



Audit and Governance Committee

Date: Monday, 27 February 2023
Time: 10.00 am
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

Members (Quorum 3)

Richard Biggs (Chairman), Susan Cocking (Vice-Chairman), Rod Adkins, Barry Goringe, Bill Pipe, Bill Trite, Belinda Bawden, Simon Christopher, Robin Legg and David Gray

Chief Executive: Matt Prosser, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic Services
Meeting Contact john.miles@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting, apart from any items listed in the exempt part of this agenda.

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Agenda

Item		Pages
1.	APOLOGIES To receive any apologies for absence.	
2.	MINUTES To confirm the minutes of the meeting held on 16 th January 2023.	5 - 10
3.	DECLARATIONS OF INTEREST To disclose any pecuniary, other registrable or non-registrable interest as set out in the adopted Code of Conduct. In making their decision councillors are asked to state the agenda item, the nature of the interest and any action they propose to take as part of their declaration. If required, further advice should be sought from the Monitoring Officer in advance of the meeting.	

4. PUBLIC PARTICIPATION

To receive questions or statements on the business of the committee from town and parish councils and members of the public.

When submitting a question please indicate who the question is for and include your name, address and contact details. Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.

The deadline for submission of the full text of a question or statement is 8.30am on 22nd February 2023.

5. MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE

To note the minutes of the Audit & Governance Hearing Sub-committee (if any meetings have been held).

6. QUARTER 3 FINANCIAL MANAGEMENT REPORT 2022/23 11 - 28

To receive a report by Heather Lappin, Head of Strategic Finance.

7. UPDATE ON THE EXTERNAL AUDIT OF 2020/21 AND 2021/22 AND THE VALUE FOR MONEY OPINION FOR 2020/21 29 - 34

To receive a report by Ian Howse and Stuart Kenny, Audit and Assurance, Deloitte.

8. APPOINTMENT OF CO-OPTED INDEPENDENT COMMITTEE MEMBERS 35 - 40

To receive a report by Marc Eyre, Service Manager for Assurance.

9. REVIEW OF PUBLIC PARTICIPATION RULES 41 - 46

To receive a report by Susan Dallison, Democratic Services.

10. WORK PROGRAMME 47 - 48

To consider the Work Programme for the Committee.

11. URGENT ITEMS

To consider any items of business which the Chairman has had prior notification and considers to be urgent pursuant to section 100B (4) b) of the Local Government Act 1972. The reason for the urgency shall be recorded in the minutes.

12. EXEMPT BUSINESS

To move the exclusion of the press and the public for the following item

in view of the likely disclosure of exempt information within the meaning of paragraph 3 of schedule 12 A to the Local Government Act 1972 (as amended).

The public and the press will be asked to leave the meeting whilst the item of business is considered.

There is no exempt business.

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AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 16 JANUARY 2023

Present: Cllrs Richard Biggs (Chairman), Susan Cocking (Vice-Chairman), Belinda Bawden, Simon Christopher, Robin Legg and David Gray

Apologies: Cllrs Barry Goringe and Bill Pipe

Also present:

Officers present (for all or part of the meeting):

John Miles (Democratic Services Officer Apprentice), Marc Eyre (Service Manager for Assurance), David Bonner (Service Manager for Business Intelligence and Performance), David Trotter (Risk and Resilience Officer), Angela Hooper (Principal Auditor SWAP), Neil Gorman (Service Manager (Finance) Corp Policy & Comp), Heather Lappin (Head of Strategic Finance), Richard Ironside (Senior Accountant), Grace Evans (Head of Legal Services and Deputy Monitoring Officer), Antony Littlechild (Sustainability Team Manager), Chris Matthews (Interim Head of HR) and Kate Critchel (Senior Democratic Services Officer)

88. Apologies

Apologies for absence were received from Cllrs Bill Pipe and Barry Goringe.

89. Minutes

The minutes of the meeting held on 14th November 2022 were confirmed as a correct record and signed by the Chairman.

90. Declarations of Interest

No declarations of disclosable pecuniary interests were made at the meeting.

91. Public Participation

There were no public statements and questions to report.

92. Minutes of the Audit & Governance Sub-committee

The minutes of the meeting held on 9 November were received and noted.

93. SWAP Update Report

The Principal Auditor introduced the report and updated the committee on work undertaken by the Internal Auditors.

Whilst a follow up of the Premises Health & Safety significant risk had not yet been undertaken, Internal Audit had been advised that work was progressing to implement the actions but that these may take longer than originally anticipated. Place and Resources Scrutiny Committee were scheduled to investigate the reasons to understand the circumstances around this issue. There were also concerns raised that issues similar to that identified during the audit could be replicated elsewhere.

Cllr Susan Cocking thanked officers for the work undertaken to date.

Noted

94. Council Decision Making- Building in Climate and Ecological Considerations

The Sustainability Team Manager outlined the Climate and Ecology Impact Assessment Tool.

The aim of the tool was to provide a robust, transparent, accessible, and measurable process to support the delivery of the climate and ecological strategy and council plan.

Report authors would be able to use the tool to determine the impact of decision making to ensure that climate and ecological impact assessments were integrated as part of Dorset Council's democratic decision-making process.

In response to questions the committee was advised that a similar tool had been adopted by Cornwall Council. Training would be offered to officers and councillors and once the process was imbedded the areas of health & wellbeing and social equality could potentially be added to the process. Initially the tool would be used for the development of committee reports and the Council Plan.

Decision: that the integration of the climate and ecology decision tool into the democratic decision-making processes, be supported.

95. Quarterly Risk Management Report

The Service Manager for Assurance set out the risk management update.

Members were advised that following a resourcing review, it had been agreed that the risk function be moved from Assurance Service to Business intelligence and Performance Team. This would more closely align with performance management and enable the existing business partner model to function as the conduit with directorates.

Members noted that there were currently 11 information compliance risks identified in the risk register, with the majority ranked as medium risk.

The detail of the two outstanding high-risk areas and proposed response was also set out within the report.

Cyber security was raised, and Dorset Councils security was also discussed by members.

Noted

96. Review of Agency & Consultancy Spend

The Interim Head of Human Resources introduced the report that set out assurance and measure in place to manage the use and spend on agency workers and consultants.

It was noted that the issue around vacant posts continued to be a challenge, engaging agency workers had enabled the council to continue to deliver services within areas where there were challenges in recruitment. There were also national skills shortages within these areas.

Members acknowledged that to retain social workers it was important to ensure that they were offered good working conditions, manageable caseloads, and a safe place to work.

In response to questions, the Interim Head of Human Resources indicated that the council continued to work across all areas to look for opportunities to recruit permanently and retain and reduce dependency on agency workers.

Responding to a further challenge, the Corporate Director for Care and Protection confirmed that agency staff had the same support package, including training as an employee of the council. The service had also taken on several apprenticeships in an effort to “grow your own” qualified employees.

Alternative methods of advertising, including social media was also being used to attract permanent employees.

Members noted current levels of use and spend on agency works and consultants and the effort being undertaken to improve the visibility and governance around their use.

Noted

97. Co-opted Member for Audit and Governance Committee

The Head of Legal Services sought the committee’s view on whether members would support the principle of co-opting members to audit and governance, in line with CIPFA guidance.

The Local Government Authority (LGA) recommended having independent co-opted members on committees. For example, the Police and Crime Panel

and Harbours Committee already operated with independent membership alongside elected members.

Those members who sat on these committees confirmed that the independent representative offered skills and knowledge of working practices and enriched the committee's decision-making.

