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MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **SCRUTINY COMMITTEE** held on 21 November 2022 at 2.15 pm

Present

Councillors

S J Clist (Chairman)
E J Berry, Mrs S Griggs, F W Letch,
R F Radford, A Wilce, J Buczkowski and
B G J Warren

Apologies

Councillor(s)

G Barnell, L J Cruwys, Mrs E J Lloyd, S Pugh and
Mrs E J Slade

Also Present

Councillor(s)

R M Deed, R J Dolley and B A Moore

Also Present

Officer(s):

Stephen Walford (Chief Executive), Maria De Leiburne (District Solicitor and Monitoring Officer), Andrew Jarrett (Deputy Chief Executive (S151)), Jill May (Director of Business Improvement and Operations), Paul Deal (Corporate Manager for Finance), Lisa Lewis (Corporate Manager for Business Transformation and Customer Engagement), Carole Oliphant (Member Services Officer) and Jessica Rowe (Member Services Apprentice)

46 **PUBLIC QUESTION TIME (0.02.57)**

Mr N Quinn, a local resident stated:

Regarding Agenda Item 8 – 3 Rivers Business Plan

The Business Plan report contains a table showing Financial Transactions with 3 Rivers, but the figures shown in the first three Interest Received columns have previously been reported as wrong.

The S151 Officer, admitted that the first two figures were incorrect at the Scrutiny Committee meeting on 14 Feb 2022, and that the third figure was incorrect at the Full Council meeting on 15 December 2021.

Question 1 - Why have incorrect figures been included in this table?

Paragraph 2.5 says the table details the “direct financial benefit” accruing from investment in 3 Rivers.

But recharges and loan repayments are only the recovery of amounts already spent, or lent, by the Council - they are net zero transactions. There is no “direct financial benefit” from those, or from the impairment.

So, the only actual “direct financial benefit” comes from the additional interest paid by 3 Rivers, over that which could be obtained by investing elsewhere. But this amount has not been calculated.

Question 2 - Why has the actual “direct financial benefit” not been shown?

Paragraph 2.5 also lists a number of indirect benefits, including “influence over affordable/social housing delivery numbers”.

Question 3 - Excluding Burlescombe, as 3 Rivers was just a contractor for the Council, how many affordable houses:

- a) Has 3 Rivers delivered in its own completed developments?
- b) Will be delivered, by 3 Rivers, in its two current developments?

Lastly

In the ‘Relationship to Corporate Plan’ section - after five years with the single aim of profit, new key aims been introduced.

Question 4 - Why has this, arms length, Commercial Company changed from its single aim of profit?

The Deputy Chief Executive (S151) responded:

Q1. As explained at a full Council meeting and subsequently at other Council meetings that those were amended numbers due to revised situations and forecasts. The figures were not incorrect and were correct at the point of issue. The figures within today’s report are correct as they stand.

Written responses would be provided for the remaining questions.

(The meeting ended at 3.49 pm)

CHAIRMAN

Written responses to Public Questions 21.11.2022

Qu 1 - All figures included in the 3R committee report tabled to the Cabinet meeting on the 29/11/22 are correct (and preceding the 2021/22 financial year have been subject to external audit). Some figures have been adjusted to take account of new information or decisions taken at a late date. This has been high lightened and explained at a number of Council meetings.

Qu2 – All of the amounts shown as recharges, loan repayments and interest payments are all direct financial transactions (some are revenue and some are capital). Therefore the full picture of payments/receipts between the 2 entities are reflected in the aforementioned table.

Qu3 – a) None and b) none.

Qu4 – the overarching rationale for setting up a property development company was to make profit that could be recycled back in to the Council to offset the significant Govt. funding cuts. However, officers and members have been clear that other direct and indirect benefits would also accrue, for instance, but not limited to: exemplar development to use as a local benchmark, increased housing numbers, increased Council Tax receipts, higher usage of local trades, regeneration and development of challenging sites, etc.

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