

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
AUDIT AND GOVERNANCE COMMITTEE

Minutes of the Meeting held on 24 July 2025 at 6.00 pm

Present:-

Cllr E Connolly – Chair

Cllr M Andrews – Vice-Chair

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

Also in attendance: Cllr R Burton, Cllr M Cox.

19. Carters Quay - Update

The Director, Investment and Development, 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.

As requested by the Committee, this was a factual report which reviewed the timeline of key events leading up to the Council's acquisition of Carters Quay, focussing on the governance and processes involved and the role of members and officers in decision making. Paragraph 7 of the report proposed a number of key considerations to support members in scoping an investigation, highlighting issues around time constraints, external pressures, senior engagement, due diligence and risk assessment. The next report would provide more detail on these issues. Any questions or points raised at this meeting would be noted and responded to in full in the next report. The Director thanked current and former colleagues and the senior leadership team for assisting her in highlighting the key issues.

The Chair welcomed members' input in identifying areas where they felt further work may be required, ahead of considering the investigation already included on the forward plan for later in 2025/26. A number of points were raised in the ensuing discussion and officers had the opportunity to comment on these. The following areas of focus were put forward in relation to the scoping of the investigation:

- Whether there had been sufficient investigation into the accounts of Inland Homes companies to ascertain their financial stability?
- How was the valuation agreed: what was the process followed at the time, what were the aims and intentions at the time and had the process now changed?
- More information to be provided on the three stages of payments and how they were arrived at. It was confirmed that the next report would include more information on the valuation figures and payments, some of which was not yet in the public domain.

- The difference between the Cabinet decision on the deferred payment schedule and what actually happened and whether this had been fully understood?
- The speed of the transaction and the apparent pressure to move quickly. Was this to do with the planning consent, were there political and/or external pressures? More understanding of the timings and the relationships between parties would be helpful.
- In terms of governance, what should happen if an officer raises concerns but a leader / councillors decide to press on?
- How thorough was the risk assessment in relation to the sale and was this fully understood/monitored?
- Was the professional / legal advice and information received fully understood by officers?
- Did the council consider the eventuality of insolvency in the market at the time? What was the degree of advice and due diligence re strength of parent company guarantee?
- More information on what happened after 7 April 2021 to change the Council's view that the scheme was not viable?
- It was noted that changes to ways of working had already been made, however the next report could still consider recommendations for further improvements to procedure and governance to strengthen the process.

The Director also confirmed the robust position being maintained with the Administrator by the Council's external insolvency practitioners and provided assurance on the Council's security over the land. It was explained that the Cabinet report due to be considered later in the year would focus on options available to resolve matters going forward. The Committee was focussing on how the Council had arrived at the present position.

Following further discussion about how best to proceed, it was agreed to add the areas of focus to the relevant considerations identified in the report and circulate an updated list to members, within a two month period as suggested by the Chair, and include the information requested in the next report. The Chair indicated that the timing of the next report would be discussed as part of the forward plan but was unlikely to be before Quarter 4 due to the Future Places investigation.

Although not within the scope, Members felt it was important to recognise the consequences of the current situation on those residents living next to Carters Quay, in terms what their original expectations may have been versus the reality of living next to a stalled construction site with unfinished infrastructure and amenities. It was suggested that the impact on local residents and any potential remedies be referred to the Environment and Place Overview and Scrutiny Committee for consideration.

RESOLVED that:

- (a) the Committee notes the process under which the contract was entered and the context in which it was agreed;**
- (b) the Committee accepts that ongoing work is necessary to reach a resolution;**
- (c) the Committee notes that a report will be taken to Cabinet in due course;**
- (d) the areas of focus raised during discussion be added to the list of 'relevant considerations' in paragraph 7 of the report, the revised list to be circulated to committee members and then included with the information requested in the next report to the Committee;**
- (e) the impact of the current situation at Carter's Quay on local residents living next to the site and any potential remedies be referred to the Environment and Place Overview and Scrutiny Committee for consideration.***

Voting: Unanimous

*Note: It was subsequently clarified after the meeting that the appropriate overview and scrutiny committee in terms of remit was the Overview and Scrutiny Board.