However, the success of the process would depend on the individual's expertise, and whether they would be required to have an audit and finance background.

Following much discussion members agreed that further investigation in this potential proposal would be welcomed.

Decision:

That a detailed report on the impact of the introduction of independent membership to the Audit and Governance Committee be presented to a future meeting of the committee.

98. Updates from the Monitoring Officer on the Constitution

The Head of Legal Services gave a verbal update on recent constitution changes taken by the Monitoring Officer under delegated powers.

The Monitoring Officer exercised his delegated power on 12th December 2022 for an amendment to Article 7: Overview Committees and Scrutiny Committees, Para 7.2 (d) to clarify that both the People and Health Overview Committee and the Scrutiny Committee include education representatives.

The Monitoring Officer exercised his delegated power on 22nd December 2022 for an amendment to the Officer Scheme of Delegation to clarify that the Executive Director of Place delegated power [132 – disposals, acquisitions, and other property transaction] includes use of compulsory purchase powers and that the delegation can be used for matters over £500,000 where Cabinet have already given approval.

Noted

99. Forward Plan

Subject to a minor amendment the Forward Plan was received and noted.

100. Urgent items

There were no urgent items to report.

101. Exempt Business

There were no exempt items to report.

Duration of meeting: 10.00 - 11.34 am

Chairman

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Audit & Governance Committee

27 February 2023

Qtr3 financial management report

Choose an item.

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): Cllr

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Heather Lappin

Title: Head of Strategic Finance

Tel: 01305 221713

Email: Heather.Lappin@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

All financial management reports come to the Committee for review following the Cabinet meeting at which they are presented.

Recommendation:

Members are asked to note the continuing pressures on the Council's budget and in particular the impact of inflation and the anticipated pay award.

Members are asked to comment on further work or review they would like to see carried out to improve any aspect of the Council's financial management, performance or position.

Reason for Recommendation:

Review of the organisation's performance against budget is a key aspect of this Committee's role.

1. Financial Implications

The Council's performance against budget is detailed in the attached Cabinet report.

2. Climate Implications

None specific.

3. Well-being and Health Implications

None specific.

4. **Other Implications**

None.

5. **Risk Assessment**

5.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: High

6. **Equalities Impact Assessment**

The quarterly financial management report does not have any equalities impacts.

7. **Appendices**

Cabinet Qtr3 Financial Management report

8. **Background Papers**

[Budget strategy report 2022/23](#)

[Qtr1 financial management report 2022/23](#)

[Qtr2 financial management report 2022/23](#)

Cabinet

23 January 2023

Quarter 3 financial management report 2022/23

For Decision

Portfolio Holder: Cllr G Suttle, Finance, Commercial & Capital Strategy

Local Councillor(s): All

Executive Director: A Dunn, Executive Director, Corporate Development

Report Author: Heather Lappin

Title: Head of Strategic Finance

Tel: 01305 221713

Email: heather.lappin@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

This report comes to Cabinet with information about the Council's projected financial performance for the full 2022/23 financial year, being made at the end of Quarter 3.

Recommendation:

Cabinet is asked to:

1. note SLT's forecast of the full year's outturn for the Council, made at the end of Quarter, 3 including progress of the work to deliver savings that were incorporated into the budget.
2. note the spend to date on the approved capital programme for 2022/23 and the likelihood of significant slippage alongside the risk of inflation, interest rates and more general delivery concerns.
3. note the impact of the pay award for 2022/23 and the impact this will have on base budget position going into 2023/24.
4. note the assumptions about the final quarter of the year and risks around those which might have impacts on the 2023/24 budget strategy beyond those specifically incorporated into the Council's financial model.

Reason for Recommendations:

The Council has responsibilities to deliver its corporate plan priorities and it must do this within the resources made available through the revenue and capital budgets for 2022/23. This report summarises the Council's forecast financial performance for the full year at the end of the third quarter.

Reviewing and challenging the developing financial performance and projected position this year is a cornerstone of good governance. This ensures that resources are deployed to deliver the Council's services in line with the planned priorities, and that the organisation remains sustainable and in good financial health. The closing quarter of the year will be critical in ensuring that the Council positions itself well and accurately in terms of its budget assumptions for 2023/24 and beyond.

This report does not cover the budget or medium-term financial plan (MTFP) for 2023/24, these are covered by a separate report to this same Cabinet meeting.

1. Financial Implications

Financial implications are covered within the body of this report.

2. Climate Implications

The Council's budget continues to fund action set out in the climate and ecological emergency action plan, including a £10m capital expenditure commitment over the term of the current MTFP.

3. Wellbeing and Health Implications

The Council has continued its focus on keeping people safe and well.

The Council has continued to play an essential role in distributing government grants to individuals and businesses as well as delivering high-quality public services.

4. Other Implications

None specific.

5. Risk Assessment

Having considered the risks associated with this decision; the level of risk has been identified as:

Current Risk: High

Residual Risk: High

Increasing prices and pay costs continue to cause pressure for the Council's budget, despite a small reduction in the headline rate of inflation of 10.7% in November 2022.

Inflation affects a significant quantum of the Council's budget. Whether directly, through the goods and services we buy, or indirectly, in our supply chain which then impacts on us.

The continuing volatility of prices and supply-side issues in the economy make it necessary for the S151 Officer, the Council's Chief Finance Officer, to continue to assess the risk as *high*.

6. Equalities Impact Assessment

No specific equalities issues have emerged in drafting the Council's various reports on financial performance and position.

7. Appendices

Appendix A - Savings plans summaries

8. Background Papers

[2021/22 draft outturn report](#)

[2022/23 budget strategy report](#)

[2022/23 Qtr1 financial management report](#)

[2022/23 Qtr2 financial management report](#)

9. Budget setting 2022/23 and context

9.1 2022/23 is Dorset Council's fourth year and the budget and MTFP continues to reflect savings from reorganisation being channelled into front line services.

9.2 The Council's *budget requirement* is £331.6m and this was funded from rural services delivery grant (£2.5m), new homes bonus (£3.8m), business rates (£46.3m) and council tax (£279m). More detail is set out in the budget strategy report at the link above.

9.3 The budget is essentially fixed in cash terms and the Council's ability to raise income is limited. There are national controls in place around council tax and business rates and the ability to generate income from trading is relatively limited in the short-term as well as potentially at odds with wider economic development ambitions.

9.4 The Council's commercial ambitions are, however, set out in the commercial strategy and to support this, a fees and charges policy has been developed through the Council's regular governance process and is included as an appendix to the budget strategy report on the same agenda as this report.

9.5 The report to Cabinet at the end of Qtr2 (link above), set out a projected overspend for the full year of £7.8m. This report covers the changes in performance and predictions since that time.

