



# BCP Council Assurance Review

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# Foreword

This assurance review has been produced to help to meet the needs of DLUHC who have been due to commission an assurance review of BCP Council since the application for a capitalisation direction was agreed in principle.

The Leader of the Council and I have agreed that, as Chief Executive of the Council I should prepare an assurance review covering all of the issues that I am aware of in order to facilitate the process. In doing that I may have given a more detailed report than would be possible for an external reviewer, but this gives the Council a detailed set of recommendations to implement over the coming months, and particularly from the elections in May.

Many of the recommendations are either under way already or will be implemented after the local elections in May 2023, given the short timescale left for the Council with its current membership. Where the recommendations are for implementation after the elections, all appropriate preparatory work will be carried out so that the recommendations can be implemented as soon as possible after the election of the new Council.

I would like to thank all those who have contributed to this review, especially Sophie Bradfield who has co-ordinated all of the input and helped to deliver the report promptly.

**Graham Farrant**  
**Chief Executive BCP**  
**Council**

**16 March 2023**

# Introduction

## About BCP Council

Formed in April 2019, BCP Council is a local authority that is home to over 400,000 residents. Comprising the towns of Bournemouth, Christchurch and Poole (BCP), the local authority has areas of natural beauty, scientific interest and opportunities for all residents. Like many places the BCP area has areas of contrast, including some of the most affluent and most deprived areas in the country.

When BCP Council was formed on 1 April 2019, it was the most complex local government reorganisation seen in the country for over 40 years, bringing together district and county level services, each from three different sources, across four preceding councils. The creation of the Council was not supported by all of those Councils and the decision was uncertain until the summer of 2018, resulting in the restructure being completed in a year less than other LGR's, and some of the friction lives on in the Council and in the local politics.

Prior to LGR the respective councils in Bournemouth, Christchurch and Poole were each led by Conservative administrations with majority control. Following the election in May 2019 there is a much more mixed political representation which is explored further below.

Less than a year after the new Council was formed the world encountered the Covid19 pandemic which changed the way that people worked and created huge pressures for the public sector. The pandemic helped to shape the way that the Council performed during those 18 months from March 2020 and had a lasting effect by delaying some of the transformation and culture change that was necessary to fully integrate the services from four preceding councils.

The following papers give more detail on the impacts of Covid-19 on the Council:

- [Covid Impact Evidence - Briefing Paper - April 2021 \(bcpCouncil.gov.uk\)](https://www.bcpCouncil.gov.uk/covid-19/briefing-paper-april-2021)
- [COVID impact on Children and Young People - Evidence summary - Insight Briefing May 2021 \(bcpCouncil.gov.uk\)](https://www.bcpCouncil.gov.uk/covid-19/evidence-summary-may-2021)

BCP Council is the 10<sup>th</sup> largest urban local authority, the 13<sup>th</sup> largest unitary council by population and the largest urban authority that does not have an upper tier of combined or regional governance above it. The Council is not engaged in any formal discussions regarding a potential devolution deal.

**Parliamentary Constituencies:** There are 5 parliamentary constituencies across the BCP area, all held by Conservative MP's since 2019: [Bournemouth East](#) BC; [Bournemouth West](#) BC; [Christchurch](#) CC; [Mid Dorset and North Poole](#) CC; and [Poole](#) BC.

[Appendix 1](#) contains key facts about the economy and population.

# Political Governance

## The Constitution

The Council's Constitution was developed by a councillor working group under the Shadow Authority arrangements, from the constitutions of the three principal preceding councils. A cross-party Constitutional Review Working Group has been set up to undertake a continual review making recommendations through the Audit & Governance Committee (A&G) for further referral to Council for any changes to be made.

A thorough review was undertaken during 2021, concentrating on the Articles and Procedure Rules, followed by the adoption by the Council of the LGA model Code of Conduct for Councillors and a refresh of Part 3 Delegations. The Part 5 Finance Procedure Rules are subject to an annual review and the Monitoring Officer has made recommendations that this part be integrated more fully into the constitution and particularly that a standalone Budget and Policy Framework be developed.

See [recommendation](#) 32.

The Council is administered under a strong Leader and Executive model. In addition to Council and Cabinet, decisions are made through Audit & Governance, Standards, Planning, Licensing and Appeals Committees. Following a review in May 2022, Overview and Scrutiny now takes the form of four separate committees with specific remits:

- Corporate and Community
- Place
- Health and Adult Social Care
- Children's Services

Overview and Scrutiny Committees are heavily involved in considering many, but not all policy issues prior to consideration by Cabinet and have not been as actively engaged in policy development as they could have been in most areas. There are some notable examples of good practice around Climate Strategy and the development of the Local Plan, but these examples have not been followed everywhere. This has been an area of concern for some time and will need further development.

See [recommendation](#) 3.

## Political Movements

BCP Council is made up of 76 councillors, representing 33 wards. At the time of writing, the Cabinet is made up of the Leader of the Council, Councillor Philip Broadhead, and seven portfolio holders, including a Deputy Leader. There is a Cabinet+ approach to utilise a wide range of member skills and an additional six non-executive lead members have been appointed with specific responsibilities such as homelessness and Levelling Up and skills. The Leader of the Council, Cllr Philip

Broadhead was elected unopposed, at the Council meeting on 21 February, following the resignation of the former Leader, Cllr Drew Mellor.

The political environment has been very mobile over the last four years, with a very large number of movements between party groups and some deaths of councillors in service, resulting in changes to the political balance. These changes are more common in a No Overall Control environment, but the degree of movement is notable and probably unprecedented in a new council. Since the elections in May 2019 there have been 10 political balance reviews triggered by various events, three votes of no confidence, and changes to the political leadership, plus the current administration starting as a minority administration (36/76) moving to a position of overall majority control (41/76) and now being back in minority administration (35/76). These movements are set out in the table attached as [Appendix 2](#).

At the start of BCP Council, following the local elections in May 2019, six political groups were established with two unaligned councillors; but no single political party had overall control. The Unity Alliance was formed, comprising councillors elected to represent the Liberal Democrats, Christchurch Independents, Poole People, Labour, other Independents, Green, and Alliance for Local Living, held the administration until September 2020, when a second Vote of No Confidence in the leadership resulted in a Conservative minority administration taking control. That minority administration moved to a majority Conservative administration in October 2021 and then reverted to being a minority administration in a No Overall Control council from June 2022 when four councillors left the Conservative group, and then established their own Poole Engage party (initially called Poole Local).

In addition to the large number of movements between parties, BCP Council is unusual in the number of local-interest parties that have been established in the area, and which make up a significant portion of the Council. This brings a different dynamic to the more traditional larger political national parties. There are political groups representing:

- Christchurch - Christchurch Independents
- Poole - Poole Independents, which itself is made up of four councillors elected to represent the Poole People Party and one representing the Alliance for Local Living, and a second local group, Poole Engage, which is made up of four councillors elected as Conservatives and one elected as Poole People Party
- Bournemouth - Bournemouth Independents which is made up of two councillors elected to represent the Green Party and two independent councillors.

