

## **Scrutiny Committee Meeting – Monday 18 December 2023**

Responses to Public Questions not submitted in advance of the meeting.

### **QUESTIONS: Paul Elstone - A Local Resident and Council Taxpayer .**

**My Questions relate to Agenda Item 11 The 3 Rivers Lessons Learned Report.**

**Question 1** - Section 1 Summary and Recommendations states

Quote *“All relevant material was made available”*.

How can this be stated and when the Working Group had been told that Council Officers were threatening Members of the General Public with criminal action, if they provided certain documents ?

It seems that former Council Leaders also received veiled threats if they made documents they may have held available.

That despite being fully aware, the current Council Leader failed to intervene to ensure key documents were released.

**Response:** As far as the Working Group were concerned they were content with all the information that was made available to them from both officers and members of the public (who supplied some of this information directly to members of this group and the Chair of the Committee).

The Council would like to make it explicitly clear that there have been no officer threats. The Council have simply written to 3 members of the public with regard to data protection breaches as advised by the Data Protection Officer and the Information Commissioner Officer

### **Question 2**

Why were the former Council Leaders not interviewed in person, especially when the Working Group were made fully aware of the threats against them ?

**Response:** It was the Working Group’s prerogative to carry out their investigation however they deemed appropriate. There were no threats contained within the request, it simply stated that any information supplied would be verified by the Council’s District Solicitor.

### **Question 3**

Evidence is available which conflicts with several statements in the report. Did the Working Group have time to fully fact check the information they were provided with?

**Response:** The Working Group were content with all of their investigations carried out.

### **Question 4**

The Working Group Report identified many and serious governance failings.

What the Working Group have failed to do, is to reference who should have prevented these serious failings and how.

It should be clear to any anyone with an understanding of the responsibilities of Local Government Statutory Officers, what the full root cause is.

It has nothing to do with the various excuses the Public have previously been given including Government policy.

Why was the root cause not directly addressed in the report and something that is a serious omission ?

**Response:** The working group didn't highlight one specific root cause within their report and made the recommendations they felt were appropriate.

### **Question 5**

There is one email that fully identifies the root cause.

An email written to an MDDC Senior Officer in February 2020 and signed by ALL the Cabinet Members then, including the current Council Leader and a Deputy Leader.

Yet in the report there is no reference to some very serious concerns even allegations including concerns that there could be a prima facia case to involve the police.

An email that can only be described as explosive. Was this relevant material given to the Working Group ?

If so, and given its importance, how many of the signatories were interviewed and who?

It is an email given the full content that warrants being in the public domain.

**Response:** Council officers are not aware of the email being referred to, but would be happy for you to forward it on to them so we can verify your allegations. We would also be interested to know how you have obtained an internal officer/member email.

### **Responses from Deputy Chief Executive (S151) Officer**

**QUESTIONS: Goff Welchman - A Local Resident and Council Taxpayer .**

**My Questions relate to Agenda Item 11 The 3 Rivers Lessons Learned Report.**

**Question 1:** In the Working Party's report, you list the lessons learned from it, most of these lessons are actually fundamental to the setting up of any business and requisite for any loans from a credible financial institution. The implication is therefore that these steps were not taken at the outset of 3 Rivers otherwise you wouldn't be needing to learn lessons from them. There are just four reasons why these steps were not taken: either ignorance, incompetence, negligence or deliberate avoidance, which of these reasons applies to 3 Rivers and its setting up?

**Question 2:** If the answer to question 1 is 'none of those' what reason can you give that you can disclose for such vital lessons in setting up a vast financial enterprise being ignored?

**Response to questions 1 & 2**

Although the working group's (WG) recommendations focused on a number of lessons learned, many/most of these items were in place from the outset of the company. But the WG felt that these points should be reiterated if the Council was ever intending to consider another commercial venture in the future.

For information purposes, the Council undertook a significant amount of internal due diligence and secured external professional advice from a number of parties before setting up the company. It also procured additional expertise during the life of the company, at a number of junctures. This advice encompassed corporate governance, financial performance, risk control measures and business appraisals. Businesses can always learn from past decisions and clearly there will often be a myriad of internal and external events that will have impacted company performance. At this point it is probably worth reflecting that many public and private sector development companies have been adversely affected by the multi-faceted impacts of; Covid19, the issues in Ukraine and the current cost of living crisis (impacting both material prices and supply), none of which appear in your question as potential challenges that may have impacted on business performance.

Your question also appears to place no context on the significant austerity programme that has seen the Council's core Government grant funding decrease by circa £4m per annum over the past 10 years. Which has led many Councils, such as ours, in to exploring other commercial revenue generating opportunities to mitigate some of these funding cuts, which by their very nature will have an inherent level of commercial risk and potential reward.

**Response from Deputy Chief Executive (S151) Officer**