

Audit Committee – 25 March 2025 - Public Questions and Answers

Name of person submitting	Questions
<p>Barry Warren</p> <p>Page 1</p>	<p>My questions are prompted by Item 6 on your agenda and in particular page 29 of your bundle item CR9a. The Risk Description still contains the following:</p> <p>Public debate has, at times, included unhelpful and inaccurate statements about the company and the consequential impact on the council, with these inaccurate statements being repeated in wider circles. A number of the assets have been purchased by MDDC for use by Housing or to be sold on the open market. Information has been sought by some members of the public to ascertain if correct use is being made of public money and due diligence and openness of information is being exercised. Most responses from MDDC have been guarded, misleading or even denial, leading to the Information Commissioner giving direction to release information.</p> <p><u>Question 1</u> Should CR9a be modified to be a Risk Description which reflects potential reputational damage to the Council by the failure of the Council to provide open and honest and full information in reports to members from the outset or in response to enquiries from the public?</p> <p>Response from the Audit Committee Chair: I can see no need to adjust this risk. The Council provided regular reports during the trading life of 3Rivers. As this was a commercial entity some of this information was summarised in part 1, for public consumption and other details were provided in exempt papers. In response to some of your own comments, I can confirm that the Information Commissioner has only instructed the release of information once any commercial restriction has lapsed after the closure of the company.</p> <p><u>Question 2</u> Should there also be an additional Risk created with regard to the expenditure in relation to the providing of modular homes? This has already prompted questions in Scrutiny Committee.</p>

Response from the Audit Committee Chair:

I can see no need to introduce this as an additional risk at this stage. Officers have provided ongoing, full assurance on our modular housing. This includes responses to public questions in relation to project costs, value for money (VFM), design, durability, building standards and compliance with regulatory requirements. A further paper is on the work plan for the Homes Policy Development Group in June 2025 which will set out the latest position in terms of modular build VFM and best practice which the Committee and members more widely will have the opportunity to consider.

On the 11th March 2025 a double page spread appeared in the Tiverton Gazette which had all the appearance of being an advertisement. It had a number of sections concerning differing Housing sites, some of these did not tell the full circumstances. Enquiry of the Council revealed that this advertisement was commissioned by the Head of Housing and Health and approved by the S151 Officer. It was prepared in-house, and the cost of £1266 (plus VAT where applicable) to print in the Gazette was met from the Housing Revenue Account Tenant Involvement and Engagement budget.

Question 3

Is it known how many Council tenants actually read the Gazette?

Response from the Audit Committee Chair:

No. We do know that the ABC verified circulation for the Gazette was around 1,000 copies per paid edition (2024) but we don't know the proportion of these customers that are Council tenants or wider readership within families and households sharing copies.

Question 4

How did such information benefit our current tenants?

Response from the Audit Committee Chair:

The article supports our requirements to engage with our tenants and the wider community under our Tenant Involvement Strategy. As such, it demonstrates an open and informing approach around our plans that is consistent with the new housing consumer regulation requirements. It sits alongside our online and digital messaging, such as the Let's Talk Development Hub webpage and was taken forward in print given the potential reach to a different audience who may not be accessing such information through our free digital channels.

	<p>This is also supported by one of our Corporate Plan priorities which sets out to involve and engage with our communities, ensuring everyone is treated with equity and respect. We also measure how well informed our residents feel during our annual survey and we feel the use of articles like this support our continued improvement in this area. In 2024 almost 60% of residents who responded to our survey felt very or fairly well informed about the Council's work (compared to 47% nationally).</p> <p><u>Question 5</u> Why is this an appropriate expenditure of HRA money?</p> <p>Response from the Audit Committee Chair: See response to Q4 above.</p>
<p>Paul Elstone</p> <p>Page 3</p>	<p><u>Question 1</u> Firstly, I would like to thank the Chairman for his recognition that members of the public by their routine attendance of meetings and that in asking the questions they do, adds value.</p> <p>It is however important for me to place on record that I do not ask my questions because I have an axe to grind against a former administration. Something recently said in a public meeting and by another Chairperson.</p> <p>My personal driver when asking the questions I do, is solely related to expecting to see value for money, good governance, competency and integrity in this Council and involving all Officers and Members. Qualities I personally believe and with evidence to show are increasingly in decline. Not least involving 3 Rivers and more recently the Zed Pod's modular developments.</p> <p>My question what was the exact date that the "Housing Rents Error" was discovered by the External Auditors?</p> <p>Response from the Audit Committee Chair: 19 August 2024.</p>

Question 2

What was the first date that Tenants were advised of the existence of this error?

Response from the Audit Committee Chair:

7 November 2024. This was due to the Council running further analysis after the external audit discovery. This included work to define the split between under and overpaid tenants enabling each tenant to be informed as to which group they were in within our first communication with them. It further enabled the Council to undertake a self-referral with the Regulator of Social Housing as required and obtain key legal advice.

Question 3

Please can you provide a simple Yes or No answer to this question?

Is it this Council's intention that in order to accept the amount of the refund of their rent over-payment, the residents will be required to sign any form of legal disclaimer preventing the tenants from taking any further action against MDDC. This in relation to this Council's rent calculation error?

Response from the Audit Committee Chair:

No, this is not the Council's intention.

Question 4

Table 1 Title - Actions taken, completed or ongoing.

Action No 22 says detailed engagement with other LA's currently working on a similar rent errors issues e.g. Cambridge is ongoing.

On fully interrogating the Social Housing Regulators database only two Councils can be found as having Notices against them in respect of rent calculation errors.
Namely Cambridge City Council and East Suffolk Council. Rent calculation errors very different from MDDC and much more understandable in their nature and not going back anywhere near as long.

Unlike MDDC both Councils it would seem both these Councils are not using the 1980 Limitation Act to avoid making rent overpayment refunds beyond 6 years.

Which Councils exactly are this Council engaging with?

Response from the Audit Committee Chair:

The Council has spoken with a number of Councils and Housing Associations in order to assess how they are dealing with their recovery programmes. Our programme and related decisions has also being assisted by legal advice from a KC.

Question 5 (Supplementary Question).

It is known beyond doubt that a member of the public submitted questions at relatively short notice compared to mine this at the Audit Committee Meeting of the 21st January 2025. Questions which were answered at the meeting.

Therefore, Chair, why am I now being treated any differently and especially as my three questions only require one word type answers and answers which could have been made readily available to you?

Response from the Monitoring Officer provided at the meeting:

The MDDC Constitution states that written questions must be provided by 5pm three clear working days before the meeting to ensure that a response is received at the meeting to the written question. However, Mr Elstone did not submit his written questions until Saturday March 22 at 7:59 pm, this is clearly less than the 3 clear working days.

Response from the Audit Committee Chair:

The Chairman is entitled to use his discretion at any meeting.

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