



Audit and Governance Committee

Date: Monday, 12 October 2026
Time: 6.30 pm
Venue: Council Chamber, County Hall, Dorchester, DT1 1XJ

Members (Quorum: 3)

Spencer Flower (Chair), Steve Murcer (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andy Todd, Beryl Ezzard, Ryan Holloway, Ryan Hope and Ray Bryan

Co-opted Members:

Chief Executive: Catherine Howe, County Hall, Dorchester, Dorset DT1 1XJ

For more information about this agenda please contact Democratic & Governance Services Meeting Contact louis.wicks@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. If you would like to attend this meeting and have any specific requirements please contact the Democratic Services Officer named above.

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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 the 3 rd of August 2026.	5 - 10
3.	ACTION TRACKER To consider the Audit & Governance Action Tracker.	11 - 12
4.	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.

5. PUBLIC PARTICIPATION

Representatives of town or parish councils and members of the public who live, work, or represent an organisation within the Dorset Council area are welcome to submit either 1 question or 1 statement for each meeting. You are welcome to attend the meeting in person or via MS Teams to read out your question and to receive the response. If you submit a statement for the committee this will be circulated to all members of the committee in advance of the meeting as a supplement to the agenda and appended to the minutes for the formal record but will not be read out at the meeting. The first 8 questions and the first 8 statements received from members of the public or organisations for each meeting will be accepted on a first come first served basis in accordance with the deadline set out below.

All submissions must be emailed in full to louis.wicks@dorsetcouncil.gov.uk by 8.30 am on Wednesday the 7th October

When submitting your question or statement please note that:

- You can submit 1 question or 1 statement.
- A question may include a short pre-amble to set the context.
- It must be a single question and any sub-divided questions will not be permitted.
- Each question will consist of no more than 450 words, and you will be given up to 3 minutes to present your question.
- When submitting a question please indicate who the question is for (e.g., the name of the committee or Portfolio Holder)
- Include your name, address, and contact details. Only your name will be published but we may need your other details to contact you about your question or statement in advance of the meeting.
- Questions and statements received in line with the council's rules for public participation will be published as a supplement to the agenda.
- All questions, statements and responses will be published in full within the minutes of the meeting.

6. QUESTIONS FROM COUNCILLORS

To receive questions submitted by councillors.

Councillors can submit up to two valid questions at each meeting and sub divided questions count towards this total. Questions and statements received will be published as a supplement to the agenda and all questions, statements and responses will be published in full

within the minutes of the meeting.

The submissions must be emailed in full to louis.wicks@dorsetcouncil.gov.uk by 8.30am on Wednesday the 7th October 2026.

[Dorset Council Constitution](#) – Procedure Rule 13

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| 7. | MINUTES OF THE AUDIT & GOVERNANCE SUB-COMMITTEE | 13 - 38 |
| | To note the minutes of the Audit & Governance Hearing Sub-committee held on the 17 th August 2026. | |
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| | To receive a report from the Legal Business Partner – Regulatory Legal Services. | |
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| | To receive a report from the Risk Management and Reporting Officer. | |
| 11. | AUDIT ACTION UPDATE REPORT | 109 -
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| | To receive a report from the Strategic Performance Intelligence & Risk Lead. | |
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| | To receive a report from the Assistant Director – SWAP. | |
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| | To receive a report from the Service Manager for Assurance. | |
| 15. | PERIOD 4 FINANCIAL MANAGEMENT REPORT | 161 -
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| | To receive reports from Director of Resources. | |
| 16. | TREASURY MANAGEMENT OUTTURN REPORT | 201 -
222 |
| | To receive a report from the Director of Resources. | |

- 17. FORWARD PLAN** 223 -
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- To consider the work programme for the Committee.
- 18. 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.
- 19. 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.
- a)** Compliance Report from the Monitoring Officer 225 -
To receive a report from the Director of Assurance & 234
Governance.



AUDIT AND GOVERNANCE COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 3 AUGUST 2026

Present: Cllrs Spencer Flower (Chair), Steve Murcer (Vice-Chair), Belinda Bawden, Neil Eysenck, Jill Haynes, Andy Todd, Ryan Holloway, Ray Bryan, R Ong and S Roach

Apologies: Cllrs Beryl Ezzard and Ryan Hope

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

Sean Cremer (Director - Resources (Section 151 Officer)), Marc Eyre (Service Manager for Assurance), John Miles (Democratic Services Officer), Sophie Blackburn (SWAP), Lisa Cotton (Interim Executive Director - Modernisation and Customer Delivery), Alex Barrett (Cyber Security & ICT Continuity Lead), Jonathan Mair (Director – Assurance & Governance (Monitoring Officer)), Julie Masci (Director – Public Sector Audit Grant Thornton), Sam Harding (Grant Thornton) and Brian Hole (Programme Manager – Digital Innovation)

16. **Apologies**

Apologies for absence were received from Cllr Beryl Ezzard and Cllr Ryan Hope.

17. **Minutes**

The minutes of the meeting held on 29th June 2026 were confirmed and signed.

18. **Action Tracker**

Concern was raised regarding item number 6 on the action tracker and its lack of a completion date. It was confirmed that there was a date which was to be added to the tracker.

The action tracker was noted.

19. **Declarations of Interest**

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

20. **Public Participation**

There were no questions from members of the public.

21. **Questions from Councillors**

There were no questions from councillors.

22. Minutes of the Audit & Governance Sub-committee

There were no meetings held.

23. External Audit Update - 2025-26

The Director of Public Sector Audit (Grant Thornton) outlined the reports. The Annual IT controls report had previously come each financial year as a part of the financial statements audit. There had been some positive progress made which had led to previously reported deficiencies being removed from the report. There were some recommendations that had been brought forward in the report however they were rated as non-significant.

Concern was raised around the four people being identified as having inappropriate access to systems which was not best practice. It was asked whether the IT team needed more capacity as the problem felt like a staffing issue rather than a direct IT issue. It was confirmed that those four people had access as a part of the SAP support team who had the ability to perform those functions and that there was still risk but did not have any direct involvement with any financial processes relating to the accounts.

A general query was raised regarding end user computing controls such as spreadsheets and databases and whether it would be covered in the main audit. It was confirmed that this process was apart of the main audit and explained that IP testing would be done to make sure that nothing had been changed between the creation of these spreadsheets and databases and them coming to audit.

It was explained that the audit looks at those systems that generate the most financial information as they were key risk areas.

A discussion was had regarding inadequate control over accounts in SAP.

The second report was introduced and explained as a regular update report which included a general update on where progress with the audit was and an update on the sector.

The final report was on the assurance strategy. It was explained that there was not sufficient assurance on opening balances due to the missed audit year by the council's previous auditors in 2022/23, but the report stated that there was confidence that assurance could be regained.

The recommendations were noted.

24. Recruitment to the Independent Remuneration Panel Report

The Director of Assurance & Governance outlined the report. The report concerned the arrangements for the scheme of allowances made available to councillors. Councillors did not set their allowances in isolation but with the review from a panel and the chair of that panel had retired from the role. The panel therefore needed a new chair and was to have the number of people on the panel increased.

Recommendations proposed by Cllr Jill Haynes seconded by Cllr Ryan Holloway.

Decision:

- That support was sought from South-West Councils to fulfil the role of chair of the panel;
- That an open recruitment exercise was carried out to appoint one further panel member to the Independent Remuneration Panel.

25. Dorset Council Internal Audit Progress Report

The SWAP Audit Manager introduced the report. This included a follow-up audit of the investigation and building compliance action plan which proved the closure of most outstanding actions from the previous report and only two actions had remained as in progress. The second audit was the Better Care Fund which was a joint review between Dorset Council, Bournemouth Christchurch and Poole Council, and NHS Dorset Independent Care Board. The findings related to an expired section 75 agreement, collaborative working arrangements, and the recording of Better Care Fund issues.

Confirmation was sought regarding the three outstanding actions and which priorities related to each one and when the target dates for completion were. These were the same three actions from the previous report, but further action had been completed since then.

The recommendations were noted.

26. Annual Internal Audit Opinion 2025-26

The Assistant Director of SWAP introduced the report. It was explained that annually SWAP is required to form a conclusion on the effectiveness of governance and control within the council which was summarised in this report. After a review of the work done in 2025/26 a reasonable opinion was offered. Overall, the assurance work completed in 2025/26 had led to a more favourable opinion. To support the assessment for 2026/27 the audit plan was to be looked at to ensure the right coverage to assess how effective and imbedded certain actions that took time would be.

The recommendations were noted.

27. Annual Fraud and Protected Disclosure Report

The Service Manager for Assurance introduced the report. The report outlined the framework and highlighted the progress made after adopting the revised counter fraud and financial crime policy and the protected disclosure policy approved in 2025. There was a new fraud action plan which set out the council's current level of compliance mapped against a maturity model baseline report that SWAP had developed and identified areas of improvement. SWAP were to commence two audits shortly to support the work. The report included a summary of whistleblowing cases which had been kept at a top-level. The Protected Disclosure

Whistleblowing Policy was updated in May 2026 to reflect changes to employment legislation surrounding sexual harassment.

The recommendations were noted.

28. Annual Governance Statement and Local Code of Corporate Governance

The Service Manager for Assurance introduced the report. It presented the draft annual governance statement and local code of corporate conduct. The final version was to be signed by the Chief Executive and leader of the council. It reflected the May 2025 addendum for the first time which meant it now included the individual governance controls to show a more transparent system of progress. The report was currently in draft form to allow the committee to comment on the document.

A question was asked what the extent members were involved in the self-assessment process. The self-assessment was an assessment both from the various officers that own the identified subjects in the local code but there were also lead officers who could review and confirm whether they were comfortable with it. From a member perspective it was their opportunity to give any comments for review.

A conversation was had regarding section five of the report. It was confirmed that all the items marked as red were issues. It was commented that as there was a lack of progress being made on trying to get officers to complete mandatory training it and it was encouraged to continue to push for this training to be completed. It was asked why it was acceptable for employees to be in job roles where a DBS check was required but not completed. It was answered that as there was zero tolerance for lack of DBS checks which meant that the item would be marked as red very quickly. There were also mitigations in place during the processing times for DBS checks to be completed such as supervising staff and no safeguarding issues had arisen as a result.

A comment was made on the relevancy of the cyber-security training and was suggested that it needed some revision.

The recommendations were noted.

29. Work Programme

The work programme was noted.

30. Urgent items

There were no urgent items.

31. Exempt Business

Proposed by Cllr Murcer and seconded by Cllr Holloway.

Decision:

That the press and the public be excluded for the following item(s) in view of the likely disclosure of exempt information within the meaning of paragraph 7 of schedule 12 A to the Local Government Act 1972 (as amended).

32. **Cyber Security Risk Action Plan Update and Responsible AI Framework Update**

The recommendations were noted.

Duration of meeting: 6.30 - 7.17 pm

Chairman

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**Audit and Governance
Action Tracker.**

Outstanding Actions						
Number	Action	Officers/Cllrs asked to complete action.	Date action issued	Date Due	Latest Status	Date of Completion
3	Evolving Pace of AI and how it could be manipulated asked to come back to the Committee.	Lucie Laker, Brian Hole (Programme Manager Digital Innovation) (Supporting)	12 th January 2026		In-Progress	
4	Item 194 on the report was referenced which refers to the instability in the high needs bloc budget may create increased deficit in the dedicated school grant resulting in deficit in Dorset Council's financial position. It was identified as a significant issue for the Council and there was a request for reassurance from the Cabinet Member for Education and finance to reassure the Committee to mitigate significant financial risk to the organisation.	Cabinet Member for Education and Finance.	12 th January 2026		In-Progress	
9	Our Future Council Update – for future reports, it was asked for more focus around IT risks and around risks.	Lisa Cotton (Exec Director for Modernisation & Customer Delivery)	24 th November 2025	23 rd February 2026	In-progress	
16	A point raised around inadequate control over generic accounts which covered a specific example with a specific recommendation led to management being asked to address the more widespread generic issues and what can we do to ensure that management responses cover the full	Sean Cremer (Director – Resources (S151 Officer))	3 rd August 2026	12 th October 2026	In-progress	

**Audit and Governance
Action Tracker.**

	complement of recommendations in the future so there are no gaps left					
Completed Actions						
6	The Council does not currently maintain a complete record of all systems holding personal data, has identified inconsistencies between Information Asset Owners and service teams, and has approximately 36,000 paper records awaiting retention decisions, can officers explain how the Council is currently assuring itself that it is meeting its data governance and data protection obligations? Can officers set out the risks arising from the current position, including regulatory and financial exposure, and confirm whether officers recognise that non-compliance could, in principle, expose the Council to enforcement action and fines of up to 4% of annual turnover, however unlikely that outcome may be? Can officers outline the concrete actions, leadership arrangements, and timescales in place to address these issues, including system oversight, resourcing, and training?	Marc Eyre (Service Manager for Assurance)	12 th January 2026	Updated Information Governance Report - 27 April 2026.	Complete	27 th April 2026 (Covered on this dates Information Governance Report)



AUDIT AND GOVERNANCE (HEARING) SUB-COMMITTEE

MINUTES OF MEETING HELD ON MONDAY 17 AUGUST 2026

Present: Cllrs Ray Bryan, Beryl Ezzard and Andy Todd

Apologies: None

Also present: Mike Powell (Independent Person), Cllr A Hollingshead (Complainant)

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

Grace Evans (Head of Legal Services and Deputy Monitoring Officer), Mary Dolley (Investigating Officer) and Lindsey Watson (Senior Democratic and Governance Officer) and Kate Critchel (Senior Democratic and Governance Officer)

OPENING THE MEETING

The Senior Democratic and Governance Officer opened the meeting and introduced the sub-committee members, the Deputy Monitoring Officer as advisor to the sub-committee and herself as clerk to the sub-committee.

1. **Election of Chair**

It was proposed by R Bryan seconded by B Ezzard

Decision

That A Todd be elected Chair of the Audit and Governance (Hearing) Sub-committee for this meeting.

2. **Apologies**

The Chair confirmed that all members of the sub-committee were present.

3. **Declarations of Interest**

There were no declarations of interest.

4. **Exempt Business**

The sub-committee agreed that the meeting would be held in public.

5. **Code of Conduct Complaint 1**

The Chair introduced all parties relevant to the complaint.

The Deputy Monitoring Officer advised the sub-committee that the Subject Member, Councillor P Yeo was not in attendance at the meeting and asked that the sub-committee consider if they wished to continue the hearing in his absence. Reference was made to Local Government Association (LGA) guidance on code of conduct complaints, which stated that if a subject member was unable to attend the hearing on a specified date, the sub-committee could agree to hold the hearing on a different date, provided they were satisfied that the Subject Member had given an acceptable reason. Where an acceptable reason was not given or no reply provided within a specified time, the hearing should proceed and the sub-committee should consider the report in the Subject Members' absence. The Deputy Monitoring Officer confirmed that the Subject Member had been made aware of the hearing date on 23 June 2026. On 24 July 2026, the Subject Member had requested the hearing to be postponed due to work commitments and personal circumstances. The Deputy Monitoring Officer had responded to the Subject Member on 29 July 2026 to confirm that the sub-committee were minded, after discussion, to proceed with the hearing date. The sub-committee felt the Subject Member had been provided with sufficient time to make other arrangements or provide earlier notification that he was unable to attend. In response to a question, it was confirmed that an email had been received at 12.35pm today advising that the Subject Member would not be in attendance due to work commitments and personal circumstances.

The sub-committee agreed that the hearing would continue.

M Dolley, Investigating Officer presented her report in respect of complaints made against Shaftesbury Town Council Councillor Yeo (the Subject Member) by Shaftesbury Town Council Councillor Hollingshead (the Complainant).

The Investigating Officer provided detail of the complaints received which alleged a breach of paragraphs 5 (disrepute), 6 (use of position) and 9 (registration and declaration of specified interests) of the Shaftesbury Town Council code of conduct. The complaints had been investigated in accordance with Dorset Council's arrangements for dealing with Code of Conduct complaints.

To investigate the complaints, the Investigating Officer had taken into consideration the following evidence:

- The complaints and various screenshots that accompanied them
- Shaftesbury Town Council Code of Conduct and Standing Orders
- Agendas and minutes of the two relevant town council meetings
- The notice given by the Subject Member to Dorset Council's Monitoring Officer of the interests required to be registered under s.30 of the Localism Act 2011
- Various emails as referred to in the report
- The guidance issued by the Local Government Association which supported the model code of conduct on which the town council's code was closely modelled and Article 10 of the European Convention on Human Rights

- Interviews with the complainant and the subject member (statements contained within the report) and further statements made by the Subject Member.

The complaints were set out in full in the report and the Investigating Officer took the sub-committee through the main points arising.

The complaints related to Shaftesbury Town Council meetings held on 17 December 2024 and 11 March 2025 and the discussions that took place in relation to aspects of the development by the town council of a parcel of land at Mampitts Lane, Shaftesbury, using developer funding contributions made in connection with residential and associated development of that part of the town.

The Investigating Officer noted that the complaints as originally made, referred to breaches of the code relating to a failure to disclose a pecuniary interest. It was noted that Dorset Council could not investigate a complaint relating to a disclosable pecuniary interest due to s34 of the Localism Act 2011. The matter had been referred to the Monitoring Officer who, in consultation with the Independent Person, had decided that the investigation should proceed on the basis of a possible breach of the code relating to the disclosure of a registrable other interest.

The findings section of the report set out the interests registered by the Subject Member when elected to the town council and described the relevant provisions of Chapter 7 of the Localism Act 2011. In addition, it referred to the code and the ancillary provisions in the town council's standing orders related to the disclosure of interests and the obtaining of dispensations and to the Nolan Principles of Public Life relating to integrity and openness. The remainder of the section gave a detailed account of the discussion of the Mampitts Lane project at the two town council meetings that gave rise to the complaints and a description of the extensive correspondence that took place between the Subject Member, the town clerk at the time and Dorset Council's Monitoring Officer, about the registration and declaration of interests.

The Investigating Officer provided an overview of the conclusions set out in the report, which included her comments on the comments made by the Subject Member, both in response to the draft report and on the statement submitted by him in advance of this meeting. The Investigating Officer had concluded that the Subject Member had brought Shaftesbury Town Council into disrepute and was therefore in breach of paragraph 5 of the town council's code of conduct. In respect of the other aspects of the complaints, the Investigating Officer had concluded that the Subject Member had not acted in breach of paragraph 6 of the town council's code of conduct. In respect of the complaint relating to paragraph 9 of the town council code of conduct, the Investigating Officer had concluded that the Subject Member's conduct amounted to a breach of paragraph 9 of the town council's code of conduct and provided her reasoning for this conclusion.

The Investigating Officer confirmed that she had taken the Subject Member's Article 10 enhanced protection of freedom of expression into account in

reaching her conclusions noting the right was subject to formalities, conditions and restrictions as prescribed by law and necessary in a democratic society for the protection of the reputation or rights of others. The Investigating Officer acknowledged the case law referred to in the Subject Member's responses and referred to the case of *Dennehy* where the Council's finding of breach was effectively upheld. [*R (Dennehy) v London Borough of Ealing* 2013 EWHC 4102 (Admin)]. Despite a broad interpretation of "political speech" the Investigating Officer did not consider the Subject Member's comments during the town council meetings were political or acceptable and remained of the view that in finding breach, the Subject Member's right to freedom of expression would not be unlawfully interfered with.

The Chair asked the Investigating Officer if she was calling any witnesses.

In response, the Investigating Officer asked the Complainant that if, having seen the report and the comments made on behalf of the Subject Member about the report, he wished to change or clarify anything in the statement made when he was interviewed by the Investigating Officer. The Complainant confirmed that there was no reason for him to alter or change anything that he was aware of. He noted that if there was any error or discrepancy, this could be flagged with him.

The Chair opened the meeting up for questions.

In response to a question from R Bryan, the Investigating Officer stated that, as far as she was aware, no dispensation had been sought from the Subject Member.

In response to a question from R Bryan, the Investigating Officer provided her understanding on the role of the community trust, which had changed to a charitable incorporated organisation, as referred to in the report.

In response to a question from A Todd, the Complainant noted the issues that the town council had had and the numerous challenges, including the Mampitts community hub which had been the major focus of the Subject Member's debate at full council meetings. He noted that the majority of councillors followed the code of conduct and that he found it abnormal that councillors didn't follow rules when they were clearly set out and also mapped out by both the previous and current town clerks and monitoring officer. In response to a follow-up question from A Todd, the Complainant confirmed that each May, the code of conduct was passed round for councillors to sign as well as the Dorset Association of Parish and Town Councils statement of values. In addition, a statement of the code of conduct and Nolan Principles was included on agenda packs and stated by chairs at the beginning of meetings.

In response to a question from B Ezzard, the Complainant noted that he was not aware of the Subject Member making an apology at any time to anyone.

The Investigating Officer referred the sub-committee to statements made by the Subject Member, included in the report, and noted her recollection that the Subject Member had reiterated in these that he had done nothing wrong.

In response to a question from R Bryan, the Complainant noted that he was not aware that a dispensation had been sought in respect of the matters referred to in the complaints or at any other time, and that the most action taken by the Subject Member was to declare that he was a director trustee, as at the time.

The Independent Person confirmed that he had no questions at this point.

In response to a question from A Todd, the Deputy Monitoring Officer provided detail of a deviation in wording from the Local Government Association (LGA) Model Code of Conduct within the Shaftesbury Town Council code of conduct relating to the section on declarations of interest. The slightly different wording included in the Shaftesbury Town Council code of conduct had led to some comments and responses made on behalf of the Subject Member. The LGA model wording required Other Registrable Interests to be declared and a councillor to leave for debate and vote unless they had a dispensation to stay and take part for agenda items which directly related to or which affected their Other Registrable Interests. The Shaftesbury Town Council Code required only for Other Registrable Interests to be declared and for the councillor to leave unless they had a dispensation for agenda items which directly related to their Other Registrable Interests. The wider context of the Code still applied, which required councillors to consider declaring interests, including where they had a greater interest than a member of the public.

In response to a question from A Todd, the Deputy Monitoring Officer noted that due to the Subject Member's position as a trustee, he was required to prioritise his duties to the trust, whose purpose was to promote, develop and manage a hall or hub for the community. This conflict with his councillor duties was referred to in the investigation report, and the Investigating Officer's reference to progress in one project meaning that the other project would not progress. This could have been resolved by seeking a dispensation. For each occasion where there was an item on an agenda relating to the Mampitts project, it would be for the Subject Member to make a decision as to whether he had a sufficient interest to declare and what action to take.

In response to a question from A Todd, the Deputy Monitoring Officer confirmed that the duty to disclose an interest or seek a dispensation was a decision for the councillor. The councillor could take advice from the Monitoring Officer but there could be no instruction, direction or order from the Monitoring Officer.

In response to a question from A Todd relating to a position where there was a direct conflict, the Deputy Monitoring Officer confirmed that on matters related to the trust, as a trustee, this would take precedence for the Subject Member, as he owed a duty to the trust that he chaired.

In response to a question from A Todd, the Independent Person confirmed that a councillor's first duty was to their role as a councillor, in this case to Shaftesbury Town Council, and should operate in accordance with standing orders that apply to the position.

The Chair adjourned the meeting at 2.44pm. Members of the sub-committee, the Deputy Monitoring Officer, the Independent Person and the Senior Democratic and Governance Officer left the room in order for the sub-committee to make a decision on breach in private.

(During the deliberation, the Deputy Monitoring Officer provided the sub-committee with the following information:

A recap of the Code of Conduct wording for paragraph 5; disrepute and recap of the main points of LGA guidance on that paragraph.

A recap of Article 10 European Convention on Human Rights, which protect rights to freedom of expression and information, the right to hold opinions, receive and impart information and ideas. It protects popular and unpopular expression including speech, what is said and the form it is expressed in. These rights are enhanced for elected politicians and acceptable levels of criticism are higher for elected politicians. This is not an absolute freedom of expression and restrictions may be imposed to ensure conduct of public life and debate do not fall below a standard that would endanger public confidence in democracy. In the political context, a degree of the immoderate, offensive, shocking, disturbing, exaggerated, provocative, polemical, colourful, emotive, non-rational and aggressive language, misrepresentation or untruth, that would not be acceptable outside that context, is tolerated. Hate speech is not protected, including against personal characteristics. And the enhanced protection does not cover gratuitous personal comment or indulging in offensive abuse. Consideration of Article 10 rights is case specific. Finding of breach or the imposing of a sanction must be sufficiently important to justify limiting a councillor's protected right to freedom of expression. It must be proportionate to the aim of protecting the council or other councillors.

Article 10 case law

- Councillor deliberately misrepresented motivation and intentions of other councillors. Councillor entitled to the enhanced protection which outweighed the need to protect the reputation of other councillors (Robinson)
- Offensive comments about a sector of the community. Committee were entitled to find a failure to treat with respect and that conduct had brought council and office of councillor into disrepute. Breach of Art 10 justified (Dennehy)
- Posted sarcastic and mocking comments about running a council and other councillors on his blog – breach of Art 10 disproportionate (Calver)
- Threatened managers saying a number had been dispensed with and more to go, tried to interfere with housing allocation decision making. Bullying and failure to show respect to others. A finding of code breach attracted Art 10 protection but it was necessary interference (Heesom)

A recap of the Code of Conduct wording for Paragraph 6; Not use or attempt to use position improperly to the advantage or disadvantage of councillor or anyone else.

A recap of the Shaftesbury Town Council Code of Conduct wording for Paragraph 9 Appendix B 6; matter directly relating to an Other Registrable Interest and recap of the main points of LGA guidance on that paragraph. The example of RSPB membership was drawn to the sub-committee's attention. Matters at council meetings were unlikely to directly relate to that interest, but they may directly relate if a councillor was actively campaigning on the specific issue being discussed in a council meeting.)

The meeting was reconvened at 5.44pm.

The Chair provided the decision of the sub-committee:

Shortly in advance of this hearing the Subject Member confirmed that he would not be attending the hearing due to work and other personal commitments. The Sub-committee considered whether to proceed with the hearing. The Subject Member had been supplied in advance with details of the hearing, that it could proceed and reach an outcome in his absence. The Sub-Committee considered advice from the Deputy Monitoring Officer and concluded to continue with the hearing in the Subject Members absence as the Subject Member had not provided an acceptable reason for non-attendance.

Having heard the views of everyone present and considered the contents of the report and presentation by the Investigating Officer and views of the Independent Person and after lengthy deliberation, the Sub-committee has made a unanimous decision about each of the complaints as follows:

1. The Subject Member brought Shaftesbury Town Council into disrepute. This is evidenced by comments and behaviour set out in investigating report paragraphs 14.4:

Accusations of a personal nature about councillors who had sat on the previous Mampitts Advisory Committee;

Interrupting Councillor Chase and stating that he did not have the integrity to be Mayor;

Describing the procedure for the construction of an advisory committee as shocking and a disgrace;

Continued interruptions and muttering resulting in the Chair requesting him to stop and sit down;

Accusations of a lack of integrity on the part of some of his fellow councillors that they had turned the town council into a joke;

Report paragraph 15 interrupting members of the public while they were speaking in public section;

Standing for the majority of the meeting, huffing and with hands on hips resulting in a fellow councillor commenting that he thought the subject member was trying to intimidate people;

Alleging councillors were trying to frustrate a scheme that the residents wanted which was an absolute disgrace;

Spoke in a manner that was confrontational, aggressive and disrespectful;

Report paragraph 20.4

email from the Subject Member to the Town Clerk, copied to all councillors, containing allegations of impropriety on the part of the Town Clerk and some of his fellow councillors which was offensive in tone.

These comments and behaviours were made during public meetings, observed by members of the public present. Comments were directed at councillors. Whilst some comments did raise issues for debate, it is the manner of the Subject Member's behaviour and how questions were raised that the sub-committee considers did not comply with standing orders or the code and could have been raised in a compliant way.

The sub-committee noted the Subject Member's behaviour was not a one off outburst but a continued pattern of behaviour for which he received warnings from the chair.

The sub-committee is satisfied on the balance of probabilities that the alleged conduct actually occurred and exceeded the threshold for normal expected political discourse.

The sub-committee is not aware of and the Subject Member has not provided an explanation for his behaviour aside from referring to his Article 10 right to freedom of expression.

The sub-committee have considered the Subject Member's Article 10 rights and consider that the finding of breach of code while it may infringe his Article 10 rights, is proportionate to the aim of protecting the reputation of the council and other councillors and their ability to take part in political debate. The sub-committee were particularly mindful that standing orders allow councillors to express their opinions, give constructive criticism, challenge and scrutinise. This can be done in a manner which does not disrupt meetings or prevent the ability of other councillors to take part.

2. The sub-committee accepted the investigating officers' recommendation and find no breach and no improper use of the Subject Member's position and no evidence that the Subject Member's comments and involvement in the meetings was for his personal gain or that of another.

3. The sub-committee noted the difference between appendix b paragraph 8c in the Shaftesbury Town Council Code of Conduct 14 May 2024 and the Local Government Association Model Code wording which has made the consideration of the complaint about an other registrable interest and dispensation more complex than it would otherwise have been. The effect of the difference results in Other Registrable Interests being disclosable in meetings and requiring dispensation for agenda items which directly relate to an Other Registrable Interest only under the Shaftesbury Town Council code whereas they would have been disclosable and dispensation required for both directly related matters and also those which simply effect an Other Registrable Interest under the LGA model code.

While the sub-committee have grave concerns about the involvement of the Subject Member in the discussion on agenda items related to Shaftesbury Town Council Mampitts project, due to the wording of the Shaftesbury Town Council code the sub-committee have no option but to find the Subject Member did not fail to disclose an Other Registrable Interest and did not require a dispensation to take part in the meetings which are the subject of this complaint, as they did not directly relate to the Subject Member's Other Registrable Interest.

(Note - At this point in the meeting, the sub-committee would normally invite representations about aggravating or mitigating factors from the Investigating Officer and the Subject Member. However, as the Subject Member was not in attendance, the sub-committee moved to the matter of sanctions agreed)

The Chair set out the decision on sanctions agreed as follows:

Sanctions

The sub-committee decided that the sanctions set out below were an appropriate and proportionate response to the complaint.

1. Recommend to Shaftesbury Town Council Town Clerk that the Subject Member be removed from any outside bodies to which he has been appointed by Shaftesbury Town Council until he has completed code of conduct training
2. Instruct the Dorset Council Monitoring Officer to recommend to Shaftesbury Town Council Town Clerk to arrange code of conduct training for the Subject Member to be completed within 2 months of the date of this decision.

In accordance with the council's Complaints Process for councillors there is no right of appeal of this decision.

The decision would be confirmed in writing and a decision notice posted on the council website.

6. **Code of Conduct Complaint 2**

The Deputy Monitoring Officer confirmed that the decision taken by the sub-committee at the beginning of the meeting to hold the meeting in public, applied to both code of conduct complaints.

The Chair invited the Investigating Officer to present the complaint.

M Dolley, Investigating Officer presented her report in respect of complaints made against Shaftesbury Town Council Councillor Yeo (the Subject Member) by Shaftesbury Town Council Councillor Hollingshead (the Complainant).

The Investigating Officer provided detail of the complaints received which alleged a breach of paragraphs 1 (requirement to treat councillors and others with respect) and paragraph 5 (Disrepute) of the Shaftesbury Town Council Councillor Code of Conduct. The complaints had been investigated in accordance with Dorset Council's arrangements for dealing with Code of Conduct complaints.

To investigate the complaints, the Investigating Officer had taken into consideration the following evidence:

- The complaints
- Shaftesbury Town Council Code of Conduct
- Video recording of Shaftesbury Town Council meeting of 18 March 2025
- Facebook page maintained by the This is Alfred radio station and the broadcast by This is Alfred of its daily programme on 19 March 2025
- Emails sent to the Subject Member by the Town Clerk at the time
- Interviews with the Complainant and one other member of Shaftesbury Town Council and the Subject Member (statements included within the investigation report)

The complaints were set out in full in the report and the Investigating Officer took the sub-committee through the main points arising.

The complaints related to the conduct of the Subject Member at the Shaftesbury Town Council Full Council meeting on 18 March 2025 and the discussion of agenda item 7 relating to the recruitment of a new town clerk.

The findings section of the report described the relevant part of the meeting, the reporting of the meeting by This is Alfred in its daily broadcast and on its Facebook page, and the email correspondence sent by the town clerk to the Subject Member, which set out the provisions of paragraph 1 of the code and the general principles of councillor conduct stated in the introduction section of the code. Correspondence from the town clerk had urged the Subject Member to undertake code of conduct training.

The Investigating Officer provided an overview of the conclusions set out in the report, which included her comments on the comments made by the

Subject Member, both in response to the draft report and on the statement submitted by him in advance of this meeting. The Investigating Officer had concluded that the Subject Member was in breach of paragraph 1 and paragraph 5 of the code of conduct and set out her reasoning for this conclusion, including her consideration of the application of Article 10 ECHR. In addition, the Investigating Officer noted that the matter relating to the Subject Member's failure to undertake training on the code of conduct had not been included in the original complaint but had been added to the investigation in accordance with paragraph G of the Dorset Council arrangements for dealing with code of conduct complaints.

There were no questions from the sub-committee or from the Independent Person.

The Chair adjourned the meeting at 6.03pm. Members of the sub-committee, the Deputy Monitoring Officer, the Independent Person and the Senior Democratic and Governance Officer left the room in order for the sub-committee to make a decision on breach, in private.

(During the deliberation, the Deputy Monitoring Officer provided the sub-committee with the following information:

A recap of the Code of Conduct wording for Paragraph 1; respect and recap of the main points of LGA guidance on that paragraph, including the examples of respectful and disrespectful conduct and recap of earlier advice about Article 10.

A reminder of the earlier recap of Code of Conduct wording for Paragraph 5; disrepute and recap of the main points of LGA guidance on that paragraph and advice about Article 10.)

The meeting reconvened at 7.47pm.

The Chair provided the decision of the sub-committee:

Shortly in advance of this hearing the Subject Member confirmed that he would not be attending the hearing due to work and other personal commitments. The Sub-Committee considered whether to proceed with the hearing. The Subject Member had been supplied in advance with details of the hearing, that it could proceed and reach an outcome in his absence. The Sub-Committee considered advice from the Deputy Monitoring Officer and concluded to continue with the hearing in the Subject Members absence as the Subject Member had not provided an acceptable reason for non-attendance.

Having heard the views of everyone present and considered the contents of the report and presentation by the Investigating Officer and views of the Independent Person and after lengthy deliberation the Sub-committee has made a unanimous decision about each of the complaints as follows:

1. The Subject Member breached the code of conduct by:

- a) failing to treat councillors with respect;
- b) bringing Shaftesbury Town Council into disrepute.

This is evidenced by comments and behaviour set out in the investigating report paragraphs 4 and 5 and the recording of 18 March 2025 meeting:

Without requesting permission to speak, interrupted the complainant and notwithstanding the chair's request for him to be quiet, he objected to the proposed recruitment procedure. The Subject Member's tone was aggressive and confrontational such that Councillor Williams raised a point of order under standing orders which states that no person shall obstruct the transaction of business at a meeting or behave offensively or improperly. The chair requested the Subject Member moderate his conduct. The Subject Member remained on his feet talking over the chair and making personal comments directed at Councillor Williams;

Standing while others are talking and he is not;

Persistently interrupting and talking over other councillors including when they are raising points of order (which permits interruption) and calling other councillors improper;

On his phone, huffing and pulling faces while others are speaking;

Alleging improper and/or unlawful process during the last recruitment and complaining that he was not on the panel;

Alleging the minutes relating to the previous process were fabricated to make them match the process;

Calling the council a joke and saying this is not the way that council business should be done;

As a councillor leaves and gives his apology, the Subject Member accuses him of being extremely unprofessional, that he is supposed to represent the people of Shaftesbury and that he doesn't live in Shaftesbury;

The Subject Member was asked to moderate his conduct but did not, leading to the motion to exclude him which resulted in the meeting being suspended for 10 minutes;

The Subject Member raised his voice and became confrontational when a councillor raised a point of order;

Calls other councillors highly unprofessional;

The Subject Member described the civility and respect pledge as the “purely voluntary behaviour thing that you don’t have to sign whatsoever”;

The Subject Member said that the recruitment process was improper and that the Chair was unfit to be Mayor;

The Subject Member told the chair that he was extremely unprofessional and all councillors were turning the council into more of a joke than it already is.

These comments and behaviours were made during public meetings, observed by members of the public present and on social media. Comments were directed at councillors. The comments did not raise issues for debate and some were not political but were personal. It is the manner of the Subject Member’s behaviour and how questions were raised that the sub-committee considers did not comply with standing orders or the code and could have been raised in a compliant way.

The sub-committee noted the Subject Member’s behaviour was not a one-off outburst but a continued pattern of behaviour for which he received warnings from the chair and the meeting was suspended for a time. The Subject Member repeated interruption of other councillors who were complying with the code and standing orders, disrupted the transaction of business during the meeting.

The sub-committee is satisfied on the balance of probabilities that the alleged conduct actually occurred and exceeded the threshold for normal expected political discourse.

The sub-committee is not aware of and the Subject Member has not provided an explanation for his behaviour aside from referring to his Article 10 right to freedom of expression.

The sub-committee consider the Subject Member displayed disruptive and bad behaviour, unreasonable and demeaning behaviour towards other councillors including Councillors Williams, Dibben and Chase, angry outbursts during the meeting, ignoring other councillors who were attempting to contribute to discussion.

The guidance issued by the Local Government Association on its model councillor code of conduct on which the Shaftesbury Town Council code is closely based, states that showing respect to others is fundamental to a civil society and that rude, offensive and disrespectful behaviour lowers the public expectations and confidence in its elected representatives. It gives examples of both respectful and disrespectful behaviour.

The sub-committee notes that no apology has been given and no remorse shown.

The sub-committee have considered the Subject Member’s Article 10 rights and consider that the finding of breach of code while it may infringe

Article 10 rights, is proportionate to the aim of protecting the reputation of the council and other councillors and their ability to take part in political debate. The sub-committee were particularly mindful that standing orders allow councillors to express their opinions, give constructive criticism, challenge and scrutinise. This can be done in a manner which does not disrupt meetings or prevent the ability of other councillors to take part.

2. The sub-committee found the Subject Member had breached the code by failing to complete code of conduct training.

The sub-committee note that the Subject Member has, as a matter of fact, not completed code of conduct training.

The sub-committee also note the volume of communication from Shaftesbury Town Council town clerk to the Subject Member, making him aware of his duty to complete code of conduct training, offering and making training available to him, found at appendix B5 of the investigation report.

The Deputy Monitoring Officer Dorset Council informed the sub-committee of a previous complaint finding about the Subject Member dating from February 2021 which is in the public domain and which required the Subject Member to complete code of conduct training within 4 months. As a matter of fact, this was not completed.

The sub-committee found that his claim not to have been aware of his duty to complete code of conduct training was entirely uncredible and that he had wilfully disregarded previous instruction and offer of training.

The sub-committee noted that the Subject Member in his response, alleges the correct procedure was not followed when adding this allegation about training to the investigation. It was not part of the original complaint. The Deputy Monitoring Officer Dorset Council advised the sub-committee that while the Complaint Process was not technically followed, a decision was taken by the Monitoring Officer in consultation with the Independent Person to agree to add the allegation, and the Subject Member has not been prejudiced by this decision being made late. The Subject Member was informed. The Subject Member responded to the allegation at interview and in his responses to his statement, the report and for this hearing.

