

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **SCRUTINY COMMITTEE** held on 5 November 2018 at 2.15 pm

Present

Councillors

F J Rosamond (Chairman)
Mrs H Bainbridge, Mrs F J Colthorpe, Mrs C P Daw,
Mrs G Doe, Mrs S Griggs, T G Hughes, Mrs B M Hull,
F W Letch, Mrs J Roach and T W Snow

Apologies

Councillor(s)

N A Way

Also Present

Councillor(s)

C J Eginton, R L Stanley, R Evans and Mrs J B Binks

Present

Officer(s):

Stephen Walford (Chief Executive), Andrew Jarrett (Deputy Chief Executive (S151)), Jill May (Director of Corporate Affairs and Business Transformation), Andrew Pritchard (Director of Operations), Maria De Leiburne (Solicitor), Mark Baglow (Group Manager for Building Services), Joanne Nacey (Group Manager for Finance), Kevin Swift (Public Health Officer) and Carole Oliphant (Member Services Officer)

87 **APOLOGIES AND SUBSTITUTE MEMBERS (00.01.04)**

Apologies were received from Cllr N A Way

88 **DECLARATIONS OF INTEREST UNDER THE CODE OF CONDUCT (00.01.13)**

No declarations were made.

89 **PUBLIC QUESTION TIME (00.01.24)**

There were no members of the public present.

90 **MEMBER FORUM (00.01.43)**

There were no issues raised under this item.

91 **MINUTES OF THE PREVIOUS MEETING (00.02.03)**

The minutes of the meeting held on 8th October 2018 were approved as a correct record and **SIGNED** by the Chairman.

92 DECISIONS OF THE CABINET (00.02.34)

The Chairman informed the Committee that Cllrs: Mrs J Roach, Cllr D J Knowles, Cllr F W Letch, Cllr R M Deed and Cllr R Wright had called in two decisions made by the Cabinet at its meeting on 25th October 2018 (with regard to the Medium Term Financial Plan and the Modernisation of Council Homes 2018-2023) for consideration by the Scrutiny Committee in accordance with the Council's Constitution.

To consider:

a) Medium Term Financial Plan

- This report is listed as having been 'noted', the proposals in paragraph 8.2 of the report be endorsed'. Paragraph 8.2 in the report contains possible actions the Council could take to remain solvent. There is little evidence to demonstrate how and why these might or could be adopted. Without clear objectives and an overall plan a satisfactory outcome is doubtful.
- An allocation of 11 million pounds for 75 affordable homes is an SPV project which appears to be funded by MDDC.
- On page 89, there is a further allocation of funds to the SPV for the Tiverton Roundhill site. Is MDDC funding the SPV or not?

The Chairman asked the lead member who had called in the decision for the reasons why she felt that a call in was appropriate.

The lead member explained that she had missed the member briefing and the Cabinet meeting and did not feel that the Medium Term Financial Plan or the allocation of funds to SPV had been sufficiently discussed.

The Deputy Chief Executive (S151) explained that two reports had been sent to Cabinet and a member briefing had been arranged which had detailed the funding arrangements for 3 Rivers Developments Ltd. He further explained that Full Council had been fully informed of the arrangements and that this had been approved. He reiterated that Council could borrow money at a low rate and this had been lent to 3 Rivers at the market rate which would see the Council realise a profit on the monies lent. The Council was not funding 3 Rivers Developments Ltd out of the General Fund. He explained he was happy to provide the member with further information if she required.

In answer to a question about the Deputy Chief Executive's (S151) role as both Finance Director for the Council and a Director of 3 Rivers Developments Ltd he explained that Members had approved the Memorandum of Association which had confirmed the governance arrangements between the two entities.

Members present who had attended the briefing about 3 Rivers Developments Ltd stated that they were clear of the governance arrangements and that they had full confidence in the Council and the Deputy Chief Executive (S151).

The Chairman recommended and the Committee agreed that the discussion about the funding for 3 Rivers Developments Ltd was closed at that point and no recommendation or proposal was made to the Cabinet.

With regard to the Medium Term Financial Plan the lead member of the call in stated that she had concerns that she could not see a long term strategy for the Council.

The Chairman again questioned the validity of a call in as the lead member was not questioning the process the Council took to approve the Medium Term Financial Plan.

The Deputy Chief Executive (S151) outlined the Medium Term Financial Plan and explained to members in further detail:

- A strong strategy and history of delivery
- Council had balanced its books against lower funding
- Services had remained the same or had been improved
- Clear strategy as evidenced in PDG papers
- Joint service agreement with DCC for waste was saving £200k per annum
- Investing to save with the refurbishment of leisure centres
- Reviewing current and future property asset requirements
- Maximisation of procurement contracts

The Chief Executive explained to the Committee that the Council would always be changing and evolving and that he worked closely with other authorities to share knowledge and best practice.

There was a general discussion on the commercial aspects of the Council and the need to make efficiencies due to less funding from Central Government.

The Chairman of the Audit Committee spoke to the Committee and stated that change management was now the norm and was to be expected. He explained to the Scrutiny Committee that he and the members of the Audit Committee had received very good guidance and advice prior to recommending the Medium Term Financial Plan to Cabinet. He explained that when compared to neighbouring authorities the Council was doing very well and was successful.

The Chairman recommended and the Committee agreed that no proposal or recommendation in relation to the call in be made to the Cabinet with regard to the Medium Term Financial Plan.

