

Full Council – 6 September 2023

Public Question Time

Sue Griggs

Question 1

I am a resident of St Andrew Street & have watched the progression of the project there. I have said before that as a development company associated with MDDC right in the town centre it should be an exemplary run & managed site, setting an example to others & it really hasn't been at all. There were problems at the site even before the pandemic. Other building sites got back working much more quickly than the St George's site. Why didn't it? Residents are deeply disappointed & very worried about what will become of the site with good cause, we have seen u-turns before. Residents & the community need assurances that if this development does become housing for the 60yrs & over then it stays that way. What is your fall back or back up plan if plan A fails? I would urge all those voting this evening to not agree to the recommendation until you have a robust fall back or plan B that you can agree on.

Answer

The Council during the meeting considered the recommendation made by Cabinet and will need to consider alternative options if this decision is not implemented. Other considerations would need to be fully considered based on their associated merits, risks and cost benefits.

Question 2

Why isn't this being fully scrutinised? The chair of scrutiny said that there would be no repeat of this happening again. How can this be ensured unless we fully understand how it all went so wrong when the expectations of the project were so high & both councillors & officers confident at the time of conception it would succeed? Perhaps a scrutiny committee from another county could be asked to scrutinise. MDDC should not be marking its own homework.

Answer

The Chair of Scrutiny has requested a "lessons learned" report

Question 3

A member of cabinet said that the decision to set up a Property Development Company was made by councillors not officers. Councillors set the strategic direction & officers are responsible for the management of the council & will ensure the implementation of agreed policies, supporting & advising councillors. I recall officers explaining how the property Development Co. could work, the pitfalls and I don't remember there being any major worries, it all seemed to be regarded as a very good plan & would be very beneficial to the council. Did officers at the time of its concept or at any time afterwards advise not to go forward with plans to create a Property Development Company?

Answer

Officers throughout the life span of the company have advised the Council on both the benefits and the associated risk of continued investment. The Council and its committees regularly considered risks and associated views from internal and external audit.

Question 4

It appears there have been no sales at St George's Court, although we were told that there were 2 reserved at one time & there was considerable interest. Who and why was the decision made not to use a local estate agency? Tiverton has 6 reputable agencies all with local knowledge & a data base of possible applicants. MDDC have a policy to support local businesses surely this contract to market & sell should've come to local agents?

Answer

The company is free to decide who it wishes to use as its agent(s)

Question 5

What measures were put in place to safeguard the money put in by MDDC?

Answer

Sound financial and legal governance measures were put in place at the outset of the company and this was after securing advice from external nationally-recognised lawyers and accountants. The Council also commissioned further scrutiny of these arrangements in 2019/20. The company and Council receive annual external audit which also makes conclusions on the operations and financial controls operated by the company.

Danielle Furmiger**Question**

Concern was raised as to whether St George's Court was appropriate housing for those over 60 and whether this housing would meet their needs. It was highlighted that this site had slopes and hills within the surrounding area as well as how emergency services would access these sites. Risks to children was also raised as it was felt that the wall to the river was low. It was also asked if the Council could confirm that the risks of this site had been fully considered and that mitigation plans would be in place. In addition it was asked where could the public access these within the housing policy.

Answer

St Georges Court is very centrally located in the town centre with excellent access to amenities and public transport. All paths and roadways are designed and built to adopted highways specification with full consideration of drop gradients and access provisions for those with lower mobility. Ground floor units have level access and there are lifts to all upper floors with the exception of the non-apartment (house) units. Should the Council HRA proceed with a purchase of these properties then all bathrooms will be converted to level access and a further risk assessment carried out regards the river wall. More information on the suitability of this site is provided in the Cabinet report of 29 August 2023.

Paul Elstone

Question 1

In response to a public question at the Cabinet Meeting of the 29 August 2023, it was said that the impaired value of the outstanding loan to 3 Rivers for St George's Court was £8.65 million. It is known the land at Knowle Lane Cullompton cost £2.75 million. Given the outstanding 3 Rivers loan amount is £21.3 million, can the rest of this amount be fully explained?

Answer

At the current stage a further detailed breakdown of this figure is commercially sensitive and therefore will not be made available.

Question 2

The Cabinet Member for Finance, at Cabinet meeting on the 16 August 2023 said: "I want to be really clear about this, every decision to lend money for a particular project was always made by Councillors, and in particular by the Leader and the Cabinet at the time. Many, if not all those, responsible for those poor decisions are no longer part of this Council – perhaps that is telling enough". These words are not shown in the minutes of the meeting but are on the sound recording.

It should not be forgotten that leading members of this current Cabinet were part of the Cabinet during 2019 and 2020 and were very much involved in the approval of loans for 3 Rivers projects. It should also not be forgotten that these very poor decisions, leading to massive financial losses, were based on information given to Elected Members by others. Given that several of the same people are in fact still actively involved, how can the residents of Mid Devon have any confidence in the information being provided to Council Members now, or in the quality of decision making by this new Cabinet and that further substantial debt, or ongoing liabilities, will not be incurred by the residents of Mid Devon?

