

Report subject	Progress update on the 'Best Value Notice'
Meeting date	27 August 2024
Status	Public Report
Executive summary	<p>The Council was issued with a 'Best Value Notice' by the Department for Levelling Up, Housing & Communities (DLUHC) on 3 August 2023. This followed an assurance review that was commissioned in response to the Council's July 2022 request for a capitalisation direction under the Exceptional Financial Support programme. The Chief Executive also carried out an internal assurance review prior to this, with the conclusions supported by the external review.</p> <p>In response to receiving the 'Best Value Notice', an action plan was agreed by Cabinet on 6 September 2023 and has been monitored and updated regularly since.</p> <p>The 'Best Value Notice' expired on 2 August 2024. This report outlines the good progress made against the action plan.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <p>a) Members note the good progress made against the Best Value Notice action plan</p>
Reason for recommendations	<p>All actions in response to the 'Best Value Notice' are complete. Officers have given DLUHC, and now the Ministry of Housing, Communities and Local Government (MHCLG), regular updates and received positive feedback from Civil Servants on progress and engagement.</p>
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Wards	Council-wide
Classification	For update

Background

1. On 3 August 2023 the Council was issued with a non-statutory '[Best Value Notice](#)' from the Department for Levelling Up, Housing & Communities (DLUHC) in response to concerns highlighted in an external assurance review, an independent review into the Council's governance arrangements, commissioned by DLUHC and completed in June 2023. This followed an internal assurance review carried out by the Chief Executive in a similar timescale.
2. The external review was triggered following the Council's request, in July 2022, for a capitalisation direction under the Exceptional Financial Support mechanism. That support was not eventually required, as the Council sold assets to cover the forecast budget shortfall in year, nevertheless DLUHC proceeded with commissioning an external review.
3. The review highlighted some significant concerns relating to governance, culture and finances, which corresponded with the Council's own understanding of the issues it needed to address, as highlighted in an internal governance review carried out by the Chief Executive. The recommendations included:
 - a. Agreeing a realistic programme for transformation with Member oversight
 - b. Commissioning an external financial resilience review to inform Medium Term Financial Planning (MTFP), establishing a sound budget setting process
 - c. Resetting councillor and council officer culture and relations, facilitated through a programme of ongoing councillor training, drawing on LGA support
 - d. Establishing a clear set of priorities with a new corporate strategy
 - e. Putting in place a regular cycle of business plan reviews of Council companies
 - f. Implementing an external development programme for the senior leadership team
4. A 'Best Value Notice' is issued to "facilitate engagement with that authority and to obtain assurance of the steps it is taking to secure compliance with the Best Value Duty, as required by the Local Government Act 1999" (see [gov.uk](https://www.gov.uk)).
5. BCP Council welcomed the external assurance review and 'Best Value Notice' as an exercise in continuous improvement and recognised and produced a 42-point action plan to provide a progress update on the recommendations from DLUHC's external assurance review, including recommendations from the Council's own internal assurance review. This was approved by Cabinet on 6 September 2023
6. The action plan was updated on a monthly basis, with progress monitored through Corporate Management Board and an update provided to DLUHC on a regular basis. The latest version of the action plan is included in Appendix 1.
7. The Best Value Notice expired on 2 August 2024. There has been no indication from the Ministry of Housing, Communities and Local Government (MHCLG), previously DLUHC, whether or not a new notice will be issued, but feedback from Civil Servants on BCP Council's progress and proactive engagement has been positive.

Summary of action plan progress

8. All actions on the plan have been completed.
9. Significant strides have been made in improving the Council's operations and governance. This includes simplifying the strategic framework with the development of a new corporate strategy, '[A Shared Vision for Bournemouth, Christchurch and Poole](#)', which has re-established the direct link between the corporate strategy and Medium Term Financial Plan (MTFP). This has facilitated the agreement of a 4-year balanced MTFP using traditional and conventional approaches to local government finance.
10. The action plan details extensive improvement activity including a programme of governance and remit reviews undertaken of all subsidiary companies.

11. Particular focus has been given to improving the culture and relationships between councillors and between councillors and officers and good progress has been made in this area. Peer mentoring has also been established for Cabinet Members with the LGA.
12. A CIPFA Financial Resilience Review was commissioned in the summer of 2023 and the report was finalised in March 2024, as requested in the 'Best Value Notice'. The report made no critical recommendations, instead making lower-level recommendations. We have produced an action plan detailed in Appendix 2 and will continue to monitor delivery against these.
13. It should be emphasised that although not reported until March 2024, the CIPFA recommendations flowed from evidence gathered in the summer of 2023 and therefore, several of the recommendations were addressed as part of the budget process in support of the 2024/25 Budget and Medium-Term Financial Plan approved by Council on the 20 February 2024.
14. There is a longer-term financial challenge around the funding of the Special Educational Needs and Disability Service pertaining to the High Needs Block of the Dedicated Schools Grant (DSG) – an ongoing issue facing many local authorities. However, we have completed the 'Best Value Notice' recommendations and further action relies on continued negotiations with government, through MHCLG and DfE, which are ongoing and beyond the scope of the Notice.

Options Appraisal

15. This report sets out an update of progress against the Best Value Notice action plan. Options could include challenging the assessment of this progress, however the progress is based on data and completed activity.

Summary of financial implications

16. There are no direct financial implications from this report. The action plan details progress made against the financial recommendations within the 'Best Value Notice'.

Summary of legal implications

17. There are no direct legal implications from this report. The action plan details improvements made in governance and controls within the Council.

Summary of human resources implications

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

Summary of sustainability impact

19. The 'Best Value Notice' called for a clear Corporate Strategy. This has been completed and includes a commitment to sustainability throughout.

Summary of public health implications

20. There are no direct public health implications. The action plan included improving the governance arrangements in the Council, addressing concerns highlighted in the external assurance review. This has put the Council in a better position to deliver services that consider overall value including social value for its residents.

Summary of equality implications

21. EIAs are completed for specific projects/decisions that the assurance review touches on.

Summary of risk assessment

22. This report provides an update on the actions taken to address the concerns raised in an internal and external review and therefore mitigate the risks associated with these.

Background papers

- [BCP Council Best Value Notice](#)
- [BCP Council external assurance review](#)
- [BCP Council internal assurance review](#)
- [CIPFA Financial Review](#)

Appendices

1. Best Value Notice Action Plan
2. BCP Council Action Plan for CIPFA Financial Review