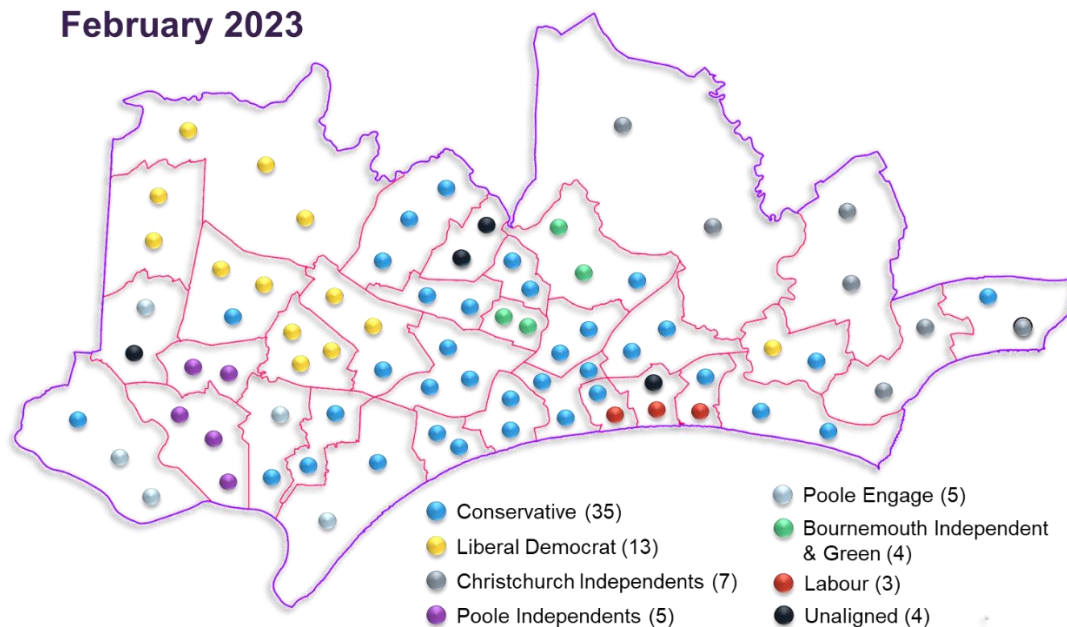
In addition, the three other national parties, Conservatives, Labour, and Liberal Democrats are all represented on the Council and there are a number of unaligned councillors.

This very unusual mix of national and local parties plays into the very complex web of political representation on the Council and committees and makes the political



balance calculations extremely complex and volatile as almost any movement of councillors between party's results in a complex amendment to the political balance calculations.

The current political make-up of the Council is shown in the illustration below, which also demonstrates the locality focus of some of the political groups:



With three Leaders of the Council, and three Leaders of the Opposition there has been an unprecedented amount of political change in a newly formed Council, and this has led to an impression of political instability and lack of consistent direction, despite the longevity and stability of the Council's Corporate Strategy and the Big Plan. The external perception of the instability of the political leadership, seen in sharp contrast to the stability of neighbouring Dorset Council, has deterred public sector partners from establishing long-lasting relationships with the political leadership, and has hampered the Council's ability to engage fully in strategic partnerships, an area which needs to be addressed.

It is important that, after the local elections, the new political leadership team engage strongly with the LGAs Peer teams and their national party structures. They will need to use the facilities of mentors and coaches which the LGA and others will make available to stabilise the new council and ensure that the new Cabinet has sufficient capacity and support to clarify the long-term objectives and priorities for the Council and to manage the budget process going into 2024/25.

It is suggested that this will need to include stronger engagement and communications with all councillors across the political parties to include:

- 1 Establishment of cross-party working groups to oversee:
  - a. the transformation programme,
  - b. budget process and
  - c. other key corporate priorities such as climate action
- 2 Re-establishing a regular (weekly or fortnightly) email update to all councillors on developing policy and forthcoming decisions, which has already been reinstated by the new Leader.
- 3 Maintaining an open Q&A approach for all councillors, engaging with senior officers alongside the Cabinet.
- 4 Similar engagement for key public sector partners and community representatives.

Increased diligence should be established so that leading councillors only attend formal meetings with external parties with an officer present to make notes of any discussions and any policy outcomes, and that all subsequent correspondence is produced in line with the Constitution.

See [recommendations](#) 17, 18, 23 and 24.

## Partnership Working

BCP Council has proactively explored opportunities to work collaboratively with other organisations at a strategic and operational level and work closely with neighbouring authorities and partners.

Many of the Council's ambitions, actions and activities are shared with partners in the public, private and third sector and are included in partnership strategies and plans. Advantage has been taken of new partnership arrangements that have arisen over the last 18 months to establish the Council's position more firmly on the regional and national partnership infrastructure.

BCP Council is a major partner with the NHS in the Dorset Integrated Care System (ICS) which covers the BCP and Dorset Council areas. As part of this the Council is a key member of the Integrated Care Partnership (ICP) helping with place-based plans for prevention and integration, working with the NHS and wider partners through the ICP. The Council's Health and Wellbeing Board also works closely with Dorset's Health and Wellbeing Board to consider its role in supporting a strong and vibrant Integrated Care System Strategy, with a focus on improving outcomes particularly in the more deprived communities and delivering the ambition for better health, better care, and better value from a collective use of our combined resources.

The Dorset Public Services Forum is now chaired by the BCP Council Chief



Executive, and this will be supplemented by a new BCP Public Services Executive Board that has now been established. The purpose of these forums will be diverted towards a more strategic approach to public service provision across the area, both for the wider Dorset and for the BCP area.

The Council needs to determine its preferred approach to sub-regional partnerships and to decide whether it will push for a Dorset-wide, or wider South West configuration, or partner more formally with areas to the east through a Central South configuration.

## **LGA Peer Challenge**

In line with the statutory requirement to continually improve the Council, an LGA Corporate Peer Challenge (CPC) was carried out in November 2021. This enabled a review of progress two years after the formation of BCP Council.

The CPC recognised that, whilst much work had been done to create this new influential and large-scale unitary council, the Council still had a significant job to do to consolidate policy, practice, and procedure. Some significant challenges remained, including the harmonisation of pay and reward to bring together all staff onto a common pay scale and with common terms and conditions. There was also a recognised need to balance the leadership's ambitious visions for the place of BCP against an ability to deliver a sustainable medium term financial plan.

The Council responded appropriately to the recommendations of the CPC with an action plan and revisited this at their progress visit a year later. However, comments made about the financial sustainability did not reach through to the political leadership which have continued to describe the financial position as being in a better position to other comparable councils. In reality, the future budget, which appears to be balanced over the MTFP, is heavily dependent on achieving some stretching cost-reduction targets through transformation and service-based improvements and efficiencies in Children's and Adults services.

Senior officers have continued to engage with the Peer Challenge team, especially on strategic finance issues and that is encouraging, providing valuable external support to the finance team. This external support for senior officers will be continued post-election.

## **Governance**

### **Strategic Vision and Direction**

The Council has established a clear vision for the place with "The Big Plan" and a Corporate Strategy which is underpinned by a series of deliverable objectives set out clearly and succinctly, alongside a comprehensive suite of key performance

indicators and measures. These documents are strong but were not produced sequentially as the Big Plan came after the Corporate Strategy. As a result, after the local elections, the Cabinet and Corporate Management Board will be engaged in bringing the Big Plan and the Corporate Strategy into a single document which will set out the vision for the place and the key objectives for the Council to deliver. This will simplify the strategic framework of the Council and will help to guide the key priorities for services and for the budget.

The Transformation Programme sets out the ambitious plans for creating a new, single operating model which will help the Council achieve its strategic vision. However, the structures have not been established to encourage and enable an appropriate and sufficient level of councillors' engagement with the Transformation Programme. Two new mechanisms are being established, a Cabinet working party to lead on key areas of transformation and a new cross-party group of councillors to oversee and monitor the transformation programme.

See [recommendations](#) 15 and 16.

## Decision-making

Formal decision-making is well documented, and the standard of reports is generally good, although some are too long, and the recommendations are not always as clearly worded as they might be.

