

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 27 February 2025 at 6.00 pm

Present:-

Cllr M Andrews – Chair

Cllr E Connolly – Vice-Chair

Present: Cllr S Armstrong, Cllr J Beesley, Cllr M Phipps, Cllr V Slade,
Cllr M Tarling, Cllr C Weight and Samantha Acton

Present virtually: Lindy Jansen-VanVuuren

Also in attendance: Cllr M Cox, Cllr S Bartlett

70. Apologies

Apologies for absence on local government business were received from Cllr P Broadhead.

71. Substitute Members

There were no substitute members.

72. Declarations of Interests

There were no declarations of interest.

73. Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 27 January 2025 be confirmed as an accurate record for the Chair to sign.

74. Public Issues

Public Issues received from Mr Philip Gatrell in relation to Agenda Item 8 – Statement of Accounts 2023/24

Public Question:

SUBJECT

Accounting for the Council's IT and other equipment comprising laptop computers, mobile tablet computing devices including iPads, smart phones including iPhones and basic cellular phones.

BACKGROUND

An earlier year's response to my Section 26 Local Audit and Accountability Act 2014 request stated the above items were not treated as fixed assets because they were below de minimis capitalisation thresholds.

The overdue 2023/24 response to my associated request for the essential inventory states "not a document that exists" - implying such equipment is now capitalised.

QUESTION IN INTEGRAL ELEMENTS

- Are the above defined items recorded individually as fixed assets in the accounting records (Oracle Fusion or otherwise) including details of their users and what is their cumulative acquisition cost at 31 March 2024?
- What by description, total number and acquisition cost were such items not capitalised but written off to revenue in 2023/24?
- What is the resale policy regarding all such equipment disposals?

Response provide by the Chair:

- No. Individual records of these asset are not kept as part of accounting records. Details of IT and other equipment are held within the asset management system managed by IT services. The acquisition cost for 2023/24 capitalised was £888,304.80.
- Zero
- BCP Council does not directly resell equipment to BCP Employees. All equipment disposals are managed through our contract with an IT Asset Disposal provider, ensuring sustainability and compliance with General Data Protection Regulation (GDPR) and Waste Electrical and Electronic Equipment (WEEE) Regulations.

Public Statement 1:

FIXED ASSETS ADJUSTMENTS AFFECTING 2023/24

NOT DISCLOSED AS RESTATED IN SUCCESSIVE STATEMENTS OF ACCOUNTS

Final 2021/22 altered by Reduction in Final 2022/23

Other Land and Buildings: £7,685,000

Vehicles, Plant, Equipment: £25,000

Final 2022/23 altered by Increase in Revised Draft 2023/24 January 27 2025

Other Land and Buildings: £14,162,000

Notwithstanding any incomplete audit work, these examples reflect unacceptable departures from conventional practice. Including -

- Prior year figures altered only within the columnar fixed assets notes. Although the comparative summary notes extracting infrastructure assets misleadingly match the prior year's balance sheet figures. Consequently alterations are neither flagged nor explained.
- Discrepancies when net book value figures brought forward disagree with the comparative carried forward figures for the prior year shown within the same columnar note.
- Miscasts due to failure to round certain £ k figures consistently thus generating unnecessary reconciliation differences.
- 31 March 2024 Group balance sheet headers incorrectly state

sequentially “31/03/22” and “31/03/23” not “31/03/23” and “31/03/24”.

Public Statement 2:

Agency Recruited Officers: Contravention of the “Status Determination Statement” Off-Payroll Rules

This matter also falls within the external auditor’s remit when considering Council’s compliance with the law and potential liabilities.

In 2024 I identified and notified Officers regarding the breach which cannot be underestimated. It is underscored by the Chancellor’s statement on increasing vigilance and penalties concerning a recognised area of systemic abuse.

The Council’s Officers have acknowledged consistent failure to execute the correct processes. It is however impossible for the Council to know with certainty whether all agencies in a “chain” have complied with the Rules.

Meaning that automatically tax and national insurance due fall as a liability on the Council at escalating interest rates. With the risk of additional severe penalties determined by non-disclosure and deemed level of culpability.

The Council’s appropriate Officers have doubtless now ensured full disclosure to HMRC.

75. Recommendations from Overview and Scrutiny

The Overview and Scrutiny (O&S) Board on 3 February 2025 considered a report on the Budget and Medium-Term Financial Plan and recommended that the Audit and Governance Committee instigate an investigation on the Carters Quay development.

The Chair of the O&S Board, Cllr S Bartlett, provided the Committee with a detailed summary of how the Carter’s Quay development had progressed since first reported to the Board in August 2021, a key concern being that the Council had paid £15.3million towards a development where the contractor, Inland Partnership, had entered administration late in 2023. Officers were now in negotiation with the Administrators to recover the land. The project was identified in the Budget report as a significant risk to the Council. Cllr Bartlett outlined some key lines of inquiry around due diligence which the Committee may wish to consider if it accepted the Board’s recommendation.

