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Please reply to: Darryl White
Service: Strategy & Commissioning
Direct Dial: (01803) 861247
E-mail address: Darryl.White@swdevon.gov.uk
Date:

Dear Councillor

SOUTH HAMS COUNCIL - THURSDAY, 28TH JULY, 2016

I refer to the agenda for the above meeting and attach papers in connection with the following item(s).

Agenda No Item

4. **LACC Business Case (Pages 1 - 2)**

Supplementary paper on Implementation Costs for the LACC

8. **Reports of Bodies (Pages 3 - 8)**

Council Body	Date of Meeting
d) Executive*	21 July 2016

*Indicates minutes containing recommendations to Council

Yours sincerely

Darryl White
Senior Specialist – Democratic Services

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**MINUTES OF A MEETING OF
THE EXECUTIVE
HELD AT FOLLATON HOUSE ON THURSDAY, 21 JULY 2016**

Members in attendance:			
* Denotes attendance			
∅ Denotes apologies			
*	Cllr H D Bastone	*	Cllr R J Tucker
*	Cllr R D Gilbert	*	Cllr L A H Ward
*	Cllr M J Hicks	*	Cllr S A E Wright

Also in attendance and participating		
Item 8	E.14/16	Cllrs Brazil, Hodgson, Hopwood, Pearce, Pennington, Saltern, Vint and Wingate
Item 9	E.15/16	Cllr Vint
Item 10	E.16/16	Cllrs Baldry, Brazil, Pearce and Smerdon
Item 11	E.17/16	Cllrs Brazil and Vint
Also in attendance and not participating		
Cllrs Brown, Steer, Bramble, Holway and Pringle		

Officers in attendance and participating		
All items		Executive Director Strategy and Commissioning (S&C) (SJ), Executive Director Service Delivery and Commercial Development (SD&CD) (SH) and Senior Case Manager (KT)
Item 8	E.14/16	COP Lead Finance (LB), Solicitor (AO), Group Manager Commercial Services, Tim Ward and Peter Donson (PWC representatives)
Item 10	E.16/16	Group Manager Support Services (SM)
Item 11	E.17/16	Operational Manager Environment Services (CA)

E.10/16 MINUTES

The minutes of the Executive meeting held on 6 June 2016 were confirmed as a true record and signed off by the Chairman.

E.11/16 DECLARATIONS OF INTEREST

Members and officers were invited to declare any interests in the items of business to be considered during the course of this meeting but none were made.

However, Cllr Bastone advised that, in accordance with the requirements contained within the Council Constitution, he would abstain from the vote on Item 11: 'Operational Amendments to the South Hams Off Street Parking Places Order' (Minute E.17/16 below refers) by virtue of being a local Ward Member. He remained in the meeting for the duration of the discussion on this item.

E.12/16 PUBLIC QUESTION TIME

It was noted that no public questions had been tabled in line with Executive Procedure Rules.

E.13/16 ANNUAL REPORT OF THE COUNCIL

Members were presented with a report that asked that the Annual Report be considered and any recommendations be made to full Council.

The Leader introduced the report and Members generally felt that it was a good Annual Report that contained a lot of information that would be very useful for all Members and for Parish and Town Councils.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** that the Annual Report has been considered and should be approved as outlined in Appendix A of the presented agenda report.

E.14/16 LOCAL AUTHORITY CONTROLLED COMPANY

Members were asked to consider a report that set out and commented on the findings of a detailed business case which had been prepared by PriceWaterhouseCoopers (PWC) at the request of Members on the potential establishment of a Local Authority Controlled Company (LACC). The preparation of the business case followed the Council's decision on 16 February 2016 (minute reference 63/15) that a detailed business case and implementation plan be produced to enable further consideration of the merits of establishing a LACC jointly with West Devon Borough Council.

The Leader introduced the report and in doing so set out the background to the decision to progress with a LACC. He proposed an additional recommendation to those tabled (shown below as recommendation 3).

During discussion, the following points were raised:

- The Executive Director (SD&CD) responded to detailed questions regarding the set-up of the Joint Steering Group (JSG), the background to the proposal in terms of other options considered, capacity and the value of the existing contracts that would be transferred to the LACC;
- Local authorities in Oxfordshire were progressing with a similar proposal and where possible the Council was exchanging information and learning points with them;

- PWC representatives responded to questions on whether the changing political climate would affect their current advice, on VAT matters, on additional management skills; and advised how they had erred on the side of prudence in their assumptions;
- One Member asked that meetings of the JSG were properly resourced and that minutes were taken and published for the benefit of all Members;
- Members of the Informal Market Analysis Group set out the background to their supplementary paper;
- One Member felt any future budget deficit could be addressed by increasing council tax and also raised concerns over the risks of the proposal;
- The Section 151 Officer responded to detailed questions regarding pensions;
- One Member asked for assurance that, if appropriate, SHDC and WDBC would each receive separate legal advice;
- One Member asked if the Council was exploring Central Government funding towards the start-up costs for the LACC;
- Senior Officers stated that the Leader's additional proposed recommendation was appropriate as it enabled the opportunity to assess the best time to transfer to the LACC. Members supported the additional recommendation.

