

# South Hams Executive



<b>Title:</b>	<b>Agenda</b>
<b>Date:</b>	<b>Thursday, 18th June, 2015</b>
<b>Time:</b>	<b>10.00 am</b>
<b>Venue:</b>	<b>Cary Room - Follaton House</b>
<b>Full Members:</b>	<p style="text-align: center;"><b>Chairman</b> Cllr Tucker</p> <p style="text-align: center;"><b>Vice Chairman</b> Cllr Ward</p> <p><i>Members:</i>                      Cllr Bastone                      Cllr Hicks     Cllr Gilbert                      Cllr Wright</p>
<b>Interests – Declaration and Restriction on Participation:</b>	Members are reminded of their responsibility to declare any disclosable pecuniary interest not entered in the Authority's register or local non pecuniary interest which they have in any item of business on the agenda (subject to the exception for sensitive information) and to leave the meeting prior to discussion and voting on an item in which they have a disclosable pecuniary interest.
<b>Committee administrator:</b>	Member.Services@swdevon.gov.uk

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|--|----------------|
| <b>1. Minutes</b>  | <b>1 - 8</b>   |
| to approve as a correct record and authorise the Chairman to sign the minutes of the meeting of the Executive held on 5 March 2015   |                |
| <b>2. Members in Attendance</b>  |                |
| the Chairman is advised of non Executive Members wishing to speak;   |                |
| <b>3. Urgent Business</b>  |                |
| brought forward at the discretion of the Chairman;   |                |
| <b>4. Division of Agenda</b>   |                |
| to consider whether the discussion of any item of business is likely to lead to the disclosure of exempt information;  |                |
| <b>5. Declarations of Interest</b>   |                |
| Members are invited to declare any personal or disclosable pecuniary interests, including the nature and extent of such interests they may have in any items to be considered at this meeting; |                |
| <b>6. Public Question Time</b>   | <b>9 - 10</b>  |
| a period of up to 15 minutes is available to deal with questions submitted to the Council in accordance with the Executive Procedure Rules;  |                |
| <b>7. Dartmouth Indoor Pool Update</b>   | <b>11 - 34</b> |
| to consider a report that sets out a number of options and seeks authority to progress this matter   |                |
| <b>8. Write Off Report</b>   | <b>35 - 40</b> |
| to consider a report which informs Members of the debt written off for all revenue streams within the Revenue and Benefits service   |                |
| <b>9. Reports of Other Bodies</b>  | <b>41 - 52</b> |
| to receive, and as maybe necessary to approve, the minutes and any recommendations of the under-mentioned body:-   |                |

(a) Overview and Scrutiny Panel: 4 June 2015

**10. Exclusion of Public and Press**

to consider the following resolution to exclude the public and press:-

“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 items of business in order to avoid the likely disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”;

**11. Disposal of land at Trebble Park, Kingsbridge**

**53 - 62**

to consider a report that seeks authority to progress the disposal of land at Trebble Park, Kingsbridge

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**MINUTES OF A MEETING OF  
THE EXECUTIVE  
HELD AT FOLLATON HOUSE ON THURSDAY, 05 MARCH 2015**

<b>Members in attendance:</b>			
* Denotes attendance			
∅ Denotes apologies			
∅	Cllr H D Bastone	*	Cllr R J Tucker (arrived late)
*	Cllr R D Gilbert	*	Cllr L A H Ward
*	Cllr M J Hicks (Chairman for the duration of this meeting)	*	Cllr S A E Wright
*	Cllr M F Saltern		

<b>Also in attendance and participating</b>		
Item 8	E.69/14	Cllr Baverstock
Item 9	E.70/14	Cllr Brazil
Item 10	E.71/14	Cllrs Barber, Brazil, May, Pearce, Smerdon, Wingate
Item 11	E.72/14	Cllrs Barber, Holway, May
Item 12	E.73/14	Cllrs Brazil and Hodgson
Item 13	E.74/14	Cllrs Barber, Brazil, Hawkins, Stone
<b>Also in attendance and not participating</b>		
Cllrs Bramble, B Cooper, Cane and Cuthbert		

<b>Officers in attendance and participating</b>		
All items	Minute Ref	Executive Director (SJ), Finance COP Lead and Member Services Manager
Item 12	E.73/14	Customer Services Manager
Item 13	E.74/14	Commercial Services Group Manager

**E.65/14      MINUTES**

The minutes of the meeting of the Executive held on 29 January 2015 were confirmed as a correct record and signed by the Chairman.