(Note - At this point in the meeting, the sub-committee would normally invite representations about aggravating or mitigating factors from the Investigating Officer and the Subject Member. However, as the Subject Member was not in attendance, the sub-committee moved to the matter of sanctions agreed)

The Chair set out the decision on sanctions agreed as follows:

Sanctions

The Sub-committee decided that the sanctions set out below were an appropriate and proportionate response to the complaint:

1. Recommend to Shaftesbury Town Council a formal censure
2. Recommend to Shaftesbury Town Council Town Clerk that the Subject Member be removed from any outside bodies to which he has been appointed by Shaftesbury Town Council until he has completed code of conduct training
3. Instruct the Dorset Council Monitoring Officer recommend to Shaftesbury Town Council Town Clerk to arrange code of conduct training for the Subject Member to be completed within 2 months of the date of this decision.

In accordance with the Council's Complaints Process for Councillors there is no right of appeal of this decision.

This decision will be confirmed in writing and a decision notice posted on the council website.

The Chair closed the meeting at 7.57pm.

Appendix - Decision notice - Code of Conduct Complaint 1
Appendix - Decision notice - Code of Conduct Complaint 2

Chairman

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DORSET COUNCIL AUDIT AND GOVERNANCE (HEARING) SUB-COMMITTEE

COUNCILLOR CODE OF CONDUCT

DECISION NOTICE

Subject Member: Councillor Peter Yeo
Council: Shaftesbury Town Council
Date of Hearing/Decision: 17 August 2026
Complaint Number(s): COM8299 and COM8319
Decision: Complaint partially upheld
Summary Sanction: recommendation to Shaftesbury Town Council to remove Councillor Yeo from outside bodies until he has completed Code of Conduct training

1. Summary of Complaint 1 - COM8299 and COM8319

Complaints were made on 18 December 2024 and 19 March 2025 by Councillor Andy Hollingshead alleging a failure by Councillor Peter Yeo to declare Disclosable Pecuniary Interests at meetings of Shaftesbury Town Council held on 17 December 2024 and 11 March 2025 and to seek dispensations before taking part in debate and voting on matters relating to the development of a site at Mampitts Lane in breach of the Shaftesbury Town Council Code of Conduct for Councillors.

Dorset Council cannot investigate a complaint relating to a Disclosable Pecuniary Interest. In July 2025 the Monitoring Officer in consultation with the Independent Person, decided that the investigation should proceed on the basis of a possible breach of the code relating to the disclosure of an Other Registrable Interest rather than Disclosable Pecuniary Interest. Councillor Yeo was informed of the amendment.

2. Parts of the Code of Conduct alleged to have been breached

In respect of both complaints it was alleged that Councillor Yeo breached the following sections of Shaftesbury Town Council Code of Conduct;

- Paragraph 5 disrepute (As a councillor I do not bring my role or local authority into disrepute)
- Paragraph 6 Use of Position (As a councillor I do not use or attempt to use my position improperly to the advantage or disadvantage of myself or anyone else)
- Paragraph 9 Registration and Declaration of Interests (As a councillor I register and declare my interests)

The Complainant did not seek an apology.

3. Hearing Sub-Committee

The complaint was considered by the Audit and Governance (Hearing) Sub-Committee on 17 August 2026.

The Complainant Councillor Andy Hollingshead attended the hearing and answered questions from the Investigating Officer and the Sub-Committee.

The Subject Member Councillor Peter Yeo did not attend. Councillor Yeo's legal representative contacted Dorset Council shortly before the hearing to inform the Sub-Committee that Councillor Yeo was unable to attend due to unavoidable work and

personal commitments. The Sub-Committee noted that Councillor Yeo had been supplied with details of the hearing on 23 June 2026 and was aware the hearing would likely proceed in his absence. The Sub-Committee considered advice from the Deputy Monitoring Officer and concluded to continue with the hearing in the Subject Members absence as the Subject Member had not provided an acceptable reason for non-attendance.

A recording and full minutes of the hearing, including the decision read out during the hearing, are available on the Dorset Council website: [Agenda for Audit and Governance \(Hearing\) Sub-Committee on Monday, 17th August, 2026, 2.00 pm - Dorset Council](#)

4. The Hearing Sub-Committee's Decisions

Having reviewed the report, papers in the agenda pack and presentation by the Investigating Officer and received advice from the Deputy Monitoring Officer and views of the Independent Person the Sub-Committee unanimously found:

1. **Paragraph 5 disrepute – Breach.** Councillor Yeo by his comments and behaviour had brought Shaftesbury Town Council into disrepute
2. **Paragraph 6 Use of Position – No breach** and no improper use of position in the meetings
3. **Paragraph 9 Registration and Declaration of Interests – No breach.** Due to the wording of the Shaftesbury Town Council Code of Conduct, Councillor Yeo had not breached paragraph 9 of the Code, had not failed to disclose an Other Registrable Interest in the meetings and did not require a dispensation to take part in those meetings.
4. Complaints relating to Disclosable Pecuniary Interest were not within the scope of Dorset Council or the Sub-Committee.

5. Reasons for Decisions

- **Paragraph 5 disrepute – Breach – bringing Shaftesbury Town Council into disrepute**

The Sub-Committee considered that breach was evidenced by Councillor Yeo's comments and behaviour described in the Investigation Report and meeting recordings:

Report paragraph 14.4:

- Accusations of a personal nature about councillors who had sat on the previous Mampitts Advisory Committee;
- Interrupting Councillor Chase and stating that he did not have the integrity to be Mayor;
- Describing the procedure for the construction of an advisory committee as shocking and a disgrace;
- Continued interruptions and muttering resulting in the Chair requesting him to stop and sit down;
- Accusations of a lack of integrity on the part of some of his fellow councillors that they had turned the town council into a joke;

Report paragraph 15

- interrupting members of the public while they were speaking in public section;

- Standing for the majority of the meeting, huffing and with hands on hips resulting in a fellow councillor commenting that he thought the subject member was trying to intimidate people;
- Alleging councillors were trying to frustrate a scheme that the residents wanted which was an absolute disgrace;
- Spoke in a manner that was confrontational, aggressive and disrespectful;

Report paragraph 20.4

- email from Councillor Yeo to Town Clerk, copied to all councillors, containing allegations of impropriety on the part of the Town Clerk and some of his fellow councillors which was offensive in tone.

The Sub-Committee noted these comments and behaviours were made during public meetings and observed by members of the public who were present. Comments were directed at councillors. Whilst some comments raised issues for political debate, it was the manner of Councillor Yeo's behaviour and how he raised questions that the Sub-Committee considered did not comply with Shaftesbury Town Council Standing Orders or Councillor Code of Conduct and could have been raised in a compliant way.

The Sub-Committee noted that Councillor Yeo's behaviour was not a one-off outburst during a meeting but a continued pattern of behaviour for which Councillor Yeo received warnings from both meeting Chairs.

The Sub-Committee is satisfied on the balance of probabilities that the alleged conduct actually occurred and exceeded the threshold for normal expected political discourse.

The Sub-Committee is not aware of and noted that Councillor Yeo had not provided an explanation for his behaviour aside from referring to his Article 10 ECHR enhanced right to freedom of expression.

The Sub-Committee considered Councillor Yeo's Article 10 rights and decided that while a finding of a breach of the Code of Conduct may infringe Councillor Yeo's Article 10 rights, that was proportionate to the aim of protecting the reputation of Shaftesbury Town Council and other town councillors and their ability to take part in political debate. The Sub-Committee were particularly mindful that Shaftesbury Town Council Standing Orders allow its councillors to express their opinions, give constructive criticism, challenge and scrutinise. This can be done in a manner which does not disrupt meetings or prevent other councillors from take part in meetings and debate.

- **Paragraph 6 Use of Position – No breach**

The sub-committee accepted the Investigating Officers' recommendation and found no breach, that Councillor Yeo had not improperly used his position and there was no evidence that Councillor Yeo's comments and involvement in the meetings was for his personal gain or that of another.

- **Paragraph 9 Registration and Declaration of Interests – No breach**

The Sub-Committee noted the difference between the wording of Shaftesbury Town Council Code of Conduct 14 May 2024 Appendix B paragraph 8c and the

Local Government Association (LGA) Model Code wording on which the Local Government Association Code Guidance is based. This made the consideration of the complaint about an Other Registrable Interest and dispensation more complex than it would otherwise have been.

The effect of the difference results in Other Registrable Interests being disclosable in meetings and requiring dispensation for agenda items which directly relate to an Other Registrable Interest only under the Shaftesbury Town Council Code, whereas they would have been disclosable and dispensation required for both directly related matters and also those which simply affect an Other Registrable Interest under the LGA model code.

While the Sub-Committee had grave concerns about Councillor Yeo's involvement in the discussion of agenda items related to Shaftesbury Town Council Mampitts project, due to the wording of the Shaftesbury Town Council Code, the Sub-Committee had no option but to find Councillor Yeo did not fail to disclose an Other Registrable Interest and did not require a dispensation to take part in the meetings which are the subject of this complaint as they did not directly relate to his Other Registrable Interest.

The complaint relating to Disclosable Pecuniary Interest are not within the scope of Dorset Council or the Sub-Committee.

6. Sanctions

The Sub-committee decided that the sanctions set out below were an appropriate and proportionate response to the complaint:

1. Recommend to Shaftesbury Town Council Town Clerk that Councillor Yeo be removed from any outside bodies to which he has been appointed by Shaftesbury Town Council until he has completed Code of Conduct training.
2. Instruct the Dorset Council Monitoring Officer to recommend the Shaftesbury Town Council Town Clerk arrange Code of Conduct training for Councillor Yeo to be completed within 2 months of the date of this decision.

7. Appeal

There is no right of appeal against this decision.

8. Action

This Decision Notice has been sent to the Shaftesbury Town Council Clerk for reporting to the next Town Council meeting for consideration and decision on the recommended sanctions.

Jonathan Mair
Monitoring Officer
Dorset Council
21 August 2026

DORSET COUNCIL AUDIT AND GOVERNANCE (HEARING) SUB-COMMITTEE

COUNCILLOR CODE OF CONDUCT

DECISION NOTICE

Subject Member: Councillor Peter Yeo
Council: Shaftesbury Town Council
Date of Hearing/Decision: 17 August 2026
Complaint Number(s): COM8330
Decision: Complaint fully upheld
Summary Sanction: recommendation to Shaftesbury Town Council to censure Councillor Yeo, for Councillor Yeo to complete Code of Conduct training and be removed from outside bodies until he has completed the training

1. Summary of Complaint 2 - COM8330

The complaint was made on 19 March 2025 by Councillor Andy Hollingshead alleging that at a meeting of Shaftesbury Town Council held on 18 March 2025 Councillor Yeo's conduct led to the meeting being suspended, which was publicised on social media.

The Monitoring Officer in consultation with the Independent Person, decided that the complaint should be amended to include a possible breach of the code relating to requirement for councillors to complete code of conduct training. Councillor Yeo was informed of the amendment and responded to the allegation.

2. Parts of the Code of Conduct alleged to have been breached

It was alleged that Councillor Yeo breached the following sections of Shaftesbury Town Council Code of Conduct;

- Paragraph 1 respect (As a councillor I treat other councillors and members of the public with respect)
- Paragraph 5 disrepute (As a councillor I do not bring my role or local authority into disrepute)
- Paragraph 8.1 training (As a councillor I undertake Code of Conduct training provided by my local authority)

The Complainant did not seek an apology.

3. Hearing Sub-Committee

The complaint was considered by the Audit and Governance (Hearing) Sub-Committee on 17 August 2026.

The Complainant Councillor Andy Hollingshead attended the hearing.

The Subject Member Councillor Peter Yeo did not attend. Councillor Yeo's legal representative contacted Dorset Council shortly before the hearing to inform the Sub-Committee that Councillor Yeo was unable to attend due to unavoidable work and personal commitments. The Sub-Committee noted that Councillor Yeo had been supplied with details of the hearing on 23 June 2026 and was aware the hearing would likely proceed in his absence. The Sub-Committee considered advice from the Deputy Monitoring Officer and concluded to continue with the hearing in the Subject

Members absence as the Subject Member had not provided an acceptable reason for non-attendance.

A recording and full minutes of the hearing, including the decision read out during the hearing, are available on the Council website: [Agenda for Audit and Governance \(Hearing\) Sub-Committee on Monday, 17th August, 2026, 2.00 pm - Dorset Council](#)

4. The Hearing Sub-Committee's Decisions

Having reviewed the report, papers in the agenda pack and presentation by the Investigating Officer and received advice from the Deputy Monitoring Officer and views of the Independent Person the Sub-Committee unanimously found:

1. **Paragraph 1 respect - Breach.** Councillor Yeo by his comments and behaviour had showed a lack of respect to other councillors.
2. **Paragraph 5 disrepute – Breach.** Councillor Yeo by his comments and behaviour had brought Shaftesbury Town Council into disrepute.
3. **Paragraph 8.1 Training – Breach.** Councillor Yeo had failed to complete Code of Conduct training made available to him by Shaftesbury Town Council.

5. Reasons for Decisions

- **Paragraph 1 respect – Breach for showing a lack of respect to other councillors.**

And

- **Paragraph 5 disrepute – Breach for bringing Shaftesbury Town Council into disrepute**

The Sub-Committee considered that breach of both paragraphs was evidenced by Councillor Yeo's comments and behaviour described in the Investigation Report and meeting recordings:

Report paragraphs 4 and 5:

- Without requesting permission to speak, interrupted the complainant and after the Chair requested him to be quiet, he objected to the proposed recruitment procedure. Councillor Yeo's tone was aggressive and confrontational such that Councillor Williams raised a point of order under Standing Orders which states that no person shall obstruct the transaction of business at a meeting or behave offensively or improperly. The Chair requested Councillor Yeo moderate his conduct but he remained on his feet talking over the Chair and making personal comments directed at Councillor Williams;
- Standing while others are talking and he is not;
- Persistently interrupting and talking over other councillors including when they are raising points of order (which permits interruption) and calling other councillors improper;
- On his phone, huffing and pulling faces while others were speaking;
- alleging improper and/or unlawful process during the last recruitment and complaining that he was not on the panel;
- alleging the minutes relating to the previous process were fabricated to make them match the process;
- Calling the council a joke and saying this is not the way that council business should be done;

- As Councillor Dibben leaves and gives his apology, Councillor Yeo accuses him of being extremely unprofessional, that he is supposed to represent the people of Shaftesbury and that he doesn't live in Shaftesbury;
- Councillor Yeo was asked to moderate his conduct but did not, leading to a motion to exclude him from the meeting which resulted in the meeting being suspended for 10 minutes;
- Councillor Yeo raised his voice and became confrontational when a councillor raised a point of order;
- Councillor Yeo called other councillors highly unprofessional;
- Councillor Yeo described the Civility and Respect Pledge as the "purely voluntary behaviour thing that you don't have to sign whatsoever";
- He said that the recruitment process was improper and that the Chair was unfit to be Mayor;
- He told the Chair that he was extremely unprofessional and all councillors were turning the council into more of a joke than it already is.

The Sub-Committee noted these comments and behaviours were made during public meetings and observed by members of the public who were present and seen by members of the public on social media. Comments were directed at councillors. The comments did not raise issues for debate and some were not political but personal. It was the manner of Councillor Yeo's behaviour and how he raised questions that the Sub-Committee considered did not comply with Shaftesbury Town Council Standing Orders or Councillor Code of Conduct and could have been raised in a compliant way.

The Sub-Committee noted that Councillor Yeo's behaviour was not a one-off outburst during a meeting but a continued pattern of behaviour for which Councillor Yeo received warnings from both the Chair and led to the meeting being suspended for a time. Councillor Yeo's repeated interruption of other councillors who were complying with the code and standing orders, disrupted the transaction of business during the meeting.

The Sub-Committee was satisfied on the balance of probabilities that the alleged conduct actually occurred and exceeded the threshold for normal expected political discourse.

The Sub-Committee was not aware of and noted that Councillor Yeo had not provided an explanation for his behaviour aside from referring to his Article 10 ECHR enhanced right to freedom of expression.

The Sub-Committee considered that Councillor Yeo displayed disruptive and bad, unreasonable and demeaning behaviour towards other councillors including Councillors Williams, Dibben and Chase, angry outbursts during the meeting, ignoring other councillors who were attempting to contribute to discussion.

The guidance issued by the Local Government Association on its model councillor code of conduct on which the Shaftesbury Town Council code is closely based, states that showing respect to others is fundamental to a civil society and that rude, offensive and disrespectful behaviour lowers the public expectations and confidence in its elected representatives. It gives examples of both respectful and disrespectful behaviour.

The sub-committee notes that no apology has been given and no remorse shown.

The Sub-Committee considered Councillor Yeo's Article 10 rights and decided that while a finding of a breach of the Code of Conduct for lack of respect and bringing the Council into disrepute may infringe Councillor Yeo's Article 10 rights, that was proportionate to the aim of protecting the reputation of Shaftesbury Town Council and other town councillors and their ability to take part in political debate. The Sub-Committee were particularly mindful that Shaftesbury Town Council Standing Orders allow its councillors to express their opinions, give constructive criticism, challenge and scrutinise. This can be done in a manner which does not disrupt meetings or prevent other councillors from take part in meetings and debate.

- **Paragraph 8.1 Training – Breach for failing to complete Code of Conduct training.**

The Sub-Committee noted that Councillor Yeo had as a matter of fact, not completed code of conduct training.

The Sub-Committee noted the volume of communication from Shaftesbury Town Council Town Clerk to Councillor Yeo, making him aware of his duty to complete code of conduct training, offering and making training available to him, found at appendix B5 of the Investigation Report.

The Deputy Monitoring Officer Dorset Council informed the sub-committee of a previous complaint finding about Councillor Yeo dating from February 2021 which is in the public domain and which required Councillor Yeo to complete code of conduct training within 4 months. As a matter of fact, this was not completed.

The Sub-Committee found that Councillor Yeo's claim not to have been aware of his duty to complete code of conduct training was entirely unbelievable and that he had wilfully disregarded previous instruction and offer of training.

The sub-committee noted that Councillor Yeo in his response, alleges the correct procedure was not followed when adding this allegation about training to the investigation. It was not part of the original complaint. The Deputy Monitoring Officer of Dorset Council advised the sub-committee that while the Complaint Process was not technically followed, a decision was taken by the Monitoring Officer in consultation with the Independent Person to agree to add the allegation, and Councillor Yeo has not been prejudiced by this decision being made late. Councillor Yeo was informed. Councillor Yeo responded to the allegation at interview and in his responses to his statement, the report and for this hearing.

6. Sanctions

The Sub-committee decided that the sanctions set out below were an appropriate and proportionate response to the complaint:

1. Recommend to Shaftesbury Town Council a formal censure to Councillor Yeo.

2. Recommend to Shaftesbury Town Council Town Clerk that Councillor Yeo be removed from any outside bodies to which he has been appointed by Shaftesbury Town Council until he has completed Code of Conduct training.
3. Instruct the Dorset Council Monitoring Officer to recommend the Shaftesbury Town Council Town Clerk to arrange Code of Conduct training for Councillor Yeo to be completed within 2 months of the date of this decision.

7. Appeal

There is no right of appeal against this decision.

8. Action

This Decision Notice has been sent to the Shaftesbury Town Council Clerk for reporting to the next Town Council meeting for consideration and decision on the recommended sanctions.

Jonathan Mair
Monitoring Officer
Dorset Council

21 August 2026

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Audit and Governance Committee

12 October 2026

Planning Applications – Officer Scheme of Delegation

For Review and Consultation

Cabinet Member:

Cllr S Bartlett, Planning

Local Councillor(s):

All Councillors

Senior Leadership Team:

J Mair - Director, Assurance and Governance

Report author and job title:

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Statutory Authority:

Amendments to the Town and Country Planning Act 1990 made in February this year (sections 319ZZC-319ZZF) and the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 (the 2026 Regulations) introduced a national and statutory scheme of delegation for a number of planning decisions.

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

- 1.1 The Government is introducing a national scheme of delegation for planning decisions, with the aim of ensuring greater clarity and consistency about the role of planning committees in planning decision making. Regulations to implement the national scheme of delegation were made on 15 July 2026 (the 2026 Regulations) and the national scheme of delegation will come into force on 31 October 2026.
- 1.2 The Monitoring Officer has authority under the Constitution (Article 15.2) to amend the Constitution to reflect legislative change. This report seeks the views of the Committee to inform his proposed changes as a result of the 2026 Regulations.

- 1.2 Under the new national scheme of delegation, some application types must be determined by officers under delegated powers (Schedule 1 applications). For other application types (Schedule 2 applications) these can be referred to the planning committee subject to the agreement of a nominated officer and a nominated member that certain criteria are met. The national scheme of delegation also sets out that 'own-interest' applications, (e.g. those made by or on behalf of the Council, a Member or an Officer), can be referred to the planning committee if this is agreed by the nominated officer and the nominated member.
- 1.3 The Government has made clear that local authorities will need to amend their constitutions to align with the national scheme of delegation. This report seeks the Committee's views on the Monitoring Officer's proposed changes to Part 3 (Scheme of Delegation) and Part 4 (Code of Conduct) of the Council's Constitution. The proposed changes to the Constitution set out how the new national scheme of delegation will work in Dorset. This includes updates to reflect the application types which must be determined by officers (Schedule 1 applications).
- 1.4 The Government has published Statutory Guidance on the national scheme of delegation, which states that "local planning authorities may, through their constitutions, decide which Schedule 2 or own-interest applications need to be considered for referral". This report is proposing a triage approach, to set triggers for the nominated officer and nominated member to consider committee referral in the case of application types which have the potential to be referred to committee (Schedule 2 applications and own-interest applications).
- 1.4 The report also sets out the proposed nominated members and nominated officers for each of the four planning committees in Dorset. Updates are also proposed to the Protocol for Members and Officers on Planning Procedures (included within Part 4 of the Constitution) to reflect the proposed approach to own-interest applications.
- 1.5 The proposed updates to the Scheme of Delegation, the proposed nominations and the proposed updates to the Protocol for Members and Officers on Planning Procedures would, save as below, come into effect as soon as possible after the Audit and Governance Committee meeting, and in any event by 31 October 2026 at the latest, thus minimising delays to decision-making and enabling planning decision-making to operate in line with the national scheme of delegation once this is in force. Where it has already been decided that an application should be considered by a planning committee under the current Constitution, the proposed changes would come into effect on 31 October.

2. **Recommendation(s)**

- 2.1 That the Committee provide the Monitoring Officer with its comments on the proposed amendments to Part 3 – Scheme of Delegation and Part 4 – Code of Conduct of the Council's Constitution to change the process for determining which planning applications are referred to the planning committees, in line with the national scheme of delegation. The proposed amendments to Part 3 – Scheme of Delegation of the Council's Constitution are shown in Appendices 1 and 2 and the proposed amendments to Part 4 – Code of Conduct are shown in Appendix 3.
- 2.2 That the Committee provides the Monitoring Officer with its comments on the proposed nominated members and nominated officers (set out in paragraphs 4.39 - 4.42).

3. **Reason for the recommendation(s)**

- 3.1 The Council's constitution needs updating to align with the national scheme of delegation which is due to come into force on 31 October 2026.
- 3.2 The proposed changes have been drafted with the aim of ensuring the Council's decision-making remains open and transparent, whilst also enabling efficient processes and avoiding unnecessary delays through the proposed use of a triage system, to set out which applications will be considered for committee referral by the nominated member and nominated officer.

4. **The report**

Background / context

- 4.1 The Government is introducing a national scheme of delegation for planning decisions, with the aim of ensuring greater clarity and consistency about the role of planning committees in planning decision making. The Government has set out that planning committees should focus on the key proposals that matter to an area, enabling other, often more minor and technical, decisions to be made by planning officers. The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 (the 2026 Regulations) were made on 15 July 2026, and the national scheme of delegation will come into force on 31 October 2026.
- 4.2 The Government has set out that local authorities will need to amend their constitutions to align with the national scheme of delegation. The national scheme of delegation identifies three categories of application:
 - Schedule 1 applications must be delegated to officers in all cases.
 - Schedule 2 applications must be delegated to officers unless the nominated member and nominated officer agree that the application meets certain

criteria (set out in the 2026 Regulations) and should be referred to the planning committee.

- Own-interest applications (i.e. an application made by or on behalf of the Council or an officer or member of the Council, or an application where the Council or any of its members or officers has an interest) may be referred to a planning committee if the nominated member and nominated officer agree that committee referral is appropriate. In the case of own-interest applications, the nominated member and nominated officer do not need to consider whether the application meets the same criteria as for Schedule 2 applications in order to agree committee referral but do need to consider the Government's statutory guidance, which has been published alongside the regulations. The statutory guidance does not currently provide much detail in relation to 'own interest' applications, simply stating that "there may be cases where, in the interests of transparency and accountability, it may be appropriate for some such applications ... to be referred to a planning committee".

- 4.3 The primary legislation enabling the introduction of the national scheme of delegation is set out in the Town and Country Planning Act 1990 (the 1990 Act). The 2026 Regulations set out the detail of the new national scheme of delegation. The 1990 Act sets out that, in operating the national scheme of delegation, "local planning authorities must have regard to any relevant guidance issued by the Secretary of State". The Government has published statutory guidance for local planning authorities alongside the 2026 Regulations.
- 4.4 This report seeks the Committee's views on the proposals to update Part 3 – Scheme of Delegation and Part 4 – Code of Conduct of the Council's Constitution to set out how the new approach will work in Dorset. The proposed updates to the Constitution would, save as below, come into effect as soon as possible after the Audit and Governance Committee meeting, and in any event by 31 October 2026 at the latest, thus minimising delays to decisions and enabling planning decision-making to operate in line with the national scheme of delegation once this is in force. Where it has already been decided that an application should be considered by a planning committee under the current Constitution, the proposed changes would come into effect on 31 October.

Dorset Council's current scheme of delegation for planning applications

- 4.5 Dorset Council's current Scheme of Delegation for planning applications is set out in Part 3 – Scheme of Delegation, of the Council's Constitution. This scheme of delegation has been in place since July 2024. It is worth noting that most planning decisions in Dorset are currently taken by officers under

delegated powers. In the period April 2025 to March 2026, Dorset Council issued 2,781 planning decisions, of which 97% were delegated decisions¹.

4.6 Under the Council's current scheme of delegation, planning applications are automatically referred to the planning committee if one of the following criteria is met:

- The application is submitted by or on behalf of a Member or his/her spouse or civil partner, or relates to land in which a Member has an interest;
- The application is submitted by or on behalf of an employee or his/her spouse or civil partner, or relates to land in which an employee has an interest, and that employee is either directly involved in the processing and/or determination of planning applications; or is a Chief Officer;
- The application is submitted by or on behalf of the Council or on land owned by the Council;
- That in the opinion of the nominated officer, the application would be contrary to the Development Plan when assessed as a whole, and would be required to be referred to the Secretary of State for a decision; or
- An application for development which falls within Schedule 1 of the Environmental Impact Assessment Regulations.

4.7 In addition to the above, applications are also currently automatically referred to the planning committee if the application is for major development (broadly 10 or more homes, building(s) of 1,000m² or more additional floorspace, sites of 1 hectare or more, mineral extraction and waste development) and the following criteria are met:

- A written representation has been received from a Member of Dorset Council or from the relevant town/parish council; and
- The representation has been received within 21 calendar days or an agreed extended period; and
- In the opinion of the nominated officer, the representation contains one or more material planning considerations; and
- In the opinion of the nominated officer, the representation contains a response which is contrary to the proposed decision of officers.

4.8 For non-major applications, if the triggers set out above in paragraph 4.7 are met, then these applications are currently referred to the Chair and Vice-Chair of the relevant planning committee, who determine whether or not the application should be referred to committee.

¹ Planning Performance Statistics, available to view online here: [Live tables on planning application statistics - GOV.UK](#)

- 4.9 The Scheme of Delegation summarised above (paragraphs 4.6 to 4.8) currently applies to all planning applications, applications to modify planning conditions (section 73 applications), retrospective applications (section 73A applications), applications for listed building consent, applications for permission in principle, applications for technical detail consent and reserved matters applications.
- 4.10 The following application types are currently delegated to officers: certificates of lawfulness, prior notification and prior approval applications relating to permitted development rights, applications for non-material amendments, discharge of condition applications and applications seeking confirmation of compliance with any condition or obligation, tree work applications, and applications for advert consent.
- 4.11 Applications to modify Section 106 agreements are currently referred to the planning committee if the Section 106 agreement was imposed by planning committee and the proposed modifications would result in a material reduction of benefit to the community. Where these criteria are not met, applications to modify Section 106 agreements can currently be determined by officers under delegated powers.

National Scheme of Delegation: Schedule 1 applications

- 4.12 Under the new National Scheme of Delegation, the following application types must be determined by officers under delegated powers unless they are an 'own interest' application, are connected with an application for listed building consent, or are a retrospective application:
- a) Householder applications;
 - b) Minor commercial applications (for development of existing commercial, business and service premises in Use Class E);
 - c) Minor residential applications (for 1-9 dwellings on less than 0.5ha and some other incidental development);
 - d) Applications for permission in principle;
 - e) Reserved matters applications where the outline consent is for less than 500 dwellings and/or less than 50,000 sqm floorspace;
 - f) Variation of condition applications where the original planning permission falls within Schedule 1;
 - g) Applications to modify or discharge a Section 106 agreement where this is connected with an application type which falls within Schedule 1;

- h) Applications for certificates of lawfulness for existing or proposed development;
- i) Non-material amendment applications;
- j) Applications for approval of a biodiversity gain plan;
- k) Applications to discharge planning conditions;
- l) Prior approval applications;
- m) Applications for certificates of alternative development (these are hypothetical 'planning permissions' to assist in determining land value for compulsory purchase); and
- n) applications for certificates of lawfulness for proposed works to a listed building.

- 4.13 Under the Council's current scheme of delegation, householder applications, minor commercial and residential applications, applications for permission in principle, reserved matters applications, and applications for variation of conditions or to discharge or modify Section 106 agreements relating to Schedule 1 permissions are sometimes referred to planning committee.
- 4.14 In the period between 1 April 2025 and 31 March 2026, a total of 115 applications were considered by the 4 planning committees in Dorset. Of these, 25 were applications which would fall within Schedule 1 of the new national scheme of delegation (this included 5 householder applications; 19 small-scale residential applications for between 1 and 5 dwellings on less than 0.5ha; and one reserved matters application for 48 homes)². These applications must be determined by officers under delegated powers under the new arrangements.
- 4.15 The Council will need to update its Constitution to reflect the new national scheme of delegation and matters which must be delegated to officers from 31 October 2026, as set out above. This requires updates to Part 3 – Scheme of Delegation, including 'Functions of the Council' and 'Officer Scheme of Delegation'. **Appendix 1** sets out proposed changes to the 'Functions of the Council' and **Appendix 2** sets out proposed changes to the 'Officer Scheme of Delegation' to make clear that applications falling within Schedule 1 of the 2026 Regulations cannot be referred to planning committee unless they are an 'own interest' application, are connected with an application for listed building consent, or are a retrospective application.

² Note this figure of 25 applications which would fall with Schedule 1 does not include applications which were referred to committee because they were made by or on behalf of the Council, a Member or Officer, or were on Council-owned land.

National Scheme of Delegation: Schedule 2 applications

- 4.16 Schedule 2 of the new National Scheme of Delegation sets out application types which may be referred to planning committee, subject to meeting certain criteria. The following application types fall within Schedule 2:
- a) Applications for listed building consent and discharge or variation of listed building consent conditions;
 - b) Planning applications connected with applications for listed building consent or discharge/variation of listed building consent conditions;
 - c) Planning applications which are not a householder application, a minor commercial application, or a minor residential application (as defined above in paragraph 4.12);
 - d) Variation of condition applications where the original planning permission falls within Schedule 2;
 - e) Applications to modify or discharge a Section 106 agreement where this is connected with an application type which falls within Schedule 2;
 - f) Retrospective applications;
 - g) Reserved matters approval applications where the outline consent is for 500 or more dwellings and/or 50,000 square metres or more floorspace;
 - h) Applications for advertisement consent; and
 - i) Applications for works to protected trees (tree works applications).
- 4.17 The Government's statutory guidance on the new national scheme of delegation states that "the overriding presumption is that the applications listed in Schedule 2 will be delegated to officers". With the exception of 'own interest' applications (which are discussed separately below), applications in Schedule 2 can only be referred to committee where the nominated officer and nominated member agree that the proposal raises:
- a) one or more issues of economic, social or environmental significance to the local area, or
 - b) one or more significant planning matters having regard to the development plan and any other material considerations.
- 4.18 The statutory guidance sets out that nominated members and nominated officers do not need to consider all Schedule 2 applications for potential referral to committee. Local planning authorities may, through their constitutions, decide which Schedule 2 applications need to be considered for referral.

- 4.19 Under Dorset Council's current scheme of delegation, applications for advertisement consent and tree works applications are determined by officers under delegated powers. There are a few examples where tree works applications have been referred to committee where the applicant was an officer or member. This approach (with officers determining applications for advertisement consent and tree works applications) has been in place since April 2019 and officers are not aware of any issues arising. As such, it is proposed that applications for advertisement consent and tree works applications should continue to be determined by officers under delegated powers. This would not prevent consideration of committee referral for 'own interest' applications (which are discussed in further detail below).
- 4.20 The other application types in Schedule 2 include applications: for planning permission not being a householder application, a minor commercial application, or a minor residential application (as defined in paragraph 4.12); for listed building consent; discharge/variation of listed building consent conditions; planning applications connected to applications for listed building consent; variation of condition applications and applications to modify Section 106 agreements connected with Schedule 2 applications; retrospective applications; and applications for reserved matters approval where the outline consent is for 500 or more dwellings and/or 50,000 square metres or more floorspace.
- 4.21 For these application types (as listed in paragraph 4.20), there are likely to be cases where committee referral will be appropriate. The Government's statutory guidance indicates that local planning authorities may put in place a triage system, so that not all Schedule 2 applications are considered for potential committee referral. Dorset Council's current scheme of delegation includes triggers based on representations received by a member of Dorset Council, or the relevant town/parish council, which is contrary to the officer recommendation. These triggers currently work well, in terms of identifying applications with more complex or controversial issues, for consideration for committee referral. Therefore, for the application types listed in paragraph 4.20, a triage approach is proposed, where the applications would be referred to the nominated member and nominated officer to consider committee referral, if the following triggers are met:
- A written representation has been received from a Member of Dorset Council or from the relevant town/parish council; and
 - The representation has been received within 21 calendar days or an agreed extended period; and
 - In the opinion of the nominated officer, the representation contains one or more material planning considerations; and
 - In the opinion of the nominated officer, the representation contains a response which is contrary to the proposed decision of officers.

- 4.22 If these triggers (as set out in paragraph 4.21) are met, the application would be referred to the nominated member and the nominated officer, to consider committee referral.
- 4.23 If the triggers for referral to the nominated member and nominated officer (as set out in paragraph 4.21) are not met, then the application would be determined under delegated powers. A separate process is proposed for 'own interest' applications as set out below.
- 4.24 For applications which meet the criteria set out in paragraph 4.21, the nominated member and nominated officer will need to consider each case on its merits, to determine whether committee referral is appropriate. When considering committee referral, the nominated member and the nominated officer will have to determine whether the application raises a) one or more issues of economic, social or environmental significance to the local area, or b) one or more significant planning matters having regard to the development plan and any other material considerations.
- 4.25 The Government's statutory guidance notes that what constitutes 'significant' will vary depending on the local area. However, the guidance does provide some examples of situations which may constitute cases which raise one or more issues of economic, social or environmental significance to the area, as follows:
- An application for outline planning permission for a large multi-phase residential development allocated in the local plan; or
 - An application for planning permission for change of use of a community shop in a rural area; or
 - An application for planning permission or listed building consent for changes to a notable listed building in a town centre.
- 4.26 The statutory guidance also provides examples of circumstances which are unlikely to raise a significant planning matter, as follows:
- where the application for development broadly complies with a detailed site allocation and other relevant policies set out in a local or neighbourhood plan and national decision-making policies set out in the National Planning Policy Framework. Significant planning matters may arise if new material considerations are raised by the application; and
 - where a specific planning matter (e.g. highways or flood risk) was initially raised by a statutory consultee as a concern, but the development proposal has been modified to make it acceptable in the view of the statutory consultee (unless the nominated officer has compelling reasons to consider otherwise).

- 4.27 The statutory guidance sets out that nominated members and nominated officers should make every effort to reach agreement on which cases should be referred to committee. If agreement is not possible, then the application must be determined by officers in accordance with the 2026 Regulations.
- 4.28 The Council's constitution will need to be updated to reflect the requirement (as set out in the 2026 Regulations) that Schedule 2 applications can only be referred to the planning committee if the nominated member and nominated officer agree that the application raises a) one or more issues of economic, social or environmental significance to the local area, or b) one or more significant planning matters having regard to the development plan and any other material considerations.
- 4.29 In addition, it is proposed that the Council's constitution is updated to reflect the proposed triage approach for Schedule 2 applications (i.e. the triggers set out in paragraph 4.21), to determine which applications are referred to the nominated member and the nominated officer to consider committee referral.
- 4.30 **Appendix 1** sets out proposed changes to the 'Functions of the Council' and **Appendix 2** sets out proposed changes to the 'Officer Scheme of Delegation' to reflect the requirements of the national scheme of delegation for Schedule 2 applications, and to give effect to the proposed triage approach, as set out above. Some Schedule 2 applications are already delegated to officers (applications for advert consent and for works to protected trees), and the approach set out in Appendix 2 is that these application types will continue to be delegated to officers.

National Scheme of Delegation: Own-interest applications

- 4.31 The new national scheme of delegation defines 'own-interest' applications as applications which are made (whether or not jointly with any other person) by or on behalf of the authority or an officer or member of the authority or it is an application where, in the view of the nominated member and nominated officer, the authority or any of its members or officers has an interest.
- 4.32 Own-interest applications could be application types which fall within either Schedule 1 or Schedule 2 of the national scheme of delegation. Own-interest applications (whether they fall within Schedule 1 or Schedule 2) can be referred to the planning committee if the nominated member and the nominated officer agree that committee referral is appropriate. For own-interest applications, the nominated member and the nominated officer do not need to consider whether the application raises an issue of economic, social or environmental significance, or a significant planning matter, when determining whether to refer the application to the planning committee. The nominated officer and nominated member do need to consider the Government's statutory guidance. However, the guidance does not currently

provide much detail in relation to ‘own interest’ applications, simply stating that “there may be cases where, in the interests of transparency and accountability, it may be appropriate for some such applications ... to be referred to a planning committee”. If the nominated member and nominated officer do not agree to refer an own interest application to the committee, then the application must be determined by an officer under delegated powers.

- 4.33 Under Dorset Council’s current scheme of delegation, certain types of application are automatically referred to the planning committee if one of the following criteria is met:
- The application is submitted by or on behalf of a Member or his/her spouse or civil partner, or relates to land in which a Member has an interest;
 - The application is submitted by or on behalf of an employee or his/her spouse or civil partner, or relates to land in which an employee has an interest, and that employee is either directly involved in the processing and/or determination of planning applications; or is a Chief Officer; or
 - The application is submitted by or on behalf of the Council or on land owned by the Council.
- 4.34 The Council’s constitution needs updating to align with the new national scheme of delegation in relation to own interest applications. Under the national scheme of delegation, own interest applications can only be referred to committee with the agreement of the nominated member and nominated officer.
- 4.35 It is noted that the definition of own-interest applications, as set out in the 2026 Regulations, would cover applications made by any employee of Dorset Council. If this is applied without further refinement, this would mean that applications made by any employee would need to be referred to the nominated member and nominated officer to consider committee referral. This approach seems disproportionate given the scale of Dorset Council and noting that many employees are not directly involved in the processing and/or determination of planning applications.
- 4.36 The statutory guidance sets out that it is not a requirement of the national scheme of delegation that nominated members and nominated officers consider all own-interest applications, and councils can decide (through their constitutions) which own-interest applications need to be considered by the nominated member and nominated officer for potential committee referral.
- 4.37 Taking account of the above, it is proposed that the Council’s constitution should be updated to set out that applications should be referred to the nominated member and nominated officer to consider committee referral in the following cases:

- Applications made by or on behalf of the Council.
- Applications made by or on behalf of a Member of the Council.
- Applications made by or on behalf of a Chief Officer.
- Applications made by or on behalf of an officer who is directly involved in the processing and/or determination of any application made under the Town and Country Planning Legislation
- Applications made by or on behalf of an entity owned or managed by the Council, a member(s) or an officer(s) who is a Chief Officer or who is directly involved in the processing and/or determination of any application made under the Town and Country Planning Legislation.
- Applications made which, in view of the nominated officer, the Council, a Member(s), a Chief Officer(s) or an officer(s) who is directly involved in the processing of and/or determination of any application made under the Town and Country Planning Legislation has an interest.

