

Full Council 18 December 2024 Public Questions and Answers

Name of person submitting	Questions
Goff Welchman	<p>Supplementary statement and questions: This Council poured around £23 million into 3 Rivers gamble, I believe the final losses that were claimed to be only a couple of millions, also this Council’s housing pot not long ago contained about £24 million, yet after the disclosure concerning around £1.8 million that would need to be refunded to over charged Council tenants and the Housing was now reported just to have enough funds.</p> <p>Question 1: Where did the rest of the £24 million go?</p> <p>Response from Cabinet Member for Finance, Governance and Risk: The £23m you quote was the gross level of expenditure made to 3Rivers. We can only assume you are misunderstanding this position for effect, as it would be reasonable to assume that you would appreciate that the total aggregated financial exposure would need to take account of all of the receipts generated from the sales of the projects that had been delivered. With regard to the impact of the estimated refunds that will be made to tenants of £1.8m, this needs to be compared against the current total Housing Revenue Account cash balance of £2m. The other figure of £23m is the HRA’s ear marked reserves – which are set aside for various legal and operational requirements – e.g. decarbonisation works, planned modernisations, fire safety work, etc. These figures can all be found in our draft 2023/24 accounts which have been subject to external audit.</p> <p>Question 2: Had the true loss of 3 Rivers been covered up</p> <p>Response from Cabinet Member for Finance, Governance and Risk: Of course not. These figures have been included in a number of Cabinet reports and have been annually audited by both Grant Thornton and subsequently Bishop Fleming</p> <p>Question 3:</p>

	<p>What happened to the St Georges Court, luxury fixtures and fittings that were removed due the current refurbishment and had appeared to have vanished overnight?</p> <p>Response from Cabinet Member for Housing, Assets and Property: The furniture that was located in a few of the show homes and flats was removed to aid the retrofitting of some of the aids and adaptations required prior to the new tenants moving in. All of the furniture has been relocated to some of our communal areas in other parts of the housing stock.</p>
<p>Dermot Elworthy</p>	<p>Conventionally, planning requirements had been founded on a presumption of favour in a planning application. Cases of a sensitive or contentious nature usually had been referred to a Planning Committee. By and large, this arrangement had worked well for a long time.</p> <p>However, Angela Rayner, the Housing Secretary, had taken it upon herself to ride roughshod over a well-established procedure by relegating authority directly to unelected bodies. By assuming such centralised power, she had, at a stroke, destroyed the democratic process and at the same time had circumvented Local Government's role in planning considerations, thus rendering such involvements largely irrelevant.</p> <p>He mention this because for almost six years the question of the proposed Tidcombe Hall development had hung like a Damoclesian sword over residents of East Tiverton opposing this wholly inappropriate scheme, as well as consuming an inordinate amount of the Council's time. Therefore, in the light of the Housing Secretary's authoritarian approach, it must be prudent, nay, essential, for the Council to strengthen the conclusions of two Planning Committees in the outright rejection of this particular scheme. To this end, the reinforcing of the Council's position must start with the elimination of the Tidcombe Hall land from its contingency category as contained in the Master Plan. For as long as this area is defined as a "contingency", it would remain vulnerable to predation. It would be remembered that the Planning Inspector in his Hartnoll Farm judgment established that the Mid Devon District Council did indeed have the requisite five-year provision, so there can be no cogent reason for retaining the Tidcombe land for this purpose. Its deletion from the Plan should afford increased protection from the ravages of outside influences and he urged the Council to please effect its removal from the Master Plan as a matter of urgency.</p> <p>Chair, on a different matter, the Cabinet reports of the meetings of 12 November and 10 December relating to the Grand Western Canal Conservation Area. Regarding the meeting of 30th October, the minutes pointedly had excluded any reference to the more than four thousand, three hundred concerned people who responded to an</p>

