing fraud by associated persons are proportionate to the specific fraud risks it faces, and aligned with the nature, scale, and complexity of its operations.

A comprehensive Anti-Fraud and Corruption Policy is in place, outlining the Council's approach to tackling fraud and corruption. This policy details the process followed upon receiving a fraud allegation and explains how individuals covered by the policy will be dealt with.

4. **Due diligence:** The Council applies due diligence procedures, taking a proportionate and risk-based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified fraud risks. This includes ensuring that all necessary efforts are made to ensure that business partners are known and that business relationships are transparent and ethical.
5. **Communication (including training):** The Council will continue to ensure that its prevention policies and procedures are communicated, embedded and understood throughout the organisation, through internal and external communication. This includes mandatory fraud training, annual refresh of counter fraud policies and associated communication to staff and fraud alerts to appropriate staff/managers.
6. **Monitoring and review:** The Council monitors and reviews its fraud detection and prevention procedures and makes improvements where necessary. This includes an annual review of all fraud related policies and subsequent approval by the Audit & Governance Committee. In addition, an annual report is presented to the Audit & Governance Committee on counter fraud work carried out by Internal Audit to provide assurance on the Council's response to combating fraud and corruption. This includes learning from investigations and whistleblowing incidents and considering fraud alert information from other public bodies.

4 EXAMPLES OF SITUATIONS THAT COULD BE CONSIDERED FRAUD THAT BENEFIT THE COUNCIL

- The Council deliberately misrepresents its performance metrics to unlawfully obtain increased government grant funding.
- The Council intentionally hides the true number of active software licences it uses from the provider in order to avoid paying the correct fees.
- A maintained school knowingly inflates the number of pupils eligible for pupil premium funding in order to fraudulently claim additional payments.
- The Council intentionally undervalues its assets in order to dishonestly obtain lower insurance premiums.
- Deliberately including false or exaggerated claims in grant applications to increase the likelihood of approval or higher funding amounts.

GUIDANCE NOTE FOR SCHOOLS

The 'Schools Financial Value Standards' issued by the Department for Education contains the following advice:

1	What are adequate arrangements against fraud and theft? Schools need a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Arrangements should both prevent malpractice and enable prompt detection should it nonetheless occur.
2	What are possible types of fraud and theft? The list below gives examples but cannot be exhaustive: • theft (e.g. retaining cash collected for school dinners, trips, etc. for personal use; taking away school assets for personal use); • false claims (e.g. for travel which did not take place, for un-worked overtime etc.); • unauthorised purchase of equipment for personal use; • improper use of petty cash for personal purposes; • failing to charge appropriately for goods or services (e.g. not charging for school rooms used for private functions) or providing improper gifts or hospitality; • processing false invoices for goods or services not received and pocketing the proceeds; • making false entries on the payroll, such as inventing a fictitious employee and arranging to be paid an additional salary; • payment of inappropriate bonuses; • misusing school financial systems to run a personal business; • improper recruitment (e.g. employing a family member or individual known personally to an employee without following appropriate recruitment procedures); • buying from a supplier or contractor known personally to an employee without following required procurement procedures or declaring a business interest; • separating purchases to avoid tendering thresholds; and • suppliers or contractors failing to deliver the agreed goods or services but still being paid in full
3	Noting any instance of fraud or theft detected in the last 12 months All schools should keep a written log of any instances of fraud or theft detected. This should include attempted fraud or theft, so long as this wouldn't prejudice any ongoing action such as legal action against the perpetrator(s). This log will help the school to identify patterns of misconduct and any weaknesses in their current arrangements which need to be addressed.
4	Why you need to have adequate arrangements in place to guard against fraud and theft Schools manage substantial sums of public money and consequently need to safeguard public funds. Local authorities would be likely to take strong action against maintained schools that appeared persistently vulnerable to fraud and theft.
5	How to ensure that your school has adequate arrangements in place to safeguard against fraud and theft The governing body will expect the head teacher and other senior staff to assure them that adequate arrangements are in place, rather than seeking to put operational arrangements in place themselves. The main features of such arrangements are likely to include: • financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents; • separation of duties – no one employee should be responsible for both validating and processing a transaction, for example certifying that goods have been received and making the payment for them; • strictly limited access to systems for authorising and making payments;