The Cabinet is the principal decision-making body, and this works well. Decisions are clear and the meetings have been open, engaging and well managed. There is an open invitation for all councillors to speak on any item if they want to, plus open feedback from Overview and Scrutiny into Cabinet reports, and an opportunity for public statements at the start of each meeting. Some councillors attend the meeting on Microsoft Teams, although any decision-makers need to be in the room to vote. The hybrid structure of meetings has been used to good effect and the Democratic Officers supporting the Cabinet are skilled at their roles.

The Cabinet agenda has often been very full, primarily due to the large number of policies and strategies coming forward after local government reorganisation, many of which are still ongoing or being developed, although the stream of outstanding strategic consolidation requirements is nearly complete.

Overview and Scrutiny (O&S) has been the subject of political contention with the recent changes to the structure and frequency of meetings being particularly contentious. Much of the work of the Health and Adult Social Care, and Children's Services O&S Committees has been well recognised and is strong. These two O&S Committees seem to be well supported across the political parties.

The two new O&S Committees for Place and Corporate & Community are more contentious. The councillors on these two committees are more focussed on carrying out pre-Cabinet scrutiny and there is a need to move that agenda more into

development of policy and the overview aspects rather than pre-decision scrutiny, whilst encouraging opposition and backbench councillors to find appropriate mechanisms for challenging and reviewing Cabinet and portfolio holder decisions.

It has been noted that most of the decisions on the two new O&S Committees appear to be taken on party lines and this needs to be reviewed. This is an observation which needs to be watched carefully as the party whip should not be applied to O&S functions.

Council meetings have often been contentious and there have been some very acrimonious meetings and debates. There is a need to review how many recommendations need to go to the Council for decision and how they are managed and debated. The level of delegation should be reviewed and the procedure for proposing and seconding recommendations from the Cabinet and other Committees could be simplified.

Planning and Licensing Committees are generally well managed. No issues of concern have been identified to date although they have dealt with many contentious issues and applications. Planning is a big issue in the area, as it often is, but there is no evidence of mismanagement or major concerns, apart from delays in considering items for planning permission. The performance of the Planning team has been under scrutiny for some time and a Planning Improvement Board has been established, chaired by the Chief Executive, and involving the Chief Operations Officer and Cabinet members to drive performance improvements.

Policy reports are, generally, co-produced productively between officers and portfolioholders with detailed briefing of portfolioholders by officers being generally effective and well supported. At formal Cabinet meetings the reports are presented by councillors, who are briefed by officers. Use of the ModernGov system to produce reports has improved in recent months and where it is properly used it is effective, although can be cumbersome, especially for councillors who have may have devices other than the Council laptop.

The Director of Law and Governance has recently confirmed that the content of reports is in the ownership of the officers, with their role being to provide sufficient information to the Cabinet and other Committees, and for the councillors to consider the options and make a decision. Report writing training is currently being refreshed for report authors.

See [recommendations](#) 1-8 and 13.

## Finances

The Council's finances have been the main point of contention over the last year and have been the key factor that has brought the Council to the attention of DLUHC and the Minister for Local Government.

The financial element of the November 2021 Corporate Peer Challenge was appropriately challenging and supported subsequent observations by DLUHC and others, including the external auditor, about the degree of financial risk embedded in the budgets and MTFP. Early observations included that BCP Council had a professional and experienced finance team who had enabled the Council to build a solid financial base having successfully navigated the creation of a large new unitary authority following the most complicated local government review process in England in 40 years, a global pandemic and the delivery of services with over £100m less in annual Revenue Support Grant from Government compared to 2010. They also reflected that the Council had a reasonable level of reserves.

Recommendations included suggestions that the Council:

1. note that the accumulated Dedicated Schools Grant high needs deficit is close to creating an overall negative reserve position.
2. continually assess the risks created by the overarching and ambitious programmes of regeneration and transformation and the potential to impact the resources necessary to support statutory and priority services.
3. ensures the affordability of new initiatives within the context of the MTFP timeline.
4. considers increasing unearmarked reserves beyond the current MTFP target to mitigate strategic and operational risks from ambitious programmes.

The annual revenue budget for 2022/23 was noted as containing significant risk, many of which moved against the Council during the year, including the failed strategy to fund the Transformation programme by selling the beach huts to an SPV and the severe effects of inflation during the year, which was not forecast.

See [recommendation](#) 30.

## Council Tax

Residents of the preceding councils paid different amounts of council tax prior to LGR with the average (band D) for Poole residents being £1,439.38, Bournemouth at

£1471.30 and Christchurch £1,598.30. Two years on from the creation of BCP Council, council tax was harmonised from 1 April 2021, at £1,541.57 which was an average increase between years of 1.55% compared to the 4.99% maximum permitted increase for 2021/22. The allowable 3% social care precept was not applied in 2021/22 and instead carried forward to 2022/23.

In 2022/23 the administration did not support a full council tax increase and, despite a very strongly worded s25 statement from the Chief Finance Officer, the Council opted to apply a 4% council tax increase made up of the deferred social care precept from 2021/22 and the 1% social care precept for 2022/23. They did not apply the 1.99% increase in core council tax levels leading to a £4.5m per year reduction in potentially available resources from April 2022.

Council tax generates 79% of the net revenue budget for 2023/24, business rates generate 19% and just 2% comes from un-ringfenced government grants.

## Reserves

BCP Council's strategy has been to build up its unearmarked reserves set aside to cover general day-to-day operating risks to £17.9m, which is 5% of Net Revenue Expenditure minimum benchmark level as recommended in the CIPFA Financial Management Code of Practice. The 2023/24 Budget achieves this with an injection of £1.9m. The MTFP allows for further annual increases of £0.7m each year in recognition of the upward movement in the net expenditure of the Council.

The level of earmarked reserves, which are reserves set aside for a specific purpose, have reduced significantly over the last few years, because the financial strategy has been to use such reserves to support the annual budgets of the Council. These reserves have in part been created from historically delivering positive financial outturns; from a fundamental review of how the capital programme and transformation programme are funded; and from ensuring Community Infrastructure Levy resources are being applied appropriately. The Council has endorsed the application of £96m of reserves in support of its last three approved budgets, £30m in 2021/22, £36m in 2022/23 and £30m in 2023/24. This is not sustainable as the forecast is that the remaining amount of earmarked reserves will total £12.8m on 31 March 2024.

The overall level of council reserves is of concern because of growing deficit on the Dedicated Schools Grant (DSG) budget is taken into consideration. At 31 March 2023 the Council is predicted to have a DSG deficit of £37m which is particularly impacted by the expenditure on the High Needs block and support for Education, Health, and Care Plans (EHCPs) for young people. The budget for 2023/24 assumes this deficit will grow to £64m by 31 March 2024 at which point the Council will have overall negative reserves. The presence of a statutory instrument allows the Council to ignore this deficit until the 2026/27 financial year at which point the deficit is currently forecast to have increased to around £160m without corrective action.

Whilst the long-term impacts are potentially significant, the short-term effects are also impacting on the Council's budgets because of the cost to the Council of managing the cashflow of the payments, at an estimated annual revenue cost of around £2.5m for 2023/24 and growing in future years. This is causing an effective cut of service provision to that degree.



Although part of the DfE Delivering Better Value in SEND programme the Council is no clearer as to how this deficit will be funded. The Council should consider how best to manage the future risks and current costs associated with this significant issue.

See [recommendation](#) 31.