10. Forecast of financial performance at Quarter 3

[Overall projection](#)

10.1 At the end of Qtr3, the Council is forecasting net budget pressures of £8.376m, as summarised in the table below.

Directorate	Net Budget	Forecast Outturn	Forecast (Overspend)/ Underspend	
	£k	£k	£k	%
People - Adults	148,575	152,209	(3,634)	(2.4%)
People - Children's	75,876	77,668	(1,793)	(2.4%)
Place	87,022	92,881	(5,860)	(6.7%)
Corporate Development	24,944	25,231	(288)	(1.2%)
Legal & Democratic Services	6,533	5,967	566	8.7%
Public Health	5,452	5,452	0	0.0%
Total Service Budgets	348,402	359,409	(11,007)	(3.2%)
Central Finance	(357,956)	(360,587)	2,631	(0.7%)
Whole Authority	(9,554)	(1,178)	(8,376)	
Dedicated Schools Grant budgets			(16,911)	

Pay costs

- 10.2 Before turning to directorate specific narratives, it is worth understanding the impact of the pay award for 2022/23 on the Council's budget.
- 10.3 The pay award has been agreed as £1,925 increase to each spinal column point across the entire pay scale. The % increase is therefore different for each spinal point rather than an overall % increase for all employees.
- 10.4 The higher than budgeted pay award has added an extra £6.4m to the pay bill than was originally budgeted, but this has been met by the contingency budget allocation.
- 10.5 The increase will also flow through to the 2023/24 base budget. This has been factored into our financial planning.
- 10.6 Directorate-specific narrative is set out in the following paragraphs.

Children's Services

- 10.7 The Children's Services forecast is £77.668m compared with a net budget of £75.876m, an overspend of £1.793m (2.4%). The September position was a £1.5m overspend.
- 10.8 The main overspend areas and changes since the September position are discussed below.
- 10.9 Most of the overspend sits within Care and Protection, the social care side of the Directorate.
- 10.10 External placements for children in care are forecast to overspend by £2.8m (£2m in September) as capacity and availability of suitable placements and placement moves remain a challenge. The external placement overspend is partially caused by delays within the capital programme, including Dorchester Road.

- 10.11 However in-house residential care and fostering services help offset the external placement overspend through vacancies, including lower numbers of foster families. Although underspends are helpful, both in-house residential care and fostering reduce the reliance on external placements and plans are in place to redress the balance.
- 10.12 There is an increased requirement and cost pressures of £1.3m (£0.695m in September) for direct payments, externally purchased overnight short breaks and bespoke support packages for disabled children and young people with complex needs, although Dorset do receive NHS contributions towards this cohort. Public Health funding of £0.5m was agreed during the third quarter.
- 10.13 A pressure of £0.367m (£0.22m in September) exists for supporting unaccompanied, asylum-seeking children (UASC). Dorset is part of the temporary mandate National Transfer Scheme, accepting transfers of children into our care to provide crucial placements.
- 10.14 The Scheme set a quota for all local authorities to be required to accommodate the equivalent of 0.07% of the local child population. This was revised upwards in a letter from the Minister for Safe and Legal Migration on 24 August to 0.1% of the local child population. These thresholds could change again.
- 10.15 For Dorset, this represents a rise from 47 young people to 67 young people. We are currently looking after 42 young people and are responsible for 37 care leavers who were formerly asylum-seeking children.
- 10.16 The National Transfer Scheme provides a degree of funding to support unaccompanied children, however this mainly covers the direct placement costs, so excludes costs such as interpreter fees, and social worker resource. The funding varies depending upon the number of unaccompanied children and whether the child is part of the National Transfer Scheme.
- 10.17 During quarter three, the Outdoor Education Service transferred from the Place directorate to Children's, bringing a £0.18m overspend.
- 10.18 Other favourable budget changes are predominantly pay-related due to careful vacancy management.
- 10.19 At the end of Qtr3, £3.79m (88%) of the total £4.3m transformation and tactical programme is designated as 'green', and therefore has been achieved or will be achieved. £0.22m (5%) is currently earmarked as 'amber', with the remaining £0.3m (7%) designated 'red', meaning this will not be achieved in this financial year.
- 10.20 Around £1.2m of savings have been achieved through methods other than originally intended. Children's Services has a dedicated transformation team which manages and resources the projects, however some of these are taking longer to implement than originally estimated. Children's

Services are committed to delivering the savings, and therefore work continued during quarter 2 to identify 'Plan B' options to deliver the savings in the event of project slippage.

- 10.21 This is the forecast position at the end of the third quarter in what could be a very changeable year. The main risks for Children's Services, that may further impact the outturn position, are inflation (including cost of living upon the children and families we support as this may increase demand and/or the need for increased fees), delivering capital projects on time and budget (there are revenue implications for late projects), delivery of transformation and tactical savings and legislative changes (i.e. Care Review, Education White Paper), although the impact is likely to be felt in future years.

Dedicated Schools Grant (DSG)

- 10.22 The Dedicated School Grant (DSG) is a ring-fenced grant, the majority of which is used to fund individual schools' budgets in local authority-maintained schools and academies in Dorset, early years nursery entitlement and provision for pupils with high needs, including those with Education Health & Care Plans (EHCPs) in special schools, special provision, and mainstream schools in Dorset and out of county. Part of the DSG, the Central Services Schools Block (CSSB) provides funding for Dorset Council to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England.
- 10.23 There are four blocks within the DSG: Schools Block (SB), Early Years Block (EYB), High Needs Block (HNB) and Central Services Schools Block (CSSB).
- 10.24 Dorset's DSG allocation is £299m for 22/23 before recoupment including additional grants and the use of the Growth Fund reserve. The December forecast overspend is £16.9m, all within the High Needs Block.
- 10.25 Dorset Council signed a £42m *Safety Valve* agreement with the Department for Education (DfE) in March 2022 to help eradicate the cumulative DSG deficit and support a return to a balanced in-year DSG position by 2026/27. Dorset Council will contribute £33m as part of the agreement.
- 10.26 As part of this agreement with the DfE, Dorset Council agreed a planned overspend for the year of £10.4m. However, the spend for the full year (based on expenditure to the end of December) is forecast to be higher at £16.9m (£15.1m at September)
- 10.27 The reasons for the higher forecast include:
- there are significantly more children in independent specialist placements than budgeted
 - inflation, capital delays and school place changes.

- The number of children and young people with an EHCP remain within the forecast model, however the placement mix (for example % of children and young people with an EHCP in a mainstream school) is not as budgeted.
- 10.28 If the Council is unable to achieve the agreed level of deficit with the DfE then it could jeopardise the second tranche (2022/23) of *Safety Valve* funding of £6.25m.
- 10.29 The *Safety Valve* agreement contains ten conditions, including the financial delivery. Dorset are on track to deliver eight of the conditions, with risks around the capital programme and therefore overall financial delivery.
- 10.30 The Dorset SEND capital strategy is still a key component of the *Safety Valve* agreement and supporting children and young people with SEND in Dorset, however rising construction costs and labour shortages are impacting on project costs and project timelines. This includes DfE free school projects.
- 10.31 An updated SEND capital report was approved by cabinet in September, this will allow for an additional 228 places by 2025/26 which will play a key part in the success of the *Safety Valve* agreement. At this stage it is anticipated that the *Safety Valve* agreement will be achieved, however the time taken to achieve a balance in-year position might take longer due to the issues highlighted above.

Adults Services & Housing

- 10.32 The Adults Services & Housing forecast is £152.2m compared with a net budget of £148.6m, an overspend of £3.634m (2.4%). The forecast has improved by £0.342m since Qtr2.
- 10.33 The forecast overspend within Adult Care and Commissioning is £2.180m. The forecast has improved by £432k since Q2. This compares positively to the forecast overspend position for the same period in 2021/22 of £7.3m. The improvement since Q2 is due to the following:
- £273k of savings have been achieved in Q3 within Commissioned Care packages.
 - An improvement of the forecast within Adult Care Operations staffing teams due to vacancies. We have recruited into permanent posts during this quarter. The service is redesigning, part of this process will be looking to set a new workforce strategy.
- 10.34 This forecast assumes achievement of £3.7m of savings from the £4m target. £3.169m have been delivered to date with the remaining £0.536m due in the last quarter. Positive progress has been made in the last quarter and the Directorate is committed to achieving the remaining savings by year end.

