

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)

44 APOLOGIES AND SUBSTITUTE MEMBERS (0.02.14)

Apologies were received from Cllrs S Pugh, Mrs E J Slade, Mrs E J Lloyd, G Barnell and L J Cruwys who were substituted by Cllrs B G J Warren and J Buczkowski respectively

45 DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (0.02.41)

Members were reminded of the need to make declarations where appropriate

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.

47 **MINUTES OF THE PREVIOUS MEETING (0.07.35)**

The minutes of the last meeting were approved as a correct record and **SIGNED** by the Chairman.

48 **DECISIONS OF THE CABINET (0.10.35)**

The Committee **NOTED** that none of the decisions made by the Cabinet on 1st November 2022 had been called in.

49 **CHAIRMAN'S ANNOUNCEMENTS (0.10.45)**

The Chairman made the following announcements:

The visit to the AD plant was taking place next Monday 28th November

The Spotlight review into Participatory Budgeting was taking place on 1st December – please let Jess Rowe know if you are attending

50 **ACCESS TO INFORMATION - EXCLUSION OF PRESS AND PUBLIC (0.12.03)**

The Chairman indicated that discussion with regard to the next item, may require the Committee to pass the following resolution to exclude the press and public having reflected on Article 12 12.02(d) (a presumption in favour of openness) of the Constitution. This decision may be required because consideration of this matter in public may disclose information falling within one of the descriptions of exempt information in Schedule 12A to the Local Government Act 1972. The Committee would need to decide whether, in all the circumstances of the case, the public interest in maintaining the exemption, outweighs the public interest in disclosing the information.

51 **3 RIVERS DEVELOPMENTS LTD - BUSINESS PLAN (0.12.059)**

The Group had before it and **NOTED**, a *report from the Deputy Chief Executive providing the 3 Rivers Developments Ltd – Business Plan 2023 -2028.

In response to questions asked the Deputy Chief Executive (S151) responded:

- The Company had been set up with a number of priorities including as an investment for the Council and to provide the delivery of social housing
- The Company was funded through a mixture of PWLB borrowing and surplus funds and that the Business Plan in front of Members covered the period 2023-2028
- The figures provided in the report had been audited and were correct
- The risks associated with the Company had been explained in the Business Plan, however there was risk with any investment and that the Scrutiny Committee were able to make recommendations to the Cabinet if they felt that these had not been explained

RESOLVED that under Section 100A(4) of the Local Government Act 1972 the public be excluded from the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 respectively of Part 1 of Schedule 12A of the Act, namely information relating to the financial or business affairs of any particular person (including the authority holding that information)

(Proposed by the Chairman)

Members then reviewed the 3 Rivers Developments Business Plan 2023-2028.

On returning to open session the Chairman confirmed that the following recommendations had been made:

1. That the Audit Committee recommend to the Cabinet that more detail of the risks and various options going forward be sought from the S151 Officer
2. That the Cabinet refer the matter to full Council

Note: *report previously circulated and attached to the minutes

52 **WORK PROGRAMME (0.33.09)**

The Committee had before it, and **NOTED** the *Forward Plan and the *Scrutiny Work Plan.

The Chairman advised that after consultation with Legal Services a recent Scrutiny proposal to look into the determination of Council planning applications should be referred to the Standards Committee and would not be included on the Scrutiny Work Plan

Note: Forward Plan and Work Plan previously circulated and attached to the minutes

(The meeting ended at 3.49 pm)

CHAIRMAN