## Financial Governance

As stated, the 2021 Corporate Peer Challenge evidenced that the Council had a good solid financial base going into the 2020/21 budget setting cycle. The subsequent 2020 Covid-19 pandemic and the 2022 cost-of-living crisis then created pressures for the Council which have impacted its financial standing, but these are similar to those consistently being reported by other local authorities. However, for BCP Council there was the added dimension of an ambitious approach to regeneration, with the administration prepared to accept greater levels of operational and programme risk and prepared to test the boundaries of Treasury orthodoxy.

This manifested in August 2022 when DLUHC changed statutory the Flexible Use of Capital Receipts (FUCR) guidance which was a flexibility the Council had been intending to use to fund its £67m transformation programme. Government changed the guidance as it believed that the Council's proposal to create an SPV that would enable the commercialisation of its beach hut assets and, incidentally, generate a capital receipt for use through FUCR, was not in keeping with the spirit and intent of the legislation. The Council had, before including the proposal as part of its 2022/23 budget, obtained independent advice and guidance in developing the business case with KPMG and had received assurance from both CIPFA Consulting and its External Auditor that the scheme was within the guidance at the time of setting the budget.

Consequently the Council applied for a capitalisation direction to fund the entire Transformation programme (£76m) and received a "minded to" letter agreeing to allow it to fund the £20m revenue cost of its transformation programme in 2022/23 from borrowing. However, the letter from DLUHC encouraged the Council to eliminate the amount of exceptional support as much as possible and therefore it subsequently agreed additional assets sales, which assuming they can successfully be achieved by the 31 March 2023, will reduce the amount of the capitalisation direction to a much smaller sum being required in 2022/23, and possibly down to zero. A capitalisation direction of £1.9m is assumed in the 2023/24 budget and attempts are being made to reduce this requirement to zero.

There have been several changes in finance policy during the year, resulting from the failure to deliver the beach huts capitalisation and these have added to the impression of a council of concern to DLUHC. As a result, a number of letters have been sent to the Council directly by the relevant minister, an unusual event, and



these have kept the focus on the overall financial governance and direction of the Council. The apparently heightened risk appetite caused concern with external observers and CIPFA were engaged to advise the Director of Finance, alongside the continued engagement of the LGA Peer Review team. The focus on trying to bring in innovative financial models has been a source of contention within the Council and with DLUHC and has resulted in a diversion of senior resources away from more traditional financial management and distracted from the Cabinet and CMB working together to deliver a balanced budget made up from traditional local government resources.

From a governance perspective the Council's ongoing financial monitoring has been sound, with monthly monitoring reports to Cabinet replacing the normal quarterly budget monitoring with each such report being subject to pre-Cabinet scrutiny monitoring.

As part of the Council's Transformation Programme there is investment in a new Microsoft based Enterprise Resource Planning (ERP) system covering finance and HR systems to give a more comprehensive and intuitive system which brings together finance and structures and allows a greater degree of self service by budget holders. This will place greater emphasis on the skills of budget management being held by service managers and will accelerate the provision of accurate and timely budget monitoring information to services. This will also introduce commitment accounting and a structured approach to budget management and procurement requirements, as well as directly linking the staffing structures to budget management comprehensively.

See [recommendations](#) 9 and 33.

## **Regeneration capacity - BCP FuturePlaces**

In May 2021, following an external review of the regeneration opportunities and the Council's capacity the Council approved the formation of BCP FuturePlaces Ltd, ("FuturePlaces") a wholly owned Urban Regeneration Company (URC), operating under the Teckal exemption. BCP FuturePlaces was created to drive "Place Making", regeneration and property market transformation at pace across key sites owned by the Council and the wider area to support the aspirations set out in the Council's Big Plan.

In October 2021 Cabinet approved a commissioning approach to provide oversight of all the regeneration and development activity undertaken for the Council, including by FuturePlaces, along with the company's first business plan. The commissioning plan sets out the strategic framework for overseeing the delivery of place making and regeneration services by the company with a small commissioning team performing an intelligent client role ensuring compliance with gateway process and the commissioning contract. Officers need to ensure

that the commissioning process is managed strongly, and that appropriate commissioning is maintained for every project.

The 2021/22 budget assumed FuturePlaces would provide development advice funded via an ongoing contractual agreement, with regular revenue payments to fund feasibility costs. However, following a review of similar practice applied by Be First, owned by London Borough of Barking and Dagenham (LBBD), an alternative mechanism was proposed which benefitted the Council's revenue budget.

A revised business plan was approved in July 2022 whereby FuturePlaces are provided with an up to £8m working capital loan from the Council to cashflow their feasibility activity, staffing costs and overheads prior to presenting individual business cases to the Council for approval, at which point FuturePlaces is paid for the work to date on each scheme, which will enable FuturePlaces to repay its debt to the Council. This approach enables the Council to acquire professional advice directly linked to a specific scheme or asset and capitalise the cost at appropriate stages, rather than incurring the feasibility and development cost in its revenue budgets. This arrangement has advantages but contains risk for the Council in terms of the repayment of the working capital loan, which, if not repaid will eventually crystallise as an in-year debt in-year and would need to be funded from the revenue budget of the Council at that point.

The governance of the URC has been a matter of significant local concern. The Leader and Deputy Leader were both appointed to the Board in the formative stages and have only recently been able to step back from the Board as a very strong team of the independent Chair and new non-executive directors have been appointed. New consultative arrangements with a cross-party group of councillors have been established.

The Council has appointed the Chief Executive to be the Shareholder Representative on the board and other Council officers attend board meetings in an advisory capacity including the S151 officer, Monitoring Officer and Director of Regeneration Delivery.

The commissioning arrangements are established but scope creep is a danger, and some projects have become wider and less focussed than originally intended, increasing the financial risk to both the Council and FuturePlaces. There is, as a result, reduced focus on the core projects which means they are taking longer to deliver than first envisaged.

FuturePlaces is required to produce an annual performance review, which was considered by Cabinet on 8 March 2023 and an annual business plan, next due in July 2023.

See [recommendations](#) 25-28.

## Senior Leadership

There has been significant turnover amongst the senior leadership team as the Council has bedded in and as the structure has been adapted to respond to developing circumstances and pressures. The senior team is made up entirely of permanent appointments and has been in place for the last year. New appointments have improved the calibre of the team and there have been marked improvements in Marketing and Communications and HR & Organisational Development as well as many of the services. However, it is largely an inexperienced team and there is little experience of working in such a complex political environment. A strong development programme, including coaching and mentoring for all directors is being developed and will help to develop the skills base and experience.

The Chief Executive has recently completed a review of the corporate structure and recruitment to the vacant posts will be completed after the local elections in May 2023. This restructure is intended to increase the corporate capacity to work alongside the new health structures and to provide additional capacity for dealing with the complexity of the local political situation.

See [recommendation](#) 19.

## Internal Processes

There is a strong structure of internal boards, some of which are subject specific such as the Future Investment Programme Board and some of which are more strategic such as the Statutory Officers Group and the Directors Strategy Group, most meeting monthly and with clear remit and actions. These boards have an appropriate mix of officer and councillor representation.

Decision-making is generally clear and well recorded with a strong structure of Officer Decision Records and Portfolioholder decision records, published where appropriate.

Procurement controls are generally strong, and the Council is setting up a specialist directorate to manage the commissioning and procurement process more professionally. There are no known significant issues around procurement or commissioning although there are significant targets for as yet unidentified savings from procurement and commissioning going into 2023/24.

HR systems and recruitment controls are well managed and there are no significant points of concern.