The Monitoring Officer was asked for advice on how to proceed. She explained that it was not in the best interests of the Council to support an investigation at the current time as it may undermine the ability of the Council’s appointed advisors to protect the Council’s interests and seek the best outcome. In terms of scope, the issues raised may also be better addressed by the O&S Board and then referred to Audit and Governance to monitor any lessons learned. The Portfolio Holder for Finance welcomed the appointment of insolvency practitioners. He also advised caution against compromising the Council’s position.

The Committee acknowledged the sensitivities involved. However, it was argued that this should not prevent an investigation taking place on such a high-risk issue. Members discussed how best to progress the

recommendation. It was proposed that an investigation into governance and processes of regeneration projects including Carter's Quay could be added to the Committee's work plan. Some Members felt a scoping exercise on Carter's Quay should get underway as soon as possible to ensure Members were fully prepared. The Chief Executive suggested that the Committee may wish to receive an update on matters of fact about Carter's Quay and then decide what areas to focus on. Some Members were concerned about the potential consequences of delaying/extending the timescales and the clarity of the Committee's intention. Following discussion, it was agreed to request an update on Carter's Quay as part of the Corporate Risk Register report at the March meeting. Members indicated that they would welcome any factual information available to be circulated as soon as practicable in advance of the meeting, this may include information classed as exempt but as much information as possible should be in the public domain. It was suggested that the Chief Executive could confirm in writing with members what information could be made available and when.

During the debate the following points were also made:

- That the gap between Overview and Scrutiny and Audit and Governance in terms of the remit for ongoing/live projects needs addressing, possibly when considering the assurance framework report
- That the lack of information provided in the O&S Board's recommendation was regrettable as it had prevented the Independent Persons from taking a meaningful part in the discussion and offering the committee their insight from the public's perspective.

RESOLVED that:

- a) The Audit and Governance Committee includes on its work plan for 2025/26 an investigation into the Council's governance and processes around regeneration projects with focus on the Carter's Quay development;**
- b) The Audit and Governance Committee asks for an update on the current ongoing work on the Carter's Quay development as part of the Corporate Risk Register report at the next committee meeting on 20 March 2025.**

Voting: Unanimous

76. Performance Management, including business planning - Governance and reporting

The Director of Marketing, Communications and Policy and the Director of People and Culture led a joint presentation, a copy of which is attached as an appendix to these Minutes. The presentation outlined the development and implementation of a new performance framework for staff across BCP Council. It set out the operating model and governance structure for the

performance framework and explained how the Corporate Strategy's key priorities linked to service planning and key performance indicators and team and individual objectives. It provided details of how the new individual performance framework was operating, including the four levels of performance (exceeding, succeeding, building, requires improvement).

Officers responded to a number of questions and comments, including:

- How to ensure there was a consistent approach in applying the performance framework at an individual level, for example in the enforcement of sanctions. How to prevent unconscious bias and the potential to use the framework to speed up exit? The need to ensure the process was fair was recognised and had been discussed with the trade unions. Members were assured that there would be oversight of the process, with data across service areas scrutinised and further work with individual service areas as required to probe further, especially if any anomalies were identified. One would expect to see all levels of performance to appear within a service. A Member questioned this point and it was clarified that this spread would be expected where there were very large teams. There were comprehensive training packages and guidance for managers, including on unconscious bias and supporting difficult conversations. The Council was working to expand its internal coaching pool and worked with regional colleagues to reciprocate external coaching arrangements.
- The expectation that most staff would be at the 'succeeding' level of performance did not appear to take into account that staff new to their roles would be more likely to start at the 'building' level. Officers confirmed that this point was accepted.
- There was a concern that the minimum performance criteria appeared to be setting a low bar, particularly in terms of public perception. The Committee was advised that the framework established a starting point for BCP Council. It involved a culture shift which would take time to embed but the framework could be developed further over time. Members were reminded of the current sensitivities around Pay and Reward.
- How would moderation be undertaken and who would be involved? The Committee was advised that a light touch approach would apply for the first year. HR business partners would be looking at results in service areas and reporting back to Corporate Management Board. The process could be developed in future years if desired.
- How did the aim of empowering people to excel fit with staff shortages, changing life circumstances and other factors which may impact on performance but not reflect ability, and how was burn out prevented? It was noted that there was a comprehensive wellbeing package available and promoted to staff. The Committee was advised that managers were encouraged to have conversations

about wellbeing as part of the performance framework. Feedback from the unions indicated that staff welcomed positive conversations about performance, this approach was supported in the performance framework without negating the need to address improvement where required.