- 10.35 During Q3 the Department of Health and Social Care announced the Adult Social Care and Discharge Fund. Dorset Council have been allocated £1.422m, Bournemouth, Christchurch and Poole (BCP) were allocated £1.458m and the Integrated Care Board (ICB) were allocated £6.444m to support both Dorset Council (DC) and Bournemouth, Poole and Christchurch (BCP). The funding allocated must be spent by the 31st March 2023 and is being issued in two tranches of which we have received one. This is welcomed by the Directorate as we are anticipating £15m spend on discharges from hospital in year compared to £4.1m pre pandemic.
- 10.36 The fund is to be used flexibly on interventions that best enable to discharge of patients from hospital to the most appropriate location for their ongoing care. The funding is design to free up the maximum number of hospital beds and reduce the bed days lost. It is crucial the health and care systems and providers work together across health and social care. As a result, DC has collaborated with BCP to produce a joint programme called Home First Accelerator programme which will give maximum impact.
- 10.37 The Home First Accelerator Programme sees in additional investment in reablement and work to contractualise and optimise home care capacity using a Provider led approach.
- 10.38 Housing is currently projecting an overspend of £1.454k. The forecast for Housing has worsened by £0.090m in the last quarter.
- 10.39 There is a continued increase in family homelessness and room rates are increasing in tandem with other inflationary rises, and set against the fixed Local Housing Allowance rate, means that the cost per unit is increasing above what was set in the budget. This is also a demand led budget meaning pressures and demands are subject to change and can have a budgetary impact.
- 10.40 As mentioned in the Quarter 2 report measures are under way to increase the supply of non-B&B accommodation (including using Council assets), continue the good work of the restructured Housing Team in preventing homelessness and accelerating the drive to use other temporary accommodation for families instead of B&Bs.

Public Health

- 10.41 The public health grant for 2022/23 for BCP Council is £20.616m and for Dorset Council is £14.613m. Agreed local authority contributions for the year gave a shared service budget of £25.614m after retained amounts.
- 10.42 Forecast at Qtr3 for the shared service is currently £279k underspent. This is based on equivalent health improvement activity, developments within early intervention and LiveWell Dorset spend being to budget and no further cost pressures.

- 10.43 PH Dorset generally has a net nil budget (grant transferred from partner councils is equal to expenditure) but the position for 2022/23 is a *positive* budget, due mainly to the use of Public Health reserves for fixed-term safeguarding capacity. No overall variance from budget is anticipated.
- 10.44 There are external factors that could create financial risk or volatility in 2022/23 for the service which include ongoing Covid-19 response work, wider health protection work, the development of the Integrated Care System, and additional short-term changes to national grant funding.

Place Directorate

- 10.45 The Place Directorate forecast is £92.881m compared with a net budget of £87.022m, an overspend of £5.860m (6.7%). The forecast at Qtr2 was an overspend of £5.261m, so there has been a net £599k worsening since that point. There have been some relatively minor changes in both directions (i.e. some improvements, some worsening's) across the Directorate since the Qtr2 report, however the primary cause for concern is the steady worsening of the Dorset Travel position. More on this below.
- 10.46 Just as it was at Qtr2, the Qtr3 forecast has inflation as the major issue for Place budgets, at over £3m additional cost. The larger items are utility costs, for which the two main areas are our buildings and our streetlighting (total utilities projected overspend £778k), materials price increases within Highways such as road salt (£136k), disruption in the local travel market (discussed further below), waste disposal contracts tied to inflation indices (£683k) and directly purchased vehicle fuel (this has reduced in recent months, now projected at £358k overspend compared to £750k as at Qtr2). Major issues are explored further below.
- 10.47 Assets and Property are showing a forecast adverse variance of £68k, a considerable improvement from the adverse projected position of £456k at Qtr2. The improvement arises from unbudgeted savings such as business rates on unoccupied buildings, business rates at South Walks House which is now a cost to the occupier since it was rented out, and unbudgeted income in respect of Coombe House. Nonetheless, significant issues remain as follows:
- gas and electricity prices on the property estate – £301k forecast of overspend
 - public conveniences – £102k pressure including planned savings not being realised
 - no County Hall car parking income – £168k
 - housing service – cost recovery £65k.
- 10.48 Highways had previously forecast an overspend of circa £1.3m around the time of Qtr2, with much of this relating to the car parking budget line. This has now worsened to an adverse variance of £1.465m, with car parking income still being the main issue. Car parking income is in fact very buoyant but will not achieve the income budget as set. There are also

overspends in relation to increases in road salt prices, plus legislative change from red diesel to white diesel.

- 10.49 Planning continues to show an adverse variance, £855k at Qtr2 and now £787k at Qtr3. The issues are still the level of Development Management income and as noted previously the costs of agency staff are also causing pressures.
- 10.50 Dorset Travel is forecasting a £2.960m overspend (£2.1m as at Qtr2) due to the issues around prices on external contracts for all aspects of travel (public transport, school transport, and SEND transport).
- 10.51 Environment and Wellbeing budgets have a forecast adverse variance of £448k, an improvement since the Qtr2 forecast of £695k. The majority of this relates to Leisure Services, for which income projections have been adverse but have improved somewhat in recent months. Leisure Services also no longer includes a negative variance for Outdoor Education Service, which has now moved to Children's Services.
- 10.52 Community and Public Protection (CPP) have a forecast adverse variance of £287k, a worsening of £67k since the Qtr2 forecast which was £220k adverse. Issues are as previously reported, with variances spread across all the services, with income forecasts, vacancy factor, savings targets and costs in the Coroner's service being the main causes. The worsening in this quarter is mainly in Coroners due to some high profile cases, which by their nature tend to incur additional expenditure.
- 10.53 The Waste (Commercial and Strategy) service is forecasting a favourable variance of £913k, a slight worsening since the Qtr2 forecast of £1.215m. Garden waste and Commercial waste services are doing well and the recyclate price was buoyant in the first half of the year but has since worsened considerably.
- 10.54 The Waste Operations (including fleet) Service is forecasting an adverse variance of £896k, an improvement since the Qtr2 forecast of an adverse £1.1m. The overspend primarily relates to the cost of vehicle fuel, which has improved in recent months, vehicle parts and some operational staffing overspends.
- 10.55 Customer Services, Libraries and Archives are forecasting an underspend of circa £0.5m, almost unchanged since Qtr2. This is largely a reflection of resources that have gone into supporting the Homes for Ukraine project, with appropriate costs now funded from that grant. This is one-off money and will not be repeated in future years. There are also vacancies.
- 10.56 Harbours are not specifically referenced here, as the regulations around harbour finances mean that they are ringfenced.
- 10.57 The overall position in the Director's Office is an overspend forecast of £418k, up from £290k at Qtr2. We have previously reported on an unfunded cost pressure of £260k in relation to historic Weymouth Harbour capital financing, and a net cost arising from supporting the Tour of Britain.

In addition, one-off changes in the Directorate management arrangements have seen an additional overspend of circa £90k.

Corporate Development

- 10.50 The Corporate Development forecast is £25.231m compared with a net budget of £24.944m, an overspend of £0.288m (1.2%). The forecast has worsened by £0.041m since Qtr2.
- 10.51 Finance and Commercial Services are forecasting an overspend of £657k, which in the main is due to an expected loss of court fee income from non-payment of business rates and council taxes.