The Constitution does give the Chief Executive emergency powers which can be used between meetings of the Council as necessary, and these are used occasionally and appropriately, with prior consultation with the Leader of the Council and the Leader of the Opposition.

The Audit and Governance Committee has responsibility for oversight of the

Council's corporate governance arrangements and financial affairs and meets monthly, taking time to carry out in-depth reviews of specific issues. The Audit and Governance Committee is generally recognised as being well run and focussed on the right issues. The relationship with the external auditor is strong at both officer and councillor levels and the new Leader has attended the Committee and spoken separately with the Auditor.

There is a clear Target Operating Model in place which supports the Transformation Programme, and the key elements are well understood across the officer team. However, there have not been enough opportunities created for positive engagement with councillors on the transformation programme and, as the Council moves into delivering the new operating model, this needs to be broadened with a deeper understanding of the concepts and objectives by a wider range of councillors. A new cross-party group is being established to communicate the concepts more widely alongside a new Cabinet working group.

The MTFP is underpinned by an ambitious savings target through the implementation of the transformation programme so that will need to form a core element of the work programme for the new Council from May. The recent changes of leadership in the officer structure has helped to create a wider ownership amongst the Corporate Management Board (CMB) and this will help to support a wider and more productive dialogue with portfolioholders and backbench councillors.

## Culture and Leadership

The relationship between the Cabinet and officers could be stronger. On an individual basis Cabinet members meet with the relevant directors and discuss upcoming Cabinet reports and policy matters, and the Leader has been holding weekly meetings with the Chief Executive. Regular meetings of the whole Cabinet and Corporate Management Board (CMB) have only happened in discussions about the budget since September 2022 and have now been scheduled for the remainder of the Cabinet's term.

There needs to be a better strategic relationship between the team of leading councillors and the senior leadership team with more regular meetings, preferably face-to-face, to discuss developing policies and priorities, throughout the term of the Council and not just for budget purposes. Previous arrangements have been too sporadic and irregular.

CMB meets regularly with the opposition group leaders and key shadow portfolio holders, which has been useful.

Leading up to the local elections these meetings will be essential to ensure that the new Council, however it is configured, can hit the ground running and move quickly to deliver the new agenda.

See [recommendations](#) 10-12 and 29.

The Standards Committee deals with the conduct of Councillors and is responsible for ensuring the arrangements the Council has to deal with complaints against Councillors are effective and that the Council operates to high ethical standards. Overall, the Standards Committee works well but there have been isolated cases of councillors refusing to abide by their findings, resulting in reports to the Council or apologies being requested, which have been challenged. This approach reduces the effectiveness of the Standards Committee and raises questions about the integrity of councillors externally.

Councillor's behaviour has generally been appropriate but there have been many complaints made about the way that social media is used by individual councillors and how they have dealt with potential breaches of the Code of Conduct, resulting in large numbers of individual complaints to the Standards Committee

See [recommendations](#) 20-22.

Good progress has been made in implementing the action plan supporting the People Strategy with key policies now updated to reflect the single employer and removing most of the preceding councils HR processes. However, Pay and Reward remains outstanding and is a massive project to anchor the salaries of all 5,000 staff onto a new single pay scale, and implementing new harmonised terms and conditions for all staff.

The Council has now embarked on the final year-long process of implementing the new salary scale and terms and conditions, which includes the requirement for formal trade union consultation and a ballot of members to be able to implement the new pay structure and terms and conditions from January 2024.

Regular staff engagement surveys are carried out and there is a strong culture of internal communications which has been accelerated under the new Head of HR&OD and the new Director of Marketing and Communications. These include:

1. More regular meetings of the Senior Leadership Network (top 200 managers)
2. A Conversation with Graham – monthly open comms with the Chief Executive
3. Weekly in-house newsletter
4. Regular blogs from the Chief Executive and corporate directors
5. SLN calls when required – to impart urgent news and information.
6. Monthly Directors Strategy Group – all directors and CMB
7. Directors visiting service units more frequently
8. Staff engagement survey and interim pulse surveys
9. Regular meetings with the senior Trades Unions officials



## Services

There is no evidence that the quality of services has been impacted by any weaknesses in governance or the recent concerns over finances. There has been remarkably little direct measurable impact of the expenditure controls introduced in September, even though they have driven spend down by approximately £10m in year.

To date the Council has avoided some of the most difficult service-decisions that will be needed to balance the budget for the longer term, but these are being introduced now in the 2023/24 budget and more will be needed to balance the 2024/25 budget, on top of the significant transformation savings that are baked into the MTFP.

The Council will need to make clear decisions about which core services are critical to be maintained at the current level and which can be reduced in order to achieve the budget savings required, something which has not been necessary to date due to the continued use of reserves to balance the annual budget, which cannot continue, as described above.

See [recommendations](#) 14 and 15.

## Performance

Performance measures, comparing outcomes and outputs with targets, goals and objectives are used across the Council to understand and manage service delivery and identify emerging business risks. The Corporate Strategy which underpins the Council's Big Plan, represents the strategic objectives that the Council has set out to achieve and is a vital framework for the Council's performance management.

The Corporate Strategy is underpinned by a series of Delivery Plans, one for each strategic community objective and one for the efficiency of the Council. The measures of success set out in the delivery plans inform quarterly corporate performance reports which are prepared for Cabinet and Corporate Management Board and published on the Council's website, promoting increased local transparency and accountability.

These quarterly reports tell a positive story of Council performance whilst picking up on areas of concern. Individual exception reports provide detailed explanations and set out planned actions to address areas in need of improvement. This open performance reporting process is strong and provides a good measure of the efficiency of the Council as the deliverer of key services to the local communities.

This could be an area for Overview and Scrutiny to put more focus into, to challenge the executive to ensure that the improvement plans are having an effect and improving the services that are missing their targets.

See [recommendation](#) 4.



## Children's Services, including Social Care

Since the full ILACs inspection in December 2021, when Children's Services was judged "Inadequate", a permanent Director of Children's Services (DCS) was appointed in February 2022, a Statutory Direction was issued by the Department of Education (DfE), a new DfE Adviser appointed and a Sector Led Improvement Partner (SLIP), Hampshire County Council appointed in April 2022.

The new DCS has worked swiftly to put in place a permanent senior leadership team. There is confidence that this is the right team to deliver the necessary improvements and they are fully supported by BCP corporate leaders and councillors. This is further endorsed by positive outcomes from the first two Ofsted Monitoring Visits, and the DfE Advisers first report, dated October 2022.

The Ofsted Monitoring Visits reported that:

*Children's Services management understand the areas for improvement and that they have put in place a sensible and sustainable plan to provide better quality services for Children and Young People. They understand what they need to do to improve.*

They also said that Children's Services are making steady progress, the quality of social work is improving but not yet consistent and the service is where they expect it to be at this juncture of an improvement journey.

The new DfE Advisor and SLIP were appointed to create a strong framework to guide the improvements required, supporting the Council and Children's Services. This DfE intervention does not involve a formal commissioner role but does imply that structural governance of the service was an immediate issue. The DfE steer throughout has been clear that if progress is not effective in the short term, structural intervention, such as a Children's Trust could not be ruled out. The DfE Advisor made it clear in his first report, that there were two critical areas following his assessment for improvement, these were:

- The state of the services themselves and
- The corporate and political context in which the service operates.

He did, however, go on to report, there are *cautious grounds for optimism* about the future improvement of the service, if the pace of progress is maintained. He also stated that it should be feasible for the Council to lead its service to improvement, especially with the enhanced leadership capacity but the issues about corporate capacity could not be ignored.