4.38 **Appendix 1** sets out proposed changes to the 'Functions of the Council' and **Appendix 2** sets out proposed changes to the 'Officer Scheme of Delegation' to reflect the requirements of the national scheme of delegation for own-interest applications, and to give effect to the proposed triggers for employee applications to be referred to the nominated member and nominated officer, as set out above. **Appendix 3** sets out proposed consequential changes to the Protocol for Members and Officers on Planning Procedures.

Nominated members and nominated officers

- 4.39 As explained above, under the new national scheme of delegation, applications can only be referred to the planning committee if they are Schedule 2 applications or own-interest applications, and only if there is agreement from the nominated member and nominated officer that committee referral is appropriate.
- 4.40 The Government's statutory guidance sets out that, where local planning authorities have more than one planning committee, they may nominate different officers or members for each committee. The guidance states that the nominated member should be the chair of the planning committee.
- 4.41 In line with the statutory guidance, it is proposed that the nominated member should be the Chair of the relevant planning committee. It is also proposed that the Vice-Chair of the relevant planning committee should be nominated as the Chair's substitute should the Chair not be available, or if there is an application in which the Chair has an interest.
- 4.42 The statutory guidance states that the nominated officer should be the Chief Planning Officer or equivalent officer who has extensive professional planning experience. Dorset Council has four planning committees. In order to enable efficient processing of applications, it will be important to nominate a different

officer for each planning committee. The proposed nominated officers are set out below, and all have extensive professional planning experience:

- a) The Development Management Area Manager (Eastern) for applications which fall within the remit of the Eastern Area Planning Committee.
- b) The Development Management Area Manager (Northern) for applications which fall within the remit of the Northern Area Planning Committee.
- c) The Development Management Area Manager (Southern/Western) for applications which fall within the remit of the Southern/Western Area Planning Committee.
- d) The Service Manager for Spatial Planning for applications which fall within the remit of the Strategic and Technical Planning Committee.
- e) The Service Manager for Development Management and Enforcement and the Corporate Director for Planning as a substitute for the nominated officers set out above in points a), b), c) and d), in the event that the nominated officer is not available, or if there is an application in which the nominated officer has an interest.

- 4.43 It is proposed that the nominations set out above will come into effect as soon as possible after the Audit and Governance Committee meeting, and in any event by 31 October 2026 at the latest, thus minimising any delays to decision-making and enabling planning decision-making to operate in line with the national scheme of delegation once this is in force.

Conclusion and recommendations

- 4.44 The new national scheme of delegation is due to come into force on 31 October 2026, and the Council needs to update its constitution to align with the new national requirements.
- 4.45 This report and appendices set out proposed updates to Part 3 – Scheme of Delegation and Part 4 of the constitution. This includes updates to reflect the application types which must be determined by officers (Schedule 1 applications). The Government's Statutory Guidance on the national scheme of delegation states that "local planning authorities may, through their constitutions, decide which Schedule 2 or own-interest applications need to be considered for referral". This report is proposing a triage approach, to set triggers for the nominated officer and nominated member to consider committee referral in the case of application types which have the potential to be referred to committee (Schedule 2 applications and own-interest applications).

- 4.46 The report also sets out the proposed nominated members and nominated officers for each of the four planning committees in Dorset.
- 4.47 The proposed updates to the Scheme of Delegation and the proposed nominations would, save as below, come into effect as soon as possible after the Audit and Governance Committee meeting, and in any event by 31 October 2026 at the latest, thus minimising any delays to decision-making and enabling planning decision-making to operate in line with the national scheme of delegation once this is in force. Where it has already been decided that an application should be considered by a planning committee under the current Constitution, the proposed changes would come into effect on 31 October.

5. **Alternative options considered**

Proposed triggers for considering committee referral for Schedule 2 applications

- 5.1 This report sets out a proposal that not all Schedule 2 applications will be referred to the nominated member and the nominated officer to consider committee referral. Instead, applications would only be considered for committee referral if the following triggers are met:
- A written representation has been received from a Member of Dorset Council or from the relevant town/parish council; and
 - The representation has been received within 21 calendar days or an agreed extended period; and
 - In the opinion of the nominated officer, the representation contains one or more material planning considerations; and
 - In the opinion of the nominated officer, the representation contains a response which is contrary to the proposed decision of officers.
- 5.2 An alternative option would be for all Schedule 2 applications to be considered for potential committee referral by the nominated member and the nominated officer. This alternative option would mean that the nominated member and the nominated officer would need to review more applications, including applications where there is broad support for the officer recommendation, which could unnecessarily delay decision-making. The proposed criteria set out in the report (based on a Member or Town or Parish Council representation which is contrary to the officer recommendation) are currently used in Dorset's scheme of delegation, albeit that currently major applications are automatically referred to committee if the criteria are met, and for non-major applications the decision currently falls to the Chair and Vice-Chair as to whether committee referral is required. Nonetheless, the criteria appear to work well as a means of triaging applications. Therefore, the report proposes that these criteria should be used to identify applications which should be considered for committee referral under the new system.

Proposed triggers for considering committee referral for applications by officers

- 5.3 The report sets out a proposal that ‘own-interest’ applications made by or on behalf of an officer should only be referred to the nominated member and nominated officer to consider committee referral if the officer is a Chief Officer or is an officer who is directly involved in the processing and/or determination of any application made under the Town and Country Planning Legislation.
- 5.4 An alternative option would be for all applications made by or on behalf of any officer to be referred to the nominated member and nominated officer to consider committee referral. This alternative option is considered to be disproportionate given the scale of Dorset Council and noting that many officers are not directly involved in the processing or determination of planning applications. The Council’s current scheme of delegation refers to Chief Officers and those directly involved in the processing and/or determination of planning applications, and this approach appears to work well. The report therefore proposes that, for applications made by or on behalf of officers, only those relating to Chief Officers and officers directly involved in processing or determining planning applications should be considered for committee referral.

Proposed nominated officers

- 5.5 The report proposes that the Development Management Area Managers will be the nominated officers for their respective committee areas, and the Service Manager for Spatial Planning will be the nominated officer for applications which fall within the remit of the Strategic and Technical Planning Committee.
- 5.6 An alternative option would be to nominate either the Corporate Director for Planning (the Chief Planning Officer) or the Service Manager for Development Management and Enforcement as the nominated officer for all four planning committees. This is not considered practicable and would likely lead to delays in decision-making due to the need for one officer to cover multiple committee areas. The Government’s statutory guidance indicates that Councils can nominate different officers and members for each planning committee. The proposed nominated officers all have extensive professional planning experience. As such, the report proposes to nominate different officers for each planning committee, as set out above.

6. Legal considerations

- 6.1 The Council’s Constitution, including the Functions of the Council and the Officer Scheme of Delegation, must be in accordance with the 2026 Regulations.

7. Financial implications

7.1 There are no financial implications associated with this report.

8. Natural environment, climate & ecology implications

8.1 There are no environmental, climate or ecology implications associated with this report. All relevant development plan policies and national policy and guidance and other material considerations will need to be considered when determining planning applications, and this is the case for both delegated decisions and those referred to the planning committee.

9. Well-being and health implications

9.1 The new national scheme of delegation will lead to an increase in the number of applications which are determined by officers under delegated powers, particularly for smaller-scale schemes such as householder extensions and minor residential and commercial applications (as defined in the legislation). In some cases, even smaller-scale schemes can be contentious, and there is a risk that individual officers could face pressure to determine an application in a certain way and/or could be subject to threats or harassment after a decision is issued. For all decisions, the planning assessment is set out in an officer report which sets out the assessment of the proposals against relevant policies in the Local and Neighbourhood Plan, national policy and guidance, and all other material planning considerations. All decisions are also subject to sign-off by a different officer. In addition, all officers can speak with their line manager for additional advice and support where needed.

10. Other implications

10.1 There are no other implications associated with this report.

11. Risk implications

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

Current Risk: Low

Residual Risk: Low

12. Equalities

12.1 This report does not impact on any equality or diversity issues.

13. Appendices

13.1 Appendix 1: Proposed updates to Functions of the Council

13.2 Appendix 2: Proposed updates to the Officer Scheme of Delegation

- 13.3 Appendix 3: Proposed updates to the Protocol for Members and Officers on Planning Procedures

14. Background papers

- 14.1 The Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 can be viewed here: [The Town and Country Planning \(Discharge of Local Planning Authority Functions\) \(England\) Regulations 2026](#)
- 14.2 The statutory guidance on Planning Committees and the National Scheme of Delegation of Planning Functions (June 2026) can be viewed here: [Planning Committees and the National Scheme of Delegation of Planning Functions: Guidance for local planning authorities in England - GOV.UK](#)

15. Report sign-off

- 15.1 This report has been signed off by the Director for Legal and Democratic (Monitoring Officer).

2.	Area Planning Committee	1. Within the identified area of the Area Planning Committee, to exercise all powers of the Council directly or indirectly relating to the exercise of those functions set out in Part A of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) (including the determination of any application (including any application for reserved matters and/or technical details consent) and/or enforcement issue). However, this does not include after 31 October 2026: a) determining any application falling within Schedule 1 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 b) determining any applications within regulation 6 or Schedule 2 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 where the nominated member and the nominated officer have not agreed that the application should be determined by the Area Planning Committee c) making a determination of any matter that in the opinion of the Executive Lead for the Place Directorate (and any other Officer as that Executive Lead may nominate) falls within the remit of the Strategic Planning Committee.	A. To make recommendations on any matter directly or indirectly relating to any highway wholly or partly within the area of the Area Planning Committee (including for the avoidance of doubt any order) for which an Area Planning Committee does not have the power to make a determination.
		3. Within the identified area of the Area Planning Committee, to exercise all powers of the Council not expressly reserved to Full Council identified in Part 2 of Part I of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) that concern any functions of the Council directly or indirectly relating to the following after 31 October 2026: (a) any tree except any applications within regulation 6 or Schedule 2 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 where the nominated member and the nominated officer have not agreed that the application should be determined by the Area Planning Committee; (b) any hedge; and/or (c) any hedgerow, To make recommendations on any matter directly or indirectly relating to any highway wholly or partly within the area of the Area Planning	

			Committee (including for the avoidance of doubt any order) for which an Area Planning Committee does not have the power to make a determination (including the making and/or confirming of any orders and the determination of any complaints).		
		4.	To determine any application and/or any other matter identified in: (a) any extant Town and Country Planning General Permitted Development Order; and/or (b) any extant Town and Country Planning General Management Procedure Order, that falls within the identified area of the Area Planning Committee. However, this does not include after 31 October 2026: i) any application falling within Schedule 1 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 ii) any applications within regulation 6 or Schedule 2 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 where the nominated member and the nominated officer have not agreed that the application should be determined by the Area Planning Committee iii) any matter that crosses the boundary of an Area Planning Committee.		
10.	Strategic and Technical Planning Committee	1.	To exercise all powers of the Council directly or indirectly relating to the exercise of those functions set out in Part A of Schedule 1 of the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) (including the determination of any application (including any reserved matters application and/or an application for technical details consent) and/or enforcement issue) of relevance to the following: (a) any matter involving energy production: (i) exceeding 5MW energy generation capacity; and/or (ii) with a site area exceeding 10 hectares; (b) any matter that crosses the boundaries applicable to any Planning Area Committee; (c) any matter involving highway infrastructure that in the opinion of the Executive Lead for the Place Directorate (and any other Officer as that		

			Executive Lead may nominate) is primarily concerned with improving / changing the strategic highway infrastructure network; and/or (d) any matter that in the opinion of the Executive Lead for the Place Directorate (and any other Officer as that Executive Lead may nominate) primarily relates to minerals and/or waste. However, this does not include after 31 October 2026: a) determining any application falling within Schedule 1 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 b) determining any applications within regulation 6 or Schedule 2 of the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 where the nominated member and the nominated officer have not agreed that the application should be determined by the Planning Committee		
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Officer Scheme of Delegation

19 Nothing in this Scheme of Delegation shall prevent an Officer from deciding not to exercise a power and to refer it to some other body /Member who also has power to exercise it save on or after 31 October 2026 for planning applications which fall within the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026 which must be exercised in accordance with those Regulations.

134	To determine any application under the Town and Country Planning Legislation relating to: a. Householder applications (as defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015 as in force on 31 October 2026); b. Minor residential applications (as defined in the Town and Country Planning (Discharge of Local Planning Authority Functions) (England) Regulations 2026); c. Minor commercial applications (as defined in the Town and Country Planning (Development Management Procedure) (England) Order 2015 as in force on 31 October 2026); d. permission in principle; e. variation of condition applications (made under Section 73(1) of the Town and Country Planning Act 1990) where the original planning permission would fall within the application types listed within this delegation; f. Non-material amendments (made under section 96A of the Town and Country Planning Act 1990); g. modification or discharge of a planning obligation relating to approval issued following an application type within this delegation; h. any certificate of lawfulness including any application for a certificate of lawfulness or development (CLUEDs) and/or a certificate of proposed use or development (CLOPUDs); i. Any certificate of lawfulness of proposed works in relation to a listed building; j. the submission of a biodiversity gain plan; k. reserved matters approval except where the reserved matters approval relates to an outline permission for development of 500 or more dwellings and/or building(s) with a floor space of 50,000 sqm or more; l. for the discharge of any condition/obligation and/or confirmation of compliance with any condition/obligation; m. prior approval under Schedule 2 of the Town and Country Planning (General Permitted Development) (England) Order 2015 including whether prior approval is required; n. Any application for express consent to display an advertisement; and o. Any application for consent under a tree preservation order. But subject to delegations 134Bc (applications for planning permission relating to an application for listed building consent and/or to discharge or vary any condition of a listed building consent); 134Bf (retrospective applications); and 134C (own-interest applications).
134A	To determine any application for a certificate of alternative appropriate development made under section 17(1) of the Land Compensation Act 1961.

134B	To determine any application under the Town and Country Planning Legislation relating to: - any application for listed building consent - discharge or vary any condition of a listed building consent - for planning permission relating to a. or b. - any application for planning permission not within delegations 134 a.-c. - any application under section 73(1) of the Town and Country Planning Act 1990 (to change or remove conditions) where the original planning permission would fall within the application types listed within this delegation (134B) - any application under section 73A(1) of the Town and Country Planning Act 1990 (applications for development already carried out) - modification or discharge of a planning obligation relating to any permission, agreement, consent or approval (other than a planning obligation) following an application of a kind described in this section (134B) - reserved matters approval where the outline consent is for 500 or more dwellings and/or building(s) with a floor space of 50,000 sqm or more. But excluding any application within this delegation which the nominated member and the nominated officer consider that the application raises one or more: - issues of economic, social or environmental significance to the local area or - significant planning matters having regard to the development plan and other material considerations. Applications will only be considered by the nominated member and the nominated officer where: a written representation* has been received (and not withdrawn) from a: - Member; and/or - town or parish council in whose area the application is situated (in whole or part); and the representation(s): - have been received by the Council within 21 calendar days beginning with the date on which in relation to the application the Council first displays a site notice, or first publishes a press advert, or commences any procedure for notifying a Member (whichever is the earliest) (or such extended period as the nominated Officer considers appropriate in the circumstances); and - in the opinion of the nominated Officer contain one or more material planning considerations; and - contain a response that in the opinion of the nominated Officer is contrary to the proposed decision of Officers** - If the nominated officer and nominated member cannot agree, the application will be determined by officers under this delegation. * For the avoidance of doubt, reference to a “written representation” includes a representation submitted by electronic means. ** For the avoidance of doubt, reference to a “proposed decision” means the actual decision that is proposed and not any reason(s) relating to that decision. *** For the avoidance of doubt, if the nominated member has not contacted the nominated Officer after 5 working days following the day of first communication with that Member for the purpose of deciding whether a matter should be
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	referred to Planning Committee for determination, the nominated Officer can proceed on the assumption that the nominated member considers that the application can be determined by officers under delegated powers.
134C	To determine any application under the Town and Country Planning Legislation made by a member, officer or entity owned or managed by the Council, a member(s) or officer(s) in accordance with delegations 134, 134A and 134B. But excluding any application made (whether or not jointly with any other person) by or on behalf of: - the Council; - a member; - a Chief officer; - an officer who is directly involved in the processing of and/or determination of any such application; - an entity owned or managed by the Council, a member(s), a Chief Officer(s) or an officer(s) who is directly involved in the processing of and/or determination of any such application; or - an application in which, in the view of the nominated officer, one or more of those referred to in 134Ca-134Cd has an interest and which the nominated member and the nominated officer consider should be determined by the relevant planning committee having regard to any relevant statutory guidance issued by the Secretary of State. If the nominated officer and nominated member cannot agree, the application will be determined by officers under this delegation. *** For the avoidance of doubt, if the nominated member has not contacted the nominated Officer after 5 working days following the day of first communication with that Member for the purpose of deciding whether a matter should be referred to Planning Committee for determination, the nominated Officer can proceed on the assumption that the nominated member considers that the application can be determined by officers under delegated powers.
135	To undertake all action in respect of any application under any Town and Country Planning Legislation relating to any of the following: - any prior notification, prior approval and/or any other determination relating to any local development order and/or neighbourhood development order including whether any such notification/approval/determination is required; - for approval of any scheme, design, code or other documentation submitted for approval by the Council including any application for a variation to any such approved documentation; - to undertake any work to any tree in Conservation Area; - any grant provided that this can be met from an existing budget available for such a purpose; and/or - any street furniture including any telecommunication equipment except where the application is covered by the delegations in paragraph 134 or 134B.
151	For any request or application to modify or discharge a planning obligation which does not fall within the delegations in paragraph 134 or 134B: To undertake all action in connection with any proposal / application for the cancellation, revocation, deletion, modification and/or variation to any

	agreement, deed, undertaking and/or any other document entered into wholly or partly pursuant to any Town and Country Planning Legislation provided that such power does not extend to the approval of an application to modify, vary or revoke an agreement or planning obligation: (a) imposed by an express decision of Planning Committee; and (b) where in his/her opinion such approval would result in a material reduction of benefit to the community secured pursuant to such agreement or obligation (as the case may be).
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PROTOCOL FOR MEMBERS AND OFFICERS ON PLANNING PROCEDURES

1. Introduction

- 1.1. Public confidence in the planning system, whether that is determining planning applications or taking enforcement action against breaches of planning control, is essential to the acceptance of the restrictions which it imposes upon individuals, and that confidence can only be achieved if Members and officers not only act, but are seen to act in a manner which is fair, impartial and in the general public interest of the area as a whole.
- 1.2. Determination of a planning application is a formal administrative process involving rules of procedure, rights of appeal and an expectation that decision makers will act reasonably and fairly. Procedural unfairness can leave planning decisions vulnerable to legal challenge in the High Court.
- 1.3. This Code applies to every Member irrespective of whether or not he or she is a member of the Planning Committee and to all Officers. It is supplemental to the Members' Code of Conduct.

2. Pre-determination

- 2.1. Since any planning matter must be determined on its merits, taking into account all material planning considerations, Members must not make up their minds on a planning issue before they all have all the relevant information. Decisions can only be taken after full consideration of the officer's report and information and discussion at the Planning Committee meeting. This does not mean that Members cannot hold strong views about an application.
- 2.2. However, if a Councillor fully commits him- or her-self to a particular view on a planning application, such that their mind is no longer open to the consideration of the merits of the case, that Councillor should not take part in the debate or vote on an application.

3 Pre-application discussions

- 3.1 Members have an important part to play in community engagement. Members who take part in pre-application discussions either with applicants or objectors need to be aware of the:
 - (a) need to remain impartial;
 - (b) danger of giving inconsistent or inappropriate advice particularly when not all the facts are known so advice should be limited to matters of process;
 - (c) need for an officer to be present during any such discussions where practicable; and
 - (d) the fact that they are not negotiators.
- 3.2 On the basis of "no surprises" where potential issues are brought to Members' attention during any pre-application discussion at which it was not practicable for an

Officer to be present they should alert Officers to the issue as soon as possible and not leave it to the Planning Committee meeting.

4 Lobbying of Members

- 4.1 Lobbying, whether by applicants, objectors or those in support of an application, is a normal part of the political process and can take the form of meetings, both private and public, formal presentations or correspondence. It is an essential part of the process that local concerns can be expressed. However, care must be taken to ensure that lobbying does not call into question the integrity and fairness of the planning process or an individual Councillor. When lobbied, members of the Planning Committee should take care about expressing an opinion which could be taken as an indication that they have already made up their mind on the issue and are no longer open to consideration of the merits of the application. Instead they should give procedural advice including suggesting that contact is made with the case officer.
- 4.2 If Members do express an opinion, care should be taken to state that this is a preliminary view only and the final decision will be reached when all the facts are available at the Planning Committee meeting.
- 4.3 Any written or electronic correspondence received should be passed by the Member who is main addressee (if the e-mail is addressed to all members of the Planning Committee, this will be the Chair of the Planning Committee) immediately to the case officer for recording on the file and for communication to all Planning Committee members.
- 4.4 Members of the Planning Committee should take care when attending meetings in connection with development proposals or submitted planning applications unless such meetings have been arranged as Councillor briefings as part of the formal process. Members should take advice from the Monitoring Officer before deciding whether to attend meetings that appear to have been organised for lobbying purposes.
- 4.5 Members of the Planning Committee must consider whether any contact with an applicant, objector or landowner is significant, and if so, disclose such contact prior to any decision being taken on the application. This should be formally recorded in the record of the Planning Committee meeting.

5 Lobbying by Members

- 5.1 Ward Members have an important role to play as representatives of their communities and to bring local information to the decision-making process. Ward Members may therefore become involved in discussions with Officers about individual applications. However, they should remember that it is very easy to create the impression that they are using their position to influence the progress of the application. Any discussions with Officers should be seen to be open and above Planning Committee. Officers should make a note on the file of any such discussions.
- 5.2 Ward Members who are not members of the Planning Committee can make representations on planning applications in their Ward and may attend meetings of the Planning Committee and, with the Chair of Planning Committee's agreement, can address the Planning Committee on such applications in accordance with the

protocol on public speaking at Planning Committee meetings. Any representations or address should relate to the planning merits of a planning application. This will not apply if the Councillor is also a Parish/Town Councillor and the Parish/Town Council is the applicant.

- 5.3 When making representations on behalf of their constituents, Members should make it clear that it is their constituents' views and not their own that are being expressed. Furthermore, any representations on behalf of constituents must be expressed in such a way that no individual or group feels that they have been unfairly represented.
- 5.4 Members should avoid lobbying Planning Committee Members and exerting of undue pressure on planning officers for a particular recommendation.

6 Membership of another local authority

- 6.1. A Councillor who is also a member of another tier of local government should have regard to the guidance on interests in this Code. If in doubt about the nature of their interest, Members are recommended to seek further advice from the Monitoring Officer.
- 6.2. Members of the Planning Committee who are also members of another tier of local government should adopt the practice of making it clear, when they participate in a debate on development proposals at a Parish/Town meeting, that the views they express are based upon information before them at that time, and might change in the light of further information at the Council's Planning Committee Meeting.

7 Political group meetings

- 7.1 Given that the point at which a decision on a planning application is made cannot be before the Planning Committee meeting when all available information will be to hand and has been duly considered, any political group meeting prior to the meeting of the Planning Committee should not be used to decide how Members should vote. Furthermore, the Ombudsman takes the view that the use of political whips at group meetings in this way may be considered as maladministration.

8 Scheme of delegation

- 8.1 The detail of the Scheme of Delegation is set out in Part 3 of the Constitution.

Applications by the Council or in respect of Council-owned land

- 8.2 Applications submitted by, or on behalf of, the Council or made by any person in respect of Council-owned land will be determined in accordance with the Scheme of Delegation and may be determined by the relevant Planning Committee.

Applications by Members and Officers

- 8.3 Whilst it is perfectly legitimate for any Member or Officer to submit a planning application, it can easily give rise to suspicions of impropriety unless handled properly. Accordingly:

- (a) all applications by Members and applications by a Chief Officer or an officer directly involved in the processing or determination of the application will be determined in accordance with the Scheme of Delegation and may be determined by the relevant Planning Committee.
- (b) while any application from a Member or an Officer identified under paragraph (a) above, should usually be identified as part of the registration process, Members and Officers are encouraged to draw the fact that such an application has been submitted to the attention to both the Head of Service for Planning (or any other Officer nominated by him/her) in writing and also the relevant case officer within 21 days of the date of the application being submitted to help ensure its identification.
- (c) where an application is submitted by someone other than a Member, but in relation to land or a building in which the Member has a registered legal interest (which for the purpose of this code means a legal interest registered at HM Land Registry in the name of the Member), the Member is also encouraged to provide such notification as identified above. Note that this is in addition to any duty the Member may have regarding the disclosure of any interest including any Disclosable Pecuniary Interest for the purposes of the Member Code of Conduct.
- (d) any Member or Officer who submits a planning application must not take part in or seek to influence the decision-making process relating to that application.
- (e) any Member or Officer who acts as an agent for people pursuing a planning matter with the Council must not take part in the decision-making process for that proposal, nor seek in any way to influence it.

Reports to the Planning Committee

- 8.6 All planning applications to be determined by the Planning Committee will be the subject of a written report from the case officer. The report should aim to be as accurate as possible and include a summary of the substance of representations received, the relevant policies, identify any other material considerations, contain an appraisal of the application and give a recommendation. Where the recommendation is contrary to policy or is a departure from the development plan, the report will identify this and provide reasoned justification.
- 8.7 Officers may report additional information received after the publication of the Planning Committee report at the meeting.

9 Decision-making

The legal framework

- 9.1 The Town and Country Planning Act 1990 requires the Council to have regard to the provisions of the development plan, so far as material to the application and to any other material consideration. Furthermore, the application is to be determined in accordance with provisions of the development plan unless material considerations suggest otherwise.

Determination of applications contrary to Officer's advice

- 9.2 Decisions should be based on any written report prepared by Officers. However, Members are not obliged to accept and follow the professional advice given by Officers. Nevertheless, when Members are minded to determine an application contrary to the Officer recommendation they should ensure that they have sound and convincing planning-based reasons for doing so, with evidence to support those reasons whether they are reasons to refuse an application, or to grant planning permission as a departure from the development plan.
- 9.3 The mover of the motion must set out their reasons as part of the motion and if seconded, it may be appropriate for the Planning Committee to adjourn for a few minutes to allow Officers to consider the reasons. Where officers have doubts about the validity of the reasons given, then consideration should normally be given to the deferral of the application to the next meeting so that the reasons may be considered and tested further.
- 9.4 Before a vote is taken or consideration is given to deferral, the Chair of the Planning Committee should ensure that the Officer is given the opportunity to explain the likely implications of any subsequent decision.
- 9.5 When Members decide to determine an application contrary to the Officer's recommendation, the minute will state the reasons for the decision and if those reasons are to be based on development plan policies, identifying the relevant policies and stating in what way the application supports or infringes those policies. A copy of the minute will be placed on the application file.

10 Site visits

- 10.1 It is the responsibility of each Member to familiarize himself/herself with the location of any proposed development. This might well include seeking to view the site from areas that are accessible to the public. In no circumstance should a Member enter onto private land without the permission of the owner and occupier. Exceptionally, where the impact of the proposed development is difficult to visualise both from the submitted plans and other supporting material a committee site visit may be agreed. The site visit will be carried out in accordance with arrangements that will ensure that it is conducted fairly and without risk of bias or predetermination.

11 Interests

Fundamental principle

- 11.1 It is a fundamental principle that those who have a significant interest in the outcome of a particular planning application or enforcement matter should not make decisions in relation to that application or matter. This applies to Members and Officers alike.

Declaration

- 11.2 Members should declare and register those interests identified in the Code of Conduct for Members. Members with a Disclosable Pecuniary Interest in a planning application or enforcement matter should not take part in any discussions about the application or matter and leave the room during any discussions.

- 11.3 Where a Councillor has a personal interest e.g. the applicant is a relative, friend or close associate or there has been previous personal dealings acrimonious or otherwise, they should think whether their involvement in the decision-making process would compromise the General Principles set out the Code of Conduct for Members. If it would they should not take part.
- 11.4 Officers who discover that they have an interest in a planning matter should, in addition to any requirement of the Officers' Code of Conduct, cease to act and report the interest to their immediate manager who will reallocate the matter to an Officer without an interest in it. The Officer having an interest will not take part in any part of the decision-making process in respect of that application.

Monitoring Officer to advise

- 11.5 Members and Officers who are unsure whether to declare an interest should seek advice from the Monitoring Officer, before the Planning Committee meeting, although the final decision whether to make a declaration and/or to withdraw from the meeting will always be one for the individual.

12 Councillor training

- 12.1 Town and Country Planning is a specialised field and both the Local Government Association and the Royal Town Planning Institute place particular emphasis on the need for Members to have an adequate knowledge of the planning process. The Council will provide training that all members of the Planning Committee must undertake before taking part in any Planning Committee meetings. Members have a responsibility to ensure that they understand the fundamental principles and keep up-to-date with developments.
- 12.2 Training will be arranged for Members when there is a change in the composition of the Planning Committee or when there are material changes in legislation, policy guidance or practice.

13 Officers' professional obligations

- 13.1 Many Planning Officers are Chartered Town Planners and are bound by the Code of Professional Conduct of the Royal Town Planning Institute (RTPI) which imposes certain professional obligations including conflicts of interest and continuing training. Breaches of that Code may be subject to disciplinary action by the RTPI.

14 Breach of this code

- 14.1 If anybody wishes to make an allegation that a Councillor has breached this Code, such allegation should be made to the Monitoring Officer.

Audit and Governance 12 October 2026 Transformation update For Review and Consultation

Cabinet Member:

Cllr B Wilson, Transformation, Customer & Workforce

Local Councillor(s):

Senior Leadership Team:

L Cotton - Interim Executive Director, Modernisation and Customer Delivery

Report author and job title: Nina Coakley, Head of Transformation & Design

Email: nina.coakley@dorsetcouncil.gov.uk

Statutory Authority:

Report status: Public [Choose an item.](#)

1. Executive summary (maximum of 500 words)

- 1.1 This report provides the Audit and Governance Committee with an update on the governance, assurance and risk position across the council's transformation portfolio since the previous report in June 2026. It focuses on how the risk position has evolved, the effectiveness of the controls now in place and the learning arising from leadership and organisational redesign iterative design and delivery.
- 1.2 The overall transformation portfolio remains high risk. This reflects the scale, pace and interdependence of the organisational, workforce, financial, service and technology changes under way. Several material changes are being delivered concurrently and rely on shared leadership, service and specialist capacity. The principal areas of high residual risk include ERP implementation, delivery of financial benefits, third-party spend reduction, organisational capacity and control of digital and technology investment alongside review of the application portfolio.
- 1.3 Since June, significant progress has been made across the portfolio, including:
 - mobilisation of the ERP programme
 - continued development of the Customer Hub and Business Support Hub
 - progression of leadership and organisational redesign
 - redesign of internal governance arrangements
 - continued community conversations informing future place-based delivery models.
- 1.4 A significant development since the Committee's last update has been the adoption of a more product-led, agile and iterative approach to transformation

and organisational redesign. Rather than designing a complete future-state model before implementation begins, the council has progressed change through shorter cycles of discovery, design, implementation and review. This approach has enabled risks, dependencies and unintended consequences to be identified earlier, supported more informed decision-making, and allowed mature proposals to progress whilst further design continues in more complex areas.

- 1.5 This more agile approach also enables the council to prioritise change across the portfolio and flex resources between programmes as organisational priorities evolve. By moving away from rigid programme boundaries, we can concentrate capacity on the areas of greatest need and impact, with a stronger focus on delivering and evidencing the intended benefits.
- 1.6 The council's more iterative approach to transformation is helping us spot risks earlier, respond more quickly when issues arise, and reduce the risk of implementing too much change at the same time. While the transformation portfolio remains high risk, we now have a much clearer understanding of the main areas of exposure, supported by stronger governance, oversight and mitigation arrangements.
- 1.7 Governance and assurance arrangements have continued to mature through strengthened oversight, clearer accountability and improved alignment between workforce, financial, technology and service planning.
- 1.8 The most significant areas of exposure remain ERP implementation, delivery of savings and benefits, third-party spend reduction, organisational capacity and the stabilisation of new operating arrangements

2. **Recommendation(s)**

- 2.1 The Audit and Governance Committee is asked to:
 - note that the transformation portfolio remains high risk, reflecting the scale, pace and dependencies of the change under way
 - note that the nature of the risk has evolved since June 2026, with greater clarity about the principal areas of exposure and stronger governance, assurance and mitigation arrangements
 - note the council's use of an agile, iterative and evidence-led approach to organisational redesign, enabling sufficiently mature proposals to progress while more complex areas continue through discovery and design
 - note the continuing areas of significant exposure, particularly ERP delivery, savings and benefits realisation, third-party spend, organisational capacity, data readiness and the stabilisation of new arrangements
 - note the further work under way to strengthen prioritisation, dependency management, benefits oversight and the alignment between leadership accountability, governance, workforce, technology and financial planning.

3. Reason for the recommendation(s)

- 3.1 To maintain transparency, enable effective Member oversight and provide assurance that transformation is being delivered within an increasingly mature control environment, while recognising that significant residual risks remain.

4. How the risk position has evolved

- 4.1 The council continues to deliver a significant and interconnected transformation portfolio, including leadership and organisational redesign, ERP implementation, digital and data development, and commissioning and commercial change.

- 4.2 The overall portfolio remains appropriately assessed as high risk. However, the nature of that risk has evolved since June 2026. Earlier uncertainty regarding organisational direction, accountability and governance arrangements has reduced. As the portfolio has moved from strategic design into implementation, risk has become increasingly concentrated on delivery, organisational capacity, benefits realisation, ERP implementation, data readiness and service stabilisation.

Risk area	Position June	Position October
Governance maturity	High	Medium
Strategic clarity	High	Medium
ERP delivery	High	High
Organisational capacity	High	High
Benefits Realisation	High	High
Application portfolio management	High	High

- 4.3 This improved understanding supports earlier intervention, clearer escalation and more proportionate decision-making. The detailed risk position is set out later in the report.

- 4.4 Since June 2026, governance maturity has improved through the establishment of clearer senior leadership accountability, a strengthened Transformation Board, maturing *Design Authority arrangements, critical path reviews and more structured benefits oversight. Taken together, these changes have improved visibility of delivery risks, strengthened escalation routes and increased the organisation's ability to intervene where delivery confidence deteriorates.

***The Design Authority:** *provides a key organisational control by ensuring transformation activity, technology investment and organisational change are prioritised against agreed corporate outcomes, available capacity and strategic need. It provides oversight of interdependencies, risks and resource allocation across the portfolio, helping ensure that limited organisational resources are focused on the areas of greatest value and reducing the risk of fragmented or competing change activity.*

5. A different approach to transformation

- 5.1 The council has adopted a more iterative approach to delivery. Rather than seeking to complete a design before implementation begins, change is progressed through shorter cycles of discovery, design, implementation and review.
- 5.2 From an assurance perspective, this has increased the frequency of decision points, enabled earlier identification of dependencies and risks, and reduced reliance on large-scale organisational implementation before assumptions have been tested. The approach does not replace formal approval, governance or assurance requirements. Rather, it enables learning, testing and refinement to take place before larger implementation decisions are made.
- 5.3 Alongside this, the council has continued to move towards product-led delivery. Product teams are in place enabling iterative improvements to the Customer Hub, Business Support Hub and ERP programme. These are actively combining operational, technology, data and improvement expertise around shared outcomes and service performance measures. Early evidence suggests improved visibility of operational performance, stronger accountability and better prioritisation of service improvements.
- 5.4 Organisational redesign has also been accompanied by redesign of internal governance arrangements. New cross-council delivery boards have been introduced through a minimum viable governance approach, enabling governance arrangements to be tested, refined and strengthened through practical operation before wider implementation.

Governance and assurance activity undertaken since June 2026

- 5.5 The council has continued to strengthen the governance and assurance arrangements that support delivery of the transformation portfolio. This has included maturing the Design Authority through alignment to the vision for a modern, sustainable unitary council, the introduction of new delivery boards with clearer executive accountability, enhanced portfolio reporting through dashboards, and more formal escalation routes where delivery concerns arise.
- 5.6 These arrangements provide greater visibility of risks, dependencies and delivery confidence across the portfolio, enabling earlier intervention where issues emerge and strengthening accountability for delivery and benefits realisation.
- 5.7 Examples of assurance activity now embedded within the portfolio include fortnightly reporting to the Transformation Board, critical path reviews, Design Authority and Technical Design Authority scrutiny, and strengthened benefits tracking arrangements. These controls are supported by regular programme and portfolio reporting and formal escalation processes where risks exceed agreed tolerances.
- 5.8 The council has also drawn on internal audit findings to inform the development of its governance arrangements. Previous governance audit work concluded that governance arrangements were operating from a strong position, providing

a foundation for continued improvement as the transformation portfolio moves further into implementation.

- 5.9 This enhanced governance framework has improved the organisation's ability to identify risks early, monitor delivery performance and maintain appropriate oversight of complex and interdependent change.

6. ERP assurance arrangements

- 6.1 ERP remains one of the most significant sources of residual risk within the portfolio. Key areas of focus include programme recovery, data readiness, integration, delivery sequencing, supplier performance, organisational readiness and the capacity required to deliver the programme successfully.
- 6.2 During the period, concerns were identified regarding the operation and leadership of the programme. The council acted in response, bringing the programme back under closer organisational control and putting dedicated interim programme leadership in place, with oversight from the Head of Transformation and senior sponsors. This interruption has affected progress and is expected to have an impact on the previously planned delivery timetable.
- 6.3 The programme remains high risk, which is appropriate given the scale, complexity and current stage of recovery. The strengthened leadership arrangement is providing greater visibility of programme status, risks and dependencies, alongside clearer accountability and increased senior leader oversight.
- 6.4 Governance and assurance arrangements include:
- dedicated interim programme leadership
 - strengthened senior sponsor and corporate leadership oversight
 - supplier oversight
 - regular programme risk and delivery reviews
 - delivery confidence assessments
 - Design Authority and Technical Design Authority oversight
 - Transformation Board scrutiny
 - clearer escalation and reporting arrangements.
- 6.5 The council continues to review the programme's delivery, resourcing and governance requirements. A future report will be presented to Cabinet setting out the proposed longer-term resourcing arrangements and the latest assessment of programme costs and delivery timescales. The immediate priority is to rebuild delivery confidence; strengthen governance guardrails and ensure the programme is brought back within clear and achievable delivery requirements.

7. Organisational capacity and prioritisation

- 7.1 Organisational capacity remains one of the principal constraints on delivery. Multiple programmes rely upon shared leadership, operational specialists,

finance, HR, digital and change resources. Failure to effectively prioritise work across the organisation remains a significant risk to timely delivery and achievement of benefits. The principal challenge is not a lack of ideas but the organisation's finite capacity to deliver change.

- 7.2 The council is therefore making deliberate choices about the sequencing and pace of change, recognising that attempting to accelerate all activity simultaneously may increase delivery risk and reduce benefits realisation.
- 7.3 Work is under way to strengthen council-wide prioritisation, dependency management and resource planning. Recommendations arising from this work will be reported through the November transformation update.