	<p>associated petition and whose consideration was so peremptorily excluded from debate. All these signatories were in opposition to the changes proposed to the Conservation Area, more than seventeen hundreds of whom are local ratepayers. It was of paramount importance that the numerical weight of these objections and the opinions expressed there in be included in the full Council's deliberations of this matter.</p> <p>Response from Cabinet Member for Planning and Economic Regeneration:</p> <p>Mr Elworthy, thank you for your statement submitted under public questions at Full Council on December 18th. As such these are noted. The points raised, in both statements, have previously been addressed or were responded in detail at the Council meeting.</p>
<p>Paul Elstone</p>	<p>Supplementary question:</p> <p>Mr Elstone made reference to how he was disappointed to hear that St Georges Court given all the public concerns about build cost, build quality and various other issues that residents were not offered a visit on the development. He made reference to feedback from the Councillor's visit on Monday there were various concerns raised, the word 'unsafe' was used.</p> <p>Response: The Clerk emailed Mr Elstone</p> <p>In order for this to be investigated further could I ask that you send me the relevant Councillors names and the concerns that were raised so that our officers can investigate these potentially serious allegations.</p>
<p>Timothy Bridger</p>	<p>Question 1:</p> <p>The MTFP and the savings – the only cashable savings on the list are car parking increases, fee income increases, and cutting staff posts. There are no more 'efficiencies' to be found. How then are Cabinet recommending this as a strategy when the total cashable savings element is barely a quarter of the total required amount over the next 4 years?</p> <p>Response from the Cabinet Members for Governance, Finance and Risk:</p> <p>Our medium term financial strategy attempts to provide a financial forecast on costs of our future service provision over the coming 4 years and the revenue resources available to fund them. Work has clearly had a strong 2025/26 focus on the basis that the Govt. has again only provided a one year funding settlement. The Council deploys a number of: income raising, efficiencies and cost reduction measures in order to set a balanced budget, as it is legally</p>

required to do. These options are fully explained, debated and considered at meetings of Policy Development Groups and then the Cabinet prior to agreeing its budget at Full Council in February.

Question 2:

MTFP – staff ‘efficiencies’ and not replacing vacant posts - How do the staff feel about not only being considered expendable, but any decision they take to leave the organisation being considered a benefit, as a saved cost? With that attitude, is it any wonder that vacancies and sickness absence are high?

Response from the Leader of the Council:

The budget does not consider staff expendable, it simply recognises that because the Council provides most of its services directly rather than via contracted out provision, the costs and efficiencies referred to in the budget are almost always linked to the related costs of employing staff. For a number of years the council has had a robust vacancy management approach, since it is always preferable to hold posts vacant when there is no one in them, rather than having to instigate a formal process to create those savings directly.

Question 3:

MTFP and transfer of assets to Town and Parish councils – can you clarify which assets you think a Town or Parish would be prepared to pay for, and why any Town or Parish should pay for the privilege of taking on and running a service or asset that MDDC considers to be loss-making?

Response from the Cabinet Members for Governance, Finance and Risk:

Conversations are still ongoing with a number of Towns/Parishes about the transfer, sale, or co-funding of assets and services. The main focus of these discussions is to ensure local service provision is maintained or even enhanced set against a backdrop of reducing national funding of District Councils.

Question 4:

The Market Drop In Centre – what is the cost to the public purse of this conversion; given that only six people attended the consultation event, how is the interest considered ‘strong’ that there is a need; given that there have been two hot desking buildings in Tiverton previously and both have failed within months, and that there is a ‘incubator’ zone at Petroc that is yet to gain any residents – and indeed that MDDC itself is considering using space at PH for this purpose - how can taking this community asset out of community use be considered a good idea and a

good use of taxpayers monies? Would simply allowing vacant space at PH to be used on a trial basis not be a more cost-effective way to test the market.

The Market Centre project is funded by the Shared Prosperity Fund and Rural England Prosperity Fund. This is Government Funding made available through the Levelling Up agenda, replacing former EU funding.

As part of the funding process, Mid Devon District Council held a series of stakeholder engagement workshops with both internal and external stakeholders (including Members and representatives from local businesses, community organisations and town councils). From these workshops and in alignment with the Council's Corporate Plan, the creation of flexible workspace was identified as a priority project for the prosperity funding. This was included in our SPF Investment Delivery Plan in 2022, approved by Members and submitted to the Government (DLUHC at the time, now MHCLG) for approval.

A) What is the cost to the public purse of this conversion;

The total prosperity funding allocated to delivering this project is £350K.

B) given that only six people attended the consultation event, how is the interest considered 'strong' that there is a need;

As part of the Planning and Design process, the Council held two design consultation events in July 2024, at which a total of 61 people attended (5 in the evening session and 56 in the daytime session) – **not '6' as you suggest**. An online survey was also provided. In total 66 responses were received, with strong support for the design and proposed features.

