BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 28 May 2026 at 6.00 pm

Present:-

Cllr E Connolly – Chairman

Cllr M Andrews – Vice-Chairman

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

Also in attendance: Cllr M Cox

1. Apologies

Apologies were received from Cllr V Slade and Cllr M Phipps.

2. Substitute Members

Notification was received that Cllr C Weight was substituting for Cllr V Slade for this meeting.

3. Election of Chair

The Vice Chairman of the Council presided over this item. A nomination was received and seconded for Cllr E Connolly to be appointed Chair. There being no further nominations it was:

RESOLVED that Cllr E Connolly be elected Chair of the Committee for the 2026/27 municipal year.

Cllr Connolly assumed the chair and thanked members for their continued support.

4. Election of Vice Chair

A nomination was received and seconded for Cllr M Andrews to be appointed Vice Chair. There being no further nominations it was:

RESOLVED that Cllr M Andrews be elected Vice Chair of the Committee for the 2026/27 municipal year.

5. Declarations of Interests

In accordance with his previous declarations, in relation to Agenda Item 11 Cllr M Andrews reported for transparency, that his daughter resided at Carter's Quay and that he was a guarantor on her tenancy.

6. Confirmation of Minutes

RESOLVED that the minutes of the meeting held on 19 March were confirmed as an accurate record for the Chair to sign.

Voting: Unanimous

In addition, the Committee agreed to correct the following typographical error in the minutes of the meeting held on 26 February 2026:

Minute number 101. External Audit Finding Report and Statement of Accounts 2024/25

It was agreed to ask the Head of People and Culture to circulate to committee members details of the six exit packages for the £200,001* cost band and above for 2024/25.

*** amend to read "£120,001"**

7. Action Sheet

The completed actions on the Action Sheet were noted.

The Committee discussed the scheduling of future items and noted that some governance-related items were programmed for later meetings due to existing commitments.

The Committee considered the monitoring of recommendations and agreed that a more consistent approach would be beneficial. Officers agreed to review the Action Sheet and explore development of a recommendations tracker aligned to existing arrangements.

The Committee also noted the forthcoming Children's Services Overview and Scrutiny Committee briefing on the SEND reform programme, to which Members would be invited.

8. Public Issues

The following public questions and statements were received:

Questions from Mr Alex McKinstry on Agenda Item 10 – Exclusion of Press and Public

Question 1:
Item 10 invites the Committee to vote on excluding press and public for the duration of the succeeding item - a report entitled "Governance process for regeneration (Carter's Quay)". This report is described in tonight's paperwork as exempt from disclosure pursuant to Paragraph 3 in Part 1 of Schedule 12A to the Local Government Act 1972 - "Information relating to the financial or business affairs of any particular person (including the authority holding that information)". Was a public interest test carried out on

whether to recommend this report for exemption, and if so, can you read out the factors that are thought to support disclosure (if any), and those which are thought to support exemption?

Response:

A separate formal written public interest test was not produced. However, the requirement to consider the public interest balance was addressed as part of the Monitoring Officer's assessment, in consultation with relevant officers, when determining whether the report contained exempt information under Schedule 12A and in accordance with the Constitution.
The constitution also highlights the importance of taking into account the public interest in disclosing information.
Officers will always follow the law which provides that information is only treated as exempt where, in all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosure. That consideration was given to this report.
In summary:

1. Factors favouring disclosure include transparency and accountability in public decision-making.
2. Factors favouring exemption in this case include:
   a. the protection of commercially sensitive financial information,
   b. avoiding prejudice to the Council's position in ongoing negotiations with third parties, and
   c. protecting the Council's legal position, including in relation to potential proceedings.

Having regard to those factors, it was concluded that the information falls within paragraph 2.

Question 2:
Was a copy of the public interest test circulated to all permanent members of this Committee, and is that standard practice on committees of this Council where reports are recommended for exemption?

Response:

No separate public interest test document was circulated to Members. That is not a requirement of the statutory or constitutional framework.

Members are appropriately informed through:

1. the report;
2. the stated exemption category; and
3. the advice available to Members before and during the meeting.

Question 3:

Were all permanent members of this Committee informed that it is for them, ultimately, to decide whether a report is exempt from public disclosure?

Response:

Members are required to decide whether to exclude the press and public from the meeting in relation to the relevant agenda item. However, it is important to distinguish that process from the question of the initial publication of the report itself by officers.

In accordance with the Council's Constitution:

1. the Monitoring Officer may refuse public access to agenda papers where they consider it necessary because the papers relate to business likely to be conducted in private, and such papers are marked "Not for Publication"; and
2. that assessment is made by reference to whether the report contains exempt information in accordance with Part 4A, Rule 9.2 of the Constitution.

Should the committee be minded to publish the report and make it available to the public, the Monitoring Officer would be obliged to provide relevant advice.