8. Stabilisation of workforce and service delivery

- 8.1 Workforce and service stabilisation refers to the period following organisational change when new structures, roles, processes and ways of working are becoming embedded. During this period the council must maintain service continuity, support workforce wellbeing and capability, and ensure that expected benefits are realised without adverse impacts on service performance.
- 8.2 Early implementation learning from the Customer Hub and Business Support Hub suggests that risks associated with role clarity, duplication and fragmentation have reduced. However, continued oversight is required to ensure service continuity, capability development and the establishment of sustainable ways of working.
- 8.3 The council continues to support implementation through phased delivery, transition planning, workforce engagement and performance monitoring.
- 8.4 In summary, the Council's transformation portfolio remains appropriately assessed as high risk due to the scale and complexity of the change being delivered. However, the nature of that risk has evolved materially since June 2026. Governance arrangements are more mature, organisational direction is clearer, risk visibility has improved and assurance activity is increasingly embedded within delivery. The key challenge for the period ahead is not establishing the direction of travel, but maintaining delivery pace, organisational capacity and benefits realisation while ensuring that service performance, statutory obligations and financial sustainability continue to be protected.

9. Alternative options considered

- 9.1 None.

10. Legal considerations

- 10.1 Transformation activity continues to operate within procurement law, employment law and data protection requirements. Data Protection Impact Assessments and Equality Impact Assessments are embedded as standard controls where required.

11. Financial implications

- 11.1 Delivery of savings and wider benefits remains a significant area of focus. Benefits management arrangements continue to be strengthened through clearer ownership, baselines, dependency management and assurance reporting. Current financial performance is summarised below.
- 11.2 Financial governance arrangements approved by Cabinet remain in effect. Investment is released in stages, savings are tracked through established governance and financial reporting, and delivery confidence is reviewed regularly at programme and portfolio level, overseen by the Transformation Board.
- 11.3 Delivery of the transformation savings target remains high risk because it depends on timely redesign, consultation, workforce transition, third-party spend reduction and accurate evidence of delivered benefits.
- 11.4 Benefits management arrangements are being strengthened to provide clearer ownership, baselines, delivery plans and evidence of realisation. Financial figures contained within this report will be confirmed through the council's financial governance and internal report clearance processes.

12. Natural environment, climate & ecology implications

- 12.1 None.

13. Well-being and health implications

- 13.1 The transformation portfolio has potential workforce and service implications during periods of change. These are being managed through phased implementation, workforce engagement, change support, transition planning and stabilisation arrangements. Individual proposals will continue to assess any specific well-being and health implications through the relevant governance and impact assessment processes.

14. Other implications

- 14.1 None

15. Risk implications

- 15.1 The council's iterative approach has strengthened risk management through earlier visibility of dependencies, more proportionate decision-making, continuous assurance and greater adaptability as implementation progresses.
- 15.2 The transformation portfolio remains high risk. This is appropriate given the scale, pace and interdependence of the organisational, workforce, financial, service and technology changes under way. The rating maintains transparency about the level of exposure and the need for sustained senior officer and member oversight.
- 15.3 Although the overall rating remains high, the nature of the risk has evolved since June 2026. Risks are better defined and the remaining exposure is

increasingly concentrated around implementation, capacity, dependencies, ERP, data readiness, savings and benefits realisation, and stabilisation.

- 15.4 Uncertainty about the overall organisational direction and the governance of change has reduced. The council's agile and iterative approach has strengthened risk management by enabling proposals to be developed, tested, implemented and refined through shorter cycles.
- 15.5 Mature areas can progress, while areas with greater complexity or unresolved dependencies remain in discovery or design. This reduces the risk of making a single large-scale organisational commitment before dependencies or operational implications are sufficiently understood.
- 15.6 This approach does not replace formal control or accountability. Appropriate financial, workforce, legal, equality, data, technology and governance considerations remain necessary before implementation. Iterative delivery supplements these controls by creating earlier opportunities to identify risks, test assumptions and adjust proposals.
- 15.7 The principal areas of continuing high exposure are:
 - ERP implementation
 - achievement and validation of savings and wider benefits
 - delivery of third-party spend reductions
 - organisational capacity
 - coordination of interdependent change
 - control of digital and technology investment
- 15.8 Data readiness and workforce and service stabilisation also remain material areas of risk.
- 15.9 These risks are subject to portfolio and programme oversight, including delivery confidence reporting, dependency management, benefits oversight, formal change control and defined escalation through officer and member governance.
- 15.10 Continued assurance will focus on whether the new governance and leadership arrangements operate as intended, whether delivery capacity is aligned with organisational priorities and whether implementation produces sustainable benefits without unacceptable impacts on services, the workforce or statutory responsibilities.
- 15.11 Benefits management arrangements have been strengthened, and each saving is now assigned to a named accountable officer with delivery confidence reported through the Transformation Board. Whilst delivery remains achievable, the level of dependency across redesign activity means the overall benefits position remains high risk
- 15.12 Benefits management arrangements have continued to mature since June 2026. A standardised benefits scorecard and portfolio-wide benefits tracker have now been introduced, providing greater visibility of forecast, achieved

and at-risk benefits. The arrangements enable accountable officers, programme leads and governance boards to monitor delivery confidence, identify emerging issues and intervene earlier where benefits performance deviates from plan.

- 15.13 These arrangements are maturing and are dependent on critical data challenges being addressed by the council, and they therefore do not eliminate delivery risk. However, they are strengthening visibility and assurance over the management and validation of benefits across the portfolio.

15.14 Summary of risk: transformation portfolio

Ref	Risk description	Mitigation	Residual Rating
331	Implementation of the new HR and finance system (ERP), combined with an increased use of automation across council processes, could lead to service disruption.	• Appointment of specialist roles • Sequenced delivery (technology before workforce changes) • Adoption of sector learning • Governance for automation, data and security • Strengthened supplier oversight	High risk
120	There is a risk that service delivery pace, consistency and capacity could be negatively impacted during the stabilisation period of new workforce arrangements	• A phased approach to redesign • Increased resilience through centralised teams and cross-skilling • Governance and risk management in place • Ongoing change management support & transition planning. • Defined stabilisation phase post 'Go Live'	Medium risk
332	There is a risk to delivery of third party spend reduction in 2026/27 due to limited capacity within the commissioning and procurement functions.	• Additional financial oversight with recruitment of interim deputy S151 officer • Engagement with industry experts and completion of rapid analysis • Project team in place to review analysis and progress contract uplift activities to manage in year spend	High risk
334	There is a risk that transformation of people, process, and technology will not be successful if underlying data and records are not in a suitable state for migration and ongoing management. Poor data quality, inconsistent ownership, or large volumes of outdated or unstructured information could undermine ERP readiness, automation reliability, and service continuity.	• Project to improve how the council manages information, collaborates, and delivers services using the Microsoft 365 platform. • Data migration activity launched within ERP programme • Relaunch of responsibility of Heads of Service as information asset owners for the retention and disposal of data appropriately.	Medium risk
333	There is a risk to delivery of benefits and financial savings in 2026/27 if critical dependencies such as timely service redesigns, successful consultation and workforce transitions, conversion of initial opportunities into confirmed, costed savings, delivery of validated third-party spending reductions, and accurate recording of workforce changes to avoid double counting are not achieved.	• Fortnightly assurance on delivery confidence, risks, issues, and benefits by the Transformation Board. • Detailed critical path planning to identify and escalate slippage early. • Tightened benefits management, assigning accountable owners to each saving, establishing baselines, setting delivery plans, and monitoring progress. • Multidisciplinary teams, integrating HR, finance, procurement, service leads, and delivery to support joined up decision-making and resolve issues quickly. • New benefits scorecard and portfolio tracker implemented • Increasingly visible and confident organisational leadership	High risk

127	Because of competing demands for organisational resources, Dorset Council's transformation work may not achieve its objectives, leading to incomplete benefits to service delivery, customer experience and cost savings.	• Single transformation portfolio developed with a maturing resource planning and prioritisation function. • This is being underpinned by the design authority with prioritisation in line with council plan priorities and modern sustainable unitary – whole council vision. • Portfolio-level resource planning and dependency mapping	High risk
121	Due to the current organisational and leadership commitment, change programmes may be ineffective, leading to a failure to improve service delivery.	• Established appropriate leadership governance structure across the organisation including transformation board and design authority. Both being led by the Chief Executive. • Improved approach to strategic alignment of transformation strategy with the people strategy & the MTFP enabling joined up strategic narrative & long-term vision through the delivery of the council plan.	Med risk
124	Uncoordinated procurement of ICT and digital solutions – managed outside agreed governance processes - leading to duplication, poor quality (including accessibility issues), and misalignment with existing investments and strategic priorities.	• Digital and technology strategy being developed which will incorporate application portfolio management and our future enterprise architecture and roadmap / plans. • Mandatory review through Technical Design Authority and Design Authority prior to investment approval. • Application portfolio management project is live and progressing supporting all mitigation.	High risk
125	As a result of a failure to embed new governance structures, whole council transformational change may not be possible, leading to increased costs and slower decision making.	• Governance framework revised with leadership accountability aligned to SLT. Refreshed Design Authority and Technical Design Authority September 2025 with agreed membership and leadership - chaired by Chief Executive. • Taking a test and learn approach to ensure that the processes for decision making are robust and proportionate using good judgement.	Low risk

16. Equalities

- 16.1 Equality Impact Assessments have been completed for changes delivered to date. Digital inclusion, accessibility and fair workforce transition remain core design principles across all Our Future Council activity.

17. Appendices

- 17.1 None.

18. Background papers

- 18.1 Transformation update report to Cabinet April 2026

19. Report sign-off

- 19.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance & Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Cabinet Member(s)

Audit and Governance Committee

12 October 2026

Risk Management Update

For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s):

N/A

Senior Leadership Team:

S Ford - Assistant Chief Executive

Report author and job title:

Chris Swain, Risk Management and Reporting Officer

Email:

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Statutory Authority:

Although there is no statutory requirement for a risk management update, Dorset Council's constitution and governance best practice set a clear expectation that the Audit and Governance Committee should receive and review regular updates on risk management and make recommendations on the adequacy of risk management arrangements.

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

- 1.1 Dorset Council's Strategic Risk Profile improved during Quarter 1 2026-2027, with four Strategic Risks reducing in exposure and no risks deteriorating. Corporate Risk Register compliance remained at 100%, providing assurance that the council's risk profile continues to be actively monitored and reviewed.
- 1.2 This report provides a thematic review of Strategic Risk 29 (Emergency Planning), updates the committee on the current Strategic Risk position, and summarises progress in strengthening the council's Enterprise Risk Management (ERM) Framework.

- 1.3 Risk exposure remains significant in several externally influenced areas, including cyber security, health service reform, housing pressures, Dedicated Schools Grant (DSG), sustainability and climate adaptation.
- 1.4 The report also highlights key improvements to the ERM Framework, including implementation of a new Risk Scoring Matrix, development of a combined Risk and Audit Dashboard, risk management training, and stronger alignment between ERM and Business Continuity Planning (BCP) arrangements.
- 1.5 The committee is invited to review the thematic update, endorse the new Risk Scoring Matrix and identify any areas where further assurance may be required.

2. **Recommendation(s)**

- 2.1 The committee is asked to:
 - review the thematic update relating to Strategic Risk 29 and consider any implications arising from the Annual “Emergency Planning Report”.
 - endorse the new Risk Scoring Matrix and any consequential amendments to the ERM Framework.
 - note progress in strengthening the ERM Framework, including development of the Risk and Audit Dashboard, and note the offer of a demonstration for committee prior to the next Risk Management Update.
 - note Corporate Risk Register compliance and identify any areas where further assurance or future thematic risk reporting would be beneficial.

3. **Reason for the recommendation(s)**

- 3.1 To ensure that the council’s risk management approach enables informed, risk-based decision-making while remaining proportionate and aligned with organisational objectives and key deliverables.

4. **The report**

- 4.1 In response to the Audit and Governance Committee’s request for a thematic approach to risk management reporting and to compliment the committee’s work programme for 12 October 2026, which includes consideration of the Annual Emergency Planning Report, Strategic Risk 29 has been selected together with its associated Principal Risk and Risk Appetite for Data and Information Management.
- 4.2 Strategic Risk 29 highlights that organisational resilience remains dependent upon the availability, security and recoverability of infrastructure, critical information and technology to maintain service delivery during a disruption.

- 4.3 A summary of the selected Strategic Risk together with the associated Principal Risk and current risk rating, is set out below. The council's adopted Risk Appetite for Data and Information Management is:

"Dorset Council accepts that openness and information sharing is needed for effective operations in a controlled environment."

ID	Risk	Principal Risk	Risk Rating
29	Emergency Planning - Due to changes in the internal and/or external operating environment, business continuity arrangements may become outdated or ineffective, resulting in failure of one or more critical services during a disruption	Data and Information Management	Medium

- 4.4 Work is underway to strengthen the relationship between ERM, Business Impact Analysis (BIA) and BCP, which set out how critical services will continue or be restored during and following a disruption. This will improve understanding of organisational resilience and support more targeted oversight of services that are most vulnerable to disruption. The committee will be updated as this work progresses into 2027.

Risk Profile Movement

- 4.5 The council's full strategic risk profile is presented in Appendix A, Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027).
- 4.6 As detailed in Appendix B, Dorset Council's strategic risk profile has improved since the previous report to Audit and Governance Committee on the 29 June 2026. In response to the committee's requests the appendix provides additional detail on the areas where improvements have been made, together with a summary explanation of the factors contributing to those changes.
- 4.7 Despite this overall improvement, Dorset Council continues to carry material exposure in several externally driven risk areas including local government finance, social care demand, housing pressures, climate adaptation and cyber security. These remain areas where risk reduction is dependent upon national policy, funding decisions and wider partnership arrangements rather than actions solely within the council's control.

New Risk Scoring Matrix

- 4.8 Following Senior Leadership Team (SLT) review and approval on 15 September, Appendix C provides the committee with a final draft of the New Risk Scoring Matrix that was shared in draft format in the Risk Management

Update on the 29 June 2026. The committee is invited to review and endorse the New Risk Scoring Matrix.

- 4.9 The revised matrix provides a more consistent and proportionate method for assessing risk, enabling clearer identification of priority risks and improving the quality of information available to support strategic decision-making, resource allocation and organisational assurance.

Continued Development of the Risk Management Framework

- 4.10 Several initiatives are progressing to strengthen Dorset Council's ERM Framework and improve the organisations risk maturity. The Audit and Governance Committee will be kept up to date on the progress made on the following initiatives.

Initiative	Strategic Benefit	Status
New Risk Scoring Matrix (Appendix C)	Better quality and consistency of risk reporting	Quarter 3 implementation
Combined Risk and Audit Dashboard	Improved assurance mapping, accountability and oversight, linked to Dorset Council's risk profile.	Quarter 3 implementation
Risk E-Learning Module	Improved management accountability and risk culture.	Quarter 4 implementation
ERM / BCP Alignment	Stronger organisational resilience	Scoping phase

Risk Reporting

- 4.11 Corporate Risk Register compliance remains strong with 100% of entries being reviewed in accordance with the ERM Framework in quarter 1. This provides assurance that the council's risk profile continues to be actively monitored and reported.
- 4.12 The committee is invited to note this position and to identify any areas where it may wish to request further assurance, or propose topics for future focus, in advance of the Risk Management Update scheduled for 25 January 2027.

- 4.13 The next Risk Management Update will present quarter 2 risk data at the committee meeting on 25 January 2027.

5. **Alternative options considered**

- 5.1 None

6. **Legal considerations**

- 6.1 There are no direct legal implications arising from this report. However, unmanaged risks could compromise Dorset Council's ability to meet its statutory obligations.

7. **Financial implications**

- 7.1 There are no direct financial implications arising from this report. However, unmanaged risks could threaten Dorset Council's financial stability. In addition, implementing risk controls may have budgetary impacts, which would be progressed through the appropriate governance in accordance with the Scheme of Delegation and the Council's Constitution.

8. **Natural environment, climate & ecology implications**

- 8.1 There are no specific implications for the natural environment, climate, or ecology arising from this report; however, the Corporate Risk Register does identify several risks within this category.

9. **Well-being and health implications**

- 9.1 There are no specific health or well-being implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

10. **Other implications**

- 10.1 None

11. **Risk implications**

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

Current Risk: N/A

Residual Risk: N/A

This report outlines Dorset Council's ERM Framework, along with its Strategic Risks. As the report is for information only, it does not require a risk decision rating. The appendix provides an update on the current strategic risks and future developments of the risk management framework.

12. Equalities

- 12.1 There are no specific equality implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

13. Appendices

- 13.1 Appendix A – Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027)
- 13.2 Appendix B – Improving Strategic Risk Profile (Quarter 1 2026-2027)
- 13.3 Appendix C – Dorset Council's New Risk Scoring Matrix

14. Background papers

- 14.1 [Audit and Governance Committee Risk Management Update 29 June 2026](#)
- 14.2 [Risk Management Framework - Dorset Council](#)

15. Report sign-off

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance & Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Cabinet Member(s)

APPENDIX SECTION

Audit and Governance Committee

12 October 2026



Appendix A – Strategic Risks by Impact and Likelihood (Quarter 1 2026-2027)

The table illustrates the current profile of Strategic Risks, identified by their reference numbers, based on their assessed impact and likelihood scores.

All Strategic Risks are subject to regular reporting to the Senior Leadership Team (SLT) and the relevant Scrutiny Committees. Strategic Risks linked to Council Plan priorities are additionally monitored and reported through the Council Plan Performance Monitoring Dashboards.

Impact	Catastrophic			194	91	
	Major		39, 314	92, 106, 127, 158, 164, 167, 245	22	200
	Moderate		169, 195, 231, 265, 285	29, 82, 89, 90, 140, 161, 197, 233, 235, 242, 244, 313	145, 146	
	Slight	81	151	199, 294		
	Limited	182	179	196		
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

The following pages provide further detail on the Strategic Risks and present them according to their respective Directorates. Appendix B summarises those risks that have shown an improving profile since the last Risk Management Update presented on the 29 June 2026.

Adult Social Care

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
140	Due to high levels of adult safeguarding referrals, Dorset Council may fail to keep adults safe who have care and support needs, leading to potential harm or abuse	Medium	No Change	Communities for all	Legal; Operations; Reputation
145	The impact on the Adult Social Care Service user budget of funding for people who previously funded their own care in residential/nursing care settings and now require funding by the local authority.	High	No Change	Communities for all	Finance; Operations
146	Due to the demand on hospital bed stock, patients with higher complexity needs may be delayed hospital admission, leading to increased demand for Council run services	High	No Change	Communities for all	Operations; Reputation
151	As a result of capacity in the voluntary and community sector, Dorset council may not be able to provide sufficient care and support to residents, leading to a failure to deliver communities for all	Low	No Change	Communities for all	Commercial; Operations; Reputation
167	Due to the abolition of NHS England, commissioning arrangements for local health services may be disrupted, leading to service	High	No Change	Communities for all	Commercial; Finance; Operations

	delivery and financial sustainability consequences for social care				
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ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	High	No Change	Key organisational deliverable	Data and information management; Operations; Reputation; Security; Technology
29	Emergency Planning - Due to changes in the internal and/or external operating environment, business continuity arrangements may become outdated or ineffective, resulting in failure of one or more critical services during a disruption	Medium	No Change	Key organisational deliverable	Data and information management; Legal; Operations; Reputation; Security; Technology
39	Information Compliance - Due to lack of compliance with mandatory NHS Data Security and Protection Toolkit requirements, DC may lose access to health data, impacting it's ability to deliver integrated care and strategic partnership objectives	Medium	No Change	Key organisational deliverable	Data and information management; Security; Technology

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
89	Due to local government funding arrangements, Dorset Council may have to reduce its workforce in lieu of transformation, leading to insufficient resource to deliver services	Medium	No Change	Key organisational deliverable	Finance; Operations; People
90	As a result of the impact of change due to transformation, Dorset Council may be unable to retain necessary staff and maintain employee wellbeing, leading to a skills gap and reduced organisational resilience	Medium	No Change	Key organisational deliverable	Operations; People
106	Due to the effects of climate change and extreme weather events, Dorset Council may be unable to adapt its services and infrastructure leading to reduced resilience in service delivery to residents and in our communities	High	No Change	Respond to the climate and nature crisis	Finance; Legal; Property; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
169	Difficulty recruiting or retaining qualified staff, may lead to service gaps, weakened safeguarding, and failure to meet children's needs early, increasing the likelihood of poor outcomes for children and families	Medium	No Change	Communities for all; Key organisational deliverable	Finance; Legal; Operations; People; Reputation
179	Due to low engagement in education, employment or training, care leavers may develop social and/or economic isolation, leading to poorer life outcomes and increased demand for local services	Low	No Change	Communities for all	Finance; Operations; Reputation
182	As a result of insufficient strategic or financial commitment, the Early Help Partnership may be undermined, increasing demand for statutory services including children's protection and care placements	Low	No Change	Communities for all	Finance; Operations; Reputation
194	Instability in the High Needs Block budget may create an increased deficit in the Dedicated Schools Grant (DSG) resulting in a deficit in Dorset Councils financial position.	High	No Change	Key organisational deliverable	Finance; Legal; Reputation
195	Due to demand for service provision, Education, Health and Care Plans may not be delivered within statutory timescales, leading to a failure to deliver children's	Medium	No Change	Communities for all	Legal; Operations; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
	educational needs and an increase in SEND tribunals				
196	Due to the transition of some schools to Academy Trusts, Dorset Council may face challenges in influencing KS2 attainment, potentially resulting in a limited ability to improve results beyond the national average	Low	No Change	Communities for all	Operations; Reputation
197	Due to the expansion of early education entitlements for more children, there may be insufficient early education places available	Medium	No Change	Communities for all	Operations; Reputation

Economy and Environment

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
231	Due to extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its land drainage and waste water assets, leading to increased, flooding, environmental and Public Health hazards	Medium	No Change	Respond to the climate and nature crisis	Finance; Legal; Operations; Project / programme; Reputation
233	Due to a failure to adhere to existing protocols, Dorset Council may be unable to provide assurance around building safety, leading to harm to public health and potential penalties	Medium	No Change	Key organisational deliverable	Finance; Legal; Property; Reputation
235	Due to functional discontinuity in resource, systems and process, Dorset Council may not be able to demonstrate sustained best practice across the leased Estate Management Service, leading to financial and legal penalties	Medium	No Change	Key organisational deliverable	Finance; Legal; Property; Reputation
242	As a result of the ambition within the Council Plan, Dorset Council may have inadequate resources to deliver economic growth priorities, leading to missed investment and reduced productivity	Medium	No Change	Grow our economy	Commercial; Finance; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
244	Due to a declining youth population and limited higher education opportunities, Dorset may be unable to build a skilled local workforce, leading to an increased skills gap and business relocation	Medium	No Change	Grow our economy; Communities for all	Finance; Project / programme; Reputation
245	As a result of sea level rise and extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its coastal defences, leading to low lying areas of the county being uneconomical to defend	High	No Change	Respond to the climate and nature crisis	Finance; Legal; Property; Reputation; Project / programme; Operations
265	Due to increased EV uptake and scale of LTP programmes, Dorset Council may not deliver sufficient charging and transport infrastructure, leading to reduced growth, public health, environmental deterioration, and limits on housing targets	Medium	No Change	Grow our economy; Respond to the climate and nature crisis; Provide high quality and affordable housing	Finance; Reputation
285	Due to pressures on land management and usage, Dorset Council may not meet Council Plan nature positive targets, leading to a decline in biodiversity	Medium	No Change	Respond to the climate and nature crisis; Communities for all	Legal; Finance; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
294	Due to contractor failure and volatility in the waste disposal market, Dorset Council may be unable to secure reliable disposal routes, resulting in use of less favourable options and increased costs	Medium	No Change	Respond to the climate and nature crisis; Key organisational deliverable	Commercial; Operations; Reputation; Finance
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Medium	Improving	Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Finance; Legal; Operations; Reputation
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to adopt a holistic, comprehensive plan, which achieves sustainable development	Medium	Improving	Communities for all; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Finance; Legal; Operations; Project / programme; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
158	The supply of homes and temporary accommodation is insufficient to meet demand	High	No Change	Provide high quality and affordable housing	Commercial; Operations; Project / programme; Property; Reputation
161	Poor quality private rented sector housing may lead to increased social, health and economic pressure on households and therefore higher demand for Council services	Medium	No Change	Provide high quality and affordable housing	Project / programme; Property; Reputation
164	Due to corporate, market and partnership conditions, the home-in on housing programme may not achieve the housing strategy objectives, leading residents being unable to access affordable, suitable, secure homes	High	No Change	Provide high quality and affordable housing	Finance; Operations; Reputation
199	Due to gaps in intelligence and early warning information, highly potent synthetic opioids may contaminate the local illegal drug supply chain undetected, leading to population harm, fatalities, and disruption to Public Health and partner agencies	Medium	No Change	Communities for all	Operations; Reputation

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
200	As a result of health service reform, Dorset Council may incur additional unprovisioned responsibilities, leading to increased resourcing & budgetary pressures, unmet health needs and potential harm to individuals	Very High	No Change	Communities for all; Key organisational deliverable; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Commercial; Finance; Legal; Operations; Reputation

Modernisation & Customer Delivery

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
91	As a result of a successful cyber-security breach, Dorset Council may experience sustained loss or compromise of its ICT infrastructure, leading to disruption and compromise to service delivery, systems and data	Very High	No Change	Key organisational deliverable; Communities for all; Grow our economy; Provide high quality and affordable housing; Respond to the climate and nature crisis	Data and information management; Finance; Legal; Operations; Security
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	High	Improving	Key organisational deliverable	Data and information management; Finance; Legal; Operations; Reputation; Technology; Security
127	Because of competing demands for organisational resources, Dorset Council's transformation work may not achieve its objectives, leading to incomplete benefits to service delivery, customer experience and cost savings	High	No Change	Key organisational deliverable	Finance; Operations; People; Project / programme; Reputation

Resources

ID	Risk	Risk Rating	Trend Since Quarter 4	Strategic Priority	Principal Risk(s)
81	As a result of slower economic growth, Dorset Council may see a stagnation in revenue streams, creating budget pressures that impact the Council's ability to fund services	Low	No Change	Grow our economy	Finance; Reputation
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	Medium	Improving	Key organisational deliverable	Commercial; Finance; Legal; Reputation; Security

Appendix B – Improving Strategic Risk Profile (Quarter 1 2026-2027)

The following table details the Strategic Risks from Appendix A that show an improving trend since Quarter 4.

ID	Risk	Summary
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	The risk has reduced as strengthened financial and procurement controls, enhanced oversight arrangements, and additional specialist capacity have improved compliance, transparency and accountability. Governance arrangements continue to mature, with further work underway to embed values-based decision-making and support effective scrutiny.
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	Assurance has increased through regular resilience, recovery and service continuity testing, which has demonstrated that key controls are operating as intended across critical services hosted by the council. Testing completed during 2025 and 2026, including previously untested scenarios, has strengthened confidence in existing arrangements, with further exercises planned to inform a future review of the risk score.
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Improvement has been made because of joint working arrangements, government funding, and established nutrient credit delivery systems are now in place and operating effectively. Pending decisions on future government strategic mitigation packages, local solutions continue to provide an effective interim approach.
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to	Risk exposure has reduced following the decision to prepare the Local Plan under the new planning system, which provides a more achievable timetable and strengthened programme oversight through gateway reviews. Additional resources, external support and ongoing stakeholder

ID	Risk	Summary
	adopt a holistic, comprehensive plan, which achieves sustainable development	engagement continue to support delivery and management of key planning risks.

Appendix C – Dorset Council’s New Risk Scoring Matrix

Dorset Council’s New Impact Scoring Matrix

Assessing Risk Impact - Dorset Council						
The overall impact score will be the highest score across all dimensions						
Impact		Compliance	Financial	Operations and Delivery	Reputational	Stakeholders and Community
	Critical Score 5	Severe legal or regulatory breach; Enforcement action, loss of authority, service cessation, or unlawful safeguarding/SEND conduct	>8% adverse budget variance, or wipeout of the General Fund balance	Complete failure of a critical service, with knock-on impacts overwhelming contingency arrangements or operational capacity	Sustained national multi-platform media coverage of sensitive or polarising issues, causing severe loss of public trust	Widespread harm to vulnerable groups, or loss of access to essential services for over 50% of those affected
	Significant Score 4	Material non-compliance; Regulatory censure, statutory direction, enforced remediation, or sustained failure to meet statutory service levels	>4% to ≤8% adverse budget variance	Significant disruption to critical service(s), with delays or reduced capacity requiring intervention and resource diversion	Coordinated social media or disinformation activity on contentious public-interest issues, escalating into mainstream media	Significant harm to multiple stakeholder groups, or loss of access to essential services for 25–50% of those affected
	Moderate Score 3	Documented non-compliance or control weaknesses; Potential regulatory action if unaddressed, or short-term statutory non-compliance	>2% to ≤4% adverse budget variance	Partial disruption to critical service(s), short-term interruptions, or temporary performance dips	Media or social media coverage gaining momentum around perceived service failure, requiring coordinated communications management	Service delays, or reduced service quality affecting 10–25% of users, or adverse impact on key stakeholder relationships
	Minor Score 2	Minor policy or procedural deviation below statutory thresholds, low external scrutiny, and easily resolved locally	>1% to ≤2% adverse budget variance	Minor delays or reduced performance in non-critical services, but resolved locally within the service area	Single negative media or social media item with minimal public interest	Minor, localised inconvenience or dissatisfaction among stakeholders
	Minimal Score 1	Compliance fully met with negligible residual risk, supported by effective controls	≤1% adverse budget variance	Negligible operational impact with nominal service disruption, and no effect on statutory duties or delivery	Isolated low-level complaints with no media attention, resolved through routine communication	No meaningful impact on stakeholders or community

Dorset Council's New Likelihood Scoring Matrix

Assessing Risk Likelihood - Dorset Council						
Likelihood	The overall likelihood score will be the mean average across all dimensions rounded to the nearest integer					
		Delivery Capability and Resilience	External Pressures	Frequency of Occurrence	Nature of Operations	Process Maturity and Governance
	Expected Score 5	Insufficient skills or expertise to manage the risk, and / or no effective contingency plans in place	Highly volatile external conditions; Regulatory change, stakeholder opposition, funding loss, and / or international disruption	Risk materialised within the last year, or recurring, indicating a clear pattern	Highly complex cross-functional operations, significant external dependencies, and / or frequent changes in demand	Manual, fragmented processes, multiple hand-offs, unclear ownership, and / or weak or overlapping governance
	Probable Score 4	Risk knowledge is concentrated in a small team, and / or low resilience in the event of employee absence	Signals of tighter regulatory oversight or policy change, emerging organised opposition, and / or significant reductions in national funding	Risk materialised in the past 1–2 years, or probable under current conditions	Complex, multi-stakeholder operations, moderate external dependencies, and / or variable demand or regulatory interpretation	Mostly manual processes, inconsistent ownership, and / or partial understanding of decision-making processes with reactive governance
	Possible Score 3	Some employee awareness of controls, processes not fully embedded, and / or resilience vulnerable to employee turnover	Intermittent regulatory developments and / or sporadic stakeholder challenge, moderate but inconsistent external pressure	Risk last materialised 2–3 years ago, or could occur under current conditions	Moderately complex operations, occasional external dependencies, and / or some operational variability	Hybrid manual and automated processes, some ownership clarity, and / or inconsistent governance application
	Unlikely Score 2	Broad employee understanding, embedded training, clear accountability, and / or strong resilience to employee turnover	Stable regulatory conditions, and / or minimal external challenge	Risk last materialised 3–5 years ago, or is unlikely due to strong mitigating controls	Routine operations, limited external dependencies, and / or largely predictable outputs	Well-defined, automated processes with clear ownership, and / or proactive governance
	Rare Score 1	Broad employee competence, fully embedded processes, and / or effective employee succession planning	Strong multi-level alignment, supportive regulators, cooperative stakeholders, and / or a stable, low-volatility environment	No occurrence in over 5 years, or strong controls making occurrence highly improbable except in exceptional circumstances	Highly standardised operations, minimal external dependency and / or consistent, well-controlled outputs	Fully automated, streamlined processes and / or robust governance with clear organisation-wide understanding

Dorset Council's New Risk Scoring Heatmap

Impact	Critical					Capacity (High)
	Significant					
	Moderate			Tolerance (Medium)		
	Minor					
	Minimal	Appetite (Low)				
		Rare	Unlikely	Possible	Probable	Expected
		Likelihood				

Risk Rating	Definition	Review Frequency
Capacity (High)	The risk is at the maximum level the council can bear and threatens the delivery of Council Plan priorities or key organisational objectives. Risk management action is required by council leadership unless a conscious decision is made to tolerate or terminate the risk.	Every 90 days
Tolerance (Medium)	The risk exceeds the council's normal appetite but can be tolerated provided it is actively monitored and managed. Targeted action should be taken at directorate level to reduce exposure where appropriate and prevent escalation towards capacity.	Every 90 days
Appetite (Low)	The risk is within the level that Dorset Council is willing to accept in pursuit of its objectives. Risks within appetite can be managed through existing controls and routine monitoring and are considered business as usual.	Every 180 days

Audit & Governance Committee

12 October 2026

Audit actions update report

For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader, Climate, Performance, Communications and Safeguarding

Local Councillor(s): All

Senior Leadership Team:

S Ford - Assistant Chief Executive / J Mair – Director of Assurance & Governance

Report author and job title: Chris Heighway, Strategic Performance & Risk Lead

Email: chris.heighway@dorsetcouncil.gov.uk

Statutory Authority: N/A

Report status: Public

1. Executive summary

- 1.1 This report provides the Audit & Governance Committee with an overview of performance relating to South West Audit Partnership (SWAP) audits and associated management actions. It presents progress since the previous committee report on 29 June 2026, highlighting actions completed, actions that remain outstanding, and those that are overdue.
- 1.2 The council has continued to prioritise the implementation of audit recommendations, with particular emphasis on reducing overdue actions and strengthening assurance in areas of greatest organisational risk. Since the last reporting cycle, further audit actions have been completed across a range of service areas, alongside the full completion of a number of audit reviews. Although progress has moderated compared with the significant reduction achieved in the previous quarter, focused management oversight remains in place to ensure delivery of outstanding recommendations and minimise exposure arising from control weaknesses.
- 1.3 A small number of actions remain overdue, primarily due to dependencies on wider transformation activity, resource constraints, or system development requirements. Responsible officers continue to monitor delivery closely and mitigating controls are in place to manage residual risk until actions are completed. At the same time, a number of previously implemented recommendations have become embedded within business-as-usual

processes, providing increasing assurance that improvements are both sustainable and effective.

- 1.4 In total there are 30 overdue actions across the audit portfolio. The backlog is concentrated in a small number of audits with Moving from Self-Funding to Council Funding having 4 overdue actions, the highest in the portfolio and a three further audits holding 3 actions each.
- 1.5 In line with the committee's ongoing risk-based approach, audit activity has been reviewed against the council's principal risk profile. Particular attention has been given to audits linked to high-risk areas including data and information management, legal compliance, technology, and service delivery risks. This enables the committee to focus its attention on those areas where outstanding actions could have the greatest organisational impact
- 1.6 The report also highlights progress in developing an integrated Audit and Risk Dashboard, designed to strengthen organisational assurance arrangements by bringing together audit recommendations, action delivery, risk ownership and risk exposure within a single reporting framework. Once established, the dashboard will improve visibility of the relationship between audit findings and organisational risks, supporting more informed decision-making, stronger governance and enhanced Committee oversight.
- 1.7 Overall, the report demonstrates continued progress in addressing audit recommendations, improving control effectiveness and strengthening the council's governance framework, whilst maintaining a clear focus on the timely resolution of outstanding and overdue actions in areas of highest risk.

2. Recommendations

- 2.1 That the committee:
 - Notes the overall position in relation to audits, as set out in Appendix 1
 - Identifies any priority thematic areas for future focus at the committee meeting on 12 October 2026, based on the audit position presented in Appendix 1.

3. Reason for the recommendations

- 3.1 The Audit & Governance Committee is responsible for providing independent assurance on the adequacy and effectiveness of the council's risk management framework, internal control environment, and financial reporting arrangements. The committee therefore requires timely, risk-based updates

on audit activity to enable it to discharge its assurance role effectively and to maintain oversight of areas where organisational exposure is greatest.

- 3.2 The recommendations support the committee in fulfilling its constitutional function to promote and maintain high standards of governance and ensure that audit findings are managed in a transparent and accountable manner. By presenting audit progress through a structured, risk aligned approach, the report strengthens Members' ability to scrutinise internal control, identify weaknesses, and seek appropriate assurance from audit action owners.

4. The report

- 4.1 This report provides an update on the progress made in implementing actions arising from audits undertaken by South West Audit Partnership (SWAP). It sets out both the overall position across all audits with outstanding actions and progress towards completion, as well as providing updated narrative for overdue audit actions.
- 4.2 While maintaining a focus on audits aligned to the council's highest risk areas, we have also prioritised overdue actions once again during this reporting cycle. As reported to Committee on 29 June 2026, the number of overdue actions reduced from 34 to 18, representing a 47% reduction.
- 4.3 Since the previous Audit & Governance Committee on 29 June 2026, a total of 21 actions (1 priority one, 11 priority two, and 9 priority three) have been completed. These actions relate to 13 separate audits and span a broad range of risk areas. Furthermore, four audits have been completed in their entirety.
- 4.4 As it stands, 49 actions remain outstanding, of which, 30 are overdue at the time of reporting to committee.
- 4.5 Since the previous report, a further 28 audit actions have become overdue as they have passed their original implementation dates. As a result, whilst 21 actions have been completed during the reporting period, the overall number of overdue actions has increased compared with the position reported to Committee in June. This movement reflects both the continued completion of existing actions and the transition of additional actions into overdue status.
- 4.6 The increase should also be considered in the context of a legacy approach to audit action planning, where some implementation dates were set using indicative timelines that did not always fully reflect delivery complexity, dependencies, or the time required to embed sustainable change. As a result, a number of historic actions have now moved into an overdue position.

- 4.7 Notwithstanding these legacy factors, the council remains focused on reducing the overdue position at the earliest opportunity. Responsible officers continue to prioritise delivery of outstanding actions, with particular emphasis on those presenting the greatest risk exposure to the council.
- 4.8 Analysis of the overdue actions highlights that the position remains concentrated within a relatively small number of audit reviews, enabling targeted management focus and oversight. One audit, Moving from Self-Funding to Council Funding, accounts for four overdue actions, representing the highest number of overdue actions within one audit across the current portfolio. Whilst these actions remain open, work is underway on associated system developments and policy updates moving through governance approval processes to support delivery, and swift action completion.
- 4.9 A further three audits, namely Temporary Accommodation, Governance of Financial Management in Schools and Children's Services Direct Payments, each contain three overdue actions. In many cases, implementation activity is already underway, with actions linked to Cabinet decisions, policy development, service planning activity, or the provision of supporting evidence. The remaining 17 overdue actions are distributed across 12 separate audits, many of which have only a single overdue action outstanding.
- 4.10 Consideration has also been given to the inherent risk ratings associated with audits containing overdue actions. Whilst a number of overdue actions sit within audits carrying higher inherent risk scores, the majority arise from Medium risk audits. Of the 30 overdue actions, 20 relate to Medium risk audits, compared with six from High risk audits and four from Low risk audits (see Appendix 1). Importantly, the existence of an overdue action does not necessarily indicate unmanaged risk. In many cases, mitigating controls remain in place, implementation activity is progressing, or alternative arrangements continue to provide assurance pending full completion of the agreed action.
- 4.11 In line with the council's risk-based approach to assurance, overdue actions have also been reviewed against the principal risk categories to which they relate (see Appendix 1). Whilst the greatest concentration of overdue actions relates to regulatory compliance, financial governance and statutory service delivery, Appendix 1 demonstrates that many of these actions are supported by existing controls, established processes, or ongoing improvement programmes. Examples include regulatory compliance arrangements already operating effectively within the Disclosure and Barring Service audit, updated operational processes mitigating risks associated with Subject Access

Requests, and policy, governance and system improvements that are currently progressing across a number of finance-related audits. These areas will continue to receive targeted management attention to ensure that residual risks remain appropriately controlled whilst actions are brought to completion.