	• spot checks on systems and transactions – this will help identify new risks and measure the effectiveness of existing controls. It also indicates to staff that fraud prevention is a high priority; • investigation and logging of every incident of irregularity, including instances of attempted fraud; • careful pre-employment checks on staff who will have financial responsibilities; and • making employees' financial responsibilities clear through written job descriptions and desk instructions.
6	Make the information available to all staff The governing body and head teacher should inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them, and the consequences of breaching these controls. This information should be included in induction for new school staff and governors. Staff should be reminded of this information if an incident occurs.
7	What to do if adequate arrangements are not in place in your school Adequate arrangements will need to be put in place as soon as possible. If you are unsure how to do this and are a maintained school, you should contact your local authority urgently. You need to identify which arrangements are not adequate and agree an action plan to address them with a deadline for implementation. Once the new arrangements are in place, you should evaluate their effectiveness and regularly review the school's full arrangements to make sure they remain adequate.
8	What to do if fraud or theft is suspected or discovered (including any instances of attempted fraud or theft) Maintained schools should contact their local authority (LA) for help and support in instances where fraud or theft is suspected or discovered and should always report the matter to the LA's Internal Auditors.
9	Further information For maintained schools, your Local Authority should be able to provide further information and support on establishing adequate arrangements to safeguard against fraud and what should happen if fraud is suspected or discovered. In addition, these websites/contacts provide help and advice: 1. Department for Education (DfE) – www.education.gov.uk – this website contains a wide range of information and resources for schools. Here you can access information on the supporting legal framework for school revenue funding, audit and whistle-blowing policy. 2. Action Fraud – www.actionfraud.police.uk this website is the UK's national fraud reporting centre and provides information of what fraud is and the different types of fraud. 3. Institute of School Business Leadership (ISBL) – www.isbl.org.uk – provides information and training for all those involved in school business management including on fraud. 4. Internal Audit is able to provide advice to Maintained Schools on financial control systems. Telephone 01202 817888 or e-mail fraud@bcpcouncil.gov.uk

Equality Impact Assessment: conversation screening tool

Policy/Service under development/review:	Anti-Fraud & Corruption Policy
What changes are being made to the policy/service?	Annual policy refresh including update of relevant legislation as well as making explicit the requirement to carry out enhanced due diligence checks if the customer is from a high risk country.
Service Unit:	Finance
Persons present in the conversation and their role/experience in the service:	Chief Internal Auditor Service Equality Champion
Conversation dates:	10/02/2025
Do you know your current or potential client base? Who are the key stakeholders?	Key stakeholders are - any person who is currently employed, directly or indirectly by Bournemouth, Christchurch and Poole Council (BCP) including those whose relationship is with a wholly-owned entity, including trading companies and Arm's Length Management Organisations (ALMOs); - Elected or Co-Opted councillors; and - Any other individual who undertakes activities on behalf of the Council including for example, volunteers, partners, contractors, etc. It should be noted that the enhanced due diligence checks primarily relate to large cash payments, which are very rare as we migrate to a more cash free operating model (~1 instance in the previous 5 years)
Do different groups have different needs or experiences in relation to the policy/service?	All protected characteristics have been considered, and no different needs or experiences have been identified as a result of these updates.
Will the policy or service change affect any of these service users?	No as these changes apply equally to all key stakeholders
What are the benefits or positive impacts of the policy/service change on current or potential service users?	None identified
What are the negative impacts of the policy/service	There is the potential for claims of discrimination on racial grounds to arise as customers from high risk

change on current or potential service users?	countries are required to have enhanced due diligence checks carried out.
Will the policy or service change affect employees?	Yes, as this policy applies to all BCP Council employees
Will the policy or service change affect the wider community?	No, as this policy only affects BCP Council employees
What mitigating actions are planned or already in place for those negatively affected by the policy/service change?	The requirement for enhanced due diligence checks is steered by Government policy, guidance and recommendations, along with best practice. All officers are required to undergo equalities training as part of their mandatory training, which includes training on unconscious bias. As such, this reduces the chance of any potential discrimination, both direct and indirect. A link to guidance on what checks are to be carried out has been included, and responsibility for highlighting any concerns that come out of these checks is well defined within the policy.
Summary of Equality Implications:	The fact that there is a central government mandated list of high risk countries could lead to potential claims of racial discrimination, however training is carried out to ensure that officers are aware of potential discrimination, both direct and indirect.

IN YEAR MINOR AMENDMENTS AND EDITING LOG

Minor Amendments and Editing Log

The Chief Finance Officer has primary responsibility for developing, maintaining, and implementing the Anti-Fraud & Corruption Policy. Where changes affect the powers or responsibilities of councillors approval of the Audit & Governance Committee is required.

It is recognised there may be a need to clarify or update certain elements of the Anti-Fraud & Corruption Policy from time to time, this may require minor amendments or editing. The Chief Finance Officer has delegated to the Head of Audit & Management Assurance the ability to make minor amendments and editing changes. Any such changes will be logged in the table below.

Date	Description of amendments or editing	Page
13-03-25	Minor amendments to strengthen EIA after EIOA panel review	37

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AUDIT AND GOVERNANCE COMMITTEE



Report subject	Forward Plan (refresh)
Meeting date	16 October 2025
Status	Public Report
Executive summary	This report sets out the refreshed list of reports to be considered by the Audit & Governance Committee for the 2025/26 municipal year in order to enable it to fulfil its terms of reference.
Recommendations	It is RECOMMENDED that: The Audit & Governance Committee approves the Forward Plan for 2025/26 as set out at Appendix A.
Reason for recommendations	To ensure that Audit & Governance Committee are fully informed of the reports to be considered during 2025/26.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
Report Authors	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉ nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Recommendation Decision

Background

1. Good practice dictates that a forward plan should be agreed which sets out the reports to be considered by the Audit & Governance Committee over the next 12 months.