In response to

b) Modernisation of Council Homes 2018-2023

- A challenge in May to the way the kitchen contract had been awarded.
- This contract was for replacement kitchens and bathrooms and upgrading of electrical circuits. The report states that the Council is required to replace kitchens and bathrooms and sort electrical circuits. The same requirement of the May contract. Why is there a need to have two contracts with two different suppliers?

The lead member for the call in explained that she had now been informed of the difference between the two contracts, in that the May contract was to supply kitchens and the November contract was to install them. She said that she felt that this was

not made clear on the reports approved by Cabinet. She wanted to know how many kitchens formed part of the contract.

The Director of Operations explained that the contract awarded was an indicative spend and that the exact number of kitchens supplied and fitted could not be known in advance. The number of units supplied and fitted would depend on the need (or not) to change kitchens when properties were vacated and the desire of tenants to have the works done. He confirmed that the budget was sufficient for what was needed to be done based on historical numbers. He confirmed that the May contract was for the Supply of Kitchens and the November contract was for the Modernisation of Council Homes 2018-2023

At this point the lead member for the call in stated that she wanted to raise another point about the Modernisation of Council Homes 2018-2023 report appendix which had been provided to Cabinet on 25th October 2018 and the handling of exempt information related to the decision.

The Solicitor confirmed that the appendix was exempt information and that it remained exempt information and therefore could not be discussed in open session.

On advice of the Solicitor present discussion took place whether it was necessary to pass the following resolution to exclude the press and the public having reflected on Article 15 15.02(d) (a presumption in favour of openness) of the Constitution. The Committee decided that in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

It was therefore:

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 5 respectively of Part 1 of Schedule 12A of the Act, namely information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

(Proposed by the Chairman)

Discussion then took place regarding the incident and there were no recommendations or proposals made as a result of the discussions.

The meeting returned to open session.

93 **CHAIRMAN'S ANNOUNCEMENTS (00.41.21)**

The Chairman relayed responses he had received from the Member of Parliament about District Nurses and from the Leader, on behalf of the Cabinet, to the letter sent by the Scrutiny Committee about the decision to sell the Crediton Town Council offices to buyer 2 which had previously been circulated to Members.

94 **BUSINESS RATES RETENTION SCHEME (00.42.59)**

The Committee received and **NOTED** a briefing from the Group Manager for Finance in relation to Mid Devon being a trial area for the retention of Business Rates.

She outlined the scheme which was introduced by Central Government and how it had evolved over time. She provided further clarification on:

- Authorities had to bid to be accepted on the scheme
- Changes in the scheme since 2014
- Council was in a pool with other authorities in Devon
- Planning commission for 100% renewable schemes

She further explained that the Devon bid for 2019/2020 was unlikely to be successful as the Government had already awarded the scheme to the Greater London Authorities and that the Council had budgeted for this.

In response to a question about where the money from Business Rates was being spent she explained that the monies were not ring fenced for particular projects but any additional funds from economic growth would be spent on economic development. By growth she meant by new businesses or existing businesses expanding.

In response to members questions she confirmed that business rates values were reassessed in 2017 and that businesses could ask for a re-evaluation at any time. She explained that many businesses in the district had received a grant to offset the increases in business rates and were likely to appeal when they were subjected to the full costs.

At a request from members the Deputy Chief Executive (s151) said he would provide details of the number of properties in Mid Devon who would be eligible for the small business discount.

95 **SCRUTINY OFFICER UPDATE (01.07.19)**

The Committee received and **NOTED** a verbal report from the Scrutiny Officer who gave an update on the following:

- AD Report – He was following up on the list of incidents and he would send the details to all members
- Trim Trails – the tender for supply had been secured and the installation date was anticipated before year end
- Community Engagement – the Working Group's final report was due to come before the Committee at the next meeting

96 **FORWARD PLAN (01.11.47)**

The Committee received and **NOTED** the *Forward Plan.

It was requested that the Scrutiny Committee have insight into the following items within the Plan which were due to be presented to Cabinet:

- Greater Exeter Strategic Plan & Proposals (22 Nov 2018)
- Improvements to Tiverton Town Centre (03 Jan 2019)
- Policy Framework (07 Feb 2019)
- Homelessness Strategy (04 Apr 2019)

The Committee also requested that the titles of some of the items be changed to reflect the content of the reports to be considered. Examples were:

- Establishment of a Member Development Delivery Advisory Group – the Group felt that this was confusing with the Member Development Group being run by Member Services
- Statement of Community Involvement Review 2018 – the Group felt that this was not clear whether it was with regard to the local development scheme and linked to the local plan
- Statement of Community Involvement Review 2018 – post consultation – the Group felt that this did not distinguish between a planning and a public consultation and needed to be clarified

Note: *Forward Plan previously circulated and attached to the minutes.

97 **IDENTIFICATION OF ITEMS FOR THE NEXT MEETING (01.30.57)**

The Committee identified the following items for consideration at future meetings:

- Consultations – a report was required of the plan on how public consultations were to be completed.
- Impact of Brexit on the authority and what preparations were being done for when the UK left the EU.
- Cullompton Train Station – A report on the current planning and proposals for the replacement of Cullompton train station.

With regard to the last item the Chief Executive explained that the Cabinet Member would have access to this information and that an update could be provided.

(The meeting ended at 3.56 pm)

CHAIRMAN