- 4.12 The position remains under active review through established governance arrangements and an updated position will be verbally reported to Committee on 12 October. Responsible officers continue to monitor progress against agreed implementation dates, with particular attention placed upon overdue actions linked to Finance and Legal risk categories and those within higher-risk audit reviews. Where delays occur, mitigating controls are maintained to ensure that residual risk remains appropriately managed until actions are fully implemented.
- 4.13 Whilst overall progress hasn't mirrored the trajectory of the previous report, in collaboration with services we remain focussed on reducing overdue audit actions and proactively managing actions posing the greatest risk exposure to the council. Together with the ongoing oversight provided by the Audit and Governance Committee, we are confident that the appropriate processes are in place to support the timely completion of outstanding actions and the continued reduction of overdue actions.
- 4.14 The reporting period has also seen continued progress in embedding improvements arising from previous audit findings. In a number of areas, actions have now moved beyond implementation and into established business-as-usual arrangements, providing greater assurance that intended improvements are becoming embedded within everyday operational practice. This transition from action completion to sustained implementation is an important indicator of organisational learning and contributes to the continued strengthening of the council's governance and control environment.
- 4.15 In response to feedback received from the Committee at its previous meeting, a proportion of the council's allocated South West Audit Partnership (SWAP) audit resource will also be directed towards follow-up assurance activity, including the dip sampling of previously completed audit recommendations. This work provides an additional layer of assurance regarding the effectiveness and sustainability of implemented actions, helping to confirm that agreed improvements have become embedded within operational practice and continue to operate as intended.
- 4.16 Alongside the continued focus on the delivery of audit actions, work has progressed on a new integrated Audit and Risk dashboard. The dashboard enables audit and risk owners to update and monitor actions more effectively,

strengthening the link between audit activity, risk management and internal control. It is designed to support greater accountability, improved oversight, and the timely delivery of agreed actions across the organisation.

Future Reporting

- 4.14 The next audit progress report will be brought to the committee on 25 January 2027.
- 4.15 Future reporting will continue to adopt a thematic focus, driven by either:
- the inherent level of risk attached to an audit area, or
 - specific direction from the Committee.

5. Alternative options considered

- 5.1 Not applicable. The report presents information on audit action performance and progression and does not recommend any change to council policy or new action.

6. Legal considerations

- 6.1 There are no legal implications arising directly from this report.

7. Financial implications

- 7.1 There are no financial implications arising directly from this report.

8. Natural environment, climate & ecology implications

- 8.1 The report does not have direct climate change implications.

9. Wellbeing and health implications

- 9.1 The report does not have direct wellbeing and health implications

10. Other implications

- 10.1 None.

11. Risk implications

- 11.1 Not applicable. The report presents information on audit progression and does not seek a decision.

12. Equalities

- 12.1 There are no direct equality, diversity or inclusion implications resulting from this report. Equality impact assessments are carried out, when necessary, across the council to ensure service delivery meets the requirements of the Public Sector Equality Duty under the Equality Act 2010.

13. Appendices

- **Appendix 1** provides a summative narrative of outstanding audits and actions including overdue status and inherent risk rating.

14. Background papers

- [Risk Management Framework](#)
- [Audit and Governance Committee 29 June 2026](#)
- [Audit and Governance Committee 27 April 2026](#)
- [Audit and Governance Committee 12 January 2026](#)

15. Report sign-off

- 15.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Appendices

Appendix 1: Audit & Actions Update

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Data Maturity	Data and Information Management	Open	6 (0 overdue)	16 (High)	Actions due April 2027. Responsible officers assigned and action underway.
Implementation of Investigation Action Plan	Legal	Cautious	1 (1 overdue)	12 (High)	Evidence for one action has been sent to SWAP for approval.
Temporary Accommodation	Legal	Cautious	3 (3 overdue)	12 (High)	Actions outstanding but proposals encompassing the remaining three actions being taken to Cabinet for approval in October.
Quality Assurance Process for Care Providers	Legal	Cautious	1 (1 overdue)	12 (High)	Action is linked to a paper being submitted to the Design Authority in September, an update has been requested from the action owners.
Governance of Financial Management in Schools	Finance	Cautious	4 (3 overdue)	9 (Medium)	Remaining actions progressing. Currently awaiting evidence from a number of schools in order to further actions.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
					Submission of school reports will facilitate a review of actions and evidence to support closure.
Safer Recruitment and Keeping Children Safe in Education	Legal	Cautious	2 (2 overdue)	9 (Medium)	This action was agreed in March 2026 and remains in planning phase. Work in progress to deliver against actions.
ICT Microsoft Purview	Technology	Eager	3 (2 overdue)	9 (Medium)	Associated policies and processes taken to Information Governance Group in August
Moving from Self-Funding to Council Funding	Finance	Cautious	4 (4 overdue)	9 (Medium)	New actions underway including system development and policy updates. Work to be scoped and developed to meet action deadlines.
Frontline Services Resource Management- Asset Use	Finance	Cautious	2 (2 overdue)	9 (Medium)	A draft policy has been developed covering both audit actions that is due to enter the first stage of the approval process in October 2026.
Children's Service Direct Payments	Finance	Cautious	3 (3 overdue)	8 (Medium)	Actions continue to progress.
Children's Services Contracts & Homes Monitoring	Finance	Cautious	1 (0 overdue)	6 (Medium)	Action is with the owners to progress.
Frontline Services Resource Management - Timesheets	Finance	Cautious	1 (1 overdue)	6 (Medium)	The remaining action is progressing with the collation of the evidence in order to request closure of the action.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
DC Anti-Tax Evasion	Finance	Cautious	1 (0 overdue)	6 (Medium)	New training added to the learning hub. Evidence submitted to SWAP, but more information on target audience and assurance required for closure.
Subject Access Requests	Legal	Cautious	2 (2 overdue)	6 (Medium)	Progress is limited but mitigating factors are significant: - Processes have been updated to reflect recommendations from counsel's opinion, following a data breach that prompted this audit work. Processes have also been clearly mapped. A refresh of the SARs policy remains outstanding, but the risk has been largely mitigated via the updated internal processes. - Initial action dates were based on transformation timescales, as information compliance was originally in scope for year one Our Future Council transformation. Options suggested within the audit findings will again be fed into this years transformation scoping. A more definitive update will be provided once any future transformation work has been scoped.
Fleet Maintenance	Operations	Open	3 (1 overdue)	6 (Medium)	Action continues to progress.
Early Years Block and Funding 2	Finance	Cautious	4 (0 overdue)	6 (Medium)	Action is with the owners to progress.

Audit	Principal Risks	Risk Appetite	Outstanding Actions	Inherent Risk Score and Rating	Commentary
Disclosure and Barring Service	Legal	Cautious	2 (2 overdue)	4 (Low)	Actions relate to strengthening service resilience but existing systems in place currently ensuring regulatory compliance which is reflected in the risk scoring.
Highways Maintenance Block Funding	Legal	Cautious	2 (0 overdue)	4 (Low)	Actions assigned to owner.
DC Continuous Key Controls Payroll 2025-26	Finance	Cautious	1 (1 overdue)	2 (Low)	Pending the implementation of a new system
Continuous Key Controls Revenues and Benefits 2025-26 May to October	Finance	Cautious	1 (0 overdue)	1 (Low)	Action assigned to owner.
Accounts Payable Continuous Audit	Finance	Cautious	1 (1 overdue)	1 (Low)	Control document forwarded. SWAP to query a few points with action owner before closure.

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Dorset Council

Report of Internal Audit Activity

Progress Report 2026/27 – September 2026

Executive Summary

As part of our rolling plan reports, we will detail progress against the internal audit plan and any updates in scope and coverage.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating significant risks previously identified through audit activity.

The contacts at SWAP in connection with this report are:

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SWAP is an internal audit partnership covering 28 organisations. Dorset Council is a part-owner of SWAP, and we provide the internal audit service to the Council.



Audit Outcomes and Plan Performance

This is our third report for the 2026/27 financial year providing an update on the delivery of the audit plan up to 23 September 2026.

Since our last progress report, we have issued the following limited assurance opinion reports:

- Fleet Maintenance
- Early Years Block and Funding

The one-page summaries for each of these audits are included as part of **Appendix B**.

Whilst areas of non-compliance or control weakness have been identified within our reviews, the Council's Policy, Insight and Performance team works with Internal Audit to monitor and report on the implementation of agreed audit actions, supporting directorate ownership and oversight by the Committee.

Appendix A of this report provides members with the audits currently included in the rolling plan and the outcomes of completed work that will inform the 2026/27 Internal Audit Annual opinion.

Our progress report has been updated to provide further detail on the proposed objectives for audits currently in the audit pipeline. Planned work is reviewed regularly and remains responsive to organisational need, risk and available resources. The indicative objectives in **Appendix A** may therefore be revised during the audit scoping process.

Executive Summary

For further details see:

<https://www.swapaudit.co.uk/>

Standard 12.2 – Performance

Measurement outlines that the Chief Audit Executive must develop objectives to evaluate the internal audit function's performance.

SWAP will continually review the performance measurement methodology with Senior Management and the Audit and Governance Committee to be able to assess progress towards achieving the functions objectives and to promote continuous improvement of the internal audit function.

Performance

The current delivery position for Dorset Council audits in 2026/27 is shown in the table below, with comparisons to the previous two years' outturns.

Audit Delivery	2024/25	2025/26	2026/27 to date	
			Complete	In Progress
Assurance reviews	22	26	3	8
Follow Ups	3	8		
Grant Certification	10	3	3	
Advisory	5	5		2
Proactive Fraud Work	0	2		1
Continuous Audit	12	12	4	2
ICT Audits (Assurance and Advisory)	3	3		1
Investigations	6	0		
Special Review				1
Total	61	59	10	15

A total of 10 reviews have been completed as part of the 2026/27 audit plan. A further 15 reviews are recorded as in progress in the table above, comprising 11 reviews in fieldwork or internal review and four at draft report stage. The completed total comprises three assurance reviews, three grant certifications and four continuous audits.

In addition to the reviews summarised above, our 2026/27 counter-fraud work has included fraud training for the Audit and Governance Committee, with further training planned for headteachers.

Internal Audit Plan Progress 2026/27

Our audit plan coverage assessment is designed to provide an indication of whether we have provided sufficient, independent assurance to monitor the organisation's risk profile effectively.

For those areas where no audit coverage is planned, assurance should be sought from other sources to provide a holistic picture of assurance against key risks.



SWAP Internal Audit Plan Coverage

Table 1 below presents our audit coverage mapped against the Authority's **Principal Risks**. Further detail can be found using our audit management system, AuditBoard [AuditBoard | Login \(auditboardapp.com\)](https://auditboardapp.com). The non-opinion audits represent advisory work rather than assurance engagements. To view the audits that make up the coverage, log into AuditBoard, right-click on a coverage cell, select "drill through", and then choose "audit details".

Table 1 – as at 23.09.2026

Principal Risk  Hover over Principal Risk title to see a definition	Coverage	Average Opinion
Commercial	Some	Reasonable
Data and Information Management	Adequate	Limited
Finance	Good	Reasonable
Legal	Good	Reasonable
Operations	Good	Reasonable
People	Good	Reasonable
Project / programme	Adequate	Reasonable
Property	Some	Non Opinion Audits
Reputation	Good	Reasonable
Security	Some	Reasonable
Technology	Some	Reasonable

Coverage	Description
Good	10 or more completed audits
Adequate	Between 5 and 10 completed audits
Some	Less than 5 completed audits
In Progress	1 or more audits are in progress
None	No coverage to date

Assurance	Description
Substantial	Sound system of governance, risk management and controls exist
Reasonable	Generally sound system of governance, risk management and control in place
Limited	Significant gaps, weaknesses or non-compliance were identified
No Assurance	Fundamental gaps, weaknesses or non-compliance identified

Responsibility for monitoring and reporting the Council's performance for implementation of agreed actions now rests jointly with the Council's Policy, Insight and Performance Team and Internal Audit.

Implementation of Actions

The graphic below provides an analysis of overdue priority 1, 2 and 3 actions. There are 61 actions that have yet to be implemented, 30 of which are currently overdue. 20% of the overdue actions are between 6 and 12 months overdue.

We have stopped revising implementation dates to avoid masking overdue actions and you will see that the number of actions with revised dates where the actions have not been implemented is dropping.

The Council's Policy, Insight and Performance team are now reporting separately to the Committee on audit actions acting as a conduit between the Council and SWAP, to strengthen oversight of actions, with the aim of reducing the number of actions that become overdue, fostering engagement and accountability across directorates.

Additional information is available in the Management Actions tab of the SWAP Executive dashboard, which can be accessed via this link: [AuditBoard | Login \(auditboardapp.com\)](#)

Table 2- as at 23.09.2026

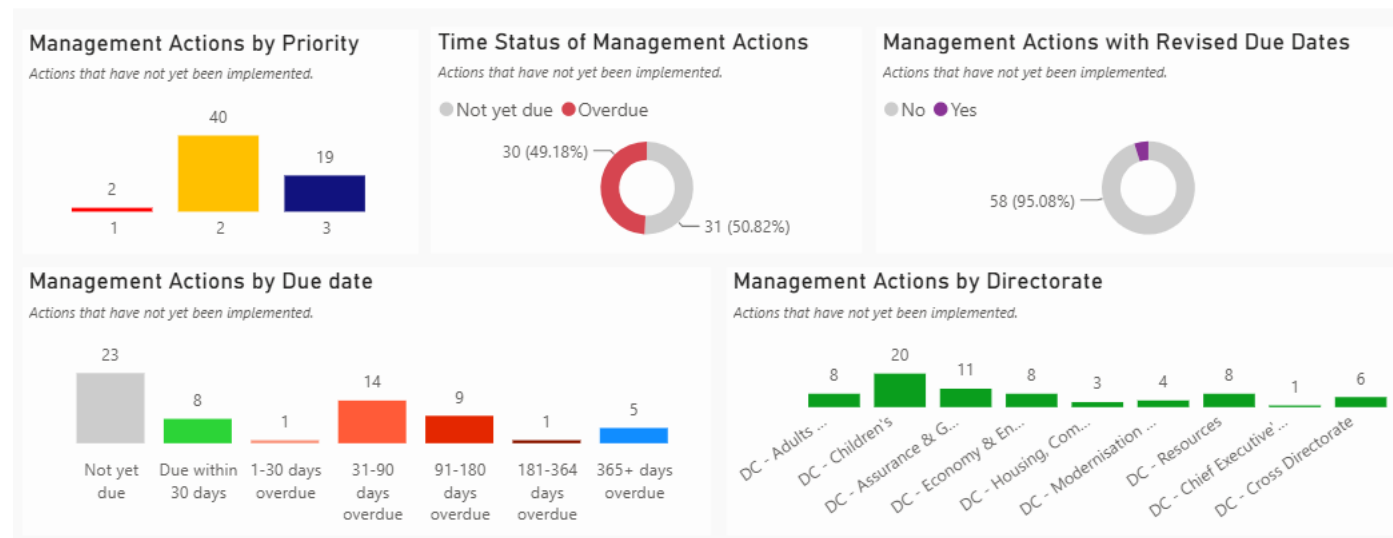


Table 1 – Final and Draft Reports Issued

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major		3 = Medium	Risk
					Action			
					1	2	3	
Completed Audits								
Continuous Audit	Continuous Key Controls Main Accounting 2026-27 November to April (May 2026)	Final	Continuous Assurance	-	-	-	-	Low
Grant Certification	Dept for Business and Trade (DBT) Grant Certification	Final	Certified	-	-	-	-	N/A
Assurance	Fleet Maintenance – 25/26	Final	Limited	5	1	3	1	Medium
Assurance	Resettlement - Readiness and Lessons learned	Final	Reasonable	2	-	2	-	Low
Continuous Audit	Continuous Key Controls Payroll 2026-27 November to April (May 2026)	Final	Continuous Assurance	-	-	-	-	Low
Continuous Audit	Continuous Key Controls Treasury Management 2026-27 January to June (July 2026)	Final	Continuous Assurance	-	-	-	-	Low
Assurance	Early Years Block and Funding 2	Final	Limited	4	-	3	1	Medium
Grant Certification	Highway Maintenance Capital Funding (Highway Maintenance Block) Specific Grant Determination (2025/26): No.31/7766	Final	Certified	-	-	-	-	N/A
Grant Certification	Local Transport Resource Funding and Integrated Transport Block Grant	Final	Certified	-	-	-	-	N/A
Continuous Audit	Continuous Key Controls Accounts Receivable 2026-27 January to June (July 2026)	Final	Continuous Assurance	2	-	1	1	Low
Draft Reports								
Special Review	Street Lighting PFI	Draft						
Assurance	Fostering / Kinship	Draft						

Audit Type	Audit Area	Status	Opinion	No of Actions	1 = Major	↔	3 = Medium	Risk
					Action			
					1	2	3	
ICT - Assurance	ICT Vulnerability Management	Draft						
Assurance	Frontline Services Resource Management – 25/26	Draft						

Table 2 – Work currently in progress

Audit Type	Audit Area	Priority/ Status	Directorate	Objective
In Progress				
<i>The following audits are in progress. This stage includes fieldwork and internal review undertaken before a draft report is issued.</i>				
Assurance	Adults Brokerage Process	In progress	Adults	To evaluate the effectiveness, efficiency and maturity of the Council's end-to-end brokerage processes in delivering Care Act compliant outcomes, maximising value for money, controlling market and placement costs, and identifying opportunities to strengthen performance, data reliability and workforce capacity. – Q2
Counter Fraud	Fraud Risk Assessment	In progress	Assurance & Governance	To provide the organisation with a high-level Fraud Risk Assessment review of the organisation's fraud maturity, in line with the Fighting Fraud and Corruption Locally Strategy 2020. To demonstrate future progress in reducing risk and increasing maturity. – Q2
Assurance	Cifas and NFI	In progress	Assurance & Governance	To evaluate whether CIFAS and NFI tools are fully utilised, effectively embedded within Council services, and delivering value for money through the prevention and detection of fraud. - Q2
Advisory	Registered Provider Obligations & NROSH+ Returns	In progress	Housing, Communities & Prevention	To assess how the council is currently meeting its Registered Provider (RP) obligations, identify gaps and weaknesses, and recommend improvements to strengthen governance, data quality and compliance readiness. – Q2
Assurance	Property Acquisitions and Disposals	In progress	Economy & Environment	To assess the adequacy and effectiveness of the governance, processes, controls, and information supporting the Council's approach to Asset Disposals, Community Asset Transfers and acquisitions. – Q2

Audit Type	Audit Area	Priority/ Status	Directorate	Objective
Assurance	Grounds Maintenance	In progress	Economy & Environment	To assess the accuracy and completeness of cost allocation and pricing methodologies for the Grounds team. – Q2
Advisory	ERP Implementation	In progress	Modernisation & Customer Delivery	To review the governance and reporting framework for the implementation of the new ERP system. This review will develop throughout the project to provide both advice and assurance on the ERP implementation with individual focussed reviews being undertaken at key stages within the development. – Q2-Q4.
Continuous Audit	Continuous Key Controls Revenues and Benefits 2026-27 November to April (May 2026)	In progress	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q2
Continuous Audit	Continuous Key Controls Accounts Payable 2026-27 January to June (July 2026)	In progress	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. Q2
Assurance	Centralised Debt Recovery Processes	In progress	Resources	To assess the effectiveness of the Council's centralised debt recovery approach, and to identify good practice that could be adopted more widely to improve the timeliness, consistency, and overall recovery of debt across the organisation. – Q2
Assurance	Contract Management	In progress	Resources	Assess whether the current contract management process is effective, controlled, and aligned with Organisational policies, to ensure that contracts deliver expected value, that the risks are managed, that contracts are regularly assessed by contract owners, and obligations and outcomes are met. - Q2

Table 3 – Planned audit work for 2026/27

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Waiting to go live <i>These audits have been scoped or are in the process of being scoped with management. Testing will commence following agreement of the audit scope and timescales with management.</i>				
Assurance	Birth to Settled Adulthood	131 Medium	Adults / Children's	To provide assurance on the effectiveness and efficiency of the Birth to Settled Adulthood processes, in complying with statutory requirements and delivering outcomes that support independence, education and employment for Children and Young people.- Q2
Assurance	Quality Assurance of Children's Alternative Provision		Children's	To provide assurance that arrangements for commissioning, oversight, and quality assurance of external unregistered (non-school) Alternative Provision (AP) are effective, ensuring that AP packages are safe, outcome-focused, value for money, and aligned with AP's intended temporary purpose. – Q2
Assurance	Family Networks		Children's	To review the effectiveness of the support offered by the family networks system, and the consistency of its application and integration across relevant Council services supporting families.- Q3
Advisory	Response to Climate Emergency Phase 2	106,231 High	Chief Executive's Office	To evaluate the impact and effectiveness of actions completed in response to the 2022 Response to Climate Emergency audit, and to assess the extent to which these actions have strengthened Dorset Council's governance, decision-making, capability, and use of information in supporting progress towards its net zero ambitions. – Q3
Assurance	Harbour Administration and Operational Processes		Economy & Environment	To assess the effectiveness, efficiency, and robustness of the Harbour Authority's administrative processes, evaluating whether current arrangements support accurate service delivery, strong internal control, good customer management, and compliance with statutory and organisational requirements. – Q2
Assurance	HRC Booking System	294 Medium	Economy & Environment	To assess whether the HRC booking system is delivering its intended financial, operational, and service benefits, and whether robust governance, performance management, and system capabilities are in place to support effective scaling, consistent implementation, and maximisation of value across all Household Recycling Centre (HRC) sites. – Q3
Advisory	Local Nature Recovery & Biodiversity Net Gain	285,313 Medium	Economy & Environment	To provide a high-level advisory review of the council's policy, governance and control framework for delivering Biodiversity Net Gain. – Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Housing Delivery/ Planning obligations under Section 106		Housing, Communities & Prevention	To assess whether Section 106 housing contributions are effectively managed, used appropriately, and supported by adequate governance and controls. - Q3
ICT - Assurance	ICT User Access Management (Applications)	91 Very High	Modernisation & Customer Delivery	Examine the user access management processes for Dorset Council's ICT applications to ensure compliance with security standards and efficient access control measures. – Q3
Future Proposed Pipeline 2026/27 <i>These audits are planned for delivery in 2026/27 but will be reviewed regularly with management, taking account of risk, available audit resources and organisational coverage.</i> <i>The objectives provide an indicative description of the intended focus of each audit. The final objective and scope will be agreed with management during the audit scoping process.</i>				
Assurance	ASC Demand Management	130, 146 High	Adults	To review the actions taken to address the ASC budget gap including the effectiveness of actions taken and the governance and reporting oversight. – Q3
Assurance	Data Breaches	49 Medium	Adults	To provide assurance on the management arrangements for ensuring cyber risks/data breaches are minimised within Adult Social Care. Q3/Q4
Assurance	Impact of Health Reform	200,167 Very High	Adults	To provide assurance that the Council has identified and quantified the impact of additional financial responsibilities and has identified the appropriate mitigating actions to minimise the impact including (but not limited to); joint funding agreements, partnership financial governance, and oversight of prevention activities. – Q4
Assurance	Post-CQC Inspection Review	166 Low	Adults	To review the outcomes from the CQC review and assess the arrangements for ensuring any actions are implemented in required timescales.- Q4
Assurance	Elective Home Education - impact of the Children's Wellbeing Bill	198 High	Children's	To provide assurance on the Council's preparedness for the proposed Children's Wellbeing Bill, with a focus on the effectiveness, consistency and capacity of current processes for suitability checks, safeguarding and education oversight. Q3
Assurance	Journey of the Child	177 High	Children's	To provide assurance that Dorset Council's Children's Services have effective governance, processes and partnership arrangements in place to support a child-centred journey through assessment, planning, intervention and review, ensuring decisions are timely, risks are appropriately managed and positive outcomes for children are achieved. Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Quality Assurance of Independent Special Schools		Children's	To provide assurance that the Council has effective arrangements in place to monitor, quality assure and oversee independent special school places. Q3
Assurance	Agency and Interim Workers	338 High	Cross directorate	To assess whether governance, recruitment, management and monitoring arrangements ensure that agency and interim workers are engaged only where there is a justified business need, represent value for money and comply with organisational policies. The audit will also assess whether previous actions in this area have been embedded. – Q4
Assurance	Budget Setting and Monitoring	81 Low	Cross directorate/ Resources	To provide assurance that the Council has effective arrangements in place to set, approve, monitor, forecast and manage its revenue budget, particularly within high-volume and demand-led services such as Children's Services and Adult Social Care, ensuring that financial risks, spending pressures and savings plans are identified, reported and managed in a timely manner to support informed decision-making and long-term financial sustainability. – Q4
Assurance	Ethical Framework	40 Medium	Cross directorate/ Assurance & Governance	To assess whether the Council has established and is operating an effective ethical framework that promotes high standards of conduct, integrity, accountability and transparency, and supports compliance with relevant legislation, codes of conduct, policies and expected behaviours. The audit will also assess whether previous actions in this area have been embedded. – Q4
Assurance	Embedding of Risk Management (Council-wide)		Cross directorate	To assess whether risk management arrangements are understood, consistently applied and embedded across the Council, supporting effective identification, escalation, management and oversight of risk. – Q4
Assurance	Capital Delivery		Economy & Environment	To provide assurance that the authority has adequate controls and governance in place to ensure the property subset of capital projects are delivered on time, in line with expectations and provide value for money for taxpayers. – Q3
Assurance	Debt Collection - Housing	68, 72 High	Housing, Communities & Prevention	To provide assurance on the management of debt specifically within Housing to ensure effective controls are in place to record, collect and monitor repayments. – Q3
Assurance	Transformation Team	127 High	Modernisation & Customer Delivery	To review the governance of all projects across the Council.- Q3

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Assurance	Transformation - Savings Realisation	333,335 High	Modernisation & Customer Delivery/ Resources	To review causes that may prevent/delay implementation of savings, what actions are being undertaken to assess the impact of savings not being realised on time, what adjustments are being made to other savings plans where under delivery is likely or has occurred in one area, how officers are being held accountable, & how are delivered savings effectively closed off once delivered (e.g. posts being removed from establishment following redundancy process). – Q3
Assurance	ICT Audits	91 Very High	Modernisation & Customer Delivery	ICT audits will be assessed following completion of the User Access Management audit in Q3–Q4 . Areas identified for potential coverage include: • Disaster Recovery • ICT Supply Chain Risk • ICT Secure Software Development (SSD) • ICT Application Portfolio Management • AI Governance and Risk/AI Security and Unauthorised AI Usage
Advisory	Progress Against CIPFA Management Code	82 Medium	Resources	To review the Council's self-assessment against the CIPFA Financial Management Code. – Q4
Continuous Assurance	Continuous Key Controls Revenues and Benefits 26/27 May to October	97, 101, 102 High	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q3
Continuous Assurance	Continuous Key Controls Payroll 26/27 May to October		Chief Executive's Office	To provide assurances that key controls within Payroll are operating effectively to ensure that payments are accurate, appropriately authorised and made in a timely manner, also that the risks of fraudulent payments are minimised. – Q3
Continuous Assurance	Continuous Key Controls Main Accounting 26/27 May to October		Resources	To review the Council's key financial controls for Main Accounting functions to ensure that the financial records are complete and accurate.- Q3
Continuous Assurance	Continuous Key Controls Accounts Receivable 26/27 July to December	68, 72 High	Resources	To ensure the Council has effective key financial controls in place for its Accounts Receivable function that enables it to collect income for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. – Q4
Continuous Assurance	Continuous Key Controls Accounts Payable 26/27 July to December	66, 67, 73, 74, 75, 77 Medium	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules – Q4

Audit Type	Audit Area	Org Risk Ref/Score	Directorate	Objective
Continuous Assurance	Continuous Key Controls Treasury Management 26/27 July to December	83 Low	Resources	To provide assurance that key controls for treasury management are operating effectively and that treasury management arrangements are compliant with statutory regulations.- Q4
Assurance	Continuous Key Controls Treasury Management 26-27 Annual Assurance	83 Low	Resources	To provide assurance that key controls for treasury management are operating effectively and that treasury management arrangements are compliant with statutory regulations.- Q4
Assurance	Continuous Key Controls Main Accounting 26-27 Annual Assurance		Resources	To review the Council's key financial controls for Main Accounting functions to ensure that the financial records are complete and accurate. – Q4
Assurance	Continuous Key Controls Accounts Receivable 26-27 Annual Assurance	68, 72 High	Resources	To ensure the Council has effective key financial controls in place for its Accounts Receivable function that enables it to collect income for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules. – Q4
Assurance	Continuous Key Controls Payroll 2026-27 Annual Assurance		Chief Executive's Office	To provide assurances that key controls within Payroll are operating effectively to ensure that payments are accurate, appropriately authorised and made in a timely manner, also that the risks of fraudulent payments are minimised.- Q4
Assurance	Continuous Key Controls Accounts Payable 2026-27 Annual Assurance	66, 67, 73, 74, 75, 77 Medium	Resources	To ensure the Council has effective key financial controls in place for its Accounts Payable function that enables it to pay suppliers for the provision of goods and / or services in line with the Council's financial regulations and contract procedure rules – Q4
Assurance	Continuous Key Controls Revenues & Benefits 2026-27 Annual Assurance	97, 101, 102 High	Modernisation & Customer Delivery	To ensure key financial system controls are operating effectively for Council Tax & Business Rates and Housing Benefit & Council Tax Support, and that opportunities for error, fraud or corruption are minimised. – Q4

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Dorset Council

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Audit progress report and sector updates

October 2026

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Audit Progress Report

Page 137

Introduction

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This paper provides the Audit and Governance Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of emerging issues which the Committee may wish to consider.

Members of the Audit and Governance Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at October 2026

Financial Statements Audit - Council

The draft accounts were received for audit on 23 June 2026. Our work is currently underway.

At the time of writing, our audit is approximately 70% complete and is progressing in accordance with planned delivery timelines. All samples have been submitted to the Council and responses to requests for evidence and queries in the majority of cases have been timely. However, we are receiving slow responses from some service areas including payroll, estates and social care, which is impacting on the timely conclusion of sample testing.

Our testing of the valuations of other land and buildings has resulted in a number of queries to the Council's external valuers with the valuations of 19 car parks valued this year needing to be revisited with a potentially material amendment being required. There are also discrepancies identified from our work in other valuations that are being reviewed and investigated.

Our testing of grant income has identified a material misstatement in the classification of certain social care grants currently credited to taxation and non-specific grant income which due to restrictions in the type of expenditure they are allowed to fund, should be credited to services. This issue will also affect the prior year financial statements.

To address the issues identified in the previous years relating to the Building Health and Safety team we are undertaking additional testing of transactions effected through Commensura.

We will report the results of our audit formally in our Audit Findings Report in November.

Value for Money

Our value for money work is progressing well and we are currently completing our review of documentation and key meetings with officers.

We are on track to provide officers with our draft Interim Auditors' Annual Report in October and present our agreed version to your November Audit and Governance Committee.

Financial Statements Audit – Pension Fund

The draft accounts were received for audit on 1 June 2026. Our work is substantially complete with a small number of outstanding matters as below:

- Level 2 and level 3 investments testing
- Purchase and sales of investments testing
- LGPS annual report review
- Final manager and engagement lead review
- Review of the final set of financial statements

Our audit has not identified any material adjustments impacting the primary financial statements to date.

Similar to the Council, we will report our final results in our Audit Findings Report in November.

Progress at October 2026 (cont.)

Other areas

Certification of claims and returns

We have been appointed to undertake certification work on the Council's Teachers Pensions return and Housing Benefit Subsidy return. This work is currently underway.

Meetings

During the course of the audit, we have met regularly with finance officers, the Chief Financial Officer and the monitoring officer as well as with the Council's internal auditors.

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Deliverables	Planned Date*	Status
Audit Plan We are required to issue a detailed audit plan to the Audit and Governance Committee setting out our proposed approach in order to give an opinion on the Council's 2025/26 financial statements.	June 2026	Delivered
Audit Findings Report The Audit Findings Report will be reported to the Audit and Governance Committee.	November 2026	Not yet due
Auditors Report This includes the opinion on your financial statements.	November 2026	Not yet due
Auditor's Annual Report This report communicates the key outputs of the audit, including our commentary on the Council's value for money arrangements.	November 2026	Not yet due

Audit Deliverables

Below are some of the audit deliverables planned for 2025/26

2025/26 Audit related deliverables	Planned Date*	Status
Teachers Pensions Scheme – certification This is the report we submit to Teachers Pensions based upon the mandated agreed upon procedures we are required to perform.	November 2026	Not yet due
Housing Benefit Subsidy – certification This is the report we submit to Department of Work and Pensions based upon the mandated agreed upon procedures we are required to perform.	March 2027	Not yet due

Audit Committee resources

The Audit Committee and organisational effectiveness in local authorities (CIPFA):

<https://www.cipfa.org/services/support-for-audit-committees/local-authority-audit-committees>

LGA Regional Audit Forums for Audit Committee Chairs

These are convened at least three times a year and are supported by the LGA. The forums provide an opportunity to share good practice, discuss common issues and offer training on key topics. Forums are organised by a lead authority in each region. Please email ami.beeton@local.gov.uk LGA Senior Adviser, for more information.

Public Sector Internal Audit Standards

<https://www.gov.uk/government/publications/public-sector-internal-audit-standards>

Code of Audit Practice for local auditors (NAO):

<https://www.nao.org.uk/code-audit-practice/>

Governance risk and resilience framework: material for those with a leadership responsibility on good governance (CfGS):

<https://www.cfgs.org.uk/material-for-those-with-a-leadership-responsibility-on-good-governance/>

The Three Lines of Defence Model (IAA)

<https://www.theiia.org/globalassets/documents/resources/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense-july-2020/three-lines-model-updated-english.pdf>

Risk Management Guidance / The Orange Book (UK Government):

<https://www.gov.uk/government/publications/orange-book>

CIPFA Guidance and Codes

The following all have a charge, so do make enquiries to determine if copies are available within your organisation.

Audit Committees: Practical Guidance For Local Authorities And Police

<https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2022-edition>

Delivering Good Governance in Local Government

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

Financial Management Code

<https://www.cipfa.org/fmcode>

Prudential Code

<https://www.cipfa.org/policy-and-guidance/publications/t/the-prudential-code-for-capital-finance-in-local-authorities-2021-edition>

Treasury Management Code

<https://www.cipfa.org/policy-and-guidance/publications/t/treasury-management-in-the-public-services-code-of-practice-and-crossectoral-guidance-notes-2021-edition>



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Audit and Governance Committee

12 October 2026

Annual Emergency Management and Resilience Report – 2025/26 For Review and Consultation

Cabinet Member:

Cllr M Bell, Public Health, Prevention & Communities

Local Councillor(s):

Senior Leadership Team:

J Mair - Director, Assurance and Governance

Report author and job title: Marc Eyre, Service Manager for Assurance
Email: marc.eyre@dorsetcouncil.gov.uk

Statutory Authority: Civil Contingencies Act 2004

Report status: Public [Choose an item.](#)

1. Executive summary

- 1.1 This is the third annual report on emergency management and resilience and follows a request from Audit and Governance Committee to receive a periodic update on activity and learnings from incidents. It provides a comprehensive overview of Dorset Council's preparedness, response, and recovery efforts in managing civil emergencies. It reflects on key incidents, evaluates performance, and outlines our strategic priorities for 2026/27, moving into 2027/28.
- 1.2 Appendix A to this report sets out background information on the Civil Contingencies Act (CCA) legislation; Dorset Council's command and control structure; arrangements for business continuity and community resilience; and the role of councillors. This should provide some context to those members of the committee with limited knowledge of the Council's emergency management arrangements but is not essential reading for wider membership.
- 1.3 Over the reporting period 2025/26, the Emergency Management and Resilience team responded to 36 incidents, mobilising the command and control structure and Incident Management Teams as appropriate, working collaboratively with wider Local Resilience Forum partners where required.

Debriefs form a key part of the emergency response process, and help inform future planning and response. Equally exercising remains a cornerstone of resilience. Dorset Council participate in statutory and multi-agency exercises, which this year included a live multi agency anti-terrorism exercise at Poole Harbour (Exercise Leopardite).

- 1.4 Business continuity remains a key focus, as reported previously to the committee as part of the cyber risk updates.
- 1.5 There is an increasing emphasis on community resilience, and in January 2026 Dorset Association of Parish and Town Councils were commissioned by the Council to support roll out, utilising national funding distributed via Local Resilience Forums.
- 1.6 The key legislation relating to emergency planning and resilience is the Civil Contingencies Act, and there is currently a consultation ongoing for changes, to reflect the Governments UK Resilience Action Plan.
- 1.7 Priorities for 2026/27 include:
 - Ongoing planning and response, including climate related events and technological threats;
 - Ongoing strengthening of business continuity;
 - A continuing and strengthened focus on community resilience;
 - Delivery and participating in national and local exercises;
 - Debriefing from incidents and ensuring that lessons learnt are fed back into our planning arrangements.
- 1.8 This report provides assurance of Dorset Council's capability to manage emergencies and highlights its commitment to continuous improvement in resilience planning and response, and in meeting our obligations under the Civil Contingencies Act and other associated legislation. As the risk section notes, our first line response is dependent on a small team of officers operating 24/7 on a rota basis, and team resilience continues to be a key area of focus.

2. **Recommendation(s)**

- 2.1 To note the annual report and learnings from incidents.

3. **Reason for the recommendation(s)**

- 3.1 To provide assurance over the Council's ability to respond to significant civil emergencies, in meeting its obligations as a Category One Responder under the Civil Contingencies Act and associated legislation.

4. Incidents During 2025/26

- 4.1 During 2025/26, the Emergency Management and Resilience team recorded 36 incidents in which they were mobilised, in addition to a range of call outs not associated with response. Within that number, severe weather responses often involve concurrent responses across multiple locations – with the flooding response following Storm Chandra a good example. In the majority of cases, these incidents will be managed within the team (or by the Duty Emergency Management and Resilience Officer out of hours), but larger incidents will require input/support from across a number of Dorset Council services, escalation to Gold/Silver and, in some cases, escalation to the multi-agency Local Resilience Forum. By their very nature, the most significant events can require ongoing response over a number of days, weeks or even months.
- 4.2 In the event of a significant emergency or business continuity incident, the Emergency Management and Resilience team will liaise with DC Gold/Silver officers to determine the need for calling an Incident Management Team (IMT). This will bring together decision makers from across all impacted services to understand the risks and determine a co-ordinated response. The IMT will help understand and inform Gold/Silver officers of the latest situation, in advance of multi-agency meetings (e.g. Strategic Coordinating Groups and Tactical Coordination Groups).
- 4.3 Emergency Management and Resilience response during 2025/26 per calendar months is summarised below:

April 2025	Two heath fires; Two commercial fires; Debris on beach
May 2025	None
June 2025	Residential fire requiring evacuation;
July 2025	None
August 2025	Potential pollution risk, from vessel; Major incident declared for a heath fire; Caravan park fire requiring evacuation; Residential property flooding

	Residential (flats) fire requiring multiple evacuations
September 2025	None
October 2025	Response to health and safety incident under the Councils Critical Incident Protocol;
November 2025	None
December 2025	Various responses to named storms and associated flooding; Gas leak requiring significant evacuation; Unsafe building structure
January 2026	Potential pollution risk, from vessel; Three applications of Portland Causeway road closure protocol; Automated cyber attack on legacy system; Chemical leak at industrial site; Significant flood response to multiple locations, resulting from Storm Chandra requiring multiple evacuations
February 2026	Industrial fire; Highways flooding
March 2026	Activation of critical incident protocol following fatality; Proactive work following intelligence around an illegal rave; Residential fire requiring evacuation.