Answer

These observations and questions were made and responded to at the aforementioned meeting of the Cabinet.

Barry Warren

On Page 72 of your papers are the minutes of the Cabinet discussion about the potential closure of 3 Rivers. You will also see the response of the S151 Officer when asked whether the confidential reports might be published publicly in the future - the Deputy Chief Executive (S151) explained that currently reports were live commercial reports that needed to be kept confidential.

Question 1

The day after that Cabinet meeting, the S151 Officer was interviewed about the closure of 3 Rivers by an online news blog, called Room 151, read by Council Finance Officers.

They published an Item titled "Mid Devon to close property company due to challenging housing market" and quoted this Council's S151 Officer as saying: "The

council anticipates getting a significant amount of the money back once the assets have been sold. It is unlikely that we will get all of the loan back, however, we anticipate getting two-thirds back.”

Given that the current 3 Rivers outstanding loan is £21 million, this means he anticipates a loss to the Council of around £7million.

Members of the public had previously tried to obtain an estimate of potential Council losses but were always being told such figures were commercially sensitive.

Is it right that an Officer should reveal confidential, and commercially sensitive, information to an online news source, when it is withheld from the Mid Devon public?

Answer

Information attributed to the officer was taken from public reports. Any confirmation on this topic after the Council had agreed the recommendations from Cabinet was to provide a very broad brush overview of the likely recovery rate, and was deemed to help address some of the misinformation that had been included in the local media from non-Council sources.

Question 2

Is it right that the Mid Devon public have to get the information about the size of the potential Council losses from the Internet rather than direct from their elected Members?

Answer

Further financial updates on the soft closure of the Council’s property development company will be provided to the Shareholder and other meetings of the Council on a regular basis. Decisions around commercial sensitivity will still need to be considered.

Sophia Beard

Question 1

Would the Council confirm that the housing needs consultation process has not included any consultation with the residents of St Andrew’s Street, Ham Place or Angel Hill over the rumoured change of the status of the development of St George’s Court of that of private ownership to dwellings of social housing?

Answer

Yes. There is no requirement to do so and local housing need is determined by Devon Home Choice and other allocations/housing needs data.

Question 2

Would the Council here tonight confirm their intention to commit to a public consultation on the issue of the change of status of the development and with whom with those people the development would affect?

Answer

No consultation is planned or required. See above.

Question 3

Would the Chairman of the Scrutiny Committee assure the public that the investigation into the decisions that led to this current situation would be fully transparent with all information made available to the public?

Answer

The Scrutiny Committee has agreed to hold a meeting to establish the Terms of Reference for a lessons learned report.

Question 4

Would the Chairman of the Scrutiny Committee also confirm that whilst the investigation is not in itself to find blame. If or when blame is found that appropriate and strong action would be taken?

Answer

Please see previous answer.

Question 5

If St George's Court gets used for social housing, would the Council screen the tenants, not just on their needs but also on their individual suitability for the site?

Answer

The needs of individual tenants would be taken into account within the local lettings approach.

Question 6

Would there be any provisions made for the safety of pedestrians on St Andrew's Street North, as vehicles accelerate up a steep slope towards a pavement where children play?

Answer

All highways matters including any safety requirements were incorporated into the approved design of the scheme. No further provisions are currently being considered.

Question 7

Would the Council prioritise the wellbeing of the existing social tenants who are already dealing with significant issues in respect of waste storage, collection and rats?

Answer

The Council will always prioritise the wellbeing of its tenants. If there are any specific concerns then tenants are encouraged to report these to Mid Devon Housing in the normal way.

Question 8

Would the Council accelerate discussions in respect of the parking provision and revisit the issue of residents parking, whether there are grounds to declare that St George's Court, St Andrew's Street North and South, Tumbling Fields, Little Silver are an area?

Answer

This is not relevant to the proposed acquisition of St Georges Court by Mid Devon Housing as adequate parking provision is made at that location. Therefore, this potential acquisition will not in itself prompt any wider review of tenant parking at other locations within Tiverton or more widely.

Question 9

Would the Council provide indemnity in the event of any flooding to cover the impact a flooding event would have on the households affected by rising premiums?

Answer

Flood risk and mitigation including adequate surface water drainage attenuation was a material consideration taken fully into account during the scheme design and planning process. No indemnity is therefore required.

Question 10

Can the Council outline how it proposes to consult with residents both now and in the future to address the issues and concerns being collectively raised here in respect of the impacts St George's Court is already having on the surrounding community?

Answer

No wider consultation process is required. However, should tenancy or neighbourhood issues emerge that are relevant to our future management of St Georges Court or any other existing properties then Mid Devon Housing would deal with these effectively under relevant policy provisions set out in more detail at <https://www.middevon.gov.uk/residents/mid-devon-housing/help-and-support/strategies-and-policies/>

Tim Bridger**Question 1**

Item 1 – apologies – I note that this Council has once again accepted apologies from Cllr Frost. Cllr Frost is yet to attend a single meeting or carry out any duties as a Cllr. Could the Leader please clarify when Cllr Frost will be standing down and an election taking place for someone willing to undertake the role.