In this case the decision made by officers is that, because the report contains commercially and legally sensitive material, including matters relating to ongoing negotiations and potential legal proceedings, it would not be possible to consider the report in substance in public without risking disclosure of that information.

9. External Auditor – Audit Progress & Sector Update

The Key Audit Partner, Grant Thornton, the Council's External Auditor (EA) 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.

Appendix A of the report provided an update on the EA's progress to date in delivering its responsibilities in relation to audit work. The EA highlighted the key points of note in relation to the Financial Statements Audit 2025/26 as detailed in the report. It was noted that a draft timeline and detailed workplan had been shared with the Council on 30 April 2026, demonstrating how the 30 November 2026 deadline was expected to be met. Given the disclaimed opinion since the 2022/23 audit backstop, discussions had begun with the Council on restoring assurance and progressing towards an unqualified audit opinion. The EA highlighted the key points of note in relation to Value for Money work. The report also included a summary of emerging national issues and developments potentially relevant to the Council.

In the course of the discussion, Members raised questions in relation to the Dedicated Schools Grant deficit and the Council's SEND reform programme, including the anticipated timing of government funding and the assumptions within the Council's financial planning.

In response, the Interim Chief Financial Officer advised that the Council was required to submit its SEND reform plan by mid-June 2026, with any associated funding anticipated later in the financial year, subject to approval. The EA further advised that the Value for Money assessment would reflect the Council's arrangements in place at the relevant time, including how the remaining unfunded element of the deficit would be managed.

Further questions were raised in relation to progress towards restoring audit assurance and the potential impact of changes to asset valuation requirements arising from updated CIPFA guidance. The EA advised that the changes were intended to simplify valuation processes over time and reduce audit complexity.

Following consideration, the Committee requested that further information be provided on the financial assumptions underpinning the SEND reform programme.

RESOLVED that the Audit & Governance Committee notes the External Auditor's progress to date in delivering its responsibilities and the sector update provided.

Voting: Nem. Con.

10. Appointment of Independent Members

The Head of Audit and Management Assurance gave an update on the appointment of two new independent members following the recruitment process.

Members were advised that the recruitment process had been undertaken in accordance with best practice, with the role publicly advertised and a selection panel comprising Members of the Committee. It was reported that four candidates had been shortlisted and interviewed, with two candidates provisionally identified for appointment. One candidate had accepted the offer, with a response from the second candidate awaited.

It was further noted that, subject to acceptance, a report would be submitted to Full Council seeking approval of the appointments.

In the course of the discussion, Members raised concerns regarding the timing of the recruitment process and the period during which the Committee would be without independent members. In response, officers advised that the process had been progressed as quickly as practicable, although it was acknowledged that there would be a short interim period without independent representation.

Members emphasised the importance of independent members in supporting the work of the Committee, particularly in relation to complex governance matters.

Following consideration, the update was noted.

11. Exclusion of Press and Public

The Committee considered a report of the Monitoring Officer regarding the proposed exclusion of the press and public in respect of the following item of business.

The Chair outlined the background to the Carter's Quay report, noting that it contained detailed information relating to ongoing negotiations with the administrator and potential legal considerations. It was explained that, in accordance with the Council's Constitution, the Monitoring Officer had determined that the report contained exempt information.

Members were advised that the exemption related to commercially and legally sensitive information, including matters that could prejudice the Council's position in ongoing negotiations and any potential legal proceedings.

In response to concerns regarding transparency and the absence of a separate written public interest test, the Monitoring Officer advised that the public interest had been considered as part of the exemption and that disclosure at this stage could prejudice the Council's legal and commercial position. It was further noted that elements of the report may be published at a later stage.

Members acknowledged the need to balance transparency with protecting the Council's interests and indicated support for a public-facing summary being produced in due course.

Following consideration, it was:

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 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.

Voting: For 7, Against 0, Abstain 1

12. Governance Process for regeneration (Carters Quay)

This item was restricted by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972.

Exempt information – Category 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

The Committee considered an exempt report relating to the Carter's Quay acquisition.

The Committee asked questions of officers and agreed that further work was required.

The Committee confirmed that the item had been appropriately considered in exempt session and that further consideration would take place, with a public report to be considered by the Committee in due course.

RESOLVED that the Audit and Governance Committee:

- **notes the report**
- **agrees that further work be undertaken to develop recommendations**
- **agrees that a report comprising a summary of the Committee's findings, recommendations and relevant extracts be prepared, delegated to the Chair in consultation with the Committee**
- **supports the preparation of a public report for Committee consideration, subject to legal and commercial considerations**
- **agrees that a further meeting or briefing be arranged to enable continued consideration of the matter**

Voting: For - Unanimous

The meeting ended at 9.43 pm

CHAIRMAN