- 4.4 A key Emergency Management and Resilience discipline is to undertake de-briefing, so that plans and response can be enhanced for future incidents. These de-briefs identify i) what went well; ii) what didn't go so well; iii) what could be done better in future. Whilst light touch debriefing is undertaken for all incidents, a more detailed process is undertaken for more significant incidents, particularly those where an Incident Management Team was mobilised. During 2025/26 the most significant of which was the response to Storm Chandra and subsequent flooding, which was subject to a separate report to Place and Resources Scrutiny Committee and can be viewed in full [here](#) (note – this is separate from the flood mitigation reports considered by Cabinet). In summary, the findings of the debrief included:

- Improving communication channels into Parish and Town Councils;
- Developing a pool of emergency planning volunteers to build resilience into a small team during prolonged and/or concurrent events;
- Ongoing work to improve data sharing across partners;
- Ongoing work to roll out improved community resilience.

4.5 Member scrutiny proposed a number of additional recommendations:

- A named responsibility be established during emergency incidents to ensure information is communicated effectively to ward members and onward to town and parish councils.
- Pre-emptive communications be improved ahead of severe weather events, including targeted communications to areas with a history of flooding.
- The current approach to gully maintenance be reviewed to ensure known flood-prone locations are appropriately considered within planned maintenance programmes.
- Greater clarity be provided regarding the role, responsibilities and expectations of flood wardens, working alongside relevant partner organisations.
- Public guidance on actions to be taken during flooding incidents be reviewed and strengthened.
- Communication failures that prevented information reaching the emergency planning response structure be investigated and addressed.
- A framework be developed for assessing, notifying and supporting communities that become isolated because of emergency road closures.

4.6 This report focuses on 2025/26 responses, however for the committees interest there have been a range of significant incidents since the beginning of this financial year, including an illegal rave; the Meningitis B response; two gas leak evacuations; the seizure of the Russian vessel; the summer heat wave; and a large evacuation following a fire in residential flats. These will be reported more fully in the 2026/27 report, but all of which have been subject to debriefing.

4.7 Not linked to a Dorset incident, but recognising an increase to national security levels, the Council has mobilised a Protect and Prepare Board to ensure that security considerations are built into Council planning, alongside monitoring our preparedness for compliance with Terrorism (Protection of Premises) Act 2025 (otherwise known as Martyns Law).

5. **Community Resilience**

5.1 There is a significant amount of work being undertaken on community resilience, most notably the commissioning of Dorset Association of Parish

and Town Councils to support delivery, utilising national funding distributed to the Local Resilience Forum. As part of this work, a local risk and community emergency response plan (CERP) survey has been issued to all Town and Parish Councils to understand the level of local preparedness and level of support that they require. The output of this survey is currently being developed into a final report, and will act as a driver for the further work to be delivered through this partnership with DAPTC. In the meantime, where approached, DAPTC have been promoting the benefit of CERPs through workshops and conferences, and started delivering some exercises.

- 5.2 Aside from the work with DAPTC, a range of activities have commenced on both community and personal resilience with young people, including a lesson plan targeted at middle school aged children to be delivered from Spring 2027, and a Duke of Edinburgh award for community resilience to be delivered in upper schools.
- 5.3 A personal resilience document has been developed alongside other Councils nationally, but is being held back pending national guidance that is anticipated during Autumn 2026. Working groups have been set up with both the communities team and the climate and nature team to ensure a joined up approach. It is clear that there is a strong national steer for improving both personal and community resilience, that will help guide the work that has already commenced, including further working with community and faith groups and Town and Parish Councils.
- 5.4 The committee may find it helpful to have a further update on community resilience both once the survey output has been analysed fully, and the national steer is clearly defined.

6. Business Continuity

- 6.1 Previous reports to this committee have updated on the improvements being delivered to the business continuity framework as part of the cyber planning work (but extending to wider risks). Plans are being updated to reflect organisational changes, following restructures and transformation. Once complete, the Business Impact Assessment will be reviewed with Senior Leadership Team to ensure that our key service priorities remain correct.
- 6.2 The intention is to embark on a whole authority business continuity exercise later this financial year, building on the familiarisation work carried out earlier this year. But in the meantime, there are a range of “self service” exercises that teams can utilise to test their own action cards. More detailed reports will be provided to the committee as this work progresses.

7. Priorities for 2026/27 (and onwards into 2027)

- 7.1 The highest priority is to ensure that the Council can continue to both plan for, and respond to, incidents when they occur, and reflecting on the changing risk position that is presented by climate related events, technological threats and global impacts. Recent events have demonstrated capacity resilience as an issue, and the intention is to roll out the emergency planning volunteer scheme ahead of the winter months, particularly noting that El Nino is likely to present some challenges;
- 7.2 Priority workstreams, linked to the Local Resilience Forum workplan, are:
- National power outages;
 - Humanitarian response;
 - Communicable disease and pandemic planning;
 - Counter terrorism and Martyns Law;
 - Unexpected arrival of migrants via small boat crossings;
 - Reservoir offsite planning;
 - Animal disease;
 - Severe weather;
 - Major Accident Hazard Pipelines;
 - Compliance with COMAH and REPPiR legislation for offsite plans, including exercising;
 - Fuel planning;
 - Mass fatalities;
 - Evacuation and shelter;
 - Excess deaths;
 - Cyber resilience;
 - Support to Safety Advisory Groups
- 7.3 Further development and communication of personal and community resilience, ensuring a joined up approach with wider Council services and flexibility to engage with any national initiatives.
- 7.4 Improving our mechanisms for communication during an incident, via our elected councillors;
- 7.5 Ongoing strengthening of business continuity across Council services, including supporting plan revisions following structural changes, leading to a whole authority exercise;
- 7.6 Delivery and participating in national and local exercises, including statutory offsite exercises;
- 7.7 Debriefing from incidents and ensuring that lessons learnt are fed back into our planning arrangements;
- 7.8 Respond to any changes that may arise following the consultation on the Civil Contingencies Act and developments following the Strategic Defence Review.

8. Alternative options considered

8.1 None

9. Legal considerations

9.1 The Council meets its obligations under the Civil Contingencies Act 2004 as a Category One Responder, alongside associated legislation (Major Hazard Pipelines; = Radiation (Emergency Preparedness and Public Information) Regulations 2019 (REPPIR); Control of Major Accident Hazards Regulations 2015 (COMAH); Terrorism (Protection of Premises) Act etc).

10. Financial implications

10.1 The financial impacts on an organisation of a significant emergency response can be extreme, and an unplanned / unbudgeted expenditure. This puts pressure on both the emergency planning budget, or potentially contingency. This data has not been compiled for 2025/26, as spread over different budget lines, but includes additional hour payments for teams working out of hours; transport costs; signage as an example. For the most exceptional incidents, some protection may be provided via the Bellwin scheme, which is a government emergency financial assistance programme designed to help local authorities recover from the immediate costs of responding to major emergencies. When a local authority incurs significant unbudgeted expenditure while protecting life or property during a disaster—such as flooding, severe weather, or major fires—it may be eligible for reimbursement under this scheme. The scheme typically covers up to 85% of eligible costs above a set threshold, which is calculated based on the authority's annual budget. The scheme only applies to immediate response costs and does not cover longer-term recovery or infrastructure repair. Activation is at the discretion of Government, so is not guaranteed. As a rule of thumb, the threshold is approximately 0.2% of the authority's annual revenue budget, this is likely to be several hundred thousand pounds before Bellwin reimbursement becomes available.

11. Natural environment, climate & ecology implications

11.1 The changing climate informs weather events, and as an example 2025/26 and months since have presented a significant number of named storm challenges, widespread flooding alongside the challenges presented by a record breaking heatwave. Emergency response plans need to keep pace with the changing environment. A Climate Decision Wheel has been completed, but as this is an information paper rather than a proposal, it does not identify any issues.

12. Well-being and health implications

- 12.1 Protecting life is a key objective for Local Resilience Forums, containing and mitigating the impacts of an emergency and creating the conditions for a return to normality.
13. **Other implications**
- 13.1 None
14. **Risk implications**
- 14.1 Having considered the risks associated with this decision; the level of risk has been identified as:
- Current Risk: Low
- Residual Risk: Low
- 14.2 As this is a report setting out activity, the risk has been ranked as low. However, it should be noted that a number of high risks are defined within both the Dorset Community Risk Register and Dorset Council's Risk Register. In particular for Dorset Council, the threat of cyber-attack is identified as a very high risk, and the impacts of a national power outage identified as high risk. In both instances, this recognises that there are significant controls in place, but that both provide high level impacts should they arise. The risk register all recognises capacity challenges across the emergency management and resilience structure.
15. **Equalities**
- 15.1 None, but this will be a clear area of focus during the ongoing personal and community resilience rollout.
16. **Appendices**
- 16.1 Appendix A – Background Information
17. **Background papers**
- 17.1 None
18. **Report sign-off**
- 18.1 This report has been through the internal report clearance process and has been signed off by the Director for Assurance & Governance (Monitoring Officer), the Director for Resources (Section 151 Officer) and the appropriate Cabinet Member(s)

Emergency Management and Resilience – Dorset Council

Civil Contingencies Act

The Civil Contingencies Act (CCA) 2004 establishes a clear set of roles and responsibilities for organisations involved in emergency preparation and response. The Act divides local responders into two categories, imposing a different set of duties on each.

Category 1 Responders are those organisations at the core of the response to most emergencies, which includes local authorities, alongside police, fire, ambulance service, health, coastguard, and the environment agency. Category 1 responders are required to:

- assess the risk of emergencies occurring and use this to inform contingency planning;
- put in place emergency plans;
- put in place Business Continuity Management arrangements;
- put in place arrangements to make information available to the public about civil protection matters and maintain arrangements to warn, inform and advise the public in the event of an emergency;
- share information with other local responders to enhance co-ordination;
- co-operate with other local responders to enhance co-ordination and efficiency;
- provide advice and assistance to businesses and voluntary organisations about business continuity management (local authority responsibility).

Meanwhile Category 2 Responders consist of the Health and Safety Executive, transport, utility companies and the voluntary sector organisations. These organisations are generally less likely to be involved in the heart of planning work but will be heavily involved in incidents that affect their sector.

The CCA requires the establishment of Local Resilience Forums (LRF), usually based on each police area, as a mechanism to discharge the above duties. The Dorset LRF therefore covers both Dorset Council and Bournemouth, Christchurch and Poole Council areas and includes representatives from each of the Category 1 responders. The LRF provides a co-ordinated cross-partner approach to planning, training/exercising, response, recovery and debriefing. The workplan of the LRF is informed by the National Risk Register, and the localised Dorset Risk Register. The administration and co-ordination of the LRF is facilitated by the Dorset Civil Contingencies Unit (CCU), which is funded by category 1 responders and hosted by Dorset and Wiltshire Fire and Rescue Service (DWFRS).

In the event of a significant emergency requiring multi partner response, the LRF will initiate a Strategic Coordinating Group (SCG), determining the overall strategy for response), and a Tactical Coordinating Group (TCG) that determines how to deliver the strategy. For certain emergencies, and generally once the response to an incident is concluded, a Recovery Co-ordinating Group will be initiated. Recovery is the process of rebuilding, restoring and rehabilitating the community following an emergency. This would most often be led by a local authority.

A range of other legislation also apply. Both REPPiR and COMAH are referenced in the main report. The Council also has duties under the PSR (Pipeline Safety Regulations) which are being discharged via Major Accident Hazard Pipelines (MAHP) planning. Dorset Council is the lead duty holder authority for both REPPiR, COMAH and MAHP offsite plans.

Emergency Management at Dorset Council

Emergency Management and Resilience at Dorset Council has an identified 'Command and Control' structure set out within the councils' Emergency Response Plan, which is reviewed and updated annually. 'Command and Control' is essentially the term used to describe how designated Gold and Silver commanders can effect their authority and direction in an emergency situation, outside of the usual management structures of the organisation. There are 24/7 tours of duty for both Gold (Strategic) and Silver (Tactical) officers. Gold is performed by Senior Leadership Team, whilst Silver is a mix of Corporate Directors, Heads of Service and Service Managers.

The Emergency Management and Resilience team are part of the Assurance Service, within the Assurance and Governance Directorate, and deliver planning, exercising, response and debriefing post incident, as well as facilitating the Council's business continuity arrangements. The team consists of 4.5 fte Emergency Management and Resilience Officers who, together with the Service Manager for Assurance, provide a 24/7 Duty Emergency Management and Resilience Officer function for the Council.

Dorset Council Emergency Plans / Workstreams

Each of the Emergency Management and Resilience Officers lead on a range of workstreams, linked back to the Dorset Risk Register. This incorporates both the Council's response and statutory duties, and in some cases multi-agency plans led by Dorset Council. The key workstreams are set out below:

Humanitarian and Communities	Humanitarian response; Vulnerable people data; Communicable disease, pandemic and public health emergencies National power outage;
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	Large scale evacuations; Community hubs and rest centres; Training and exercising; Summer operations; Health resilience; Voluntary organisations; Utility (water) planning; Low pressure gas; Community resilience; Football safety advisory groups
Weather and Environmental	Severe weather; Dam and reservoir offsite plans; Stranded motorists; Space weather; Wildfires; Climate change; Rockfalls and landslides; Coastal pollution
External Threats	Cyber attack; Chemical Biological Radiological and Nuclear (CBRN); Counter terrorism (incl Martyns Law)
Statutory Workstreams	Radiation (Emergency Preparedness and Public Information) Regulations offsite plans; Radiation monitoring units (not in itself statutory, but associated with REPPIR); Control of Major Accident Hazards (COMAH) offsite plans; Major Accident Hazard pipelines
Miscellaneous (incl internal plans)	Business continuity; Operation Bridges (death of a senior royal); Excess deaths; Mass fatalities; Recovery; Fuel disruption planning; Telecoms; Site clearance; Op Spool (migrant arrival) Animal health; Technology;

	Website and external communications Events Safety Advisory Group (SAG)
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Allocation of workstreams is reviewed regularly, and adjusted to ensure a fair caseload across the team.

In cases of national security, lead on planning and response is provided by central government.

Exercising is a key part of ensuring that the Council (and other LRF partners) are able to effectively respond to incidents. Some exercises are required by law, and hence statutory (for instance, offsite plans for REPPIR and COMAH sites, which are regulated). Other plans are exercised following periodic reviews, or on a risk based schedule. REPPIR = Radiation (Emergency Preparedness and Public Information) Regulations 2019; COMAH = Control of Major Accident Hazards Regulations 2015.

The Role of Councillors

The Local Government Association has provided a useful councillors guide setting out [their role in a civil emergency](#). In an emergency councillors are not involved in the operational response which is led by council officers. However, it defines the following areas where councillors can provide good leadership:

- *Political leadership* – Ensuring that the Council is meeting its obligations under the CCA, in terms of preparing for and responding to emergencies. By way of this annual report, Audit and Governance Committee has an opportunity to receive this assurance. Similarly, Emergency Management and Resilience sits within the “Planning and Emergency Management and Resilience” portfolio;
- *Civic leadership* – Providing a focal point for the local area during an emergency. This was seen to great effect during the Covid pandemic, and also in response to recent storm events;
- *Community leadership* – Helping to increase community resilience, and supporting communities’ emergency responses and through the period of recovery. This is covered in more detail in section 5 of this report.

In the event of incident notification, the Duty Emergency Management and Resilience Officer will endeavour to inform the portfolio holder, Leader and relevant ward members. However, the level of contact will vary, as the primary focus of the officer is to respond to the incident.

Business Continuity

Whilst Emergency Response focuses on the safety and protection of life, assets, and the environment, business continuity is focused on the continuity of Dorset Council’s

own critical business operations. All services are ranked for criticality, and this 'business impact assessment' is used to focus critical service maintenance, prioritisation and recovery in an emergency.

All services are required to maintain a business continuity action card, which sets out how it responds to a range of consequences, such as loss of staff, premises, systems or data, and critical third-party supplier failure. The Emergency Management and Resilience team seek to drive engagement to educate and embed BC across Dorset Council. A number of mini exercises have been released, allowing teams to test the adequacy of business continuity plans against a range of scenarios. This has included the response to a significant power outage, a cyber-attack and resultant loss of data. It is intended to hold a whole authority business continuity exercise later in the financial year.

The '[Dorset Prepared](#)' website provides tools and guidance to support businesses and voluntary organisations.

Societal resilience

There is a growing recognition nationally of the importance of establishing greater resilience within communities, so that they are able to respond to incidents affecting them locally. Societal resilience is about empowering the whole of society, including individuals, families, businesses, sporting and social clubs, cultural groups, educational establishments, institutions and religious groups to become involved in developing how they can become more resilient.

The Dorset LRF's strategy includes:

- Co-ordinating community resilience across Dorset;
- Providing the knowledge, expertise and tools to support communities;
- Engaging with communities, groups and networks across Dorset, including parish and town councils, faith groups, voluntary groups and community interest groups;
- Encouraging effective dialogue between communities and LRF partners;
- Meet the mandatory requirements and work towards good practice as contained in the National Resilience Standard for Community Resilience

The LRF Community Resilience Group is co-chaired by Dorset and BCP Council officers, and co-ordinates delivery of the strategy. In 2023 the LRF agreed to fund a pan-Dorset Community Resilience Liaison Officer (CRLO) on a fixed term contract, however this contract expired and future funding is currently unclear. Prior to the contract, the CRLO was engaged in the development of several Community Emergency Response Plans. Community resilience remains a team priority, but is

being delivered on a “best endeavours” basis by team members at present, as the work is primarily outside of normal working hours.

The ‘[Dorset Prepared](#)’ website has been redeveloped and provides tools and guidance for communities.

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Audit and Governance Committee

12 October 2026

Period 4 Finance Management Report 2026/27 For Decision

Cabinet Member:

Cllr S Clifford, Resources & Finance

Local Councillor(s):

All

Senior Leadership Team:

S Cremer - Director, Resources

Report author and job title: Lee House, Acting Head of Finance Business Partnering

Email: Lee.House@dorsetcouncil.gov.uk

Statutory Authority: Section 151 Officer

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

Following presentation to Cabinet on 8 September 2026, this report comes to Cabinet with information about the Council's forecast financial performance for the full 2026/27 financial year. The forecasts are based on data as at 31 July 2026 (Period 4).

2. Recommendation(s)

Audit & Governance is asked to:

1. Note SLT's forecast as July 2026 including progress in addressing demand for services and on the transformational and efficiency savings incorporated into the budget.
2. Note the addition of the Wimborne Community Sports Hub capital budget (£2.289m) to the Capital Programme (Business case in Appendix C).
3. Note the addition of the Lyme Regis Environmental Improvement Scheme Phase 5 (The Cobb) capital budget (£8.365m) to the Capital Programme.
4. Note the decision to extend the Mosaic contract which required a retrospective update to a September 2023 Cabinet record of decision (Appendix B)
5. Note the number and extent of contract exemptions. (Appendix B)

3. Reason for the recommendation(s)

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

Cabinet

8 September 2026

July 2026 financial management report 2026/27

Portfolio Holder:

Cllr S Clifford, Finance & Capital Strategy

Local Councillor(s):

All

Senior Leadership Team:

S Cremer, Director Resources, Section 151 Officer

Report Author: Lee House

Job Title: Acting Head of Finance Business Partnering

Tel: 01305 225032

Email: lee.house@dorsetcouncil.gov.uk

Report Status: Public

1. Executive Summary:

- 1.1. This report sets out Dorset Council's financial position at the end of July 2026, Period 4 of the 2026/27 financial year. It provides Cabinet with an assessment of the forecast revenue outturn, the delivery of savings and transformation plans, the main financial risks facing the Council, and the capital programme changes requiring approval.
- 1.2. At this stage of the year, the Council is forecasting a net revenue overspend of £8.136m, representing 1.7% of the approved net budget of £466m. This is a material pressure, but one that remains within a scale that can be managed through focused action, continued budget discipline and the careful use of reserves if ultimately required. The priority is therefore to reduce the forecast through in-year controls.
- 1.3. The principal drivers of the forecast overspend are demand-led pressures in services supporting vulnerable adults and children, alongside delays in the delivery of savings associated with the Our Future Council transformation programme. Children's Services is forecasting an overspend of £3.048m, primarily linked to the cost and availability of external residential and specialist placements for children in care. Adult Social Care is forecasting an overspend of £3.022m, driven principally by higher activity and increasing average package costs. In addition, £4.000m of savings linked to transformation are currently forecast as delayed with some benefits now expected to be achieved in future years.

- 1.4. These pressures are partly offset by forecast underspends across a number of areas, including Modernisation and Customer Delivery, Capital Financing, the Chief Executive's Office and Resources. The forecast therefore reflects both the structural cost pressures affecting local government nationally and the Council's continuing capacity to manage elements of its own cost base through vacancy management, service-level controls and active financial oversight.
- 1.5. The financial position should be interpreted in the context of a wider operating environment in which local authorities continue to experience sustained growth in demand, market price pressures and uncertainty around future funding. The current risk is assessed as medium because the forecast overspend is below 2% of the net budget and remains potentially manageable. However, the residual risk is assessed as high, reflecting the continuing structural pressures in adult social care, children's social care, SEND and the Dedicated Schools Grant.
- 1.6. Cabinet is asked to note the forecast financial position and associated risks, including progress on savings and transformation delivery. Cabinet is also asked to approve additions to the capital programme for the Wimborne Community Sports Hub and Lyme Regis Environmental Improvement Scheme Phase 5, and to note the number and extent of contract exemptions. The position will continue to be monitored through monthly Directorate and Senior Leadership Team budget management arrangements, with further reporting to Cabinet as the year progresses and as the Medium-Term Financial Plan is updated.

2. Recommendation

Cabinet is asked to:

- 2.1. Note SLT's forecast as July 2026 including progress in addressing demand for services and on the transformational and efficiency savings incorporated into the budget.
- 2.2. Approve the addition of the Wimborne Community Sports Hub capital budget (£2.289m) to the Capital Programme (Business case in Appendix C).
- 2.3. Approve the addition of the Lyme Regis Environmental Improvement Scheme Phase 5 (The Cobb) capital budget (£8.365m) to the Capital Programme.
- 2.4. Note the decision to extend the Mosaic contract which required a retrospective update to a September 2023 Cabinet record of decision (Appendix B)
- 2.5. Note the number and extent of contract exemptions. (Appendix B)

3. Reason for Recommendation:

- 3.1. Although the report is primarily for noting the outturn position, Cabinet approval is required for the changes to the Capital programme.
- 3.2. The report does not seek Cabinet approval of the forecast of the financial position at 31 July 2026. The information contained in this report is critical in informing the refresh of the Medium-Term Financial Plan (MTFP) and the development of the 2027/28 and 2028/29 budget strategy.
- 3.3. It is important for Cabinet to review the risks the organisation now faces and to consider areas where it wishes to make strategic investments and/or to repurpose and prioritise its reserves to facilitate these aims.
- 3.4. It is also important for Cabinet to understand the developing financial performance and projected position this year. This ensures that resources are deployed to deliver the Council's services in line with the Council Plan priorities, and so that the organisation remains in good financial health and that service delivery remains sustainable. The Council makes a significant contribution in supporting employment, training and economic prosperity, as well as being a provider and commissioner of critical public services. Balancing all of these strategic, and often, competing priorities is a responsibility taken extremely seriously.

4. Financial Implications

- 4.1 Financial implications are covered within the body of this report.

5. Climate Implications

- 5.1 The forecast includes revenue and capital spend which support the delivery of the Council's climate and ecology strategies.

6. Well-being and Health Implications

- 6.1 The Council has total service budgets of £466m of which £304m (65%) is spent within the directorates responsible for adult social care, children social care and housing which aims to improve aspects of well-being and health across Dorset. Further resources are available through the Public Health Ring Fenced Grant allocation of £18.130m.

7. Other Implications

- 7.1 None specific.

Risk Assessment

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

8.2 Current Risk: Medium

8.3 Residual Risk: High

8.4 Despite the mitigations and governance framework around strategic and financial performance that the Council has in place, the S151 Officer deems the current risk to be **medium**. The current risk reflects that

- a) the Council's local position of a forecast overspend less than 2% of the net budget which is within a range which could be managed down through continued diligence in managing spend across the Council. In the event that this overspend falls to reserves, this level of overspend would not be "high risk" given the Council's overall reserve position.
- b) Dorset has successfully submitted a SEND Reform Plan, which is a key milestone in securing a 90% write off of the cumulative DSG overspend.

8.5 This situation will remain under close supervision and is discussed with SLT at the monthly budget management meetings.

8.6 The residual risk being **high** principally reflects the national picture and economic conditions affecting all local authorities. Pressures continue to build in the Medium-Term Financial Plan (MTFP) for demand led service delivery to support vulnerable Adults and Children and around the High Needs Block (HNB) of the Dedicated Schools Grant (DSG). Sustainable funding for these services continues to lag behind the rate at which need continues to grow.

8.7 The context of these risks is detailed later in this report.

9. Equalities Impact Assessment

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

10. Appendices

Appendix A – Climate Wheel

Appendix B – Contract Exemptions

Appendix C – Capital bid - Wimborne Community Sports Hub

11. 11. Background Papers

[2025/26 outturn report](#)

[2025/26 budget strategy report](#)

12 Overall projection

- 12.1 At Period 4, the Council is forecasting a net revenue overspend of £8.136m (1.7%) against the approved budget of £466m.
- 12.2 Pressures from delayed OFC/ Transformation savings total £4.000m and there are service pressures within Children's Services (£3.048m overspend) and Adult Social Care (£3.022m overspend)
- 12.3 These pressures are partially offset by underspends across a number of services, most notably Modernisation and Customer Delivery (£1.143m), Capital Financing (£1.000m), Chief Executive's Office (£0.352m) and Resources (£0.232m).
- 12.4 Service directorates collectively forecast a net overspend of £4.573m (1.0% of budget), reflecting continued demand-led pressures, particularly in social care services.
- 12.5 SLT are developing mitigation to help support services most affected by demand and the extent to which reintroducing spend control measures around discretionary spend is more closely managed collectively. This will build on the current budget control measures managed within directorate budgets and aiming to arrive on budget by March 2027. Without mitigation the current forecast would require use of reserves.

12.6 The directorate variances are summarised in the table below.

Directorate	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Children's Services	105,434	108,481	(3,048)	(2.9%)
Adult Social Care	177,753	180,775	(3,022)	(1.7%)
Housing, Communities and Prevention	20,876	20,868	8	0.0%
Economy & Environment	105,528	105,910	(383)	(0.4%)
Chief Executives Office	12,739	12,387	352	2.8%
Resources	8,061	7,829	232	2.9%
Modernisation and Customer Delivery	26,999	25,856	1,143	4.2%
Assurance & Governance	8,964	8,818	145	1.6%
Total Service Budgets	466,353	470,925	(4,573)	(1.0%)
General Funding - including Our Future Council	(10,118)	(6,118)	(4,000)	(39.5%)
Capital Financing	18,992	17,992	1,000	5.3%
Contingency	(5,155)	(5,155)	0	0.0%
Precepts/Levy	23,607	23,620	(13)	(0.1%)
Central Finance	(505,469)	(504,926)	(543)	(0.1%)
Retirement costs	1,707	1,713	(6)	(0.4%)
Whole Authority	(10,084)	(1,949)	(8,136)	
Dedicated Schools Grant budgets	10,084	83,821	(73,737)	

12.7 More detail on the specific directorates is set out in the following paragraphs.

13. Children's Services

13.1 The Children's Services forecast is £108.5m compared with a net budget of £105.4m an overspend of £3.0m (2.9%).

Childrens Services	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Quality Assurance	4,387	4,286	101	2.3%
Care & Protection	65,305	68,768	(3,463)	(5.3%)
Commissioning and Partnerships	6,605	6,758	(153)	(2.3%)
Director's Services	3,193	2,733	460	14.4%
Education and Learning	15,247	15,240	6	0.0%
DSG recharges	0	0	0	0.0%
Birth to Settled Adult	10,697	10,696	1	0.0%
Total Directorate Budget	105,434	108,481	(3,048)	(2.9%)

Dedicated Schools Grant budgets	10,084	83,821	(73,737)	
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13.2 The forecast continues to be driven primarily by the cost of placements for Children in Care (CiC), particularly external residential and specialist placements where market demand, complexity of need and placement availability continue to exert significant financial pressure.

13.3 The largest pressure remains within Care & Protection, which is forecasting an overspend of £3.5m against a budget of £65.3m. This reflects continued reliance on high-cost external residential placements and specialist provision for children with complex needs. Financial pressures arising from external placements are partially offset by favourable variances within in house residential provision, fostering services and other placement budgets.

13.4 Quality Assurance is forecast to underspend by £0.1m, largely due to timing between the recruitment of apprentice social workers and the subsequent movement of staff into substantive social work roles.

13.5 Commissioning and Partnerships is forecasting an overspend of £0.15m. This position is driven primarily by the Outdoor Education Service, which is forecasting a pressure of approximately £0.35m, partially offset by underspends elsewhere within the service.

13.6 Director's Services is forecast to underspend by £0.46m, reflecting a combination of lower than budgeted premature retirement costs and additional

Home Office funding received in relation to Chickerell Camp. The forecast also assumes delivery of savings associated with the Dorset Children Thrive programme and therefore remains subject to ongoing review as implementation progresses.

- 13.7 Education and Learning (Dorset Council budgets) is reporting a broadly balanced position, with only a marginal forecast underspend. Vacancy management has contributed positively to the forecast, although the full financial implications of the Thrive operating model are still being assessed.
- 13.8 Overall, the Children's Services Directorate is forecasting a net overspend of £3.05m. Underlying financial position remains highly sensitive to placement activity, with a small number of additional complex placements capable of materially affecting the forecast.

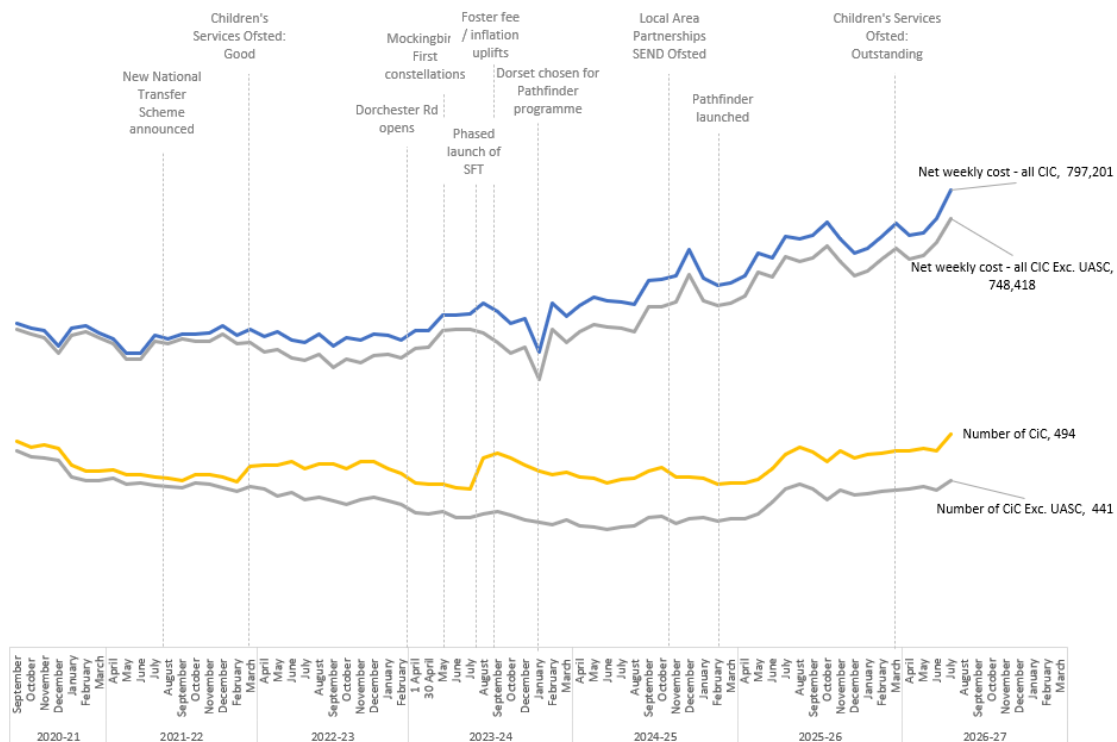
Children in care

- 13.9 As mirrored nationally, pressure on external placements for our children in care population continues. Increasing numbers of Children in Care not only impact placement budgets, but non-placement budgets are also affected including assessment costs, legal, interpreter fees and travel costs.
- 13.10 The Children in Care placements budget is currently forecast to overspend by £4.6m, this includes fostering and in house residential provision.
- 13.11 An overspend is reported for supporting our children in care, and this is mainly driven by three factors: our children's needs increasing in complexity, rising costs and an external residential placement market that isn't functioning effectively.
- 13.12 There were 441 Children in Care (excluding unaccompanied asylum seeking children) at the end of July 2026, an increase of 11 from June 2026 (430), but still 9% lower than the September 2020 baseline of 475. Whilst overall numbers remain below historic levels, the mix of placements continues to generate significant financial pressure.
- 13.13 The number of children in external residential placements increased to 56 in July 2026, compared with 54 in June 2026 and 51 in April 2026. At the same time, the average weekly cost of external residential placements has risen to £6,870 per week (£360k per year), representing a 72% increase since September 2020. High-cost supported accommodation placements remain a key area of financial pressure, with average weekly costs reaching £3,906 per week (£203k per year), 51% higher than the September 2020 baseline.
- 13.14 Encouragingly, Dorset Council's in-house fostering provision remains strong, with 215 children placed with Dorset Council foster carers in July 2026, broadly consistent with recent months and slightly above the September 2020 position.

Alongside relatively stable costs within Dorset Council residential provision, this continued reliance on in-house placements helps to offset some of the budget pressures arising from the external placement market.

- 13.15 Despite an overall reduction in Children in Care numbers since 2020, rising placement costs, particularly within the external residential and supported accommodation sectors, along with a growing number of Children in Care continue to be the primary driver of financial pressure within the placement budget.

Dorset Council: Children in Care - net weekly cost and number of children



- 13.16 If the number of children in care (exc. our unaccompanied children) had remained at 475, at July averages, it is estimated an additional £3.0m of annual cost would be incurred.

Risks and mitigations

13.17 The forecast remains subject to a number of significant risks and uncertainties:

- a) Further Children in Care placement activity, particularly external residential or specialist placements, could materially increase the forecast overspend.
- b) Delivery of the remaining Children in Care savings programme remains challenging and is dependent upon sustained reductions in high-cost placement expenditure.
- c) Demand for support packages within the Birth to Settled Adulthood service may increase during the year.
- d) The full financial impact of organisational changes associated with the Dorset Children Thrive model is still being evaluated.
- e) Ongoing inflationary pressures within the residential care market may further increase placement costs.
- f) SEND-related expenditure continues to present a significant risk, particularly where increased demand for specialist provision. SEND pressures are felt in the revenue budgets as well as the DSG.
- g) Future health funding arrangements and partner contributions remain uncertain

13.18 Overall, while the forecast position represents a 2.9% overspend, the directorate continues to face significant demand-led pressures, particularly in relation to Children in Care placements and SEND services, and close monitoring of expenditure and savings delivery remains essential throughout the remainder of the financial year.

14. Adult Social Care

14.1 Adults Social Care is currently forecasting a net expenditure of £180.775m against a budget of £177.753m, resulting in a projected overspend of £3.022m (1.70%). The overspend is primarily due to pressures from increased demand.

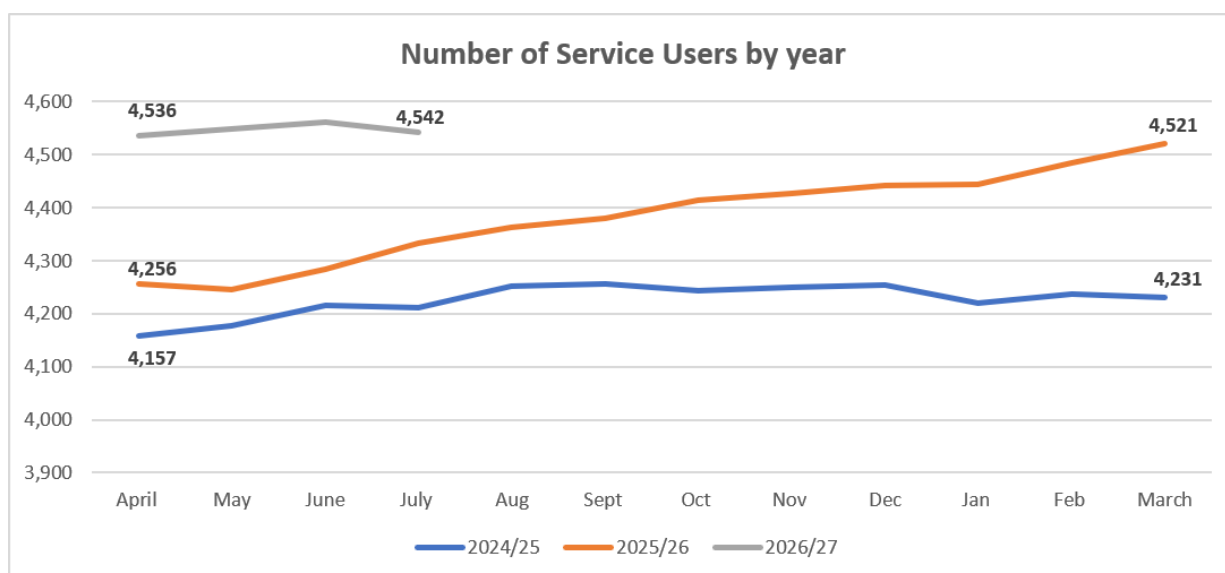
Adult Social Care	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Adult Care Packages	153,995	158,159	(4,164)	(2.7%)
Adult Care Operation	21,570	20,414	1,156	5.4%
Directorate Wide	2,188	2,202	(14)	(0.6%)
Total Directorate Budget	177,753	180,775	(3,022)	(1.7%)

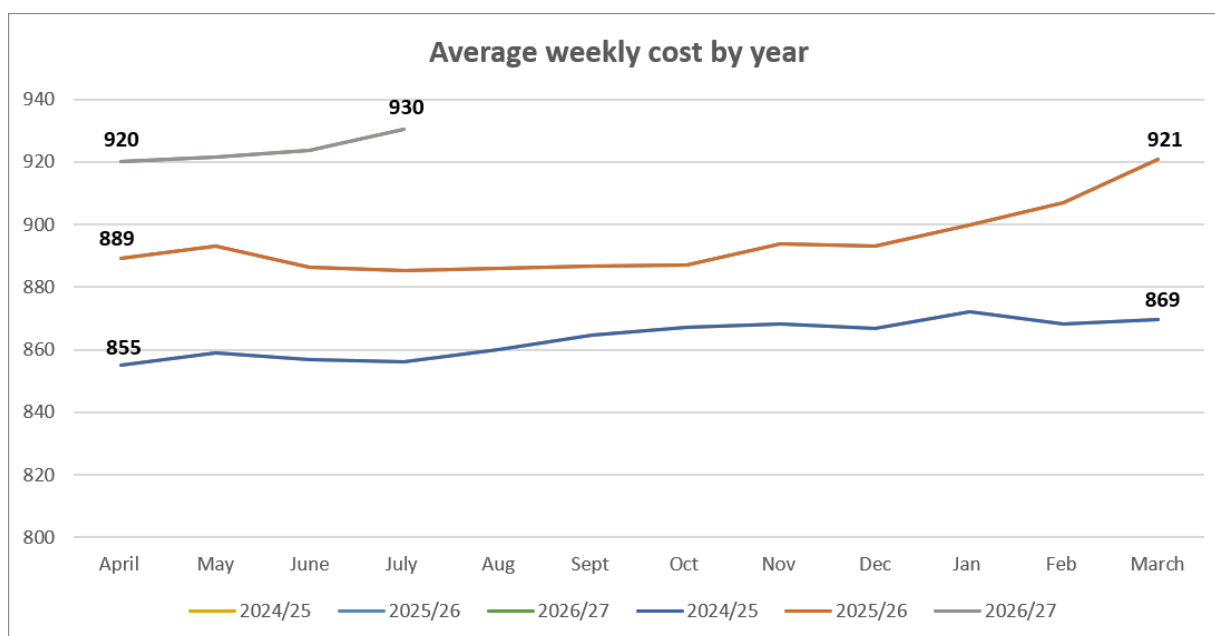
Adult care packages

14.2 The 2026/27 budget assumed 4,415 people would be supported at an average weekly cost of £887. That activity level had already been exceeded by the start of the year, with 4,536 people receiving support and the average weekly cost increasing to £921. This represented 121 more people than budgeted for and a £34 increase in the average weekly cost before the year had commenced. Additional contingency funding of £3.5m has been allocated to support the cost of rising demand since the budget was set.