- A point was made about management culture, the importance of moderation work and the value of peer review. How did the performance framework link with the corporate risk on the recruitment and retention of staff? The Committee was assured that as part of People and Culture Strategy, the Council was committed to working with staff on their employee experience, using a range of data to better understand their views. The end of year review process with managers offered staff space to have an open discussion about their development and ambitions. This could help in staff retention and support succession planning.

The Chair thanked the Officers for their presentation. The Chief Executive also thanked the team for their work. He referred to the number of internal promotions and external progressions as positive examples of the Council supporting staff development.

77. Statement of Accounts 2023/24

The Chair welcomed Mr Peter Barber, representing Grant Thornton, the Council's External Auditor, to his penultimate meeting of the committee. The Chair and other members thanked Mr Barber for his diligence and his assistance to members and officers during challenging times and wished him well for the future.

Mr Barber presented the 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 included the final audited Statement of Accounts for 2023/24 for review and approval. Mr Barber confirmed that following the completion of work, Grant Thornton was able to issue its audit opinion in time for 28 February 2025 (the backstop date). As previously explained the audit opinion would include a disclaimer because of the limitations of assurance on the opening balances due to the prior year audit (2022/23). However, the positive audit year for 2023/24 provided a good platform for receiving full assurance for future years.

Mr Barber explained in more detail the main headlines in relation to the final audit findings report (ISA 260) included at appendix 1. Members were assured that none of the adjustments required had changed the Council's outturn position and useable reserves. The time spent completing the audit opinion was indicative of the number of challenges faced and this was reflected in Grant Thornton's fee. Mr Barber highlighted the significant risks identified in the audit plan. He suggested that the Council may wish to focus on the valuation of land and buildings as an area historically prone to errors. He explained the reasons for the delay in certifying the closure of the 2023/24 audit and it was noted that these did not have a material effect.

Mr Barber was asked whether the delay in receiving Dorset County Pension Fund auditor's letter of assurance could be avoided in future, particularly now Grant Thornton was the Pension Fund's external auditor. He confirmed that he was confident that all parties would be working together to ensure the letter was submitted at an earlier stage than this year. He explained in more the detail the reasons for challenging the approach taken by the valuer in applying different land values per hectare to developed and non-developed land. He was also asked about the impact of the backstop arrangements on future audit years and advised that although there was no definitive answer it may take a number of years to unwind.

Members discussed whether it was possible for the errors in the valuation of land and buildings to be addressed, either with a 'deep dive' exercise or by adding to the corporate risk register or by aiming for a more joined up approach between external audit, the valuers and the Council. The Chief Financial Officer explained that this area was not an exact science and would always throw up some discrepancies as a result of different opinions and approaches. It was noted that the nature of local government assets was inherently unusual. Significantly, the corrections required had not affected the Council's outturn position or useable reserves.

RESOLVED that:

- a) the final 2023/24 final audit findings report (Appendix 1) and the final 2023/24 Auditors Annual Value for Money Report (Appendix 2) be noted**
- b) Approval be given for the Chair of Audit and Governance and the S151 Officer to sign the Statement of Responsibilities, Letter of Representation (Appendix 3) and Statement of Accounts 2023/24 (Appendix 4).**

Voting: Unanimous

78. Financial Regulations - Annual evolution for the financial year 2025/26

The Head of Audit and Management Assurance 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.

Members were reminded of Committee's agreed approach to keeping certain policies up to date by way of a 'business as usual' annual evolution. The evolutionary changes shown in red text were retained in the live document for clarity. Staff were made aware of changes and copies were updated on the internet/intranet. The Committee received annual reports on the implementation of these policies.

The Committee was advised that no material changes had been made to sections A to F and H of the Financial Regulations. Some minor changes were made in a small number of places to clarify existing arrangements and

to make expectations explicitly clear. It had been necessary to materially and substantially update Part G, Procurement and Contract Procedures of the Financial Regulations for 2025/26, to reflect changes resulting from procurement regulations reform. The significant changes were summarised in paragraph 13 of the report. It was noted that the Council had very limited discretion or choice on the changes necessary, although section 22e on competition requirements did include some local choice. As a result of feedback prior to the committee, the following amendments to wording were reported:

- Part G3 – Standards – 3f: Insert wording to read ‘Ensure that contract opportunities are as accessible as possible to ***all entity types and including*** Small Medium Enterprise (SME)/Voluntary Community and Social Enterprise (VCSE) suppliers’
- Acronyms – VAT – Insert wording to read ‘Value Added Tax ***at prevailing rate relevant to BCP Council***’

It was noted that the new regulations placed responsibility on councils to connect with local SMEs. The Head of Audit and Management Assurance was asked what the Council was doing to ensure SMEs understood the procurement process, one suggestion being to send out a guidance video with the award notification. He explained that the Interim Head of Procurement was considering this suggestion with a view to sending a video to all new suppliers. It was noted that the Council’s financial regulations were ahead of the legislation in already including the definition of a local supplier. Members asked about communicating with their local communities. Sam Acton offered to provide a link to a recent webinar on procurement and payment processes for small businesses which Members could circulate as required.

