

Audit Committee - 3rd December - Public Questions and Answers

Name of person submitting	Questions
<p>Paul Elstone</p> <p>Page 1</p>	<p><u>Question 1</u></p> <p>Agenda Item 8 External Auditors Draft Report 2023/24:</p> <p>Professionally prepared market data available reveals that this Council are paying grossly excessive prices for the ZED PODS modular social home developments.</p> <p>I find no reference in any of the internal or external audit reports to any Value for Money or Governance Audit having been implemented this with regards to this Councils partnership arrangement with ZED PODS</p> <p>An audit I believe there is a very compelling reason to undertake given that data shows that homes far more energy efficient than the ZED PODS Modules and constructed to Passive House Standards can be built for around £2500 per square meter. Yet it is known that this Council have paid over £5,000 per square meter for a modular development this despite the land coming for free.</p> <p>There seems to be one development still to be delivered that could cost over £6,000 per square meter.</p> <p>Will this Audit Committee arrange for the implementation of both a Value for Money and a Good Governance Audit and if not, why not?</p> <p>Response from the Head of Housing & Health:</p> <p>There are no official figures for construction costs per square meter as specifications will vary between projects and the £2500 figure quoted may also only represent a unit construction cost and not the total project cost. Any budgeted amount used by the Council is the total project cost, so costs include all aspects of any project not just the structure itself. Details such as parking, fencing, landscaping and biodiversity net gain, design and planning fees, officer time and renewables are included within the total spend. It should also be remembered</p>

that these properties are net zero carbon with far higher energy efficiency elements incorporated. As such, while there may be extra costs involved to achieve this, which could be perceived as optional, this Council has committed to aiming for net zero, with the added benefit of this efficiency translating into lower running costs for tenants over the life of the asset (home).

Question 2

Agenda Item 6 Corporate Risk Report:

CR 9, Delivery of 3 Rivers Closedown Plan Page 7 Shows current risk as stable at a low of three (3). A very low score I believe already previously questioned by a member of this Committee.

Five (5) out of the nine (9) Haddon Heights properties remain on this Councils books and since 3 Rivers sold these five (5) properties to this Council in March 2024 and at a price of £3.15 million. Properties first marketed 2 years ago.

The corporate risk includes the ability to sell the Haddon Heights properties on and at budget.

This Council have lost around £105,000 in investment income and since purchasing these properties just 8 months ago and with the loss escalating substantially month on month.

Will this Audit Committee as part of the Agenda Item. 6 debate, fully examine the reason for the risk ranking remaining so very low and give full consideration to the need to increase this risk score. This given both the current sales position and ongoing market conditions and if not why not?

Response from the Deputy Chief Executive (S151):

During the agenda item the Head of Finance, Assets and Climate Resilience notified the Committee that the company had now been formally dissolved. A lengthy conversation/debate ensued surrounding the future risk reporting of 3R. It was agreed that officers would take the proposed suggestions away and consider a more summarised risk heading that would take account of the completed and remaining asset sale risks and bring a revised position back to the next meeting.

Supplementary Question

In providing response that I will receive a written answer within 10 days and response that has become the standard response for all MDDC Committee Chairs.

Is the Audit Committee Chair aware that despite what the Monitoring Officer is previously on record as saying the response you have provided is not in full compliance with the MDDC Constitution Part 4 Rules of Procedure, Sections 9.1 and 9.4, pages 98 and 99.

That given how my questions are framed it would not be unreasonable for me to receive a full answer to my question 2 during this meeting and when agenda item 6 is debated.

Response from the Director of Legal, People and Governance & Monitoring Officer:

It is the standard response where questions are not given in advance in accordance with the Constitution. The Constitution is clear in relation to Questions and Statements by the Public in 9.1 it states:

“Residents, electors or business rate payers of the District wishing to raise a question under public question time are asked to provide their written questions to the Democratic Service team by 5pm three clear working days before the meeting to ensure that a response is received at the meeting to the written question.”

If a member of the public wishes to receive an answer they need to put this in writing by 5pm 3 clear working days before the meeting, something this Council has stated on numerous occasions.

The intention in 9.1 is clear and any councillor would be unable to give a correct detailed response without first being familiar with the matter/or having had the time to find out the answer, hence the Councils change to the constitution as now quoted above.

As per the above it would not have been reasonable to provide answers to questions not provided in advance and 9.4 reiterates the 10 working days as per 9.1, and answers would be provided where questions were provided in advance.

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