It was originally anticipated that there would be court hearings in the early part of 2023, however, it has not been possible to secure any court dates, so the full budget of £913k is now forecast as a shortfall. The forecast also includes overspends in bank charges of £166k and the external audit fee of £58k.

These have been offset by reductions in the bad debt provisions of £486k and savings in pay related costs.

- 10.52 Dorset Care Record is forecasting an overspend of £109k, which is due to budget savings only being partially achieved due to contractual obligations.

Legal & Democratic Services

- 10.53 The Legal & Democratic forecast is £5.967m compared with a net budget of £6.533m, an underspend of £0.566m (8.67%). The forecast has improved by £0.232m since Qtr2.
- 10.54 The Assurance Service is forecasting a £92k underspend which comprises a £59k underspend due to staff vacancies, savings in supplies and services of £21k plus additional income of £12k.
- 10.55 Democratic Services are forecasting a £229k underspend due to savings identified within the service.
- 10.56 Legal Services are forecasting a £227k underspend due to staff vacancies and difficulties in recruiting.

Central budgets

- 10.57 The forecast for central budgets is £361m compared with a net funding budget of £358m, a net forecast underspend of £2.631m (0.7%). The forecast has worsened by £249k since Qtr2.
- 10.58 General Funding is forecasting an £8k underspend due to an expected increase in grant funding.

- 10.59 Capital Financing costs are forecasting a £1.06m underspend due to slower than expected progress implementing the capital programme leading to forecast borrowing costs being lower than budget.
- 10.60 There is currently £1.4m held in contingency, and this has been earmarked as follows:
- £0.3m earmarked to support Housing Services
 - £1.1m earmarked for inflation pressures

£6.4m was reallocated from contingency to support the additional costs of the 2022/23 pay award.

11 Material movements of budgets

There were no material movements of budgets during Qtr3.

12 Progress against budgeted savings

- 12.1 Appendix A shows the latest summary of the progress being made against the savings that were agreed to balance this year's budget. It also risk-rates the achievement of these savings. The shortfalls classified as red total (£2.3m) and are included in the forecast – i.e. it is assumed they cannot be delivered in 2022/23.
- 12.2 At this stage, the forecast assumes all other savings will be achieved, though clearly this may change as the Council progresses through the remainder of the year. There is a further £1.03m of savings currently RAG-rated as amber which will need to be delivered or there will be a further shortfall in this year – and added pressures in the MTFP.
- 12.3 The directorate narratives earlier in this report also set out where in-year savings targets have been met using tactics other than in the plan and therefore whether there are any base budget issues to be considered because of delivery using a different approach.
- 12.4 Leadership Performance Board continues to monitor the transformation programme and associated savings. Work continues to identify strategies to deliver services within the funding available.

13 General fund position and other earmarked reserves

- 13.1 The general fund balance currently stands at £33.2m, in line with Council's agreed budget strategy for 2022/23. Any overspend for the year falls to the general fund to finance. There are also further reserves available to support the Council but most of these are earmarked for specific purposes and cannot be repurposed without impacting the risk for which they have been provided.
- 13.2 The Council also has a contingency budget in place but £1.1m of this has already been used to offset inflation on contracts across various services where prices could not be held at budgeted levels. There are further forecast inflationary pressures which are being contained within service

budgets at present – such as within the waste service where increased recycle prices have partially offset contract inflation on waste disposal contracts and other operational pressures such as fuel.

14 Capital programme and financing

- 14.1 The approved capital programme now stands at a total of £301.6m for the next five years and is summarised in the table below.

	Capital Programme	2023/24	2024/25	2025/26	2026/27	Total Budget 22/23-26/27
Total Budget 2022/23						
(23,136)	Full external funding	0	0	0	0	(23,136)
(29,922)	Partial external funding	(1,977)	(1,600)	(1,500)	0	(34,999)
(26,208)	Dorset Council part funding (borrowing requirement)	(1,094)	(3,798)	(1,078)	(2,500)	(34,678)
(59,957)	Dorset Council funding (borrowing requirement)	(35,076)	(27,694)	(22,092)	(5,497)	(150,316)
0	Dorset Council funding (reserves)	0	0	0	0	0
0	Dorset Council funding (capital receipts)	0	0	0	0	0
(10,053)	Minimum Revenue Provision	(10,053)	(12,053)	(13,053)	(13,303)	(58,515)
(149,276)	Total funding	(48,200)	(45,145)	(37,723)	(21,300)	(301,644)

- 14.2 Spend against the programme to the end of Qtr3 is low at just £48.2m, despite inflationary pressures and this reflects the difficulty in supply chains and markets. This is the main reason why the treasury budget is outperforming its targets this year and why there is likely to be further, significant slippage of the capital programme into 2023/24.
- 14.3 Delivery of such an ambitious capital programme is challenging at any time, but in the current climate it is even more complex. We are experiencing contractor inflation, supply chain issues and labour shortages, interest rate risks around borrowing and logistical fulfilment failure as a result of EU exit, the aftermath of a pandemic and war in Ukraine. These factors mean we need to keep an extremely close eye and a firm grip on our capital programme.

15 Sundry debt management

- 15.1 The net sundry debt position as at 31 December 2022 was £33.1m. £11.3m (34%) of this is less than 30 days old. The breakdown of this debt is as follows:

Directorate	Balance	Less than 30 days	30-90 days	90-365 days	Over 365 days
	£	£	£	£	£
Adults & Housing	20,566,803.49	4,604,037.00	2,916,367.74	5,288,988.71	7,757,410.04
Children's Services	1,670,664.43	1,419,549.26	70,001.74	57,339.92	123,773.51
Place	8,926,719.17	4,103,819.04	1,657,417.06	1,836,635.43	1,328,847.64
Corporate	1,900,940.43	1,158,991.20	113,548.00	315,244.31	313,156.92
Grand Total	33,065,127.52	11,286,396.50	4,757,334.54	7,498,208.37	9,523,188.11

- 15.2 The Council had been expecting increases in the level of overall debt given the economic circumstances. The introduction of *breathing space* and the limited capacity of the Courts Service over the past two years led the Council to commission SWAP internal audit services to review debt policy and process. Officers continue work to implement the auditor's recommendations and progress is being monitored through the Audit & Governance Committee.

16 Council tax and business rates debt management

Council tax

- 16.1 The in-year collection rate as at 31 December 2022 is 83.76%. This equates to £296m of a total council tax (all preceptors, not just Dorset Council element).

Financial Year	In year collected (%)
2022/23	83.76
2021/22	83.77
2020/21	83.30
2019/20	85.69

- 16.2 These headline figures need to be taken in the context of the wider economic realities that local taxpayers have lived through, although of course there is a legal requirement on all taxpayers to pay what is due. The collection and recovery processes have resumed, and the Council is working with taxpayers and remains confident that arrears will reduce, and collection rates will improve.
- 16.3 £8.5m of arrears from previous years have also been collected in the first nine months of the year.

Business rates (non-domestic rates – NDR)

- 16.4 The in-year collection rate is 82.43%. This equates to £78.6m which compares favourably with previous years. However, this does include the application of Covid-19 Additional Relief Funding (CARF) which was applied to business rate payers' accounts during September, and which will even-out over the final quarter of this year.

17 Summary, conclusions, and next steps

- 17.1 2022/23 continues to be an extremely challenging time for local government, with inflationary and demand pressures impacting on income and expenditure. There remains a large degree of financial uncertainty and, having reviewed expenditure at the end of the third quarter of the year, Dorset Council's financial forecast is a £8.4m budget pressure.