A question was also raised about whether the section on decommissioning contracts (Part G, Section 34) should include something about communication and managing expectations of service beneficiaries, particular where this involved smaller suppliers or the voluntary sector and vulnerable groups. As there were many different types of contracts involved, the Committee was advised that this may require further consideration as to whether it could be included in this section. Members were assured that where a contract exceeded the £30,000 threshold the procurement contract management team would ensure that relevant managers were aware of these issues.

RECOMMEND TO COUNCIL:

RECOMMENDED that the Financial Regulations as shown in Appendix A with the minor amendments reported and approved by the Committee be referred to Council for adoption with an operational ‘go live’ date of 1 April 2025.

In agreeing the above recommendation, the Committee noted that it may be necessary, at the discretion of the Procurement and Contract Management Team (PCM), to operationally implement some of the

changes from 24 February 2025, which was the date new legislative requirements ‘go live’.

Voting: Unanimous

79. Annual Evolution (for the 2025/26 financial year) of the 'Anti-Fraud & Corruption Policy', the 'Whistleblowing Policy', the 'Declaration of Interests, Gifts & Hospitality Policy' (for Officers) and the 'Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA)'

The Head of Audit and Management Assurance 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.

Members were reminded of Committee's agreed approach to keeping certain policies up to date by way of a 'business as usual' annual evolution. The evolutionary changes shown in red text were retained in the live document for clarity. Staff were made aware of changes and copies were updated on the internet/intranet. The Committee received annual reports on the implementation of these policies.

The report provided a summary of changes made to the following policies to ensure they were updated in line with best practice and legislation: Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and Regulation of Investigatory Powers Act (RIPA) & Investigatory Powers Act (IPA) Policy. It was noted that the majority of changes were minor in nature. The Head of Audit and Management Assurance drew attention to the proposed delegations in recommendations ii and iii, to enable further amendments to be made during the year should legislation and internal review procedures require.

A Member asked if there were any changes to the Anti-Fraud and Corruption Policy, with reference to a matter previously raised in respect of a Business Bounce Back grant. Members were reminded that the committee had looked at this particular issue several times now, with the reports finding that correct governance procedures were followed and correct information provided to verify the spending. The matter had been scrutinised as far as it was possible to do so. It was noted that the Covid inquiry was looking into the grants systems to see what had gone well and what hadn't. The Committee was assured that robust processes were in place for the allocation of BCP Council led grants. A Member commented on the role of councillors in ensuring a zero-tolerance culture towards fraud and corruption. It was noted that the voluntary sector was subject to numerous checks and due diligence procedures for relatively small amounts of grant.

RESOLVED that

- i. the Council's Anti-Fraud & Corruption Policy, Whistleblowing Policy, Declaration of Interests, Gifts & Hospitality Policy (for Officers) and the Regulation of Investigatory Powers Act (RIPA)**

& Investigatory Powers Act (IPA) Policy for the 2025/26 financial year, be approved

- ii. **Delegation be approved to the Head of Audit & Management Assurance to amend the Anti-Fraud & Corruption Policy during the year via the addition of an appendix to cover new legislation coming into force on 1 September 2025 regarding the Economic Crime and Corporate Transparency Act 2023 creation of a new corporate criminal offence of ‘failure to prevent fraud’. The Head of Audit & Management Assurance will include the updated policy in the annual report to the Audit & Governance Committee of counter fraud activity in October 2025**
- iii. **Delegation be approved to the Head of Audit & Management Assurance for any changes required as part of the review of the Anti-Fraud & Corruption Policy and Whistleblowing Policy by the Equalities Impact Assessment Panel on 12th March 2025.**