Between October 2023 and February 2024 market research was undertaken as well as a demand survey (engaging with local businesses, home-workers etc) and an in-person engagement event in the February. This survey, with 69 responses, identified strong demand for a work hub in the town, particularly from self-employed homeworkers and homeworking employees.

There is therefore demonstrable interest in the facility, which supports in achieving wider corporate objectives and economic regeneration.

C) given that there have been two hot desking buildings in Tiverton previously and both have failed within months, and that there is a 'incubator' zone at Petroc that is yet to gain any residents – and indeed that

MDDC itself is considering using space at PH for this purpose - how can taking this community asset out of community use be considered a good idea and a good use of taxpayers monies?

There are different types of flexible workspace provision, of which work hubs are only one element. They often complement each other, addressing different support needs for businesses of different sizes.

The vision for the Market Centre is a quality work hub space supporting modern micro-businesses and mobile workers (including those who work from home).

This should not be confused with the new Innovation facility at Petroc (COTIE at Tiverton) or other forms of flexible workspace in the town (past or present). The Petroc facility provides access to specialist skills and technology solutions with lab space for innovative development. Alongside this, COTIE offers conferencing facilities to host larger business events as well as meeting rooms and a small hot-desking space for quiet break-out work.

The two former hub spaces in Tiverton alluded to in the question had reasons for closing not due to lack of demand. One was predominantly used as a community hub used by community groups for meetings and workshops with a couple of small bookable rooms. This closed during the pandemic. The second was a developing hub space and closed at the end of the pandemic due to non-business related reasons.

There is no intention to make use of vacant space in Phoenix House as a workhub as you suggest and the type of space does not suit the purpose. It is expected that this space will be let on commercial terms or otherwise occupied by MDDC.

The development is therefore an appropriate use of grant funding and supports the District council in achieving economic development and regeneration initiatives.

D) Would simply allowing vacant space at PH to be used on a trial basis not be a more cost-effective way to test the market

Prosperity Funding has been used to support this project in line with our approved Investment Delivery Plan.

Market value testing, asset availability and the feasibility study all indicated that the Market Centre building was the only Council-owned asset suitable for this project. The type of building, its location in the heart of the town centre and low rental value made it a unique opportunity.

As set out previously: it is not the Council's intention to use Phoenix House as a form of flexible workspace.

Question 5:

The land at Post Hill transferred to Housing Association – how much was paid for this land by MDDC, and what are the losses on the transfer to the HA? Are these losses accounted for within the General Fund or within the borrowing on the Capital Program – i.e. a cost to the taxpayer for the next generation to come?

Response from the Cabinet Members for Governance, Finance and Risk:

The Council has received £1million + VAT for the Post Hill site. This is a combination of the site value and a contribution to other Council costs in enabling the development. This site had initially been secured as an integral part of the affordable housing delivery of a larger development site. The Council's Housing Revenue Account (HRA) had intended to see a 70 unit social housing development on the site, tendered to a high build specification. Unfortunately, all of the tendered project costs were far in excess of the available funds set aside by the HRA, so the site then needed to be repurposed for the delivery of affordable housing by an alternative provider. Any losses between the original purchase price and the sale price will be met by the HRA.

Question 6:

What is the predicted scale of losses on the Haddon Heights development, including the hugely inflated price paid for the land initially under the 3Rivers scheme?

Response from the Cabinet Members for Governance, Finance and Risk:

Based on completed construction costs, initial sale values and the current marketing prices (less any agent fees) the development is still estimated to make a profit in excess of £0.5m.

Question 7:

Boxing Day 'hunt meet' - Given the acknowledged lawbreaking that takes place on 'trailhunts' and the fact that MDDC as the landowner knowingly allows a criminal enterprise to use its assets for furthering their criminal aims, when will MDDC as the landowner take their duties seriously and act to prevent use of their assets for lawbreaking?

Response from the Leader of the Council:

To our knowledge, no illegal activity takes place on council land. The Pannier Market is a public space and the 'Boxing Day Meet' sets off from Fore Street, which is public highway. While concerns may exist about the legitimacy

	<p>of any subsequent trailhunting activity, this does not occur in the town and we would remind everyone that any suspected illegal activity should be reported to Police in the normal way.</p>
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