14.3 Demand has continued to grow during the first four months of the year. As at July, the number of people being supported is now 4,542, while the average weekly cost has risen to £930 per week. The combination of the higher than budgeted activity levels and increasing package costs continues to place pressure on the budget and is the primary driver of the forecast overspend.

14.4 The below charts show number of services users by year and average cost.





14.5 The Directorate continues to experience pressures from health-related funding changes, currently estimated at £0.748m, arising from jointly funded packages that are no longer eligible for health funding and from Continuing Healthcare (CHC) hand backs.

14.6 Care packages continue to be reviewed under the oversight of Corporate Directors, in line with the scheme of delegation. Existing system-wide activity is focused on reviewing packages for appropriateness, exploring joint funding opportunities, and assessing eligibility for continuing healthcare. These efforts are being factored into the forecasting process to improve accuracy and financial control.

14.7 Significant progress has been made in vacancy management, with vacancy factor savings currently delivering 65% of the total vacancy target. It is anticipated that the Directorate will exceed the vacancy factor target, generating additional savings and contributing to the forecast underspend of £1.156m, which is offsetting the pressure on placement costs.

14.8 Contributions from Partners

14.9 Below is a summary of health contributions.

	2024/25	2025/26	2026/27 forecast
Health contributions	14,249,095	16,059,347	18,483,635

14.10 This includes our Continuing Healthcare (CHC), Joint Funding income as well as pooled budget contributions. It is important to note that, although some Health funding streams have reduced such as CHC and Joint Funding, demand within pooled budgets, including Section 117, Valuing People Now and Moving on from Hospital Living, has increased. As a result, shared contributions from both the Council and Health partners have increased.

14.11 The table below summarises the Continuing Healthcare (CHC) and Jointly Funded packages that have been handed back to the Council and associated costs. Costs like this passed from the NHS to the Council represent a significant cost pressure and are difficult to predict.

	2024/25		2025/26		2026/27 YTD actuals	
	No. Packages	Cost in year	No. Packages	Cost in year	No. Packages	Cost in year
CHC Handbacks	26	1,178,443	18	520,902	6	593,519
Joint Funded packages no longer eligible	0	-	30	568,582	5	154,639
	26	1,178,443	48	1,089,484	11	748,158

15. Housing, Communities and Prevention

15.1 Housing, Communities and Prevention is currently forecasting a net expenditure of £20.868m against a budget of £20.876m, resulting in a projected underspend of £0.08m (0.0%).

Housing, Communities and Prevention	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Regulatory Services	4,324	4,424	(101)	(2.3%)
Housing & Community	9,244	9,162	82	0.9%
ASC Commissioning	7,271	7,244	27	0.4%
PH Joint Partnership	0	0	0	0.0%
LiveWell Dorset	1,108	1,008	101	9.1%
Public Health	17,060	17,161	(101)	(0.6%)
Public Health Grant	(18,130)	(18,130)	0	0.0%
Total Directorate Budget	20,876	20,868	8	0.0%

15.2 The July forecast indicates that the Directorate is currently projected to achieve a balanced outturn position. However, an adverse variance of £0.101m is forecast within Regulatory Services, relating to a staffing saving target. Delivery of this saving is unlikely to be achieved, and the position will continue to be monitored as part of the Directorate's budget management arrangements.

16. Economy and Environment directorate

16.1 The overall forecast for the Directorate as at the end of July is a projected adverse position (an overspend) of £0.383m (0.4%), with a projection of £105.9m net spend against a net budget of £105.5m.

Economy and Environment	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Highways	4,418	4,385	33	0.8%
Dorset Travel	44,129	43,133	995	2.3%
Flood & Coastal Erosion Risk Management (FCERM)	1,100	1,150	(50)	(4.5%)
Greenspace	3,171	3,246	(75)	(2.4%)
Health & Activity	125	119	6	4.7%
Commercial Waste & Strategy	17,879	18,177	(299)	(1.7%)
Waste - Operations	18,214	18,394	(180)	(1.0%)
Fleet	182	95	87	48.0%
Weymouth 2040 Ancillaries	841	841	0	0.0%
Economic Development	738	828	(90)	(12.2%)
Harbours	16	20	(4)	(28.0%)
Leisure, Arts & Cultural Services	3,408	3,349	59	1.7%
Directors Office	438	473	(35)	(8.0%)
Assets & Property	6,901	6,901	(0)	(0.0%)
Planning	3,969	4,799	(829)	(20.9%)
Total Directorate Budget	105,528	105,910	(383)	(0.4%)

16.2 The Economy & Environment directorate budget includes a built-in saving target in relation to staff turnover broadly equivalent to a 3% vacancy factor, although some services are exempt (notably waste operations). It is currently assumed that this will be found in full. This is subject to ongoing monthly monitoring.

16.3 Commentary on the specific services where the variance is over £0.100m is provided as follows.

Highways

16.4 The Highways budget is forecast to be underspent by £0.033m, made up as follows:

- Network Operations are expecting to be £0.375m favourable, as a result of higher than budgeted FPN income.
- Parking Services are expecting to be £0.309m overspent, of which £0.125m is a shortfall in income and the remainder is pressure on expenditure budgets, in particular rates which have seen some revaluations. It should be noted that income is 5% up on last year, but overall volume is down for the first four months in comparison to the previous 12 months (i.e. fewer car park spaces occupied, but they are occupied for longer and therefore pay more).

Dorset Travel

16.5 Overall, Dorset Travel is projecting a £0.995m underspend on a net budget of circa £44m. There are two main aspects to this:

16.6 Public transport is projecting an adverse variance of circa £1m, in respect of concessionary fares. This assumption is based on actual usage (and therefore expenditure) incurred last year. This will continue to be monitored on a monthly basis.

16.7 SEND transport has seen increases in expenditure in recent years. The table below is a reminder of that volatility.

Financial Year	Expenditure £'000	Increase £'000	Increase £'000
2020/21	10,179		
2021/22	11,270	1,091	10.72%
2022/23	16,281	5,011	44.47%
2023/24	19,031	2,750	16.89%
2024/25	19,731	699	3.68%
2025/26	20,224	494	2.50%
2026/27 Forecast	22,489	2,265	11.19%

16.8 The volatility in SEND transport is caused by a mixture of increases in numbers of children being transported (and mitigated, where possible, through actions such as sharing transport) and the costs of the market at any particular point in time (notably, issues such as driver shortages and fuel costs).

- 16.9 It can be seen that 2025/26 had the lowest increase in expenditure in recent history. This is considered to be partly due to the stability of the market place, and partly due to efforts by Dorset Travel to maximise efficiency opportunities.
- 16.10 The costs for SEND transport remain fluid until each September, when a significant volume of contracts come up for renewal in line with the start of the new academic year. This makes forecasting difficult prior to this point.
- 16.11 Nonetheless, at this stage, the forecast assumes an underspend of circa £2m. This reflects the success seen in the last financial year, and the stable market conditions, and assumes that any uplift in costs can be contained. This will be revisited after the 26/27 academic year has commenced.

Commercial Waste and Strategy

- 16.12 An overspend of £299k is predicted. This is a combination of three headline items:
- i. Recyclate price is lower than budgeted (details not given here due to commercial sensitivity)
 - ii. Overall tonnages being lower than budgeted.
 - iii. Absorbing the cost of the new HRC contract which comes into place from 28th August 2026.
- 16.13 This budget line is volatile and needs to be kept under constant review.

Waste Operations and Fleet

- 16.14 There are projected variances of £0.180m adverse in Waste Operations and £0.087m favourable in Fleet. The main cause of the overspend was the higher prices around vehicle fuel seen earlier in the year. Diesel prices have fluctuated dramatically in response to global events and so price remains volatile. However, approximately 75% of the DC fleet uses HVO fuel, and whilst this provides some buffer, demand for this fuel source has seen price rise higher than budgeted. Again, this budget line is volatile and needs to be kept under constant review.

Planning

- 16.15 Overall, a £0.829m adverse variance is projected. The biggest issue is poor planning income received in the year to date in the Development Management area, being approximately £0.300m below budget for the first four months. The forecast of £0.829m assumes an improving position over the remaining eight months, however income is very difficult to accurately predict.
- 16.16 The government have just announced a new charging policy which includes increases to some fees set nationally to take effect from early December 2026.

The implications of the new policy have yet to worked through.

17. Chief Executive's Office

17.1 The Chief Executive's Office forecast is £12.387m compared with a net budget of £12.739m, showing a £352k underspend.

Chief Executives Office	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
People & Workforce	2,551	2,432	119	4.7%
Strategy, Performance and Sustainability	3,987	3,915	72	1.8%
Business Support	5,563	5,403	160	2.9%
Chief Executive's Office	637	637	0	0.0%
Total Directorate Budget	12,739	12,387	352	2.8%

17.2 **People & Workforce** is forecasting an underspend of £119k. The position is primarily driven by pay savings from vacancies, vacant hours, scale point changes and holiday purchase arrangements, which are offsetting income shortfalls and service savings requirements. Risks remain around income generation and Occupational Health staffing costs, but these are currently expected to be managed within existing budget provisions.

17.3 **Strategy, Performance and Sustainability** is forecasting a net underspend of £72k. This comprises a £54k underspend within Communications, driven by pay savings partly offset by increased printing, software, subscription and equipment costs.

17.4 **Business Support** is forecasting an underspend of £160k, driven primarily by pay underspends. The position reflects savings arising from Year 1 of the Our Future Council (OFC) programme. Central finance has £600k of OFC year 1 related savings, a proportion of which will be attributed to Business Support where the associated savings have been realised.

18. Resources

18.1 The forecast for Resources is £7.829m compared with a net budget of £8.061m, showing a £0.232m underspend. The forecast underspend of £232k is primarily driven by pay underspends within Accountancy and Operational Finance.

Resources	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Finance & Commercial	8,061	7,829	232	2.9%
Total Directorate Budget	8,061	7,829	232	2.9%

19. Modernisation and Customer Delivery

19.1 Modernisation and Customer Delivery is currently forecasting a £1.143m underspend against a net budget of £26.999m

Modernisation and Customer Delivery	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
ICT Operations	9,084	8,934	151	1.7%
Customer Hub	5,870	5,748	123	2.1%
Library Services	4,404	4,410	(6)	(0.1%)
Revenues & Benefits	3,837	3,208	628	16.4%
Transformation, Innovation & Design	3,566	3,319	247	6.9%
Directors Office	237	237	0	0.0%
Total Directorate Budget	26,999	25,856	1,143	4.2%

19.2 **ICT Operations** is forecasting an underspend of £151k. The forecast position is primarily driven by underspends in infrastructure and software. These are partially offset by lower income levels and additional licensing and implementation costs. Pay expenditure is forecast to be on budget overall, and the position assumes delivery of the £85k applications rationalisation saving.

19.3 **Customer Hub** is forecasting an underspend of £123k, primarily driven by pay savings. The position reflects savings arising from Year 1 of the Our Future Council (OFC) programme. Central finance has £600k of OFC year 1 related savings, a proportion of which will be attributed to Customer Hub where the associated savings have been realised.

19.4 **Revenues and Benefits** is forecasting an underspend of £628k primarily due to underspends in pay and the net effect of a reduction in rent allowances and rent rebates paid against the amount of subsidy income received.

19.5 **Transformation, Innovation & Design** is forecasting an underspend of £247k which is related to underspend in pay. The position reflects savings arising from Year 1 of the Our Future Council (OFC) programme.

20 Assurance and Governance

20.1 The Assurance and Governance forecast is £8.818m compared with a net budget of £8.964m, an underspend of £145k (1.6%). This is primarily due to an increase in income in the Land Charges service, offset by small pay related overspends.

Assurance & Governance	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Assurance	1,825	1,831	(5)	(0.3%)
Democratic & Elections Services	3,155	3,201	(46)	(1.4%)
Land Charges	(332)	(489)	157	47.3%
Legal Services	3,310	3,270	39	1.2%
Archives	1,006	1,006	0	0.0%
Total Directorate Budget	8,964	8,818	145	1.6%

21 Central Finance and Contingency

21.1 The forecast for central finance budgets is £462.664m compared with a net income budget of £466.227m, is a forecast overspend of £3.563m (0.8%).

Central Finance	Net Current Budget £'000	Forecast Outturn £'000	Forecast (Overspend)/ Underspend £'000	
Our Future Council Savings	(7,291)	(3,291)	(4,000)	(54.9%)
General Funding	(2,827)	(2,827)	0	0.0%
Capital Financing	18,992	17,992	1,000	5.3%
Contingency	5,054	5,054	0	0.0%
Precepts/Levy	23,607	23,620	(13)	(0.1%)
Central Finance	(503,763)	(503,213)	(550)	(0.1%)
Total Central Budgets	(466,227)	(462,664)	(3,563)	(0.8%)

21.2 **Our Future Council programme** – see section 22.

21.3 **Capital Financing** – The current forecast includes an estimated £1.0m increase in interest income arising from the anticipated receipt of approximately £130m of additional SEND deficit grant funding expected from the autumn. The final amount and timing of the funding remain subject to confirmation and will impact the level of interest income ultimately achieved.

21.4 **Contingency** - The Council's base budget included a contingency budget of £8.554m, consisting of £5.047m for general contingencies, £2.491m to cover inflationary pressures, £0.515m to support delivery of the Council Plan, and £0.500m for Cost-of-Living support initiatives.

21.5 To help meet the costs associated with a higher-than-expected number of Adult Social Care placements, £3.5m has been transferred from the contingency budget to Adult Social Care.

21.6 **Central Finance** - These budgets include income from Council Tax and Business Rates. The current forecast shows a £0.543m shortfall in Business Rates income. This is because the budget was set before the NNDR1 return was completed, when it was expected that more Business Rates income would be collected. The completed NNDR1 has since shown that the amount of income likely to be received is lower than originally estimated. As a result, there is a gap between the budgeted income and the income now expected to be achieved, which has contributed to the forecast overspend.

22 Transformation and savings plans

22.1 **Our Future Council – Whole Council Transformation** The 2026/27 Dorset Council budget includes a portfolio of savings plans across each directorate, alongside the Our Future Council (OFC) whole council transformation programme. OFC is designed to modernise shared functions across the organisation and underpin them with appropriate, enabling technology.

22.2 The approved business case for OFC included a savings requirement of £9.4m for 2026/27.

Progress to Date – July 2026

22.3 Expectations of the savings delivery are shown in the table below

Savings area	Budget	Forecast at P4	P4 confidence	Remainder to deliver	Remainder confidence
Workforce redesign	£2.5m	£1.1m	High	£1.4m	Medium
Third-party spend	£4.0m	£2.0m	Medium	£2.0m	Low
ICT rationalisation	£0.3m	£0m	Low	£0.3m	Low
Full-year effect delivered in 2025/26	£2.6m	£2.0m	High	£0.6m	High
Total	£9.4m	£5.1m	High	£4.3m	Mixed

Cumulative workforce reduction:

22.4 The Our Future Council programme has identified delivery plans for £1.1m of workforce-related benefits through leadership redesign, the implementation of the Customer Hub and Business Support Hub, workforce reshaping and vacancy management. Of this, £0.1m has already been delivered. There is high confidence that the remaining £0.6m of the full-year effect of the 2025/26 savings programme will be achieved. These savings are reflected in the forecast for the Customer Hub, Business Support Hub and the Transformation Management Office.

Third-Party spend Reduction:

22.5 Current forecasts indicate £2.0m of third-party savings and cost avoidance will be achieved through commercial management, procurement activity and measures to mitigate inflationary and demand-led cost pressures. Delivery plans continue to be developed and refined, and forecasts will be updated as delivery confidence increases.

Savings – Adults

22.6 The Directorate has a savings target of £4.125m for 2026/27. Savings achieved to date total £0.952m, representing (23%) of the annual target. See earlier Adults section for detail

Savings Children's

- 22.7 The Children's Services directorate has a savings target of £6.582m for 2026/27. Savings achieved to date total £2.411m, representing 36% of the annual target. See earlier Children's section for detail.

Savings – Economy & Environment

- 22.8 The Directorate budget for 2026/27 includes £2.867m of in-built specific savings targets. This is in addition to in-built vacancy factor targets.
- 22.9 Using the definition that Green savings are achieved, and that Amber savings will not be clear until later in the year, the position for savings is as follows:

E&E Directorate 2026/27 budgeted savings status		
	£m	R/A/G
Permanent removal of posts already taken place	£0.864	Green
SEND transport reviews	£0.500	Amber
Further permanent removal of posts	£0.450	Amber
Reduction in Streetlighting energy costs	£0.412	Amber
Reduction in temporary staff	£0.240	Green
Increased Commercial Waste income	£0.175	Amber
Increased Garden Waste income	£0.091	Green
Reduction in Arts/Culture/Sports expenditure	£0.075	Green
Reduction in waste budget re cross border waste costs	£0.060	Amber
	£2.867	

Savings – Core Services

- 22.10 The Core Services savings target for 2026/27 is £1.17m. To date £0.209m have been achieved, representing (18%) of the annual target. Of the remainder; £0.75m (64%) are amber and require further monitoring and £0.21m (18%) are deemed high risk and are unlikely to be achieved this year
- 22.11 The high-risk saving is Council Tax Automation within Revenues & Benefits, although this project is progressing the savings are likely to be seen within collection fund through increased collection rates, rather than the Revenues & Benefits Service. However, there are sufficient pay underspends within the service which are covering the savings.
- 22.12 The vacancy factor of £1.32m has been achieved in full.

23 Dedicated Schools Grant (DSG)

- 23.1 As of 31 March 2026, cumulative DSG deficit is £148.7m. Any deficit associated with the DSG is kept off council's balance sheets because of the statutory override set out in The Local Authorities Capital Finance and Accounting (England) Regulations. This was extended from March 2026 to March 2028 in June 2025.
- 23.2 Whilst the deficit is therefore held separately from the General Fund, there is a cashflow pressure resulting from carrying a £148.7m deficit meaning that the Council has access to £148.7m less cash than it would otherwise.
- 23.3 As a result, interest foregone on the deficit equates to £4.9m of pressure met by the General Fund. This is £4.9m which could otherwise be spent on local service delivery.
- 23.4 Dorset submitted their Local SEND Reform Plans in June 2026 with outcomes expected to be announced in the Autumn 2026.
- 23.5 The historical DSG deficit experienced by most upper tier local authorities is a long and well-documented risk stemming from a change in government legislation in 2014. The number of children who require an Education Health and Care Place (EHCP) continues to rise and coupled with Dorset Special Schools reaching capacity, has seen an increase in the use of generally more expensive independent special school places.
- 23.6 Any reforms will take time to implement and materials from the DfE so far suggest staged implementation of the changes.

DSG - Accounting treatment

- 23.7 Dorset Council accounts have been produced in accordance with the Schools and Early Years Finance (England) Regulations 2020, which required local authorities to carry forward overspends of Dedicated School Grant (DSG).

DSG – Current position

- 23.8 The Dedicated Schools Grant is forecast to overspend by £73.7m, reflecting continuing national pressures within the High Needs Block and ongoing growth in demand for specialist SEND provision. This means in the absence of receiving the HNSG the deficit could rise to £223.7m.

23.9 Continued High Needs Block overspends could mean that despite a 90% write off the deficit could reach around £150 million by March 2028. Government support would significantly reduce the current historic deficit (at 31 March 2026), however there is no guarantee that future deficits will receive the same level of support, with Government stating that assistance in 2026/27 and 2027/28 will be provided only on an “appropriate and proportionate” basis and “will not be unlimited”.

23.10 As in previous years, the principal drivers of the deficit remain increasing Education, Health and Care Plan (EHCP) demand, growth in specialist placements, and continued pressures across independent and non-maintained special school provision. These pressures mirror those being experienced by many local authorities nationally. Currently Dorset has ~5,000 children and young people with an EHCP, in 2013, this number was 1,407.

23.11 Further analysis and detail is available in the Dorset Schools Forum monitoring reports: [Browse meetings - Schools' Forum - Dorset Council](#)

24 Local Authority Trading Companies (LATC)

24.1 The council has involvement with four LATC's that support the work of the council. This report focuses on the financial performance of the LATC's and highlights any material financial matters which could impact the Council's finances.

Dorset Innovation Park Ltd

24.2 As reported previously, the new Company is now set up. The Board and Executive team are in place, and operational responsibility for the Innovation Park is now transferred to the company. The business plan has been approved by Shareholders, and finances are in accordance with the Business Plan, Shareholder Agreement and previous Cabinet decisions.

Care Dorset

24.3 As of 31 March 2026, the company recorded a net surplus of £40,592 for the 18-month period, compared with a surplus of £10,247 in the previous financial year. The outturn remains subject to independent audit, which is expected to be completed by the end of August 2026.

24.4 For Quarter 1, the company is reporting a net deficit of £86,000. This is primarily due to an expected accrual for estimated pay awards in line with the latest NJC negotiations, which are not yet fully funded, together with increased renewal and replacement costs across services.

Dorset Centre of Excellence Ltd

- 24.5 Coombe House School provides education for children with special educational needs and/or disabilities (SEND). Dorset Centre of Excellence Ltd is a wholly owned company of Dorset Council.
- 24.6 The Company's purpose is to provide high-quality special school places for Dorset children at a fee significantly below the wider independent market.
- 24.7 Capacity has deviated from the pupil and staffing growth assumptions set out in the revised five-year Business Plan (March 2024). The plan assumed additional classroom capacity would be available from September 2025 following Dorset Council investment to bring further buildings into school use. This work has not yet progressed and as a result, the school will remain at a maximum capacity of 154 pupil places for the foreseeable future.
- 24.8 Draft accounts for the year ending 31 March 2026 report a pre-tax surplus for the year of £1.5m. Trading losses brought forward will be fully utilised to offset the corporation tax liability, which is expected to be approximately £100k.
- 24.9 Audit fieldwork was completed in June 2026 and the statutory financial statements for the year ending 31 March 2026 will be shared with the Board in September 2026 for signing. These will be made available to the Shareholder at the earliest opportunity.
- 24.10 Reported turnover for 2025/26 was £8.3m, of which £8.1m relates to placement fees paid by Dorset Council. Budgeted turnover for 2026/27 is £8.2m, with £8m expected from Dorset Council placement fees. The placement fee for 2026/27 remains unchanged from 2025/26.
- 24.11 The Company has budgeted a pre-tax surplus of £512k for 2026/27; the management accounts at 30 June 2026 show no significant variances from budget.

Connect2Dorset

- 24.12 Connect2Dorset is a joint venture with Commercial Services Group (a company wholly owned by Kent County Council). The new service came into effect at the beginning of April 2024 and provides the Council with contingent agency, contract and interim employees.
- 24.13 The long-term aim of Connect2Dorset is to improve the quality of our agency workers, and where suitable convert agency workers to permanent employees.

25 General fund position and other earmarked reserves at year-end

- 25.1 Any overspend at year-end will require funding from reserves. Based on the current revenue forecast, it is anticipated that £8.1m will need to be drawn from reserves to meet the projected overspend.
- 25.2 The General Fund Balance stood at £35.9m at the end of 2025/26 and is forecast to increase to £40.7m by the end of the current financial year.
- 25.3 Earmarked reserves totalled £127m at the end of 2025/26. Current planned utilisation indicates that a similar balance will be maintained at the end of 2026/27. Consequently, total reserves are forecast to be approximately £168m as at 31 March 2027.

26 Capital programme and financing

- 26.1 The capital programme has undergone a comprehensive review to ensure it is appropriately sized to reflect organisational capacity and that all capital investment proposals are supported by robust business cases and clear strategic objectives. The revised programme was approved by Cabinet in June 2026.
- 26.2 As at 31 July 2026, expenditure and commitments against the approved capital programme of £105.042m totalled £29.278m (28%). The programme remains under continuous review to monitor the progress of approved projects and identify any issues that could affect overall delivery. Where project slippage is identified, budgets will be reprofiled within the overall programme to reflect revised delivery timescales.
- 26.3 The approved project budgets for the current year are outlined below.

Directorate	No. of projects	Project Budget £,000	Spend / Commitments £,000	Variance £,000	% Spent
Adult Social Care	2	2,148	1,001	1,147	47%
Children's Services	13	11,440	3,073	8,367	27%
Economy & Environment	50	86,560	24,555	62,005	28%
Housing & Prevention	3	694	161	533	23%
Core Services	5	4,200	489	3,711	12%
Total	73	105,042	29,278	75,764	28%

- 26.4 The delivery of the capital programme is reviewed monthly by Capital Strategy & Asset Management Group (CSAMG).

27 Additions to the capital programme

- 27.1 **The Wimborne Community Sports Hub** is a significant community sports development being delivered as part of the Quarter Jack Park housing development in Wimborne. The scheme will provide a new sports hub incorporating 3.5 grass pitches and a full-size artificial pitch, alongside a pavilion, car parking and associated landscaping.
- 27.2 The facility will enable Wimborne Rugby Club and Allendale Football Club to relocate from their existing sites to modern, fit-for-purpose facilities, creating opportunities for increased participation, growth in youth sport, and wider community use. The project also supports the objectives of Dorset Council's Playing Pitch Strategy by addressing identified demand for improved sports provision in the East Dorset area.
- 27.3 The total cost of the pitch element of the project is estimated at £2.289m. Funding has been secured through a Section 106 agreement with Barratt Homes, which provides £1.689m towards the delivery of the pitches, together with a £600k contribution from the Community Infrastructure Levy (CIL) Fund approved by Cabinet. The development will therefore be delivered primarily through external funding sources, with the CIL allocation providing additional funding and contingency to help manage construction cost pressures. Any funding not required for delivery of the project will be returned to the CIL programme. Full details of the project are shown in Appendix C.
- 27.4 The **Lyme Regis Environmental Improvement Scheme Phase 5** is the strengthening and improvement project for The Cobb structure. The scheme involves the stabilisation of The Cobb harbour arm, an improved working environment on the fish landing quay, improved utility services to the businesses upon the Cobb and resurfacing at key locations.
- 27.5 This project was originally brought to Cabinet in April 2022 at a cost of £3.0m, the funding of which was from external grants and S106 contributions. Since that time the scale and cost of the overall project has grown significantly, so this update is to provide an explanation for the changes and ask for approval of the total scheme budget of £8.365m.
- 27.6 The Lyme Regis Environmental Improvement Scheme Phase 5 is a critical coastal protection and infrastructure project focused on the long-term stabilisation and repair of The Cobb, a Grade I Listed harbour structure that serves as Lyme Regis' principal breakwater, protects the town from coastal erosion and flooding, supports harbour operations and businesses, and provides significant heritage and tourism value. The scheme was originally developed to address progressive structural deterioration, seabed scour and movement within

the harbour walls, while also delivering improvements to key operational areas of the harbour estate.

- 27.7 When the Outline Business Case was approved in 2022, the estimated project cost was approximately £3.0m. Since that time, detailed investigations, design development and ongoing monitoring have identified a substantially greater level of structural deterioration than was previously understood. In particular, rapid undermining of the wall toe at the interface between the Roundabout and Southern Arm has significantly increased the risk to the integrity of the structure and necessitated the development of much more substantial stabilisation and toe protection measures on the seaward side of The Cobb. As a consequence, the scope, complexity and cost of both the design and construction elements have increased considerably beyond the assumptions made in the original estimate.
- 27.8 The scheme has also evolved in response to the technical and heritage challenges associated with preserving a nationally important historic structure. As design work has progressed in consultation with Historic England, the Environment Agency, the Marine Management Organisation and other statutory bodies, additional engineering, environmental and conservation requirements have been incorporated to ensure that the long-term structural resilience of The Cobb can be achieved while safeguarding its historic and cultural significance.
- 27.9 In addition to the increased construction scope, the project has been affected by substantial industry-wide construction inflation since 2022, particularly within the marine and coastal engineering sector where specialist materials, plant and contractor resources are required. The project programme has also been extended as a result of statutory consenting and licensing processes. While essential, the involvement of multiple regulatory authorities has increased the duration of the pre-construction phase, resulting in further escalation of design, supervision and construction costs.
- 27.10 The extended delivery programme has also brought the project within the scope of new legislative and policy requirements, including Biodiversity Net Gain obligations. These requirements were not included within the original 2022 estimate and now require additional assessment, mitigation and funding provision.
- 27.11 Collectively, the increased extent of structural stabilisation works, enhanced toe protection requirements, heritage and environmental considerations, construction inflation, statutory consenting delays and the incorporation of new Biodiversity Net Gain requirements have increased the total estimated project cost from approximately £3.0m in 2022 to £8.365m. The revised estimate reflects the current understanding of the condition of The Cobb and the level of intervention necessary to secure the long-term future of this nationally significant coastal defence, harbour and heritage asset.

27.12 The timeline and funding is outlined in the table below.

Funding	2026/27	2027/28	2028/29	Total
Grant in Aid			£2,090,000	£2,090,000
DEFRA / EA grant		£375,000		£375,000
Local Levy	£300,000	£200,000		£500,000
CIL / S106		£1,125,315	£4,275,000	£5,400,315
Total	£300,000	£1,700,315	£6,365,000	£8,365,315

28 Sundry debt management

New invoices for 2026/27

28.1 The total value of debts (invoices) raised between 1 April and 31 July 2026 is £102.4m, a breakdown by directorate is shown below:

Total debt raised	2026/27
	£'000
Adult Social Care	£22,706
Children's Services	£21,120
Housing & Prevention	£1,114
Economy & Environment	£12,797
Core Services	£44,699
Total	£102,436

Overall amounts owed

28.2 Looking at debt across all years, the balance of sundry debt outstanding at 31 July 2026 was £39.7m, the breakdown is as follows:

Total Debt					
Directorate	Total due £'000	Less than 30 days £'000	30-90 days £'000	90-365 days £'000	Over 365 days £'000
Adult Social Care	28,904	3,014	2,246	8,949	14,694
Children's Services	1,512	1,398	160	-144	98
Housing & Prevention	4,522	216	80	692	3,534
Economy & Environment	3,911	877	1,036	817	1,181
Core Services	888	378	358	56	96
Grand Total	39,737	5,883	3,880	10,371	19,603

28.3 Of the £39.7m outstanding debt, £28.9m relates to Adults & Housing. This includes debt arising from deferred payment agreements and care services provided under gross without prejudice arrangements. A more detailed breakdown of these debts is provided later in this section.

28.4 After excluding these amounts, the remaining balance represents collectable debt, which is currently subject to recovery action.

Collectable Debt					
Directorate	Total due £'000	Less than 30 days £'000	30-90 days £'000	90-365 days £'000	Over 365 days £'000
Adult Social Care	16,107	2,841	1,519	4,361	7,386
Children's Services	1,512	1,398	160	-144	98
Housing & Prevention	4,522	216	80	692	3,534
Economy & Environment	3,911	877	1,036	817	1,181
Core Services	347	192	4	55	96
Total	26,399	5,524	2,799	5,781	12,295

Prior year performance

28.5 At the end of 2025/26, collectable debt arrears totalled £44.32m. To date, £27.9m (63%) has been recovered.

28.6 The table below provides a breakdown of collection performance against prior-year debt.

Prior year arrears	Amount owed 31/03/2026 £,000	Collected in year £,000	Amount outstanding 31/07/2026 £,000	% collected
Pre 1 April 2019	467	46	421	10%
2019/20	805	40	764	5%
2020/21	1,176	24	1,152	2%
2021/22	1,191	74	1,117	6%
2022/23	1,766	151	1,615	9%
2023/24	2,696	334	2,362	12%
2024/25	4,042	847	3,195	21%
2025/26	32,175	26,386	5,789	82%
Total	44,318	27,902	16,416	63%

Deferred payments

28.7 Deferred payments are a form of adult social care debt incurred when Dorset Council provides care services to individuals who own property but may not have sufficient liquid assets to pay for their care immediately. Under the Deferred Payment Scheme, the Council agrees to defer payment for care costs, securing the debt against the individual's property through a legal agreement.

28.8 This arrangement allows the individual to delay payment until a later date—typically when the property is sold—at which point the Council recovers the full amount owed. Because the repayment is expected in the future and is secured, deferred payments are not treated as collectable debt in the same way as invoices that are due and payable now. Instead, they are classified separately as future recoverable debt.

Deferred Payments					
Directorate	Total due	Less than 30 days	30-90 days	90-365 days	Over 365 days
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	4,248	-205	90	1,667	2,697

Gross without prejudice

28.9 Gross without prejudice debts arise when Dorset Council provides adult social care services before a full Care Act assessment and financial assessment have been completed. These debts are recorded to reflect the potential liability but are not actively pursued until it is determined whether the individual receiving care is financially responsible for contributing to the cost of their support.

28.10 This approach ensures that individuals are not prematurely chased for payment before their eligibility and financial capacity have been properly assessed. As such, these debts are held on record but sit outside the category of collectable debt, which refers to amounts that are confirmed as due and actively recoverable.

Gross Without Prejudice					
Directorate	Total due	Less than 30 days	30-90 days	90-365 days	Over 365 days
	£'000	£'000	£'000	£'000	£'000
Adult Social Care	8,549	378	637	2,922	4,611

29 Write-offs

- 29.1 The value total write-offs processed so far this year is £272k against a collectable debt total of £26.4m, see the table below. Sufficient provision has been made to cover these debts, which represent a relatively minor portion of the total outstanding balance (1.03%).

Debts written off	2026/27 £'000
Adult Social Care	159
Children's Services	1
Housing & Prevention	14
Economy & Environment	98
Core Services	0
Total	272

30 Council tax and business rates debt management

Council tax

- 30.1 The value of council tax debt raised in 2026/27 is £455.7m and £172.3m has been collected to date. The collection rate at 31 July 2026 is 37.81%, which is slightly more than the corresponding position from the previous year, which was 37.73%.

Council Tax collection rates (%)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
July	38.05	37.63	38.07	38.14	37.73	37.81

Business rates (non-domestic rates – NDR)

- 30.2 The value of business rates debt raised in 2026/27 is £123.3m and £53.2m has been collected to date. The collection rate at 31 July 2026 is 43.19%, which is slightly more than the corresponding position from the previous year, which was 42.88%.

NNDR collection rates (%)	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
July	30.56	38.59	43.88	45.27	42.88	43.19

Write offs

30.3 The write-offs processed by the Revenues & Benefits Service during the year are shown in the table below.

Debts written off	2025/26 £'000
Council tax	456
Business rates	6
Housing Benefit overpayments	23
Total	75

31 Financial planning, strategy and the MTFP

31.1 The Council has already started the process of refreshing the MTFP and developing the budget strategy for 2027/28 and 2028/29, in line with the Local Government funding settlement which, as well as meeting new pressures, will also need to deal with any ongoing pressures from 2026/27.

32 Number and extent of contract exemptions

32.1 Appendix B includes the number and extent of contract exemptions, and the narrative is included in the appendix.

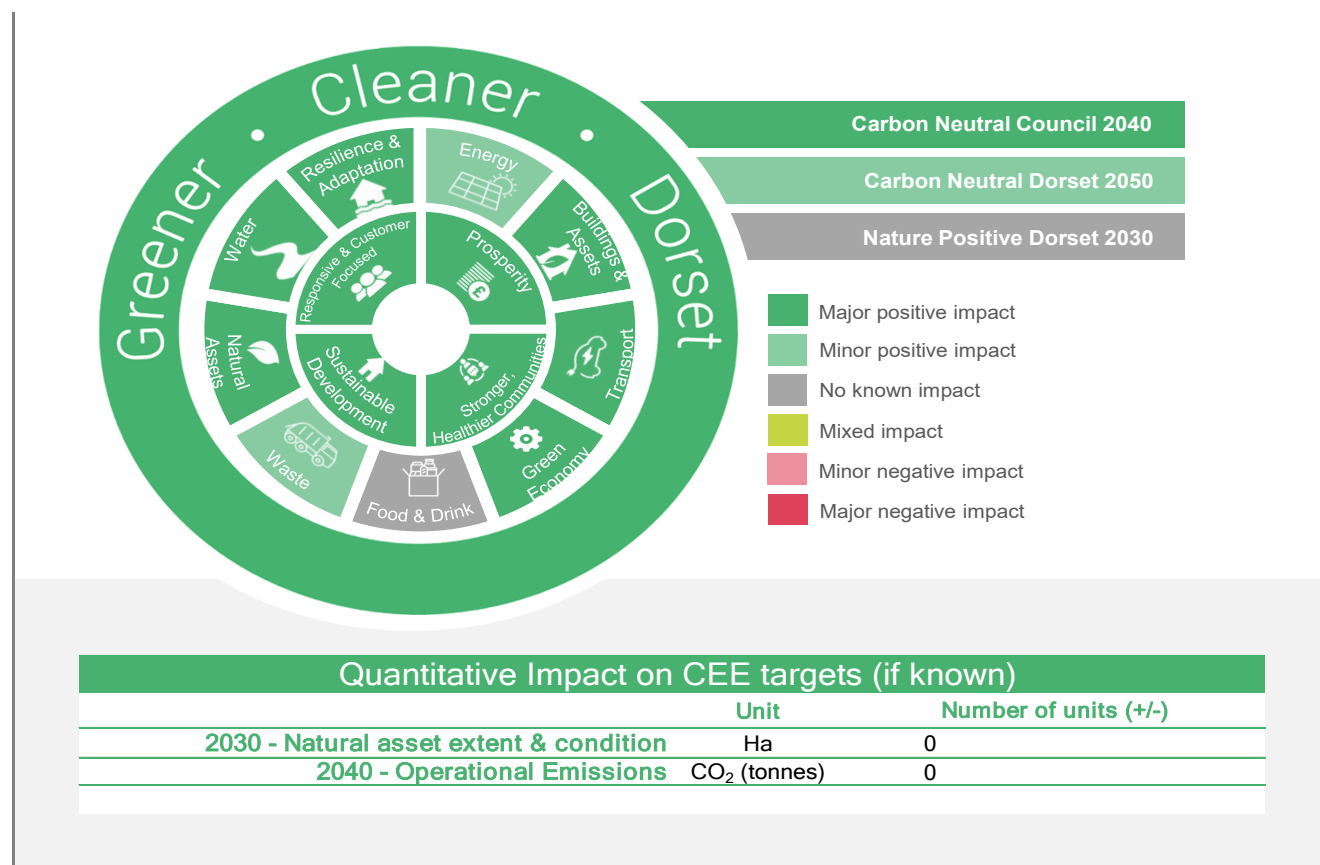
32.2 Contract breaches may occur when suppliers or the council fail to meet agreed terms, such as deadlines or service standards, posing financial, reputational, and legal risks. These breaches are typically operational contract management matters and remain confidential and excluded from standard reporting until they published in accordance with legislation.