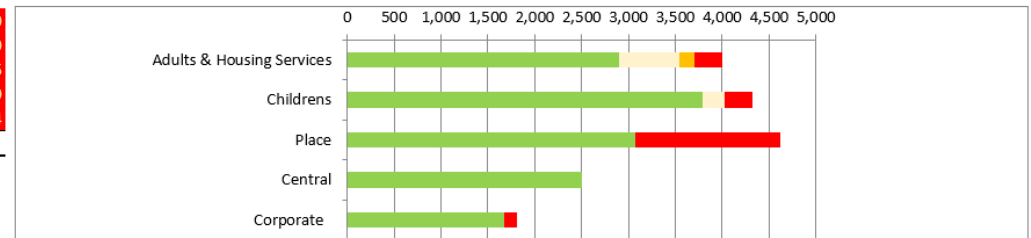
- 17.2 It is vital that the Council remains focused on living within its means, and in particular ensuring that savings and efficiencies continue to be actively sought out and delivered to ensure the 2022/23 budget moves towards financial balance. Of particular importance is tighter cost control in the Place Directorate. This, combined with strict vacancy management across the organisation are anticipated lead to improvement in the financial position by the end of the year.

Aidan Dunn

Executive Director, Corporate Development (S151 Officer)

Appendix A

Officer assessment on savings target					
2022/23 Savings Plans		Green	Amber	Amber 2	Red
	£000's	£000's	£000's	£000's	£000's
Tactical					
Adults	200	0	0	0	200
Childrens	2,092	1,869	223	0	0
Place	4,556	3,071	0	0	1,486
Central	2,500	2,500	0	0	0
Corporate	1,808	1,674	0	0	134
Total Tactical	11,156	9,113	223	0	1,820
Transformation					
Adults & Housing Services	3,805	2,896	644	165	100
Place	70	0	0	0	70
Childrens	2,228	1,928	0	0	300
Total Transformation	6,103	4,824	644	165	470
Total - Tactical and Transformation					
Adults & Housing Services	4,005	2,896	644	165	300
Childrens	4,320	3,797	223	0	300
Place	4,626	3,071	0	0	1,556
Central	2,500	2,500	0	0	0
Corporate	1,808	1,674	0	0	134
Summary Savings Plans	17,259	13,937	867	165	2,290





Dorset Council Status Report

Issued on 16 February 2023 for the Audit and Governance Committee meeting on 27 February 2023

Partner introduction

The key messages in this report:

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.
- A strong understanding of your internal control environment.
- A well planned and delivered audit that raises findings early with those charged with governance.

I have pleasure in presenting our update report to the Audit and Governance Committee of Dorset Council (the Council) for the 2020/21 audit. The scope of our audit was set out within our planning report presented to the Committee in September 2021. I would like to draw your attention to the key messages of this paper:

Status of the audit

Our audit is substantially complete subject to completion of the following principal matters:

- Covid Grant Income significant risk testing, documenting conclusions on grants sampled;
- Completion of final reviews and quality checks;
- Reviews of updated financial statements;
- Receipt of the IAS 19 letter from the Dorset Pension Fund Auditor;
- Pension liability work;
- Whole of Government Accounts (WGA) work (see page 3);
- Infrastructure assets, updated disclosure work (see page 3);
- Receipt of signed management representation letter; and
- Our review of events since 31 March 2021 through to signing.

Based on the current status of our audit work, we envisage issuing an unmodified audit opinion, with no reference to any matters in respect of the Council's arrangements to secure economy, efficiency and effectiveness in the use of resources, or the Annual Governance Statement.

We are currently undertaking a final consultation as to whether the opinion will include an emphasis of matter drawing attention to the material uncertainty in relation to the valuation of the Council's assets raised by the Council's valuer and disclosed in note 57 (i) (b) to the accounts.

Value for Money

We have not identified to date any risks of significant weakness in arrangements to secure economy, efficiency and effectiveness in the use of resources. We have noted sufficient progress in addressing the issues in Children's Services raised by regulators to remove the qualification on the Council's arrangements which we raised in 2019/20.

We have no matters to report by exception in our financial statement audit opinion.

Our opinion will state that work is on-going and we will provide our final view on the Council's arrangements in our Auditor's Annual Report, which will be completed within three months of the date of the issue of the audit opinion in line with the timeframe specified in the National Audit Office Auditor Guidance note 3.

Partner introduction (continued)

The key messages in this report:

Audit quality is our number one priority. We plan our audit to focus on audit quality and have set the following audit quality objectives for this audit:

- A robust challenge of the key judgements taken in the preparation of the financial statements.

A strong understanding of your internal control environment.

- A well planned and delivered audit that raises findings early with those charged with governance.

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Infrastructure assets

There have been a series of issues raised with CIPFA and the Department for Levelling Up, Housing and Communities (DLUHC) with regard to the treatment of infrastructure assets in local authority statement of accounts. Following a series of discussions at national technical groups, which were attended by Deloitte, and also several consultations that were overseen by CIPFA and DLUHC, the following has now been issued:

- **CIPFA Code Update**

On 29 November 2022 the CIPFA code was updated to remove the requirement for authorities to disclose gross book value and accumulated depreciation for infrastructure assets.

- **Statutory Instrument**

A statutory instrument was laid before parliament on 30 November 2022, and came into effect on 25 December 2022, with the main purpose to allow authorities to make the assumption that any infrastructure asset additions recognised are replacing components that have been fully depreciated.

- **CIPFA Bulletin 12 – Accounting for Infrastructure Assets – Temporary Solution**

This was released 12 January 2023 and provides example disclosures and examples of how both the Statutory Instrument and the Code update impact on the accounting for infrastructure assets.

Our work over the revised infrastructure asset disclosures is ongoing, with key reviews and challenges around the useful economic lives applied to infrastructure assets by the Council.

WGA

We are required to perform testing on the Council's WGA submission, checking its consistency to the audited financial statements and reporting our findings to the National Audit Office (together with our audit opinion and key issues from our audit). Although the OSCAR system has now closed the NAO still require us to complete an assurance statement in relation to the Council's 2020/21 Whole of Government Accounts submission.

However, the Council falls below the new threshold of £2bn, and as a result the level of work required will be minimal.

Duties as public auditor

We have not identified any matters that would require us to issue a public interest report. We have not had to exercise any other audit powers under the Local Audit and Accountability Act 2014.

Purpose of our report and responsibility statement

Our report is designed to help you meet your governance duties

What we report

Our report is designed to establish our respective responsibilities in relation to the financial statements audit, to agree our audit plan and to take the opportunity to ask you questions at the planning stage of our audit. Our report includes:

- Results of our work to date on key audit judgements and our observations on the quality of your draft Annual Report;
- Our internal control observations;
- Other insights we have identified from our audit.

Use of this report

This report has been prepared for the Council, as a body, and we therefore accept responsibility to you alone for its contents. We accept no duty, responsibility or liability to any other parties, since this report has not been prepared, and is not intended, for any other purpose. Except where required by law or regulation, it should not be made available to any other parties without our prior written consent.

We welcome the opportunity to discuss our report with you and receive your feedback.

What we don't report

As you will be aware, our audit is not designed to identify all matters that may be relevant to the Council.

Also, there will be further information you need to discharge your governance responsibilities, such as matters reported on by management or by other specialist advisers.

Finally, the views on internal controls and business risk assessment in our final report should not be taken as comprehensive or as an opinion on effectiveness since they will be based solely on the audit procedures performed in the audit of the financial statements and the other procedures performed in fulfilling our audit plan.