Children's Services continues to improve with major milestones met for the resolution and implementation of a single case management system across the entire service and early implementation of the new pay structure for children's social work staff which has matched pay to local neighbouring authorities who are good

and outstanding. This commenced in January 2023 and there is already a noticeable improvement in the recruitment and retention of staff within the service. Both of these improvements are critical to sustained and embedded improvement.

The political management of the Children's Services improvement programme has been an example of good practice where the political leaders from all groups agreed, very early on in the process, not to make a political point of the Ofsted judgements. They have worked collectively to improve the way that Children's Services are delivered and to support the Corporate Director in her improvement programme. Regular bi-monthly meetings of the representatives of all political groups are held, attended by the DfE Advisor, Chief Executive, DCS and the Portfolio Holder, and communications have been open, and confidentiality respected. This is a good example of how the political leaders can work together to achieve a better outcome for the local communities rather than using the issue as a political football.

## **Adult Social Care**

There have been unprecedented challenges with substantial levels of pressure for a sustained period, across health and social care services to reduce the number of patients who are ready to leave hospital, but who are waiting for appropriate care and support arrangements to be made. National hospital bed occupancy targets set by Government of 95% are difficult to meet and current internal targets across local hospitals focus on discharging around 120 people per day.

Organisations across the Dorset Integrated Care System are working hard to improve the situation with local system targets across all pathways per day including home care, residential care etc. Of those cases that are the responsibility of BCP Council progress is slowed by delays to people being referred or waiting on information from Wards and the availability of therapy and clinical services to support recovery. Patients being discharged into the social care system require 50% more care hours than was the case prior to 2020, putting further pressure on an already stretched system.

BCP Council has volunteered for a bespoke Safeguarding Practice Review in preparation for the CQC Assurance Framework. This review will look at the delivery of Adult Social Care (ASC) Safeguarding services within the Council. This is critical for ASC and the outcomes will be shared with CQC as part of their assurance visit, as well as with the LGA who have allocated consultancy funding to the Council.

A key consideration continues to be the exploration of opportunities for partnership working between Health and Social Care to deliver efficiencies and cost reductions across the system. The Council have recently agreed to the creation of a £17m pooled budget with NHS partners in respect of the free health and support available under the Mental Health Act after individuals leave hospital.

## Capacity and Capability to Improve

The Council has consistently reached out to the LGA and taken advantage of the support networks available at a corporate or service level, however the Council needs to improve the speed of follow-up for the action planning to have maximum effect. The Corporate Peer Challenge (CPC) was a good example where the concept was embraced and adopted but the return visit was delayed, reducing the impact of the outcomes. However, there has been good levels of acceptance for the recommendations coming out of the CPC and other reviews, both internal and external.

The Council has volunteered for an early assessment for its Adult Social Care Services and has taken part in many other service-based reviews and challenges.

There is strong input into national networks and senior officers, and councillors are well connected and engaged, both nationally and regionally.

The exception, over the last year, appears to have been focussed on the financial direction of the Council. The Ministers letters and external auditors report on financial sustainability did not receive enough traction with the then Leader to stop work on finding alternative funding mechanisms, despite the strength of the advice given by senior officers, civil servants and Ministers. That has been corrected now with the setting of the 2023/24 budget based on traditional forms of local government finance albeit, with significant risk built into the budget, but those risks are identified and clear.

The approach to the final week of negotiations before setting the 2023/24 budget marked a shift in cross-party engagement and sets the foundations for the Council to normalise its behaviours and direction, which is very positive. The approach taken by the new Leader engaged opposition groups in the discussion and that administration adopted some of the suggestions made by the opposition group in their final budget amendment. Opposition group leaders and finance leads participated proactively in the discussions, and this is to be welcomed.

## Transformation Programme

The transformation programme is the Council's main tool for driving improvement, creating capacity, identifying savings, and streamlining service delivery. It is an ambitious programme utilising up to £67m of investment to achieve annual run-rate savings of £45 million per year. The programme was initially approved by the first Unity Alliance Cabinet and has been a consistent shape since then, with the later administration adding to the cost and ambition.

The transformation programme has significantly tested the Council's capacity, whilst also presenting enormous opportunities to become the primary digital and data driven local authority in the UK. It does appear to have suffered from a lack of direct councillor oversight and leadership. The new Leader is already putting stronger Cabinet management arrangements into place to oversee the delivery of the Transformation Programme and officers are introducing a new cross-party working group at the request of the O&S Committee, all of which is appropriate given the scale of the programme, its ambitious outcomes, and the reliance of the MTFP of achieving the targets.

The programme's principal projects are as summarised in three workstreams:

**New Organisational Design** – In striving to become a digital leading authority BCP Council has designed and is implementing a new operating model that will help the council to become a single digital organisation, thinking and working as one to deliver better services where the focus is on what matters most to customers and adds the greatest value to their lives, utilising the most modern customer systems to deliver and modern back-office systems to support that outcome.

**Supporting Colleagues** – Integral to the transformation agenda is making sure colleagues' Pay and Grading terms and conditions are aligned. This is a hugely complex project and is supported by a clear People Strategy which has four priority elements:

- High performing Teams
- Delivering Potential
- Inspiring People and • Celebrating Success.

**Where and How people Work** – this plays a vital role in the Council's transformation to a modern accessible council for both customers and colleagues, improving the use of technology and adopting smarter, flexible ways of working has reduced the number of offices. The estates rationalisation strategy supports financial and environmental sustainability and will result in significant physical assets being released for redevelopment or sale.

The transformation programme will benefit from stronger Cabinet and cross-party ownership to review and oversee the overall programme. It is hoped that this would enable councillors to focus on the bigger strategic issues involved with the transformation programme and spend less time focussed on the future use of individual buildings and specific local issues.

See [recommendations](#) 9 and 16.

# Recommendations

Key: Progress with recommendations	
Completed	
Progressing well	
Started	
No movement	

Council Meetings and Decision Making		
	Recommendation	Further detail
1	In a No Overall Control council it is useful to ensure there is a majority of opposition councillors on each Overview and Scrutiny Committee, giving them an opportunity to elect a Chair from outside of the administration, to ensure appropriate scrutiny and holding the Executive to account.	Opposition councillors have recently been given a majority of positions on the principal Overview and Scrutiny committees as a result of changes in the political balance calculations. Opposition councillors appear to be content to keep Conservative councillors as Chairs for the Committees where they are already in place, for the remainder of this Council term.
2	Overview and scrutiny committees are to be encouraged to take evidence and contributions from officers as well as portfolioholders, to ensure a more informed basis to O&S recommendations.	There is still a marked reluctance amongst the broader overview and scrutiny committees to ask questions directly of officers and there are regular comments that leading councillors do not give clear answers to questions, but other councillors do not seek that clarity from officers, which they could.
3	Overview and scrutiny committees should continue to increase their focus on policy development and engagement rather than pre-Cabinet scrutiny.	There has been little movement in the focus of the two new overview and scrutiny committees (Place and Corporate & Community) that have replaced the Corporate O&S Board, with an ongoing focus on pre-Cabinet scrutiny.

