



Department for Levelling Up, Housing & Communities

Councillor Drew Mellor
Leader, Bournemouth, Christchurch and Poole
Council
BCP Council Civic Centre
Bourne Avenue
Bournemouth
BH2 6DY

Paul Scully MP

*Minister of State at the Department for Levelling
Up, Housing and Communities Minister for
London*

**Department for Levelling Up, Housing and
Communities**

4th Floor, Fry Building
2 Marsham Street
London SW1P 4DF

2 September 2022

Dear Cllr Mellor,

2022/23 EXCEPTIONAL FINANCIAL SUPPORT APPLICATION

I am writing in relation to Bournemouth, Christchurch and Poole Council's application for Exceptional Financial Support (EFS) on 15 July 2022. More broadly, and following my previous correspondence, I want to reiterate that I continue to have significant concerns about the present financial strategic direction of the Council and urge you to consider what action is needed to ensure the Council remains in a sustainable position.

In respect to your Council's request for EFS, after careful consideration, I am minded to offer the Council in-principle support of up to £20m in the form of a capitalisation direction for the financial year 2022/23. This letter does not constitute a capitalisation direction but outlines the Government's current position.

In line with the approach adopted for requests for Exceptional Financial Support, this in-principle support is subject to the Council agreeing to the following conditions:

- That the Council produces a full plan for addressing its budget gap in 2023/24 and beyond, and shares this with my department by the end of September 2022. This plan should seek to utilise all the resources available to the Council to close the budget gap, be fully within the spirit and intent of all local government guidance, and aim to eliminate any amount of exceptional financial support required going forwards;
- That the Council undergoes an external assurance review of its finances and governance arrangements. This review will advise on the amount of support required, help to ensure that the Council is on a sustainable footing going forwards, and ensure that policies and procedures are in place for robust decision making and accountability. This review will take place in Autumn 2022 and my officials will be in contact with your officers about this in due course.

Further conditions may apply to any capitalisation direction for 2022/23, including addressing recommendations made by the external assurance review and applying a 1% premium on any borrowing undertaken from the Public Works Loan Board associated with the

capitalisation direction. A final decision on any total amount of EFS support for 2022/23 will only be taken once an external assurance review has been completed.

The Council also applied for support in 2023/24 and 2024/25. As the Secretary of State made clear during his meeting with you on 11 August, Government will not consider requests for support in these years until after the Local Government Finance Settlement has allocated resources to all councils.

It is my view that the Council should now be making the necessary plans and arrangements to secure its short- and medium-term future. Going forward, it is essential that the Council is able to offer long term security and reassurance to local residents.

My officials and I look forward to continuing to work with you and your officers.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Paul Scully', with a stylized flourish at the end.

PAUL SCULLY MP