



Ministry of Housing,  
Communities &  
Local Government

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James Strachan  
Chief Executive  
Eastleigh Borough Council

19 December 2024

## **Eastleigh Borough Council (BCP) Best Value Notice expiring 19 December 2024**

Dear James,

The department issued a Best Value Notice (“Notice”) to Eastleigh Borough Council on 19 December 2023 as a formal notification that the department had ongoing concerns regarding the council's significant debt and shortage of capacity to manage the scale and ambition of its commercial and housing developments. The Notice requested that the Council engage with the department to provide assurance of its progress against the recommendations set out in the CIPFA review and its ability to manage these risks. We thank you for the constructive engagement your council has had with the department since the Notice was issued.

Eastleigh Borough Council has worked positively with the department and has gained extensive external scrutiny and challenge throughout the period, including undertaking external governance reviews with the Centre for Governance and Scrutiny (CfGS), and the Society of Local Authority Chief Executives (SOLACE). Notably, the capacity and capability of key functional areas has increased, including in finance and asset management, with recruitment taking place into several key roles. The council has also drafted a debt reduction plan in response to the BVN, including a comprehensive review of the council's Capital Programme. We appreciate the regular engagement your council has had with department throughout this period.

In light of the above and based on the available evidence, ministers are reassured as to Eastleigh Borough Council's capacity to comply with its Best Value Duty under the Local Government Act 1999 and the Notice will not be reissued at this time.

Whilst we will not be renewing the Notice, we still remain concerned about the significant debt which is held by the council and the risk which is carried with this. As a result, the council should continue engaging regularly with the department to provide assurance of the steps being taken to reduce and manage its overall debt. A member of the Local Government Finance team will be in touch with you to arrange this ongoing engagement.

Should the department deem it necessary to seek further assurance through a Best Value Notice in future, based on the available evidence, a further Notice will be issued. The Secretary of State also holds statutory powers under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. A failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

I look forward to receiving updates on your continued progress.

**Yours sincerely,**

**Suzanne Clarke**  
**Deputy Director, Local Government Finance**