Voting: Unanimous

The meeting ended at 9.01 pm

CHAIR

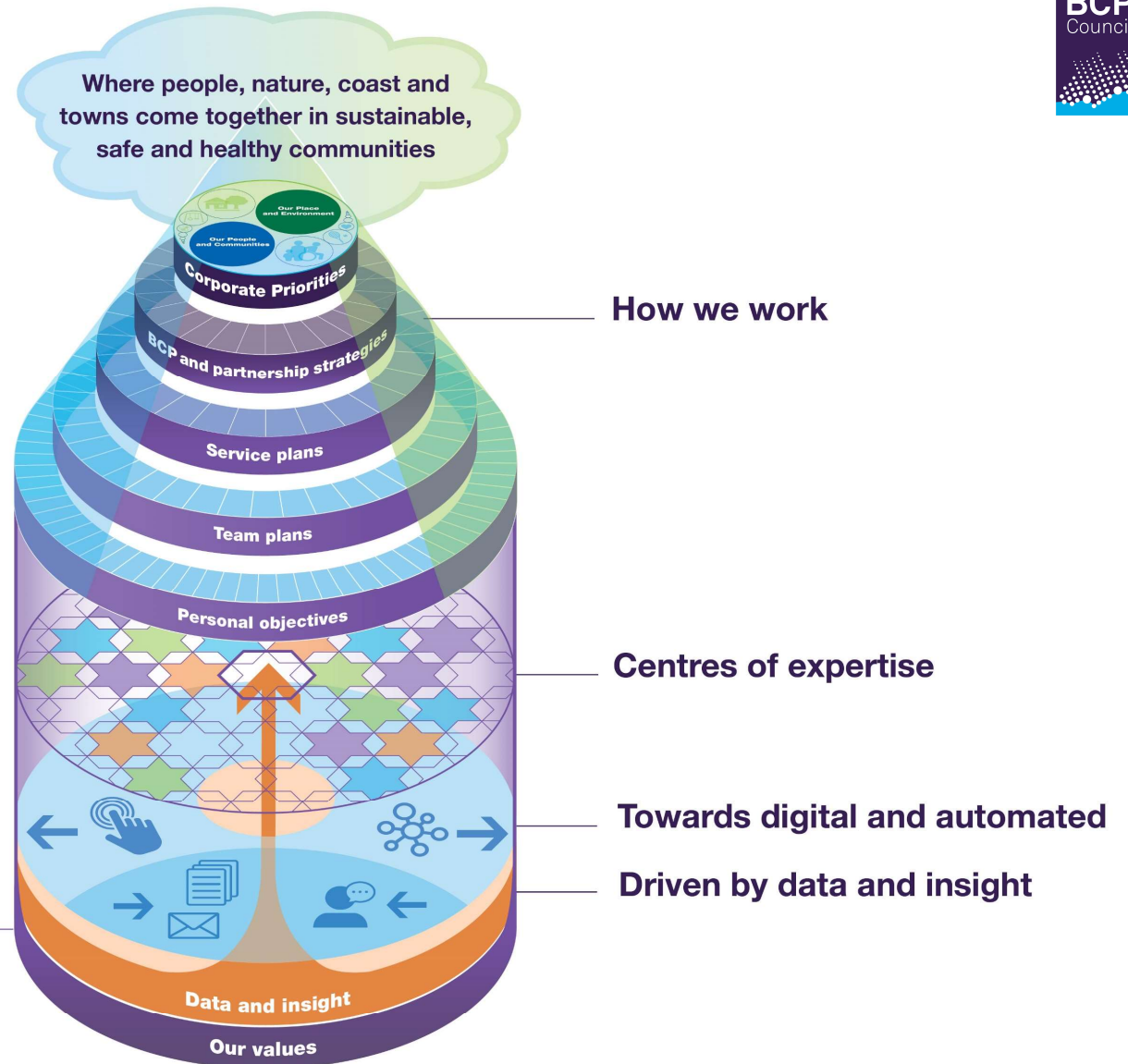
A&G Committee Performance Management

February 2025

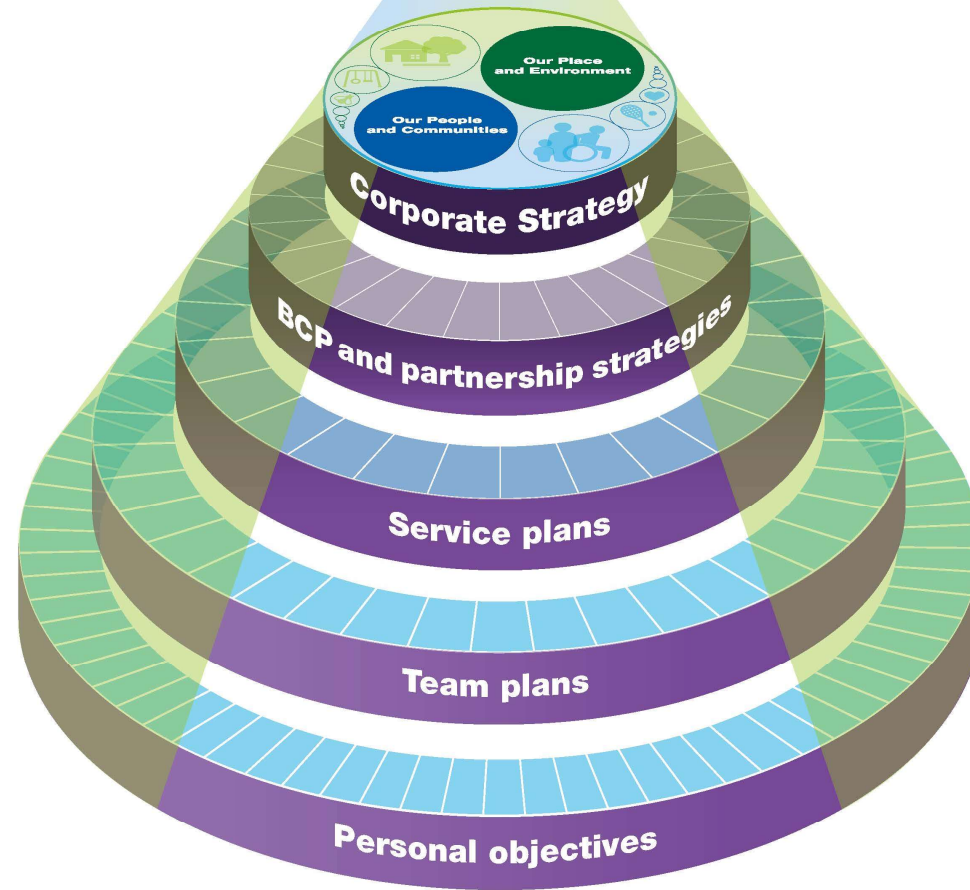
Operating model

12

-  We treat everyone with **respect**
-  We are **passionate** about our communities
-  We have **integrity**
-  We embrace **innovation**
-  We take **pride** in what we do



Where people, nature, coast and
towns come together in sustainable,
safe and healthy communities





Introduction

Our Shared Vision for Bournemouth, Christchurch and Poole is our corporate strategy setting out our vision, priorities and ambitions.

Our vision is where people, nature, coast and towns come together in sustainable, safe and healthy communities.