**E.66/14      URGENT BUSINESS**

The Chairman advised that there was one item of urgent business to be raised. It had come to light that the Local Development Strategy, which had been the subject of a report to 24 April 2014 meeting of the Executive (Minute E.81/13 refers), did not specify a start date beyond stating 'this year'. For the avoidance of any doubt, he proposed therefore that the minutes of this meeting reflect that the Local Development Strategy had commenced on 7 May 2014 (i.e. after the call in period following that Executive meeting on 24 April 2014).

It was then:

**RESOLVED**

That, for the avoidance of any doubt, it be noted that the start date of the Local Development Strategy was 7 May 2014

**E.67/14 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 and the following were made:

Cllr R D Gilbert declared a potentially disclosable pecuniary interest in item 7: 'Priority Action Plan for 2015/16' (Minute E.68/14 below refers) specifically in respect of Direct Lets. As this matter did not arise during the discussion, Cllr Gilbert remained in the meeting and took part in the debate and vote thereon.

**E.68/14 PRIORITY ACTION PLAN FOR 2015/16**

Members were asked to consider a report that sought formal approval of a list of priority actions for 2015-16 as an interim measure for 2015-16 whilst Our Plan and the supporting Annual Delivery Plan were developed, the latter being the Council's corporate plan and part of the 'Our Plan' strategic approach to the development of both a Local Plan for the area and the Corporate Planning Framework.

The Portfolio Holder for Planning, Economy and Community introduced the report.

There being no questions raised, it was then:

**RESOLVED**

That the list of actions for 2015-16 as attached to the presented agenda report be approved.

**E.69/14 COMMUNITY RE-INVESTMENT PROJECTS FUND 2014/15 GRANT ALLOCATIONS**

Members were presented with a report that provided a summary of the applications to the Community Re-investment Projects Fund in 2014/15 and sought approval for allocating grants of over £10,000 to these projects.

The Portfolio Holder for Planning, Economy and Community introduced the report. Members generally welcomed the report and the Portfolio Holder for Corporate and Customer Services particularly welcomed the additional criteria as set out in the presented report.

The local Ward Member for Stokenham thanked the Executive for agreeing to a previous request in respect of an enhanced footpath within his Ward, and asked that the current request for extension of the footpath be approved.

It was then:

### **RESOLVED**

1. That the following six grants of over £10,000, totalling £136,013, be approved:
  - £30,000 to Malborough Village Hall & Playing Fields Association and Malborough Parish Council towards replacing the Village Hall roof.
  - £13,295 to Loddiswell Playing Fields & Village Hall Trust for tarmacing the Playing Field car park area.
  - £12,506 to Stokenham Parish Council towards footpath surface and drainage improvements between Carehouse Cross and Torcross (to complete improvements between Chillington and Torcross).
  - £27,225 to Totnes Development Trust towards improvements to the Shady Garden (creation of an improved public space through installation of paving, seating and street furniture).
  - £26,166 to Dartington Village Hall Association towards disabled access alterations and a toilet block and committee room extension.
  - £26,821 to Totnes Town Council for Civic Hall regeneration (purchase and installation of sound system and sound insulation and refurbishment of backstage stairs and landing).
2. That an addition to the eligibility criteria to the Community Re-investment Projects Fund to take effect from 1 April 2015, as per the red italicised text in the attached Guidance Notes (Appendix B of the presented agenda report refers), be approved.

E.70/14

### **REVENUE BUDGET MONITORING 2014/15**

Members were presented with a report that enabled them to monitor income and expenditure variations against the approved budget for 2014/15 and provided a forecast for the year end position.

The Executive Portfolio Holder for Support Services introduced the report and advised Members that this was a routine monitoring report. She drew particular attention to the predicted surplus of £45,000.