Other relevant communications

We will update you if there are any significant changes to the audit plan.



Deloitte LLP

Cardiff | 16 February 2023

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Audit and Governance Committee

27 February 2023

Appointment of Co-opted Independent Committee Members

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Executive Director: J Mair, Director of Legal & Democratic

Report Author: Marc Eyre
Title: Service Manager for Assurance
Tel: 01305 224358
Email: marc.eyre@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary: CIPFA good practice suggests that local authority Audit Committees should include at least two co-opted independent committee members to supplement the expertise of existing membership. Currently the Council's Audit and Governance Committee's constitution is purely made up of elected councillors, based on the political balance.

The Committee briefly discussed the option of including co-opted members into the committee's membership at the [16 January 2023 meeting](#). Those councillors in attendance that had experience of working alongside co-optees confirmed that the independent representatives enriched the scrutiny and decision-making processes. There was broad support to incorporate independent membership at the earliest opportunity (option two below) but it was agreed to discuss options more fully at the February meeting.

This report provides some background on what could be perceived as benefits of co-opted independent members to support a recommendation from this committee to full council on 11 May 2023, and a resultant change to the constitution.

Recommendation: To consider the following three options:

Option one – Do nothing;

Option two – Incorporate co-opted independent membership at the earliest opportunity;

Option three – Incorporate co-opted independent membership following local elections in May 2024.

Reason for Recommendation: To ensure that the Committee has the appropriate level of technical expertise to perform its role as set out in its terms of reference.

1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised [position statement](#) for Audit Committees in Local Authorities and Police during 2022. This proposes that it is good practice for Audit Committees for local authorities to include at least two co-opted independent members within its membership. There is no legislative direction to enforce this, but CIPFA recognise this practice to supplement and fill any gaps in a committee's technical expertise. Within Dorset Council, the role of the committee goes beyond that of an Audit Committee, to include a remit for governance and standards.
- 1.2 A number of other Dorset Council Committees and panels benefit from the external expertise provided by co-opted independent members. This includes the Harbours Committee and the Dorset Police and Crime Panel.
- 1.3 Currently the Audit and Governance Committee is made up of ten elected councillors, based on political balance. If two co-optees were added to the existing ten elected councillors the Conservative Group would be entitled to a majority, however as with the existing committee the Leader has agreed not to take up the full entitlement.
- 1.4 Co-opted independent members would be full voting members of the Committee (other than for Code of Conduct matters) and would be treated equally to elected members in terms of access to support and information. Good practice suggests that the term of co-opted members should be for four years, and should generally not exceed two-terms, to ensure that fresh ideas, perspectives and experience are injected into the committee on a semi-regular basis.

- 1.5 The skills that candidates should be able to demonstrate would include analytical skills, effective communication, scrutiny and challenge, open minded-ness and capable of developing good teamwork and effective relationships with other members of the committee.
- 1.6 It is critical for the success of appointment to ensure that a diverse range of candidates apply for the role, ensuring that exemplary members are recruited providing a diversity of skills and experience. Recruitment could therefore use a combination of online advertising, social media, local press and promotion via existing networks.
- 1.7 The following provides a guide timeline for recruitment, should co-opted members be supported:

Timeline	By When
Draft person specification and advertisements	31 Mar 23
Sign-off by Audit & Governance Committee	17 Apr 23
Consideration by Remuneration Panel	Tbc Apr/May
Proposal to Full Council	11 May 23
Publication of advertisements	31 May 23
Shortlisting and selection	31 July 23
Induction	Aug / Sep 23
First meeting with independent member attendance	25 September 23

2. Options

- 2.1 There are three main options for consideration by the Committee:
- 2.2 Option One – Do nothing. Whilst CIPFA guidance recognises that it is good practice for Audit Committees to include co-opted members, it is not dictated by legislation. The Committee may feel that it already has the skills and technical expertise to fully fulfil its terms of reference.
- 2.3 Option Two – Agree to include co-opted independent membership to the committee at the earliest opportunity, to supplement the experience of the current ten elected members. In addition to providing additional expertise,

this may also provide some stability of membership following elections in May 2024.

- 2.4 Option Three – Agree to include co-opted independent membership to the committee post May 2024 elections.
- 2.5 Should the committee resolve to incorporate co-opted independent membership, this will be subject to ratification by Full Council and a change made to the constitution. If this decision was to be made by Full Council at its meeting on 11 May 2023, it would enable recruitment to commence in the first quarter of the financial year.
- 2.6 The membership of the interview panel would need to be agreed, but good practice would suggest that this should be made up of a minimum of three councillors, one of which should be the Chair of the Audit and Governance Committee. Officers would provide human resource and administrative support to the process. Recommendations for appointment should be made on merit and ability judged against a competency based framework of criteria.

3. **Financial Implications**

An allowance is payable to co-opted members, but varies (from £500 annually per member to £2,000) depending on the role description and anticipated time commitment. The allowance payable to the co-opted member for the Audit and Governance Committee would be subject to review and assessment by the remuneration panel.

4. **Environmental Implications**

None

5. **Well-being and Health Implications**

None

6. **Other Implications**

None

7. **Risk Assessment**

- 7.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

8. **Equalities Impact Assessment**

No issues identified

9. **Appendices**

None

10. **Background Papers**

[CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022](#)

[Minutes of Audit and Governance Committee 16 January 2023](#)

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Audit & Governance Committee

27 February 2023

Review of Public Participation Rules

For Recommendation to Council

Portfolio Holder: Cllr S Flower, Leader of the Council

Local Councillor(s): All

Executive Director: J Mair, Director of Legal & Democratic

Report Author: Susan Dallison
Title: Team Leader, Democratic Services
Tel: 01305 252216
Email: susan.dallison@dorsetcouncil.gov.uk

Report Status: Public

Brief Summary:

In November 2022 the Monitoring Officer received a request from the Chairman of Council to review the current public participation procedure rules. The request was prompted by the Full Council meeting held in October 2022 when the council received a total of 18 questions and 2 statements from residents and organisations for the public participation period. The time provided in the Constitution for public participation is 30 minutes. To provide equity and to enable all of the questions to be out at the meeting the Chairman requested each person to read out the question only and not the preamble. The receipt of such a large number of questions from the public made the management of the public participation difficult for the Chairman of Council as it was unsatisfactory for residents who had submitted a question with a long preamble who were then unable to put the question into context at the meeting. The Chairman of Council subsequently made a request to the Monitoring Officer to review the current procedure rules to see if improvements could be made to make the process more manageable whilst giving the public the opportunity to read out their questions in full, including the preamble, within the half hour public participation period. At the meeting of the Audit & Governance on 14th November 2022 members agreed to establish an informal Task and Finish Group to undertake the review with a report back to the Audit & Governance Committee with any recommendations.

Recommendation:

That the Procedure Rules for Public Participation be amended as follows:

- (a) That the Council accepts the first 8 questions and the first 8 statements received from members of the public or organisations for each Full Council meeting on a first come first served basis in accordance with the current deadline for receipt of questions and statements;
- (b) That any questions received over the first 8 questions, the resident or organisation will be asked if they wish to receive a written response from the Portfolio Holder;
- (c) That members of the public or organisations can submit a maximum of 1 question or 1 statement at each meeting of the Full Council;
- (d) That each question or statement submitted be up to a word count of 450 and the response from the Portfolio holder be a maximum of 300 words;
- (e) That statements received by residents or organisations be published, in full, before the Full Council meeting as a supplement to the agenda and published, in full, as an appendix to the minutes but will not be read out at the Full Council meeting to allow more time for questions and responses.