We have two key priorities:

- Our place and environment – vibrant places where people and nature flourish, with a thriving economy in a healthy, natural environment.
- Our people and communities – everyone leads a fulfilled life, maximising opportunity for all.


We will achieve our vision, priorities and ambitions by being an open, transparent and accountable council, putting our people at the heart of our services.

This dashboard includes the data we are using to measure progress with achieving our vision, priorities and ambitions. We will update the data on a quarterly basis to track the progress and impact over time.

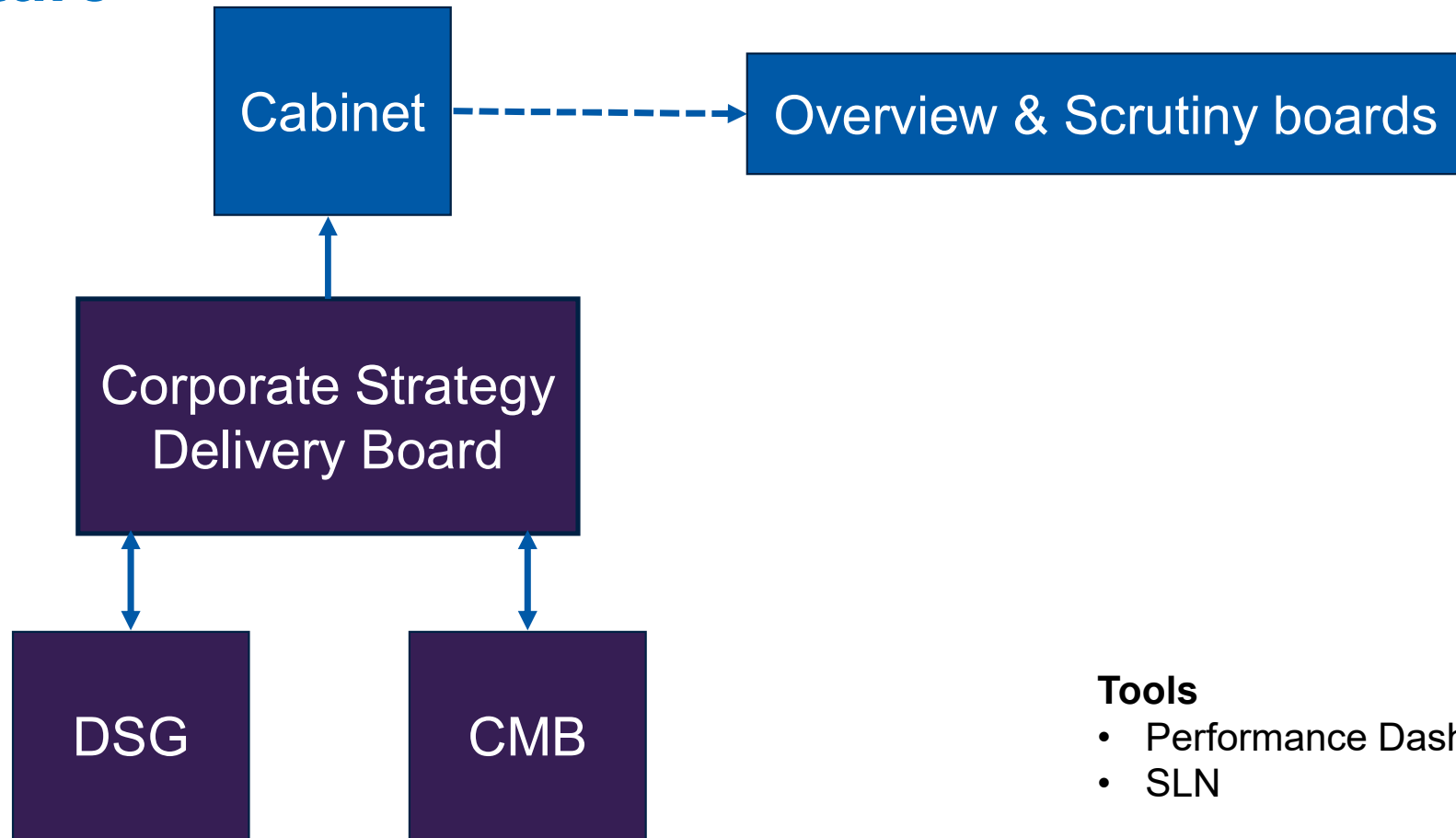
Click on the box below to view the latest progress and performance data.

