

12 December 2014

Dear Cllr Roach

Grant Thornton UK LLP
Hartwell House
55-61 Victoria St
Bristol, BS1 6FT

T 0117 305 7600
F 0117 305 7784

www.grant-thornton.co.uk

Mid Devon District Council – Car Parking charges – Challenge

Further to my letters dated 14 and 29 October 2014 which stated that we were in the process of completing our review of the above, we have now had time to make further enquiries of the Council on the matter and we are able to provide our views following the concerns you raised in your e-mail of 1 July 2014 and at the Audit Committee meeting on 23 September 2014.

The role of the auditor

I should firstly confirm my remit as external auditor. My responsibilities – which derive from the Audit Commission Act 1998 (the 1998 Act) and the Code of Audit Practice – are closely defined. Essentially I am concerned with the financial transactions of the Council in the year of audit, including assessing the overall arrangements which it has established to secure probity, legality and value for money. Where I am provided with information or allegations, I am obliged to consider these in the light of my overall duties as an auditor and take them into account in planning and conducting my audit to the extent that is necessary given those overall duties. There is no obligation on me to carry out detailed investigations of any such issues, nor to provide a detailed response to whoever has raised them.

The local government Ombudsman has different powers, which concern issues of maladministration by councils, and which largely relate to complaints about the council or its services.

You are, no doubt, aware that local government electors have particular rights under the 1998 Act to question the auditor and/or make an objection to the accounts of a council in certain circumstances. You have not raised your concerns in the form of a formal objection to the accounts. We are therefore considering your letter to be information which you have provided to me in the conduct of my review and have reviewed the issues in that context, following the concerns raised.

Outline of the work I have undertaken

In performing our review we have considered the stewardship and governance procedures carried out by Mid Devon District Council in respect of the decision to issue parking spaces to a local business at a discounted rate. We have discussed these issues with officers of the Council, in particular the Chief executive, Monitoring Officer, Head of Finance and the Council's Solicitor. We have also considered the Council's constitution, provisions of the Traffic Orders (Procedure) Regulations 2012 and the terms of the council's car parking order.

Your concerns

You requested that we consider if the Council had made the decision:

- contrary to statutory or constitutional rules; and
- contrary to the approved schedule of fees and charges.

We now address each point that you raised at the meeting on 23rd September 2014:

- The Council is required to follow the Traffic Orders (Procedure) Regulations 2012. The original order was made at the Executive meeting on 7 February 2008. The original Order has had a number of variations to it since then. I understand that these variations took place on 5 November 2012 and 22 February 2013. The latest variations to the Order were agreed at Cabinet on 6 February 2014.
- the original order set out a cost of £308. In 2012/13 the company in question purchased 32 permits at £308 (£9,856). Following further discussions around a renewal of 20 more, the Council's parking manager agreed a discounted price of £160 for 50 permits or more. Ultimately the company purchased 62 permits at a cost of (£9,920).
- The decision to offer the discount was approved by the Chief Executive, and can be considered as part of the management responsibilities in accordance with the constitution:
 - 7.1 All the Council's statutory powers and duties in relation to the functions and activities (listed in the following table) are delegated to either the relevant Cabinet Member or to the Cabinet and from there, as shown, to the Corporate Management Team.
 - 7.2 The consequent powers to make all operational decisions as to the Council's services are delegated to the Head of Paid Service, to the Monitoring Officer and to the Section 151 Officer (these are referred to as the "statutory officers"), together with any Heads of Services (who are together known as the "Corporate Management Team")
- The offer of a discounted price is considered to be a variation to the parking order, and the facility to offer such reduced prices for bulk purchase is not explicit in the current agreed order.

- The Traffic Orders (Procedure) Regulations 2012 does not give powers to the Council to depart from the approved order.

Conclusion

Based on the work that we have performed

- The car parking order was agreed by the Executive on 7 February 2008 and does not specifically offer a discount for bulk purchase.
- The Traffic Orders (Procedure) Regulations 2012 does not give powers to the Council to depart from the approved order.
- The decision made by the Chief Executive, although allowable by the Council's constitution through delegated powers, should have been performed in conjunction with:
 - a formal amendment to the Parking Order to specify the discounts allowed and
 - a formal amendment to the Parking Order to clearly state who is allowed to make the decisions for permitted discounts.

I have recommended that the Council recognise the possible award of discounted permits in its car parking order and sets out clearly the circumstances and parameters for the application of discount. I have also recommended that the Parking Order be updated, with a section clearly identifying who can agree discounts for permit purchase.

Geraldine Daly

Associate Director Engagement lead
For Grant Thornton UK LLP

T 01173 057 741
E geri.n.daly@uk.gt.com