The Forward Plan

2. The Forward Plan for 2025/26, as set out at Appendix A, has been refreshed to set out proposals for the forward management of reports to be considered by the Audit & Governance Committee in order to enable it to fulfil its terms of reference.

3. The Audit & Governance Committee should note that the plan does not preclude extraordinary items being brought before the Committee in consultation with the Chair and Vice Chair as necessary and appropriate, thus ensuring that Audit & Governance Committee business is consistent with the terms of reference.
4. Topics requiring this Committee's consideration within its terms of reference can be added at any time in the year or as they arise. These topics are generally shown in the 'Other Reports or Training Presentations' section of the Forward Plan, Appendix A, and depending on their nature are usually added to a meeting marked 'extra'. These additional reports/presentations are made available to the public with the meeting minutes.

Options Appraisal

5. An options appraisal is not applicable for this report.

Summary of financial implications

6. There are no direct financial implications from this report.

Summary of legal implications

7. There are no direct legal implications from this report.

Summary of human resources implications

8. There are no direct human resource implications from this report.

Summary of sustainability impact

9. There are no direct sustainability impact implications from this report.

Summary of public health implications

10. There are no public health implications from this report.

Summary of equality implications

11. There are no direct equality implications from this report.

Summary of risk assessment

12. Development and agreement of the Forward Plan by the Audit & Governance Committee enables it to fulfil its terms of reference.

Background papers

None

Appendices

Appendix A – Audit & Governance Committee – Refreshed Forward Plan 2025/26

Audit & Governance Committee – Refreshed Forward Plan 2025/26

REPORT	29 MAY 2025 (extra)	24 JUL 2025	24 SEP 2025 (extra)	16 OCT 2025	6 NOV 2025 (extra)	27 NOV 2025 (extra)	15 JAN 2026	6 FEB 2026 (extra)	19 MAR 2026
EXTERNAL AUDITOR'S REPORTS									
External Auditor – Audit Plan 2025/26 (<i>1 Audit Plan 24/25</i>)	✓ ₁								✓
External Auditor – Audit Findings Report 2024/25						✓			
External Audit – Auditor's Annual Report 2024/25						✓			
External Auditor – Audit Progress & Sector Update				✓			✓		✓
ANNUAL REPORTS									
Statement of Accounts 2024/25							✓		
Draft Annual Governance Statement 2024/25 and Annual Review of Local Code of Governance (<i>2 update on Action Plan only</i>)		✓					✓ ₂		
Chief Internal Auditor's Annual Opinion Report 2024/25		✓							
Annual Breaches of Financial Regulations Report & Procurement Decision Records (PDRs) 2024/25		✓							
Annual Review of Declarations of Interests, Gifts & Hospitality by Officers 2024/25		✓							
Use of Regulation of Investigatory Powers Act and Investigatory Powers Act Annual Report 2024/25		✓							
Information Governance Update		✓							
Audit & Governance Committee Annual Report		✓							
Local Government and Social Care Ombudsman Annual Report 2024/25		✓							
Annual Report of Internal Audit Counter Fraud Work and Whistleblowing Referrals 2024/25				✓					
Emergency Planning & Business Continuity Update				✓					
Health & Safety Update				✓					
Fire Safety Update							✓		
Treasury Management Strategy Refresh/Approval for next financial year							✓		
Assurance Framework & Internal Audit Planning Consultation							✓		
Internal Audit Charter & Audit Plan - next financial year									✓
ANNUAL OR PERIODIC POLICY UPDATES									
Annual evolution of Policies for 2026/27: - Whistleblowing - Anti-Fraud and Corruption - Declaration of Interests, Gifts & Hospitality - Regulation of Investigatory Powers Act (RIPA) and Investigatory Powers Act (IPA)								✓	
Financial Regulations - annual evolution for 2026/27.								✓	
QUARTERLY / HALF YEARLY REPORTS									
Internal Audit - Quarterly Audit Plan Update		✓		✓			✓		✓
Risk Management – Corporate Risk Register Update		✓		✓			✓		✓
Forward Plan (refresh)		✓		✓			✓		✓
Treasury Management Quarterly Monitoring Report		✓		✓			✓		
Procurement and Contract Management Strategy Delivery Plan (6-monthly progress report)				✓					✓
OTHER REPORTS OR TRAINING PRESENTATIONS (These items maybe deeper dive presentations rather than formal reports, as agreed by the Chair)									
BCP FuturePlaces Investigation (<i>3 Scope</i>) (<i>4 Interim Report</i>) (<i>5 – Final Report</i>)	✓ ₃		✓ ₄		✓ ₅				
Internal Audit Planning Process (<i>6 Response to queries</i>) (<i>7 Detailed explanation/deep dive</i>)	✓ ₆					✓ ₇			
Carter's Quay update		✓							
Poole Museum Borrowing		✓							

Governance and processes of Regeneration projects (with a focus on Carter Quay)						✓ exact meeting to be determined
External Audit Training Session (5 pm – before main meeting)				✓		
Treasury Management Training Session						TBA