Reason for Recommendation:

To enable the Chairman of Council to manage the half hour public participation period effectively and allow each person who submits a question to read out the question in full and receive a response.

1. Report

- 1.1 Following the agreement of the Audit & Governance Committee a politically balanced informal member task and finish group was established and the following members were nominated by Political Group Leaders:

Cllr Val Potheary (Chairman of Council)

Cllr Richard Biggs (Chairman of Audit & Governance Committee)

Cllr Barry Goringe (Vice-chairman of Council & member of Audit & Governance Committee)

Cllr Bill Pipe (Member of Audit & Governance Committee)

Cllr Belinda Bawden (Member of Audit & Governance Committee)

- 1.2 A meeting of the Task and Finish Group was held on Thursday 5th January 2023 with the following members and officers in attendance:
Cllr B Bawden, Cllr R Biggs, Cllr B Pipe and Cllr V Potheary (on-line), J Andrews and S Dallison. Cllr B Goringe sent his apologies.
- 1.3 The Chairman of Council outlined the difficulties of managing the public participation period when such large numbers of questions were received

and the unsatisfactory position of having to ask the public to read out the question only without the preamble that put the question into context. The Group discussed the various options for effectively managing the public participation element of the Full Council meeting. Members considered moving the public participation period to the end of the agenda, to allow for the council's decision making to take place first, however the Group felt that this would have a detrimental effect on public participation as it may put off residents from attending the meeting if they had to wait until the end of the agenda. The Group also considered whether the 30-minute public participation period should be extended to a longer timeframe but felt overall that this would not be practical as it would give less time for the formal decision making on the council's strategic policies which should be the main focus of the meeting. The Group did however feel that there were a number of alterations that could assist the Chairman of Council with managing the public participation period and these suggestions for amending the current procedure rules are set out in the Recommendations (a) to (e) above.

1.4 The rationale for each of the recommendations is set out below:

(a) That the Council accepts the first 8 questions and the first 8 statements received by members of the public or organisation for each Full Council meeting on a first come first served basis and in accordance with the current deadline for receipt of questions and statements. In the current Procedure Rules, there is no limit to the number of questions or statements that will be accepted for each public participation period. The Chairman of Council therefore finds herself in a position of trying to squeeze all questions into the 30-minute period no matter how many questions are submitted. The Group felt that a maximum of 8 questions was a reasonable and practical number to deal with within the 30-minute public participation period. A limit of 8 would ensure that the resident would be assured of being able to ask their question in full and receive the response from the appropriate Portfolio Holder without feeling rushed or being denied the opportunity to read out the preamble to their question.

(b) That any questions received over the first 8 questions, the resident or organisation will be asked if they wish to receive a written response from the Portfolio Holder. To ensure that all residents or organisations that submit a question receive a response the Group considered it important that all those over the first 8 questions received and accepted will be offered a formal written response from the Portfolio Holder. This arrangement would mirror the current procedure rule that any question not read out within the 30-

minute period would receive a written response from the appropriate Portfolio Holder. The Group was also supportive of a suggestion from officers that when corresponding with the resident the Democratic Services Officer could signpost the resident to other options that might be helpful, for example if the answer to a question could be found online or the option of submitting a question to one of the monthly Cabinet meetings.

(c) That members of the public or residents can submit a maximum of 1 question or 1 statement at each meeting of the Full Council;

The current Procedure Rules enable a resident to submit up to 2 questions or 2 statements or 1 question and 1 statement at each Full Council meeting. By adjusting this to 1 question or 1 statement per resident or organisation would allow for up to 8 members of the public to speak at each meeting. If this rule was not adjusted as proposed, it could restrict the number of people speaking to just 4 at each meeting if the current full entitlement was applied.

(d) That each question or statement submitted be up to a word count of 450 and the response from the Portfolio holder be a maximum of 300 words;

Under the current Procedure Rules each resident asking a question has up to 3 minutes to read out each question, which includes time for the preamble to put a question into context. The Task and Finish Group are not proposing to change the time allowed but have asked that it be expressed by the number of words allowed i.e. 450, this enables the person submitting the question to easily check via a word count and to encourage the resident to read the question as submitted rather than read out alternative wording at the meeting. The Task and Finish Group also felt that responses from Portfolio Holders could be more direct and succinct and therefore are suggesting that the response to each question be a maximum of 300 words or 2 minutes.

(e) That statements received from residents or organisations be published, in full, before the Full Council meeting as a supplement to the agenda and published, in full, as an appendix to the minutes but will not be read out at the Full Council meeting to allow more time for questions and responses.

The Task and Finish Group are proposing that the Procedure Rules be amended so that statements submitted for the Full Council meeting are not read out during the public participation period. In line with the current set of procedure rules statements do not receive a response and this change would enable more questions to be put and answered at the meeting. The statements, as now, would still be published with the agenda and appended to the minutes of the meeting as a matter of public record.

- 1.5 Although not forming part of the recommendations the Task and Finish Group wished to highlight the benefit to democracy of enabling members of the public to ask their questions via the hybrid MS Teams facility and thanked the Chairman of Council for introducing this as part of the arrangements for Full Council meetings. The Group also expressed support for any changes approved to the public participation procedures to be communicated with the public together with information on how to engage with the council as part of the democratic processes.

2. **Financial Implications**

None

3. **Environmental Implications**

None

4. **Well-being and Health Implications**

None

Other Implications

None

Risk Assessment

- 6.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

Equalities Impact Assessment

Not required

Appendices

None

Background Papers

Link to the Procedure Rules in the current Constitution:

[Constitution Procedure Rules](#)

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Audit and Governance Committee Work Programme 2023

27 February 2023			
	Quarter 3 Financial Management Report	Management Report	Officer Contact- Heather Lappin
	Update on the External Audit of 2020/21 and 2021/22 and the Value for Money Opinion for 2020/21	Update Report	Officer Contact- Ian Howse and Stuart Kenny
	Appointment of Co-opted Independent Committee Members (For Recommendation to Full Council)	Report	Officer Contact- Marc Eyre
	Review of Public Participation Rules	Report	Officer Contact- Susan Dallison

17 April 2023			
	Annual Internal Audit Opinion Report, Planning Report and Audit Charter	Annual Report	Portfolio Holder – Cllr Spencer Flower Officer Contact- Sally White - SWAP
	Quarterly Risk Management Report	Management Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	Annual Governance Statement	Statement	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	SWAP Internal Audit Update Report	Update Report	Officer Contact- Sally White
	Value for money and Benchmarking Report	Update Report	Officer Contact- Aidan Dunn

May 2023			

June 2023			
	Annual Information Governance Report	Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre
	Annual Fraud Update Report	Update Report	Portfolio Holder- Spencer Flower Officer Contact- Marc Eyre

Other items raised by Audit and Governance Committee requiring further consideration

Issue	Notes	Date raised
Workforce stress / mental health issues	The committee have raised this as a potential area of work but note that it is linked to current transformation work	At committee on 7 November 2019
How Dorset Council holds and shares information	<p>It is understood that some work is being undertaken in this area.</p> <p>A councillor workshop on the Dorset Council transformation programmes is being held on 10 January 2020. The suggestion is that councillors attend this session and following this, the committee give further consideration to whether any further work is required in this area.</p> <p>The issue will be covered within the Annual Information Governance Report in the 12th June 2023 meeting.</p>	At committee on 7 November 2019