33 Summary, conclusions and next steps

33.1 At the end of July 2026, the Council is forecasting a net revenue overspend of £8.136m, equivalent to 1.7% of the approved net budget of £466m. The forecast remains manageable in the context of the Council's overall budget and reserve position, but it is not without risk

33.2 The next steps are to maintain monthly budget monitoring through Directorate and SLT review arrangements; strengthen mitigating actions in areas forecasting overspends; continue to review discretionary and controllable spend; progress delivery of agreed savings and transformation plans; and ensure that emerging pressures are reflected in the next MTFP update and future budget strategy. Further reports will continue to provide Cabinet with an updated view of the forecast outturn, delivery of savings, capital programme changes and the financial risks facing the Council

Appendix A – Climate wheel



ACCESSIBLE TABLE SHOWING IMPACTS

Natural Environment, Climate & Ecology Strategy Commitments	Impact
Energy	minor positive impact
Buildings & Assets	major positive impact
Transport	major positive impact
Green Economy	major positive impact
Food & Drink	No known impact
Waste	minor positive impact
Natural Assets & Ecology	major positive impact
Water	major positive impact
Resilience and Adaptation	major positive impact

Corporate Plan Aims	Impact
Prosperity	strongly supports it
Stronger healthier communities	strongly supports it
Sustainable Development & Housing	strongly supports it
Responsive & Customer Focused	strongly supports it

TABLE OF RECOMMENDATIONS

Recommendations	Responses -will this be incorporated into your proposal? How? And if not, why not?
Energy	
Find out energy use of buildings that are being brought into the Dorset Council carbon footprint, as this will affect our ability to hit our carbon reduction targets	
Find out energy use of any new build buildings that are being added to the Dorset Council carbon footprint, as this will affect our ability to hit our carbon reduction targets	
Support the acceleration of heating and energy and water efficiency through cavity and solid wall insulation, draught proofing, improved glazing and shading, and high energy and water efficient smart appliances	
Buildings & Assets	
No recommendations found for this category	
Transport	
No recommendations found for this category	
Green Economy	
No recommendations found for this category	
Food & Drink	
No recommendations found for this category	
Waste	
Look at ways to reduce the amount of waste produced	
Natural Assets & Ecology	
No recommendations found for this category	
Water	
No recommendations found for this category	
Resilience & Adaptation	
No recommendations found for this category	

Appendix B – Commercial Exemptions

Contract exemptions, meanwhile, are permitted in accordance with the council's Contract Procedure Rules ("CPR" which apply to the procurement award and management of contracts for goods, services and works). The council's CPR provide for advance approval to depart from the standard rules, where certain criteria are met; for example, to allow a contract to be awarded directly to one supplier, after investigating the market and identifying the only that supplier could perform the contract. Each exemption request and approval or rejection is documented.

A Section 5 (Local Government and Housing Act 1989) report is a formal legal report issued by the council's Monitoring Officer where it appears that any proposal, decision or omission of the council (by committee or officer) has or is likely to be unlawful or amount to maladministration or injustice. Section 5 reports, follow a separate public process and are not included in the paper. The Monitoring Officer has not issued any such reports in 2026/27.

Commercial Exemptions April to July 2026

The table below sets out details of the exemptions granted during the current year, including the number of exemptions by directorate and their associated value.

Exemptions	Number of exemptions*	Total value of exemptions (£)*
Adult Social Care	0	0
Children's Services	5	112,630
Economy & Environment	1	110,660
Housing & Prevention	0	0
Core Services	0	0
Total	6	£223,290

*Data is correct as submitted by internal stakeholders.

There were five exemptions for Children's Services during this period three relating to Alternative Provision, one relating to Families First Partnership Evaluation and the other is for a children's subscription which provides specialist social work learning resources, legal updates, practice guidance and direct work tools.

There was one exemption for Economy and Environment during this period relating to extended access at Sherborne Library.

Mosaic extension

Mosaic Software is a platform designed for social care professionals, offering case management and finance services. It records and monitors of pathways and provides a single view of an individual's needs and environment.

Ahead of the 4th September 2026 deadline urgent approval was required to trigger two +1 year extensions to the Mosaic contract, totalling £761,155.19, as the amount previously approved by Cabinet in 2023 (£510k) does not match the contract extension amount.

Procurement advised that internal approval is needed for the correct amount, since the original Cabinet approval was a placeholder and only covered the first 18 months, not the full contract period.

Legal compliance has been confirmed as the extensions are included in the original contract, but urgent approval is needed due to time constraints (contract runs to 4th September and Cabinet meets on 8th September).

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Audit and Governance Committee 12 October 2026

Treasury Management Annual Report 2025/26 For Decision

Cabinet Member: Click or tap to enter a date.

Cllr S Clifford, Finance & Capital Strategy

Local Councillor(s): All

Senior Leadership Team: S Cremer - Director, Resources

Report author and job title: David Wilkes - Service Manager (Treasury and Investments)

Email: david.wilkes@dorsetcouncil.gov.uk

Statutory Authority: Dorset Council

Report status: Public (the exemption paragraph is N/A)

Executive summary (maximum of 500 words)

This report summarises the treasury management performance and position information for Dorset Council for the year ended 31 March 2026.

Treasury management at the Council is conducted within the framework of CIPFA's Treasury Management Code of Practice. In adopting the code, recommended best practice is for members to approve an annual treasury management strategy report, and to then receive a mid-year update on progress against the strategy and a year-end review of actual performance against the strategy (this report).

All treasury management activity in the year complied with the limits and parameters included in the Treasury Management Strategy for 2025/26 approved by full Council February 2025.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR).

The Council's Capital Financing Requirement (CFR) at 31 March 2026 was £449m, up £15m from £434m at the start of the year but £21m below the budget of £470m when the capital strategy was approved by full Council in February 2025.

As at 31 March 2026, the Council had outstanding external borrowing of £315m plus other capital financing liabilities of £27m equalling £342m total external debt, with £11.9m total interest paid servicing this external debt for the year.

The difference between the CFR and external debt was £107m, financed by 'internal borrowing' which is the use of reserves, working capital and other balance sheet resources that would otherwise have been invested had they not been used to 'offset' the Council's borrowing requirement.

As at 31 March 2026 the Council held cash and cash equivalents of £24m and treasury investments valued at £1m, in total £25m, down £33m from £58m at 31 March 2025. The total interest receivable and investment income for the Council for the year was approximately £4.9m.

Recommendation(s)

That the Committee note and comment upon the report.

Reason for the recommendation(s)

To better inform members of treasury management activity, in accordance with the corporate requirement to ensure money and resources are used wisely.

1. Introduction

- 1.1 The Council's treasury management strategy for 2025/26 was approved by a meeting of Dorset Council on 13 February 2025.
- 1.2 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's treasury management strategy.
- 1.3 Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year and, as a minimum, a semi-annual and annual treasury outturn report. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.4 The Council employs professionally qualified and experienced staff with responsibility for making borrowing and investment decisions. Officers are supported by external advisers who are specialists in their fields. The Council currently employs Arlingclose Limited as treasury management advisers.
- 1.5 This approach ensures that the Council has access to a wide pool of relevant market intelligence, knowledge and skills that would be very difficult and costly to replicate internally. However, whilst advisers provide support to the internal treasury function, final decisions on treasury matters always remain with the Council.

2. External Context

- 2.1 Treasury management decisions made by the Council must take into consideration external factors, particularly the wider economic backdrop and the outlook for financial markets and interest rates, and the wider regulatory framework.
- 2.2 Over the course of the financial year the Bank of England's Monetary Policy Committee (MPC) reduced Bank Rate from 4.50% to 3.75%, with three cuts of 0.25% in May 2025, August 2025 and December 2025.
- 2.3 The Bank Rate is important for the Council's treasury activities because the returns on cash balances tend to follow this quite closely as do short term borrowing rates. Interest rates on long term borrowing are more closely aligned to interest rates on government borrowing ('gilts') which held up higher

than expected due to upward pressure on the level of expected government borrowing.

- 2.4 A detailed commentary on the external context provided by Arlingclose is included in Appendix 1.

3. Local Context

- 3.1 The Council's balance sheet is summarised in table 1 below.

Table 1: Balance Sheet Summary

	31-Mar 2025 Actual £m	31-Mar 2026 Budget £m	31-Mar 2026 Forecast £m	31-Mar 2026 Actual £m	2025/26 Annual Change £m
Capital Financing Requirement (CFR)	434	470	465	449	15
Less PFI and other debt liabilities	34	35	35	27	-7
Borrowing CFR (underlying borrowing requirement)	400	435	430	422	22
External borrowing	292	360	325	315	23
Internal borrowing	107	75	105	107	0
Cash and investments	58	65	35	25	-33

- 3.2 All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR).
- 3.3 Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The CFR increases with new debt-financed capital expenditure and reduces with MRP and capital receipts used to replace debt.
- 3.4 The CFR has risen by £15m over the year to £449m, which is £21m less than budgeted due to slippage in delivering the capital programme. External borrowing has increased by £23m over the year, which is £10m less than budgeted.
- 3.5 The treasury management position at 31 March 2026 and the change during the year is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.03.25 Balance £m	2025/26 Movement £m	31.03.26 Balance £m
Long-term borrowing			
PWLB*	145.6	17.5	163.1
LOBO loans**	11.0	0.0	11.0
Other	85.6	0.0	85.6
Short-term borrowing	50.0	5.0	55.0
Total borrowing	292.2	22.5	314.7
Long-term investments	19.3	-18.0	1.3
Short-term investments	8.4	-8.4	0.0
Cash and cash equivalents	30.3	-6.3	24.0
Total investments	58.0	-32.7	25.3
Net borrowing	234.2	55.2	289.4

* Public Works Loan Board loans from the UK Debt Management Office.

**Lender Option Borrower Option loans.

4. External Borrowing

- 4.1 At 31 March 2026 the Council had external borrowing of £315m, a net increase of £23m from 31 March 2025 summarised in Table 3 below:

Table 3: External Borrowing

	31.03.25 Balance £m	Net Change £m	31.03.26 Balance £m	31.03.26 Weighted Average Rate %	31.03.26 Weighted Average Maturity (years)
Public Works Loan Board	145.6	17.5	163.1	4.6%	9.9
Banks (LOBO)	11.0	0.0	11.0	4.6%	50.6
Banks (fixed-term)	25.6	0.0	25.6	4.7%	51.0
Local authorities (long-term)	15.0	0.0	15.0	4.4%	33.7
Local authorities (short-term)	50.0	5.0	55.0	4.6%	0.3
Other lenders (fixed-term)	45.0	0.0	45.0	3.3%	40.7
Total borrowing	292.2	22.5	314.7	4.4%	26.6

- 4.2 The chief objective of Dorset Council and its predecessors when borrowing has been to strike an appropriate risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should long-term plans change being a secondary objective.

- 4.3 The Council's borrowing decisions are not predicated on any one outcome for interest rates, and a balanced portfolio of short and long-term borrowing was maintained.
- 4.4 The Council held £111m of Lender's Option Borrower's Option (LOBO) at 31 March 2026, unchanged from 31 March 2025. These are loans where the lender has the option to propose an increase in the interest rate at set dates (lender's option), following which the Council has the option to either accept the new rate or to repay the loan at no additional cost (borrower's option).
- 4.5 In addition, capital finance may be raised by the following methods that are not borrowing but are classed as other debt liabilities: leasing, hire purchase, Private Finance Initiative (PFI) and sale and leaseback. Total debt other than borrowing at 31 March 2026 was £27m.
- 4.6 CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Council. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.
- 4.7 The Council has not invested in assets primarily for financial return or that are not primarily related to the functions of the Council.

5. Cash and Treasury Investments

- 5.1 The CIPFA Treasury Management Code defines treasury management investments as those investments which arise from an authority's cash flows or treasury risk management activity that ultimately represents balances that need to be invested until the cash is required for use in the course of business.
- 5.2 Cash, cash equivalents and treasury investments held on 31 March 2026 are summarised in Table 4 below.

Table 4: Cash and Treasury Investments

	31.03.25 Balance £m	Net Movement £m	31.03.26 Balance £m
Cash & Cash Equivalents	30.3	-6.3	24.0
Investments:			
Bond funds	8.4	-8.4	0.0
Property funds	19.3	-18.0	1.3
Total Investments	27.7	-26.4	1.3
Total Cash & Investments	58.0	-32.7	25.3

- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
- 5.4 The Council expects to be a long-term borrower and new treasury investments are therefore primarily made to manage day-to-day cash flows using short-term low risk instruments. Over the course of the year, the Council has offset its need for external borrowing by continuing to divest from the portfolio of strategic pooled funds 'inherited' from its predecessor councils.

6. Treasury Performance

- 6.1 The Council measures the financial performance of its treasury management as shown in table 5 below.

Table 5: Treasury Performance

	Budget 2025/26 £m	Actual 2025/26 £m	Variance £m	
Interest Payable	14.2	11.9	2.3	F
Interest and Investment Income	-6.9	-4.9	-2.0	F
Net Payable / (Receivable)	7.3	7.0	0.3	F
Realised (Gains) / Losses in Fair Value	0.0	-0.2	0.2	F
Unrealised (Gains) / Losses in Fair Value	0.0	0.0	0.0	F
Net (Surplus) / Deficit	7.3	6.9	0.4	F

- 6.2 The favourable variance of interest payable net of interest receivable and investment income was largely driven by reduced borrowing requirements due to slippage in the capital programme.

- 6.3 Realised gains or losses in fair value result from the sale of units in pooled investment funds at a different price to that which they were purchased at. Total net realised gains in fair value from the sale of units in such funds in the financial year were £170,000.
- 6.4 Unrealised gains or losses in fair value result from the holding of units in pooled investment funds that are valued at a different price to that which they were purchased at. Total net unrealised losses in fair value from holding units in such funds at the financial year end were £30,000.
- 6.5 Unrealised gains or losses in the fair value of pooled investment funds, that otherwise must be recognised in profit or loss under International Financial Reporting Standard (IFRS) 9, are not charged to the revenue account, and must be taken into an unusable reserve account.
- 7. Compliance**
- 7.1 All treasury management activities undertaken during the year complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.
- 7.2 Compliance with the limits on cash and treasury investments is demonstrated in the table below.

Table 6: Cash and Investments Limits

	2025/26 Maximum £m	31.03.26 Actual £m	2025/26 Limit £m	Complied Yes/No
Any single organisation, except the UK Government	10.1	1.1	20	Yes
Any group of organisations under the same ownership	10.1	1.1	20	Yes
Any group of pooled funds under the same management	25.0	8.7	50	Yes
Negotiable instruments held in a broker's nominee account	0.0	0.0	50	Yes
Limit per non-UK country	0.0	0.0	20	Yes
Registered providers and registered social landlords	0.0	0.0	50	Yes
Unsecured investments with banks and building societies	10.1	1.1	20	Yes
Loans to unrated corporates	0.0	0.0	20	Yes
Money Market Funds	132.6	32.5	unlimited	Yes
Strategic pooled funds	27.8	1.3	unlimited	Yes
Real Estate Investment Trusts	0.0	0.0	50	Yes

- 7.3 The Council is legally obliged to set an affordable “authorised limit” for external debt each year. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the authorised limit. Compliance with the authorised limit and operational boundary for external debt is demonstrated in the table below.

Table 7: Debt Limits

	2024/25 Maximum £m	31.03.26 Actual £m	2025/26 Operational Boundary £m	2025/26 Authorised Limit £m	Complied Yes/No
Total External Debt	341	341	495	520	Yes

8. Treasury Management Indicators

- 8.1 The Council measures and manages its exposures to treasury management risks using the following indicators.
- 8.2 Liability Benchmark: This indicator compares the Council's actual existing borrowing against a 'liability benchmark' that has been calculated to show the

lowest risk level of borrowing. The liability benchmark is an estimate of the minimum amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping cash and investments at a minimum 'liquidity allowance' to manage day-to-day cash flows.

Table 8: Liability Benchmark

	31.03.25 Actual £m	31.03.26 Actual £m
Loans CFR	401	423
Less balance sheet resources	167	133
Net loans requirement	234	290
Plus liquidity allowance	30	30
Liability benchmark	264	320
Actual borrowing	292	315

- 8.3 Security: The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA = 1, AA+ = 2 etc.) and taking the average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 9: Security

	2025/26 Target	31.03.26 Actual	Complied? Yes/No
Portfolio average credit rating	< 6	4.89	Yes

- 8.4 Liquidity: The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period without additional borrowing. In addition, the Council aims to hold a minimum of £30m readily available in same day access bank accounts and Money Market Funds.

Table 10: Liquidity

	2025/26 Target	31.03.26 Actual	Complied? Yes/No
Total cash available within 100 days	> 30%	96%	Yes
Total sum borrowed in past 100 days without prior notice	0%	0%	Yes

- 8.5 Interest Rate Exposure: This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests were:

Table 11: Interest Rate Exposure

Interest rate risk indicator	2025/26 Target £000s	31.03.26 Actual £000s	Complied? Yes/No
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	< 1,000	420	Yes
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	< 1,000	-420	Yes

- 8.6 The impact of a change in interest rates is calculated on the assumption that maturing borrowing and investments will be replaced.
- 8.7 Sums invested for periods longer than a year: The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

Table 12: Investments longer than one year

	2025/26 £m	2026/27 £m	2027/28 £m	No fixed date £m
Limit on principal invested beyond year end	20.0	20.0	20.0	100.0
Actual principal invested beyond year end	0.0	0.0	0.0	1.3
Complied? Yes/No	Yes	Yes	Yes	Yes

- 8.8 Maturity Structure of Borrowing: This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing were:

Table 13: Maturity Structure of Borrowing

	31.03.26 Actual £m	% of Total Borrowing	Upper Limit	Lower Limit	Complied Yes/No
Under 12 months	70.0	22.2%	30%	0%	Yes
1 to 2 years	45.0	14.3%	30%	0%	Yes
2 to 5 years	30.0	9.5%	30%	0%	Yes
5 to 10 years	31.3	9.9%	35%	0%	Yes
10 to 20 years	0.0	0.0%	35%	0%	Yes
20 to 30 years	41.8	13.3%	45%	0%	Yes
30 to 40 years	15.0	4.8%	45%	0%	Yes
40 to 50 years	45.0	14.3%	45%	0%	Yes
50 years and above	36.6	11.6%	50%	0%	Yes
Total	314.7	100.0%			

9. Financial implications

- 9.1 This report summarises the performance of the Council's treasury management activity in 2025/26. There are no other financial implications arising from this report.

10. Natural environment, climate & ecology implications

- 10.1 There are no direct natural environment, climate and ecology implications arising from this report.

11. Well-being and health implications

- 11.1 There are no well-being and health implications arising from this report.

12. Other implications

- 12.1 There are no other implications arising from this report.

13. Risk implications

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

Current Risk: HIGH

Residual Risk: Medium

Treasury management is an inherently risky area of activity and a number of controls are embedded in its operation. The key treasury management risks are highlighted as part of the treasury management strategy approved by Council as part of the budget setting process. This report highlights any

variances from this strategy and draws out any specific risks which have arisen

14. Equalities

- 14.1 There are no equalities implications arising from this report.

15. Appendices

- 15.1 Appendix 1: External Context (Arlingclose April 2026)

Appendix 2: Glossary of Treasury Management Terms

16. Background papers

- 16.1 [Capital Strategy 2025/26](#)

[Treasury Management Strategy 2025/26](#)

17. Report sign-off

- 17.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

Appendix 1: External Context (Arlingclose April 2026)

Economic background: The financial year was largely dominated by two periods of significant uncertainty and volatility. The first being the US trade tariff 'Liberation Day' in April 2025 and the second was the US/Israel war with Iran at the end of February 2026.

After the initial fallout from US trade tariffs, the following months saw some improvements as equity markets made gains and bond yields eased modestly. However, in the UK this trend in bond yields reversed somewhat as an uncertain economic outlook together with concerns around the government's fiscal position and autumn Budget saw 'term premia' rise as investors demanded a higher return for holding gilts.

The Budget itself was more muted than had been expected. Despite a weak economic outlook, this helped UK markets perform better with gilt yields trending downwards, inflation easing, and expectations for cuts in Bank of England (BoE) Bank Rate increasing.

The end of February 2026 saw the start of the war between US/Israel and Iran. The conflict caused oil and other commodity prices to rise sharply as the shipping lanes in the region became effectively closed, restricting global oil supply. At the end of the period, the economic outlook remained highly uncertain in terms of its impact on inflation as well as countries' fiscal and monetary policy conditions around the globe.

Prior to the start of the war, headline UK consumer price inflation (CPI) inflation had generally been trending downwards, albeit the 3% in February 2026 was unchanged from January. Core CPI also stayed put at 3.1%. Inflation was expected to fall further over the coming months to the BoE's 2% target, but the war changed this. Inflation is now expected to rise again, but how quickly and by how much depends on the duration of the war and how long commodity prices are elevated.

The Office for National Statistics (ONS) reported the UK economy expanded by 0.1% in Q4 2025. This followed previous modest gains of 0.2% in Q2 and by 0.1% in Q3. Of the subsequent monthly figures, the ONS estimated that GDP showed no growth in January 2026. As this is from before the war started the impact on growth will not be seen formally in the data for a couple more months.

While the most recent labour market figures were slightly better than expected, the general trend has been one of persistent weakness. In the three months to January 2026, the unemployment rate rose to 5.2% (from 5.1%), while the employment rate held at 75.1%. Despite inflation being expected to rise in the coming months, labour market conditions remain loose and so any upward pressure on wages from general inflation is likely to be tempered by the weaker labour market environment.

After cutting Bank Rate to 3.75% in December 2025, the BoE's Monetary Policy Committee (MPC) voted 5-4 to hold rates in February 2026 and then unanimously to

do so again in March. Until the war started, financial markets were expecting Bank Rate to be cut to 3.5% at the March meeting. However, the conflict in the Middle East quickly changed this. The MPC noted the risks to both inflation and growth and indicated they could move rates either up or down depending on the conditions. Financial markets quickly responded to this by pricing in rate hikes.

Following the March MPC meeting, Arlingclose, the authority's treasury adviser, revised its central interest rate view and now predicts Bank Rate will be held at 3.75%. However, the conflict makes the outlook for rates highly uncertain. In the short-term the risks are to the upside with the chance of higher Bank Rate should the MPC decide it wishes to quickly quash potential second-round effects from higher inflation. Further out, if Bank Rate is hiked quickly, the pace and magnitude of subsequent cuts could take it far lower than was previously anticipated as policymakers add significant stimulus to a much weaker economic growth outlook.

The US Federal Reserve had been cutting rates over the period, reducing Fed Funds Rate target range by 0.25% at its December meeting to 3.50%-3.75%. At the three subsequent meetings, the rate was held at the same range. Policymakers noted that while inflation was elevated, economic activity had been expanding but the war with Iran made the path of monetary policy highly uncertain. Despite this, the Fed still suggested that further rate cuts were likely in 2026 and 2027.

The European Central Bank (ECB) has kept its key interest rates on hold since June 2025, maintaining the deposit rate at 2.0% and main refinancing rate at 2.15%. At its March 2026 meeting, the ECB noted the war in the Middle East had significantly increased uncertainty, creating upside risks for inflation and downside risks for growth, leading it to revise up its forecasts accordingly.

Financial markets: After declining sharply early in the financial year following the announcement of US tariffs, sentiment in financial markets had improved but equity and bond markets remained volatile throughout. However, the latter part of the period was dominated by the US/Israel war with Iran, which saw equity markets fall sharply, and bond yields rise as concerns over the inflationary impact from sharply higher oil and other commodity prices outweighed the flight-to-quality into government bonds often seen in conflicts.

Equity markets had been registering gains after the declines during the April sell-off, but the war reversed this and markets saw another sharp drawdown. Both the FTSE 100 and 250 fell by around 10% over the month from the start of the conflict to the end of the financial year.

The period saw significant volatility in gilt yields. The 10-year UK benchmark gilt yield started the year at 4.65% and ended at 4.86%. However, over this time the 10-year yield hit a low of 4.23% and a high of 4.95% in the space of a month. It was a similar picture for the 20-year gilt which started at 5.18% and ended at 5.45% with a low and

high of 4.92% and 5.55% respectively. The Sterling Overnight Rate (SONIA) averaged 4.01% over the 12 months to 31st March.

Credit review: Arlingclose maintained its recommended maximum unsecured duration limit on most of the banks on its counterparty list at 6 months. The other banks remain on 100 days.

Earlier in the period, Fitch upgraded NatWest Group and related entities to AA- from A+ and placed Clydesdale Bank's long-term A- rating on Rating Watch Positive. Fitch later upgraded Clydesdale Bank and HSBC, but downgraded Lancashire CC and Close Brothers.

Moody's affirmed OP Corporate's rating at Aa3 In May 2025. Later in the period, Moody's upgraded Transport for London, Allied Irish Banks, Bank of Ireland, Toronto-Dominion Bank, DZ Bank, Nordea and HSBC and downgraded Close Brothers. In the last quarter of 2025 S&P upgraded Clydesdale Bank, Allied Irish Banks and Bank of Ireland, and assigned Warrington Council a BBB+ rating.

After spiking in April 2025 following the US trade tariff announcements, UK credit default swap (CDS) prices had trended down before picking up modestly in October and November. After declining again in December and into the new calendar year, they rose sharply once again when the war in the Middle East started. They were still elevated at the end of the period, but prices for all banks on Arlingclose's counterparty list remained within limits deemed satisfactory for maintaining credit advice at current durations.

Overall, European banks' CDS prices have generally been flatter and lower compared to the UK, as have Singaporean and Australian lenders while some Canadian bank CDS prices have remained elevated since the beginning of the period in part due to ongoing trade tensions with the US.

Financial market volatility is expected to remain, and CDS levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remain under constant review.

Appendix 2: Glossary of Treasury Management Terms

Annuity	A method of repaying a loan where the cash payment remains constant over the life of the loan, but the proportion of interest reduces and the proportion of principal repayment increases over time. Repayment mortgages and personal loans tend to be repaid by the annuity method.
Balance sheet resources	Arlingclose term for the sum of <i>usable reserves</i> and <i>working capital</i> . Equal to the difference between the <i>loans CFR</i> and the <i>net loans requirement</i> .
Bank Rate	The official interest rate set by the <i>Monetary Policy Committee</i> , and the rate of interest paid by the <i>Bank of England</i> on commercial bank deposits. Colloquially termed the “base rate”.
Bond	A certificate of <i>long-term</i> debt issued by a company, government, or other institution, which is tradable on financial markets.
Bond fund	A <i>collective investment scheme</i> that invests mainly in <i>bonds</i> .
Call account	A <i>deposit</i> account that can be called back, normally on instant access.
Capital	(1) Long-term, as in <i>capital expenditure</i> and <i>capital receipt</i>. (2) Principal, as in <i>capital gain</i> and capital value. (3) Investments in <i>financial institutions</i> that will absorb losses before <i>senior unsecured creditors</i>.
Capital expenditure	Expenditure on the acquisition, creation or enhancement of fixed assets that are expected to provide value for longer than one year, such as property and equipment, plus expenditure defined as capital in legislation such as the purchase of certain investments and expenditure directed by the government to be treated as capital.
Capital finance	Arranging and managing the cash required to finance <i>capital expenditure</i> , and the associated accounting.
Capital financing requirement (CFR)	A local authority’s underlying need to hold debt for capital purposes, representing the cumulative capital expenditure that has been incurred but not yet financed. The CFR increases with <i>capital expenditure</i> and decreases with <i>capital finance</i> and <i>MRP</i> .
Capital receipt	Cash obtained from the sale of an item whose purchase would be <i>capital expenditure</i> . The law only allows local authorities to spend capital receipts on certain items, such as new capital expenditure. They are therefore held in a capital receipts reserve until spent.
Capital strategy	An annual report required by the <i>Prudential Code</i> that sets out a local authorities’ high-level plans for capital expenditure, debt and investments and its <i>Prudential Indicators</i> for the forthcoming financial year.

Cash equivalent	Accounting term for short-term investments readily convertible to cash with an insignificant risk of change in value.
Collective investment scheme	Scheme in which multiple investors collectively hold units or shares. The investment assets in the fund are not held directly by each investor, but as part of a pool (hence these funds are also referred to as 'pooled funds').
Commercial investment	An investment whose main purpose is generating income, such as <i>investment property</i> .
Cost of carry	When a loan is borrowed in advance of need, the difference between the interest payable on the loan and the income earned from investing the cash in the interim.
Counterparty	The other party to a loan, investment or other contract.
Counterparty limit	The maximum amount an investor is willing to lend to a <i>counterparty</i> , in order to manage <i>credit risk</i> .
Country limit	The maximum amount an investor is willing to lend to all <i>counterparties</i> based in a foreign country, in order to manage <i>credit risk</i> .
Coupon	The contractual interest rate payable on a <i>bond</i> , as a percentage of the <i>nominal</i> amount. This normally reflects market conditions when the bond was originally issued.
Credit default swap (CDS)	<i>Derivative</i> for swapping <i>credit risk</i> on a particular issuer, similar to an insurance policy where the buyer pays a <i>premium</i> against the risk of default. Also used as an indicator of credit risk: the higher the premium, the higher the perceived risk.
Credit rating	Formal opinion by a <i>credit rating agency</i> of a <i>counterparty's</i> future ability to meet its financial obligations. As it is only an opinion, there is no guarantee that a highly rated organisation will not default.
Credit rating agency	An organisation that publishes <i>credit ratings</i> . The three largest agencies are Fitch, Moody's and Standard & Poor's but there are many smaller ones.
Credit risk	The risk that a <i>counterparty</i> will <i>default</i> on its financial obligations.
DMADF	Debt Management Account Deposit Facility – a facility offered by the <i>DMO</i> enabling local authorities to deposit cash at very low <i>credit risk</i> . Not available in Northern Ireland.
DMO	Debt Management Office – an executive agency of HM Treasury that deals with central government's debt and investments.
EIP	Equal instalments of principal. A method of repaying a loan where the principal is repaid over the life of the loan, in equal instalments. Interest payments reduce over time as the principal is repaid.
Equity fund	A <i>collective investment scheme</i> that mainly invests in company <i>shares</i> .

FCA	Financial Conduct Authority – UK agency responsible for regulating financial markets and the conduct of <i>financial institutions, brokers, custodians, fund managers</i> and <i>treasury management advisors</i> .
Gilt	Bond issued by the UK Government, taking its name from the gilt-edged paper they were originally printed on.
Gilt yield	<i>Yield on gilts</i> . Commonly used as a measure of risk-free long-term interest rates in the UK.
Interest rate risk	The risk that unexpected changes in interest rates cause an unplanned loss, for example by increased payments on borrowing or lower income on investments.
Internal borrowing	A local government term for when actual “external” <i>debt</i> is below the <i>capital financing requirement</i> , indicating that difference has been borrowed from internal resources instead; in reality this is not a form of borrowing.
Liability benchmark	Term in CIPFA’s <i>Treasury Management Code</i> which refers to the minimum amount of borrowing required to keep investments at a minimum liquidity level. Used to compare the actual and forecast levels of borrowing.
Liquidity risk	The risk that cash will not be available to meet financial obligations, for example when investments cannot be recalled and new loans cannot be borrowed.
Loans CFR	The <i>capital financing requirement</i> less the sum met by <i>other long-term liabilities</i> ; i.e. the underlying need to borrow for capital purposes.
LOBO	Lender’s option borrower’s option – a long-term loan where the lender has the option to propose an increase in the interest rate on pre-determined dates. The borrower then has the option to either accept the new rate or repay the loan without penalty. LOBOs increase the borrower’s interest rate risk and the loan should therefore attract a lower rate of interest initially.
Market risk	The risk that movements in market variables will have an unexpected impact. Usually split into <i>interest rate risk, price risk</i> and <i>foreign exchange risk</i> .
Maturity	(1) The date when an investment or borrowing is scheduled to be repaid. (2) A type of loan where the principal is only repaid on the maturity date.
Maturity profile	A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.
Monetary Policy Committee (MPC)	Committee of the <i>Bank of England</i> responsible for implementing <i>monetary policy</i> in the UK by changing <i>Bank Rate</i> and <i>quantitative easing</i> with the aim of keeping <i>CPI</i> inflation at around 2%.

Money market fund (MMF)	A <i>collective investment scheme</i> which invests in a range of short-term assets providing high credit quality and high liquidity. Usually refers to CNAV and LVNAV funds with a WAM under 60 days which offer instant access, but the European Union definition extends to include <i>cash plus funds</i> .
MRP	Minimum revenue provision - an annual amount that local authorities are required to set aside and charge to revenue for the repayment of debt associated with capital expenditure. Local authorities are required by law to have regard to government guidance on MRP. Not applicable in Scotland, but see <i>Loans Fund</i> .
Municipal bonds agency	Company that issues <i>bonds</i> in the <i>capital market</i> and lends the proceeds back to local authorities. The bonds are guaranteed by the local authorities.
Net borrowing	<i>Borrowing</i> minus <i>treasury investments</i> .
Net loans requirement	CIPFA term for the forecast amount of borrowing required to generate zero <i>treasury investments</i> .
Other long-term liabilities	<i>Prudential Code</i> term for <i>credit arrangements</i> .
Operational boundary	A <i>prudential indicator</i> showing the most likely, prudent, estimated level of external <i>debt</i> , but not the worst-case scenario. Regular breaches of the operational boundary should prompt management action.
Pension Fund	Ringfenced account for the income, expenditure and investments of the local government pension scheme. Pension fund investments are not considered to be part of <i>treasury management</i> .
Pooled fund	See <i>collective investment scheme</i> .
PRA	Prudential Regulation Authority – the part of the <i>Bank of England</i> that regulates UK banks.
Principal	The amount of money originally lent on a <i>debt</i> instrument.
Private Finance Initiative (PFI)	A government scheme where a private company designs, builds, finances and operates assets on behalf of the public sector, in exchange for a series of payments, typically over 30 years. Counts as a <i>credit arrangement</i> and <i>debt</i> .
Property fund	A <i>collective investment scheme</i> that mainly invests in property. Due to the costs of buying and selling property, including <i>stamp duty land tax</i> , there is usually a significant fee charged on initial investment, or a significant difference between the <i>bid</i> and <i>offer</i> price.
Prudential borrowing	Another term for <i>unsupported borrowing</i> .

Prudential Code	Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice. Local authorities are required by law to have regard to the Prudential Code.
Prudential indicators	Indicators required by the <i>Prudential Code</i> and determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is publicly accountable.
PWLB	Public Works Loans Board – formerly a statutory body operating within the <i>DMO</i> that lent money from the National Loans Fund to local authorities and other prescribed bodies and collected the repayments. The term now refers to the replacement facility operated by the DMO. Not available in Northern Ireland.
Realised gain or loss	Gain or loss that will not be reversed later, e.g. because the instrument has been sold. See also <i>unrealised gain or loss</i> .
Redemption	The process of withdrawing cash from a <i>collective investment scheme</i> and cancelling the units of shares. Redemptions can be suspended in certain circumstances detailed in the <i>prospectus</i> .
Refinancing risk	The risk that maturing loans cannot, be refinanced, or only at higher than expected interest rates leading to an unplanned loss. Managed by maintaining a smooth <i>maturity profile</i> .
Revenue expenditure	Expenditure to meet the ongoing cost of delivering public services including salaries and the purchase of goods and services, as opposed to <i>capital expenditure</i> .
Service investments	Investments made to promote a local authority's public service objectives, for example a <i>loan</i> to a local charity or <i>shares</i> in a local company.
Strategic funds	<i>Collective investment schemes</i> that are designed to be held for the long-term, comprising <i>strategic bond funds</i> , <i>diversified income funds</i> , <i>equity funds</i> and <i>property funds</i> .
Temporary borrowing	Borrowing with a term of less than one year.
Term deposit	A <i>deposit</i> that is repayable after a fixed period of time.
Treasury investments	Investments made for <i>treasury management</i> purposes, as opposed to <i>commercial investments</i> and <i>service investments</i> .
Treasury management	The management of an organisation's cash flows, investment and borrowing, with a particular focus on the identification, control and management of risk. Specifically excludes the management of pension fund investments.
Treasury management advisor	Regulated firm providing advice on <i>treasury management</i> , <i>capital finance</i> and related issues.

Treasury Management Code (TM Code)	CIPFA's Code of Practice for Treasury Management in the Public Services and Cross-Sectoral Guidance Notes, to which local authorities are required by law to have regard.
Treasury management indicators	Indicators required by the <i>Treasury Management Code</i> to assist in the management of <i>credit risk</i> , <i>interest rate risk</i> , <i>refinancing risk</i> and <i>price risk</i> .
Treasury management strategy	Annual report required by the <i>Treasury Management Code</i> covering the local authority's <i>treasury management</i> plans for the forthcoming year.
Unrealised gain or loss	Gain or loss that may be reversed later, e.g. from <i>marking to market</i> . Also called a paper gain or loss. See also <i>realised gain or loss</i> .
Unsupported borrowing	Borrowing where the cost is self-financed by the local authority. Sometimes called prudential borrowing since it was not permitted until the introduction of the <i>Prudential Code</i> in 2004. See also <i>supported borrowing</i> .
Usable reserves	Resources available to finance future <i>revenue</i> and/or <i>capital expenditure</i> . Some usable reserves are ringfenced by law for certain expenditure such as on schools or council housing.
Vanilla	A simple instrument without any additional features such as <i>embedded derivatives</i> .
Working capital	The cash surplus or deficit arising from the timing differences between income/expenditure in accounting terms and receipts/payments in cash terms.
Yield	A measure of the return on an investment, especially a <i>bond</i> . The yield on a fixed rate bond moves inversely with its price.

Audit and Governance Committee Work Programme 2026-27

12 October 2026		Officer Contact
Transformation Update	Update	Nina Coakley/Lisa Cotton
Quarterly Risk Management Update	Update Report	Chris Swain, Liz Crocker
Audit Action Update Report	Update Report	Chris Heighway
Annual Emergency Planning Report	Report	Marc Eyre
National Planning Scheme of Delegation	Report	Phillip Crowther
Period 4 Financial Management Report	Report	Sean Cremer
Treasury Management Outturn Report 2025/26	Report	David Wilkes/Sean Cremer
SWAP Internal Audit Progress Report	Update Report	Adam Williams
Audit Update Report Grant Thornton	Update Report	Julie Masci/Sam Harding
ERP Implementation	Report	Jonathan Mair

16 November 2026		Officer Contact
Annual Accounts and Audit 2025/26	Report	Hannah Brown
Cyber Security Improvement Activity and AI Responsible Governance Report	Update Report	Lisa Cotton
Treasury Management Mid-Year Review 2026/27	Report	David Wilkes/Sean Cremer
Quarterly Finance Report	Report	Lee House/Sean Cremer

25 January 2027		Officer Contact
Our Future Council Update	Update	Nina Coakley/Lisa Cotton
Quarterly Risk Management Update	Update Report	Chris Swain
Audit Action Update Report	Update Report	Chris Heighway
SWAP Internal Audit Progress Report	Update Report	Adam Williams
Quarterly Finance Report	Report	Lee House/Sean Cremer

22 March 2027		Officer Contact
Quarterly Risk Management Update	Update Report	Chris Swain

Audit Action Update Report	Update Report	Chris Heighway
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Other items raised by Audit and Governance Committee requiring further consideration.

Issue	Notes	Date raised

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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