



JUMPERS AND ST CATHERINE'S HILL RESIDENTS ASSOCIATION

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Ms Alex Walling
Grant Thornton

9th July 2018

Dear Alex

Christchurch Borough Council (CBC) and the Judicial Review

When we wrote to you on 11th May 2018 about CBC and its actions associated with its request for a Judicial Review we had two main objectives.

The first was to ask you to investigate a matter of governance, an apparent failure to adhere to due process which we believe should concern you

The second was a matter of rationality. The spending of large sums of tax payer's money following which tax payers will be worse off *no matter what the outcome*.

We have already confirmed to you that we have no valid reason to object to the 2017-18 accounts and accept that the expenditure in question relates to the 2018-19 fiscal year, which you will examine in detail in 2019.

However, such are the sums involved and the implications for tax payers, we felt it appropriate to alert you now so that you could fully acquaint yourself with what is going on whilst those responsible are still available to you and to prevent you citing ignorance as an excuse at the 2018-19 audit review.

Your letter of reply dated 4th July 2018 is in our opinion unsatisfactory on several counts.

Propaganda not evidence

We were surprised to find a professional auditor making inaccurate and misleading statements that are more akin to propaganda than forensic evidence.

You state: "*It is the policy of Christchurch Borough Council to oppose local government re-organisation in Dorset, **supported by a majority of residents of Christchurch***"

That is simply untrue.

The only scientific test of public opinion on this topic was the statistically sound investigation run by Opinion Research Services (ORS) the results of which appeared in a paper *Reshaping Your Councils Consultation 2016* dated December 2016. The statistically

weighted households were selected to accurately reflect the size and mix of the local population.

The main results and findings were:

The results of the survey are statistically sound (overall 2% margin of error with 95% confidence level)

The overall support for cutting duplication and reducing costs was overwhelming. The support for the proposed *Bournemouth-Christchurch-Poole* unitary **was particularly significant in the business sector**, a factor largely ignored by CBC.

Residents across Dorset, **including Christchurch**, rated quality of service, accountability and value for money by far the most important criteria for change. **Local identity was rated a low priority**

The proposed *Bournemouth-Christchurch-Poole* unitary received majority support in all quarters including Christchurch. Across Dorset 73% of the responses from the statistically weighted group supported this proposal whilst 63% of the specially selected respondents in Christchurch expressed support.

The 63% recorded in Christchurch has margin of error of 8%. Thus, to be completely accurate, between 55% and 71% of statistically selected respondents in Christchurch were in favour of replacing nine councils by two. **It is normal business practice to refer to that as a majority.**

As important as the expressed level of opinion are the reasons cited for holding those opinions. These are of course many and various and the ORS report details many of them. However, this is a summary and the commonest reasons cited for favouring this option were:

Bournemouth, Christchurch and Poole form a 'natural' urban and coastal unity – and their economies and infrastructures are inter-linked

Christchurch is not 'naturally' part of a large rural Dorset authority that will probably be governed from Dorchester. It has more in common with Bournemouth and Poole

The savings to be achieved through this combination are significantly bigger than under the other options – an important consideration for Council Tax payers.

These findings are of course rather inconvenient for CBC and they try to ignore or even discredit them. **We are surprised that you appear to be unaware of them and did not quote them rather indulge in misinformation.** When we challenged you to cite your source for your statement you said:

"The evidence that I have considered concerning residents support, is the local advisory poll held to inform the Council's representation to the Secretary of State, declaring the result on 14 December 2017. The poll had a 54% turnout, of which 84% voted No to the question "Do you support the current proposal for a single Council covering Christchurch, Bournemouth and Poole?"

It is the result of this poll that has influenced the Council in determining its policy decision to continue to oppose local government reorganisation and to take legal advice to consider the grounds for the judicial review.

It could be argued that as an absolute measure of the total population, this would not be a clear majority"

Sorry, there's no "could" about it. 84% of 54% is **45% of those on the electoral register**. And since not everybody is on that register the figure is even less than 45% of the population. **It is NOT normal business practice to refer to that as a majority.**

"... however, there is no way to gauge the voting intentions of the 46% of residents who did not take part in the poll".

That is true. Nor is it possible to know which segments of the population, such as the under 30's, voted and which did not. **That is why polls have no credibility and why statistically sound evidence such as the ORS survey is used** – and you of all people should know that. Note its 46% of those on the register. The percentage is higher for residents overall. It should also be noted in passing that the business community was excluded from this exercise.

In your letter of 4th July, you then go on to say:

"and although the financial impact of the judicial review process on the rest of Dorset has not been expressly considered in taking this decision, it has been considered by the Council and its residents in reaching this view".

That is clearly not true.

At no time has CBC spelled out to its residents the financial and other consequences for them if it is successful in derailing local authority reorganisation in Dorset.

The leaflet sent by CBC to every resident along with the ballot paper in its poll was an inaccurate and misleading document. We had it analysed by a Financial Services Compliance Officer who said that if it was advertising a financial product The Financial Conduct Authority would insist that it was withdrawn and pulped. Our full report was sent to the Returning Officer and you can read it on our website. You may of course already have discussed these matters with him but if you haven't, you should do so as soon as possible.

The whole poll was widely discredited because of all the other events that occurred (some of which were illegal). You can read about them in the letters from Bournemouth Council, Dorset Council, and Poole Council to the Secretary of State – all of them can be found on our website. Again, why were you not aware of their existence and the events they cover?

Clearly with those mistakes in it the remainder of your letter is struggling to make much of an impact.

Breaches of Procedure

Thank you for confirming that the potential spending of £800,000 was not first discussed by the CBC Resources Committee and that a proper written risk assessment was not produced. You say you are satisfied that CBC has made a proper consideration of risk – in the absence of a written report we wonder how you were able to reach such a conclusion.

These breaches of procedure ensured that when full Council met, Councillors were not prepared and took vital decisions over large unbudgeted expenditure without due reflection, consideration and private discussion. That concerns us, and it should concern you.

For reasons that are not entirely clear to us, you draw our attention to the current projected funding gap of up to £24 million over the period 2019-2021 in the new BCP Council. You don't mention the equivalent figure for Rural Dorset. Nor do you mention that these funding gaps allow for savings that are anticipated to be made following reorganisation. So, if CBC succeed, those funding gaps will be even bigger, and **services will almost certainly have to be cut**. In our opinion you do not demonstrate sufficient grasp of that situation.

You say: *"I do agree that should reorganisation not go ahead, council tax rates may remain higher for Christchurch residents"*.

Again, there's no "may" about it. **The BCP Shadow Executive has formally opted for a 6-year freeze of Christchurch Council Tax rates whilst those in Bournemouth and Poole are increased to parity**. Why do you seek to play down such facts that are of significant importance to Council Tax payers in Christchurch?

In Conclusion

We have we believe met our objectives but have rather lost faith in Grant Thornton. We do not enjoy writing in this vein but your lack of grasp of the subject and willingness to promote statements than can so easily be shown to be inaccurate or incomplete leaves us with little choice.

Several of the individuals involved in writing these letters either worked for many years as accountants or auditors or worked with such professionals at Board level. We understand the fundamental dichotomy that pervades your work. You must criticise the very people to whom you will present your invoice for payment.

Yours sincerely

JE Biggin

Jim Biggin

Chairman