It was then:

RECOMMENDED

That Council be **RECOMMENDED:**

1. to proceed with the implementation of a Local Authority Controlled Company (LACC) jointly owned with West Devon Borough Council scheduled for 1st April 2017, subject to there being a satisfactory outcome to the outstanding pension, tax and governance questions and actions as set out in paragraph 5.4 of the presented report;
2. that a Joint Steering Group (JSG) be established to deal with matters concerning the implementation of the LACC as detailed in paragraph 5.5 of the presented agenda report and the terms of reference at Appendix B;
3. that the date of transfer of staff to the Company and the commencement of the contract between the Council and LACC is to be decided by Council on the recommendation of the Joint Steering Group; and
4. to approve the use of up to £126,750 of the 2016/17 budget surplus contingency Earmarked Reserve for the set-up costs of the LACC as detailed in paragraph 5.8 of the presented agenda report.

E.15/16

HEART OF THE SOUTH WEST FORMAL DEVOLUTION BID – COMBINED AUTHORITY PRINCIPLE

Members were asked to consider a report that sought approval to sign up 'in principle' to the pursuit of a Devolution Deal and the creation of a Combined Authority for the Heart of the South West sub region to administer the powers and funding devolved through the Deal. An 'in principle' agreement from all of the local authorities, partners and MPs involved in the Heart of the South West devolution process would open up negotiations with HM Treasury to work towards a Deal.

The Leader introduced the report and the Executive Director (S&C) added that work was ongoing behind the scenes in terms of the detailed governance of the proposed Combined Authority.

One Member raised a number of concerns over whether the prospectus included matters of most importance to residents and whether the process was democratic. In response, the Leader reiterated that more detailed work was taking place behind the scenes but at this stage it was a high level document. He then advised of the consultation process that would take place later in the year. He concluded that in his view it was important at this stage to be a part of the process rather than being on the outside.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** to:

1. endorse the Leader's current approach to devolution and agree to sign up to the principle of creating a Combined Authority for the Heart of the South West, as set out in the Prospectus for Productivity, as the basis for negotiation with Government towards a Devolution Deal for the area; and
2. note that giving this endorsement does not commit the Council to entering into a Devolution Deal or becoming a member of a Heart of the South West Combined Authority. This would be subject to future debate and agreement by the Council and subject to negotiations with Government.

E.16/16

T18 BUDGET MONITORING TO END OF MARCH 2016

Members were presented with a report that set out the latest position of the T18 Transformation Programme in terms of the budget.

The Leader introduced the report and the Portfolio Holder for Support Services added detail on the telephony system now in place, an update on the recruitment of transitional staff and the Council website.

During discussion, Members repeated a previous request that calls from the Council would show as being from the Council, rather than from a private number. One Member queried whether the predicted final spend figure was correct in view of the additional spending on planning enforcement. In response, the Executive Director (SD&CD) advised that backlogs of work within planning enforcement had occurred before the Transformation Programme and therefore the expenditure involved to address the backlog was mainly a result of addressing historic backlogs that had built up prior to T18. Going forward, new cases were being processed in accordance with the T18 Future Operating Model.

It was then:

RESOLVED

That the budget monitoring position of the T18 Transformation Programme (where the predicted final spend is £28,000 less than the budget of £4.614 million) be noted.

E.17/16

OPERATIONAL AMENDMENTS TO THE SOUTH HAMS OFF-STREET PARKING PLACES ORDER

Members were asked to consider a report that requested a recommendation to Council to make amendments to the South Hams Off-Street Parking Places Order.

The Portfolio Holder for Commercial Services introduced the report. Members discussed the issue of restricted parking in Dartmouth however one local Ward Member stated that the Ward Members supported the proposals being put forward.

It was then:

RECOMMENDED

That the Council be **RECOMMENDED** to:

1. limit the permit parking on the South Embankment in Dartmouth to a maximum waiting time of four hours;
2. add the South Hams District Council owned land on the North Embankment in Dartmouth to the South Hams Off-Street Parking Places Order, and that loading only be permitted in this area; and
3. add the South Hams District Council owned land at the Rotherfold in Totnes to the South Hams off-Street Parking Places Order, and that parking be permitted only with the express permission of the District Council.

E.18/16 EXCLUSION OF PUBLIC AND PRESS**RESOLVED**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting during consideration of the following item of business as the likely disclosure of exempt information as defined in paragraphs 1 and 3 of Schedule 12A to the Act is involved.

E.19/16 BEACH AND WATER SAFETY

Members were presented with an exempt report that was introduced by the lead Executive Member for Commercial Services. The report set out a number of recommendations arising from the Beach Management Working Group in respect of beach and water safety related matters.

It was then:

RESOLVED

1. That Public Rescue Equipment (PRE) be removed from locations where Risk Assessments have indicated that its' retention is not appropriate';
2. That the Beach Management Working Group arrange to meet representatives of privately-owned estates on which the Council currently provides Public Rescue Equipment (PRE) or subsidises the provision of life-guarding services to discuss future funding arrangements;
3. That the existing Beach Safety Policy be reviewed to ensure it remains fit for use;
4. That the staffing matter described in the presented agenda report be funded for one further year, with a comprehensive review taking place during this period; and
5. That a more detailed report be provided to the Overview and Scrutiny Panel in the autumn in order to inform future budgetary considerations.

(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF E.13/16, E.14/16, E.15/16 and E.17/16, WHICH ARE RECOMMENDATIONS TO THE SPECIAL COUNCIL MEETING TO BE HELD ON 28 JULY 2016, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY, 1 AUGUST 2016 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).

(Meeting commenced at 2.30 pm and concluded at 4.55 pm)