## Council Meetings and Decision Making

	Recommendation	Further detail
4	Overview and scrutiny committees should consider putting more focus into corporate performance reporting, challenging the executive to ensure that improvement plans are having an effect and improving the services that are missing their targets.	There is an opportunity to strengthen the focus of O&S on performance management, through the overview and scrutiny committees.
5	Need to ensure the party whip is not applied to O&S functions.	This message needs to be reinforced and the situation monitored.
6	Leader to formally delegate to a Deputy whenever he is not available on leave.	Clarity needs to be given as to when the Deputy Leader can exercise the functions of the Leader in their absence on leave. This has been established with the new Leader.
7	All reports are to be published on the statutory date, with exceptions to be limited to emergency situations only. Portfolioholders will need to make themselves available to meet those timescales.	Very few late reports have been published recently and timescales for publication have been adhered to more strongly. Historically this has been an issue, but Democratic Services now understand their role in refusing to issue late reports without the express permission of the Chief Executive or Director of Law and Governance.
8	Review how many recommendations need to go to Council for decision and how they are managed and debated.	The next review of the Constitution should include a review of delegation limits and methods for simplifying the decisionmaking process for recommendations from Cabinet to the Council.



## Cabinet and Leadership

	Recommendation	Further detail
9	Portfolios – establish one or two separate portfolios for finance and transformation, ideally to be held by someone other than the Leader, so that the Leader can concentrate on overall strategy and direction.	The new Leader is establishing a separate portfolio for finance and stronger arrangements for managing transformation, separating those functions from the Leader's portfolio.
10	Reinstate regular informal Cabinet and CMB meetings to agree strategic priorities and key issues.	Regular meetings were reinstated for budget planning purposes during late 2022. Regular meetings are now planned to discuss ongoing policy issues.
11	The Leader, or in their absence the Deputy Leader, should attend all regular Group Leaders meetings to represent the administration.	The new Leader has committed to attending Group Leader's meetings and has already demonstrated a willingness to work across the party groups in discussing the amendments to the core budget and other key issues.
12	Hold regular CMB and Shadow Cabinet briefings.	Regular briefings are held monthly. However, agenda planning is variable, and the agenda has been dominated by shortterm immediate issues and the budget challenges. These meetings will focus on pre-election preparations and potential new policies post-election, with both the shadow Cabinet and the Cabinet.
13	Clarity was required regarding the ownership of Cabinet reports and who is responsible for the content, between portfolioholders and officers.	This recommendation has been recently resolved as the Monitoring Officer has confirmed that it is the responsibility of officers to prepare an adequate report to support decision-making, which contains all the required and relevant information. Portfolioholders can suggest amendments but the final decision regarding content lies with the officer drafting the report.

## Cabinet and Leadership

	Recommendation	Further detail
14	Members ambitions need to be clearly articulated and brought alongside the MTFP to re-establish the direct link between the budget and key priorities.	There has been a disconnect between the stated ambitions of the administration and the budget discussions, mainly due to gaps in articulation of the political priorities and what is not a priority, within the context of the budget discussions. This will be addressed post-election with the bringing together of the Big Plan and Corporate Strategy into a new single vision and objectives document.
15	The Big Plan and the Corporate Strategy need to be brought together into a single vision statement of the key priorities for the BCP area and how the Council will work to deliver to those priorities.	After May 2023 the new administration and CMB need to work up a combined Corporate Strategy and vision for the place and for the Council. That will clarify the key priorities for the Council and will guide the preparation of future budgets.
16	Set up a regular cross-party working group to oversee the transformation programme to get stronger cross-party ownership.	A cross-party working group is now being established although it has been requested previously through Overview and Scrutiny. There is little detailed knowledge of the Transformation Programme across the wider body of councillors and the outcomes that are being pursued. The new Leader is also establishing stronger arrangements to provide Cabinet leadership for the Transformation Programme.
17	Re-establish the weekly email from the Leader to all councillors updating on progress and key issues.	There has been no regular communication from the Leader to backbench councillors and a weekly email would help to fill some of the gaps in communications and increase trust. The new Leader has reintroduced the regular update and is considering other options to improve communications

## Cabinet and Leadership

	Recommendation	Further detail
18	All Cabinet members, including the Leader and Deputy Leader should contract with formal coaches or mentors, who should be experienced local government leaders.	There are very few mentoring arrangements in place and this needs to be re-established after the local elections in May, working with the LGA.
19	Review Senior Leadership Team to increase corporate capacity to work alongside the new health structures and provide additional capacity for dealing with complex local politics.	The Chief Executive has completed a review of the corporate structure, and this was agreed by the Council on 21 February. Interim appointments will be made to the vacant posts but permanent recruitment to the new structure will be completed after the local elections in May 2023.

## Councillor Behaviours

	Recommendation	Further detail
20	Standards Committee - Overall, the Standards Committee works well but there have been isolated cases of councillors refusing to abide by their findings, resulting in reports to the Council or apologies being requested, which have been challenged.	All outstanding cases from standards Committee should be attempted to be resolved before the elections in May to ensure trust in the system is not eroded.
21	Councillor complaints about councillors have historically been high in number.	Fewer complaints have been made recently and there is evidence of councillors seeking advice and guidance on the merits of submitting complaints about other councillors.

## Councillor Behaviours

	Recommendation	Further detail
22	Councillor use of social media needs to be continually managed, and councillors need to be clearer about the context in which they are engaging in online debates.	This is an ongoing national issue which needs further development and cooperation from Group Leaders. This issue is likely to intensify in the run up to the local elections in May and all councillors need to exercise great care in their use of social media.
23	Leading councillors should only meet with external parties with an officer present and a note is to be kept of all discussions with external parties.	This has not been adopted as explicit policy and it is understood that some meetings may have been held with external parties, without a formal record being kept, which represents poor practice. All meetings with external parties should be attended by an officer who will keep a formal record of the meeting.
24	Councillors need to ensure that all correspondence with external parties is in accordance with the Constitution and the Member: Officer protocol.	The Constitution and Members: officer protocol contain clear guidance that all external correspondence should be sent from the officers and not by councillors other than under specific circumstances.

## Further issues to address

	Recommendation	Further detail
25	The governance review of BCP FuturePlaces should be accelerated, and the alternative Shareholder briefings are to be commenced, including opposition councillors.	Both the Leader and Deputy Leader have now resigned from the Board and four independent non-executive directors have now been appointed. The Chair and non-executives will now carry out a review of the structure and governance of BCP FuturePlaces. Meetings with the cross-party councillors group commenced in early March.

Further issues to address		
	Recommendation	Further detail
26	The adopted funding regime for BCP FuturePlaces contains risk for both parties, which could be reduced by a mixed model of funding.	The Council should consider working with FuturePlaces to identify a new, mixed, funding regime for 2023/24 which would directly cover more of the costs as they are incurred to reduce future risk.
27	The Council and FuturePlaces should work together to consider the scope of regeneration projects being pursued to bring the core projects more into focus and to programme non-core schemes further out to balance the projected workload and pipeline more evenly.	The governance and workload review of BCP Future places to be carried out by the new Board will address this issue.
28	Governance review of all subsidiary companies to be carried out, removing officer or councillor representation to leave one or the other, not both, on the same board.	<p>A governance review, listing out all available director's representation to be prepared ready for the new administration to resolve in May 2023, with either officers or councillors on the Boards, but not both.</p> <p>This review will also consider the core functions of each company and whether the company structure is required for the longer term.</p>
29	Define more clearly and explicitly what is meant by a "member-led council" and the respective expectations of officers and councillors	A draft paper setting out the key principles was presented to the Leader in September 2022 but has not yet been formally taken forward. This issue will now be for discussion with the new Council to be elected in May 2023.