Check out
progress by
Priority

Contact us

 policy@bcpcouncil.gov.uk

Structure

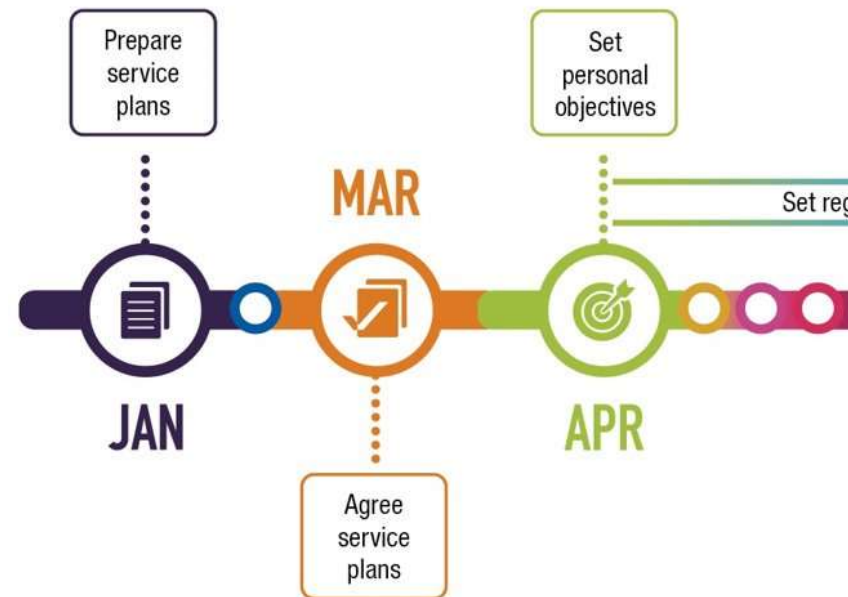


Tools

- Performance Dashboard
- SLN

Service planning

- Working towards a consistent method for service planning
- Key performance indicators that support the priorities of the Corporate Strategy
- Established organisational cycle for service planning, setting objectives, and appraisal processes
- Service plans inform team plans and individual objectives



New individual performance framework

Annual alignment linking personal objectives with service planning cycle and BCP council's ambitions

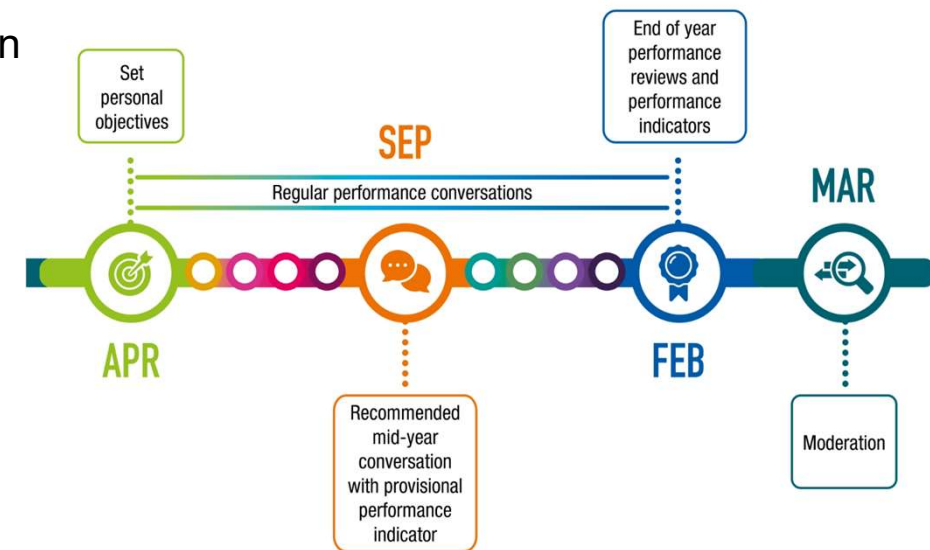
Manager accountability for ensuring all colleagues receive an end of year and mid year performance review with a performance indicator

On-line system for setting objectives; 1:1's, and performance reviews.