Answer

Cllr Frost has been unable to attend Council meetings due to a health issue. I am now hopeful Cllr Frost will be attending future Council meetings and will be supported to ensure he fulfils his duties as an elected member of the Council.

Question 2

Motion 597 - could the Council clarify where – if anywhere – on land owned by Mid Devon animals are being offered as prizes? Could we suggest that if the Council wants to take a stand against animal cruelty, it takes steps to prevent the use of MDCC land for the Boxing Day Hunt and to enforce the regulations regarding public drinking in restricted areas, public collection without a licence, dog and horse fouling, drunk and

disorderly behaviour by supporters, and unauthorised horse and traffic movement in the Town Centre Pedestrian Zone.

Answer

That is correct.

Question 3

Item 8 – Reports of Cabinet 6th June, Scrutiny 14 & 24 August, Audit Committee 27 August – on 6 June the s151 Officer presented the Revenue and Capital Outturn 2022/23 that stated a positive overall financial position for the Council, despite a 4.1 million impairment for 3Rivers, and concluded that the 3RL position should remain funded going forward. 6 weeks later following an external report the s151 Officer told the Trade Press that the total estimated loss was over £7million. These two positions cannot be reconciled. Can officer please confirm why they were more open with a trade publication than with the public of Mid Devon.

Answer

The recommendations to fund to completion the 2 live projects and the associated working capital requirements, but provide no other funding, was agreed by Full Council. Councillors and Council were aware that if this action had not been taken, further and larger company losses would have been a likely outcome. The comments made in a trade publication were made after decisions of the Cabinet and Full Council – so were therefore less commercially sensitive and would help to clarify some local press articles quoting potential losses far in excess of this number. All Council meetings (including Cabinet, the Audit Committee and Scrutiny) have been provided with regular information relating to the financial position of the company and the risks of further investment and the decision to cease future investment. Councillors have made it very clear that it is their key statutory officers that should provide advice to them.

Question 4

In regards to the HRA (Housing Revenue Account) valuation of St George's Court, would there be an open process to show how it would be valued, including having registered and successful social housing providers bid for the site?

Answer

Mid Devon Housing will obtain an independent valuation of the properties alongside information from the District Valuer and negotiate with 3Rivers Development Ltd on that basis. This is the same process that would be undertaken for any market purchase of land and/or properties by the HRA.

Steve Bush

Cabinet have stated that there is no need to refer decisions about Affordable Home purchase to the Homes PDG as there is already an agreed policy in place.

I am unable to find any MDDC Housing Policy that shows that full consideration has been given requesting over 60's to redeploy to smaller size accommodation to free up larger properties for families or that any risk and mitigation plans have been developed for such a move.

Our concern is that these properties as they have been developed are entirely unsuitable for elderly residents, and would require considerable adaptation to make them so. There are no ground floor properties due to the risk of flooding, for example. The site is extremely uneven and the entrance to it is on a severe slope. Where would aids such as mobility scooters be stored? How would tenants be evacuated in the event of a flood or fire? Are there lifts? Are those lifts large enough for an Ambulance Service gurney?

I am certainly not opposed to the reallocation of these properties to social housing, indeed I have been calling for that over many years. But they are surely more suitable for young couples or single tenants who are, for example, key workers in public services such as the NHS or education, and not for elderly tenants. Those who cannot afford the sky high private rental sector or large deposit on a mortgage.

Can the Council confirm that such a MDDC Housing Policy exists, including risk and mitigation measures and if so, where can this policy be found?

Answer

All paths and roadways are designed and built to adopted highways specification with full consideration of drop gradients and access provisions for those with lower mobility. Ground floor units have level access and there are lifts to all upper floors with the exception of the non-apartment (house) units. Should the Council HRA proceed with a purchase of these properties then all bathrooms will be converted to level access. More information on the suitability of this site is provided in the Cabinet report of 29 August 2023.

The adaptation of properties for individual needs and other considerations relevant to the safety of (and access to) our properties are covered by several policies under the Homes Standard - available here <https://www.middevon.gov.uk/residents/mid-devon-housing/help-and-support/strategies-and-policies/>

Deborah Worth

It was raised that residents surrounding St George's Court have had a challenging time.

It was asked whether this Council would, once everything had been reviewed, be honest and admit the faults and if needs be, make a public apology to the whole of Mid Devon that funded this absolute disaster.

In regards to St George's court having potentially disabled and elderly tenants, the accessibility to the site and the risk of potential accidents. It was asked if the Council would apologise should an accident occur.

Answer

Please see previous answers in relation to a lessons learned report and the detailed response provided to a question from Mr Bush regarding the Homes Standard.