## Further issues to address

	Recommendation	Further detail
30	Budget discussions and the MTFP need to be based on traditional methods of local government finance and working within existing rules and frameworks, not pushing the boundary.	<p>The budget for 2023/24 is entirely based on traditional methods of local government financing, but carries significant risk, which has been articulated in the covering report. This approach received cross-party support and was the basis for all options considered by the Council on 21 February.</p> <p>Any suggestions for alternative funding routes, based on regeneration proposals will be used to fund regeneration and those specific schemes, and not considered as possible means to support the mainstream revenue budget.</p>
31	The Council should consider how best to manage the future risks and current costs associated with the issue of continued and growing DSG overspend.	Councillors and officers need to consider the options for DSG provision and determine the most appropriate strategy, with DfE.
32	A set of standalone Budget & Policy Procedure Rules should be re-instated in Part 4 of the Constitution. These will complement the financial provisions already set out in the Financial Regulations.	The Monitoring Officer should bring forward recommended changes to enable this to be implemented as soon as possible.
33	Improve budget management with a greater emphasis on the skills being held by service managers and the provision of accurate budget monitoring information to services	As part of the Council's Transformation Programme, the Council is investing in a new comprehensive Microsoft based Enterprise Resource Planning (ERP) system to give a more comprehensive and intuitive system which brings together finance and HR and allows a greater degree of self-service by budget holders.



# Appendix

## Appendix 1 - Key characteristics of Employment and Population

**Population:** The BCP area has a population of 400,196. Driven by net migration, this is expected to grow by 2% by 2028. The population is ageing and by 2028, 24% of the local population will be aged 65+. Currently 62% of the total resident population are of working age. Overall health and wellbeing is generally good. The population has become more diverse since the last census and 80 languages are spoken across BCP. 82% of the population are from a White British background, and 18% from a non-'White British' background.

**Deprivation:** BCP Council has areas which are among the most and least deprived in the country. 4% of the population lives in the 10% most deprived areas in England and 11% in the 20% most deprived areas. In contrast, 21% of the population live in the 20% least deprived areas in England.

**Housing & Affordability:** House prices are higher than the national average with median house prices increasing at a higher rate than the median wage. Median annual pay for residents of the BCP area, and for people working in the BCP area, is slightly lower than the national average.

Of the total households (173,842) in BCP area in 2021, 63% are houses, 37% flats and 0.4% are other dwelling types. The current government methodology requires the delivery of approximately 2,800 new homes to be completed across the BCP geography every year. This is a challenging target to deliver compared with current completion rates and considering constraints across the area. In 2021-22, there was a net gain of 696 dwellings to the housing supply in the BCP area. 5 of these were classified as affordable housing.

**Economy:** The four largest sectors are: real estate activities, finance and insurance, health and care and the wholesale and retail trade, with leisure and hospitality a strong factor. The BCP area contributed approximately £10.5 billion to the UK economy (Gross Value Added, GVA 2020).

Around 88% of local businesses are microbusinesses. Large businesses account for less than 1% of all businesses; around 2% are medium business enterprises and around 9% small businesses.

The BCP area has a strong tourism economy - there were more than 10 million visitors to the area in 2021, spending more than £816m locally.

**Education:** There are 98 state-funded schools across BCP (66 primaries, 21 secondary schools, 4 all-through schools and 7 special schools). 89% of schools are rated by Ofsted as Good or Outstanding for overall effectiveness. There are also over 23,000 students registered at three universities in the BCP area.

**Geography:** The BCP area sits in an interesting position within the different geographies of strategic partnerships. It is on the eastern edge of the southwest, closer in geography and character to the more urban central south (Southampton and Portsmouth) than the southwest, and better linked, although not efficiently, to London than we are to Bristol and Exeter, by major road and rail. Until 1974 Bournemouth and Christchurch were both contained within Hampshire, before being transferred into Dorset whilst Poole has always been in Dorset.

There are 19 sites of special scientific interest (SSSI) and 15 miles of coastline in the BCP area. The Council manages around 2,500 hectares of greenspace.

## Appendix 2 – Political Movements

Date	Events leading to political balance review
September 2019	Councillor Nigel Brooks (Highcliffe and Walkford Ward) resigned from the Christchurch Independents Group to become an unaligned member
December 2019	Councillors Julie Bagwell and Daniel Butt (both Hamworthy Ward) resigned from the Poole People and ALL Group to become unaligned members
June 2020	This was the annual review of the Political balance (delayed due to Covid-19), however, following the death of Councillor Colin Bungey, one seat in the Commons Ward became vacant reducing the Christchurch Independent Group seats. The vacancy could not be filled due to Covid-19 Restrictions.
June 2020	Vote of No Confidence Motion in the Leader. The Motion was lost.
September 2020	Following the death of Councillor Pete Parrish, one seat in the Canford Heath Ward became vacant reducing the Liberal Democrat Group seats. The Council now had two vacancies which could not be filled due to Covid-19 restrictions.
September 2020	Vote of No Confidence Motion in the Leader. The Motion was carried.
October 2020	Election of new Leader of the Council following the vote of no confidence. Councillor Drew Mellor (Conservative) was elected Leader of the Council.
November 2020	Councillors Pete Miles (Oakdale Ward) and Steve Baron (Parkstone Ward) both resigned from the Poole People and ALL Group to become unaligned members
May 2021	By-elections held in May 2021 to fill two vacancies in the Commons Ward and the Canford Heath Ward. The Canford Heath seat was won by Cllr Sean Gabriel (Conservative) and the Commons Ward by Councillor Vanessa Ricketts (Christchurch Independents). The Poole People and ALL Political Group also changed its name to Poole Independents and Councillor Pete Miles joined the Group from being unaligned.
October 2021	Four councillors joined the Conservative Group (3 previously unaligned and one liberal democrat). Councillor Danial Butt (unaligned) – Hamworthy Ward Councillor Steve Baron (unaligned) – Parkstone Ward

Date	Events leading to political balance review
	<p>Councillor Nigel Brooks (unaligned) – Highcliffe and Walkford Ward</p> <p>Councillor Toby Johnson (Liberal Democrat) – Alderney &amp; Bourne Valley Ward.</p> <p>As a result of these changes, the Conservative Group held a majority administration until June 2022.</p>
May 2022	<p>Vote of No Confidence Motion in the Leader.</p> <p>The Motion was lost.</p>
June 2022	<p>Four councillors resigned from the Conservative Group and became unaligned and then, with one unaligned Councillor formed a new Political Group called 'Poole Local Group'.</p> <p>Councillor Julie Bagwell (unaligned) – Hamworthy Ward</p> <p>Councillor Danial Butt (Conservative) – Hamworthy Ward</p> <p>Councillor Judes Butt (Conservative) – Creekmoor Ward</p> <p>Councillor Steve Baron (Conservative) – Parkstone Ward</p> <p>Councillor Mohan Iyengar (Conservative) – Canford Cliffs Ward</p>
July 2022	<p>Following the death of Councillor Nick Geary on 8 July 2022, one seat in the Highcliffe and Walkford Ward became vacant reducing the Christchurch Independents Group seats. The political balance review would be undertaken following the election.</p>
October 2022	<p>Councillor Jackie Edwards (Redhill &amp; Northbourne ward) resigned from the Conservative Group and became an unaligned Independent councillor.</p> <p>Councillor Andy Jones (Boscombe East &amp; Pokesdown ward) resigned from the Conservative Group and became an unaligned Independent councillor.</p> <p>Following the by-election on 6 October 2022 the seat for Highcliffe and Walkford ward was won by Cllr Andy Martin (Christchurch Independents).</p>
November 2022	<p>'Poole Local' political group changed its name to 'Poole Engage'.</p>
February 2023	<p>Leader of the Council, Councillor Drew Mellor resigns as Leader.</p> <p>Election of Leader of the Council to take place at an Extraordinary Council Meeting on 21 February 2023.</p>