360 feedback programme developed

Leadership framework launched

New Coaching / Mentoring framework implemented



New individual performance framework

EXCEEDING



- exceeds expectations, goes 'above and beyond'
- achieving all objectives
- always demonstrates our behaviours
- achieved minimum performance criteria

SUCCEEDING*



- meets all expectations
- achieving all or most objectives
- demonstrates our behaviours
- achieved minimum performance criteria

* BCP Council expects most colleagues to be performing at this level

BUILDING



- meets most or some expectations
- achieving most or some objectives
- demonstrates our behaviours
- achieved minimum performance criteria

REQUIRES IMPROVEMENT



- not achieved minimum performance criteria:
 - all mandatory training complete
 - no live disciplinary or performance warnings
 - all end of year performance reviews complete (managers only)

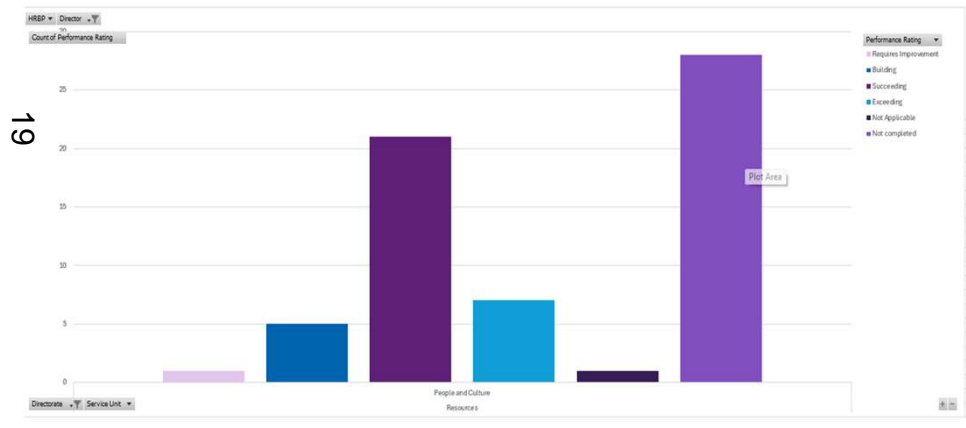
- Comprehensive training plan with over 500 managers attending performance webinars
- Minimum criteria and performance indicators established to define personal performance expectations
- Pay increments only automatic if colleagues meet minimum performance criteria (see graphic – requires improvement)

New individual performance framework

Pivot Table by Directorate

HRBP	(All)						
Director	Sarah Deane	.Y					
Count of Performance Rating	Column Labels						
Row Labels	Requires Improvement	Building	Succeeding	Exceeding	Not Applicable	Not completed	Grand Total
Resources	1	5	21	7	1	28	63
People and Culture	1	5	21	7	1	28	63
Grand Total	1	5	21	7	1	28	63

Pivot Chart by Directorate



Moderation dashboards have been created to:

- support consistency in individual performance outcome
- moderate for any non-compliance exceptions
- assess any potential unconscious bias
- provide a comprehensive overview of performance

Example of Exceptions (which would highlight anomalies)

Exceptions Applied	(Multiple Items)	.Y
Currently recorded as absent (open-ended absence)Mat to be added	(All)	
Mandatory Training compliance status as at 28/02/2025	Non-compliant	.Y
Disciplinary or performance live warnings	(All)	
Meets criteria for automatic Increment	(All)	
Is increment due 01/04/2025? (i.e. not top of scale) (YN)Not new starter post 01/10	(All)	
Count of Directorate	Perf Indicator	
Row Labels	Succeeding	Not completed
Resources	2	11
Finance		6
IT and Programmes	2	1
Law & Governance		2
Marketing, Comms and Policy		1
People and Culture		1
Grand Total	2	11

Next steps – service planning

- Embed planning cycle as organisational drumbeat
- Service plans linked to the corporate strategy dashboard
- Service plans to be linked to KPIs
- Building a flexible platform that can adapt to future organisational requirements
- Delivering service plans that cover a 2-year duration, moving away from a yearly cycle
- Designing a service plan that can be accessible to internal and external stakeholders