The Executive Portfolio Holder for Environment Services updated Members on the potential impact on the Council of recent developments in the recycled materials market. One of three organisations across the UK who buy recycled paper and card had unexpectedly gone into administration. South Hams District Council had a contract in place and material would still be collected, however the income from material would reduce from £37 per tonne to £5 per tonne. However, the Council's recycling rate would remain unaffected and the recycling credits would continue to be paid. He concluded by advising that the situation would continue to be monitored.

In response to a question relating to anticipated savings not being realised in respect of seasonal closure of public conveniences, a Member was advised that in the medium term there would be a better financial gain as more parish councils than expected had elected to have the public conveniences transferred to them as an asset.

It was then:

### **RESOLVED**

That the forecast income and expenditure variations for the 2014/15 financial year be noted.

## **E.71/14 T18 BUDGET MONITORING REPORT**

Members were presented with a report that advised of the progress of the T18 Transformation Programme.

The Executive Director Strategy and Commissioning (Head of Paid Service) introduced the report and took Members through the key areas. The Finance COP Lead explained the detail around Section 3 of the presented report and the reason for the second recommendation. It was also confirmed that this was not a request for additional funding.

During discussion, the following points were raised:

- In response to a question, Members were advised that customer insight information looked at population density and needs. It was accepted that not all residents would use IT but the Transformation Programme was about giving them a choice of options;
- A number of Members felt that the term 'channel shift' may need further explanation. In response, they were advised that this was an understood term within local government but it was an internal term. Members asked that attention be paid to language used and that communication was clear;
- One Member asked that IT approaches must be user friendly if residents were to be encouraged to use them;
- A Member reminded that the Council would be using Locality Officers to provide off site face to face communication;



- The Leader advised that, at an awards evening the previous day, the Council had jointly with West Devon Borough Council received a gold award for Delivery through Efficiency and a silver award for Council of the Year. He added that this was to the credit of staff and Members and they should be thanked for supporting the Programme.

It was then:

### **RESOLVED**

- a) That progress on the Transformation Programme to date be noted; and
- b) That the s151 Officer, in consultation with the Executive Director Strategy and Commissioning (Head of Paid Service) and the Leader be delegated authority to determine the appropriate financing requirement from the Council's Earmarked Reserves in 2014/5, to fund the year end accounting provision for the Transformation Programme as set out in section 3 of the presented agenda report.

E.72/14

### **TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY FOR 2015/16**

Members were presented with a report that sought approval of the proposed Treasury Management and Investment Strategies together with their associated prudential indicators.

The Executive Portfolio Holder for Support Services introduced the report and the s151 Officer added that work was being undertaken to advise residents of the change in bank account details of the Council. In response to questions she confirmed that no financial allowance needed to be made for non receipt of payments due to the change. However, two temporary agency staff were being taken on for a two-three month period in the Customer Services Team to handle any additional calls from the change of bank details and the forthcoming election.

It was then:

**RESOLVED**

That Council be **RECOMMENDED** to approve:

1. the prudential indicators and limits for 2015/16 to 2017/18 (as contained within Appendix A of the presented agenda report);
2. the Treasury Management Strategy 2015/16 and the treasury prudential indicators 2015/16 to 2017/18 contained within Appendix B of the presented agenda report; and
3. The Investment Strategy 2015/16 (Appendix C of the presented agenda report refers) and the detailed criteria included in Appendix D of the presented agenda report.

E.73/14

**COUNCIL TAX DISCRETIONARY DISCOUNT AND REDUCTION POLICY**

Members considered a report that presented a new policy which incorporated the existing discretionary powers with the Exceptional Hardship Fund which specifically provided additional support to customers in receipt of Council Tax Reduction.

The Executive Portfolio Holder for Corporate and Customer Services introduced the report and explained that the purpose was to bring two applications for assistance with council tax together within one set of financial assessment criteria.

One Member looked for an assurance that remaining monies had not arisen due to overly strict adherence to criteria. In response, it was confirmed that any remaining monies could be carried over and a degree of flexibility was employed with applications. Members then discussed how best to make customers aware that the Fund existed for those in need.

It was then:

**RESOLVED**

That Council be **RECOMMENDED** that the Council Tax Discretionary Discount and Reduction Policy be approved.

E.74/14

**DARTMOUTH LOWER FERRY UPDATE**

Members considered a report that considered the recommendations for the future of the service based on review work recently undertaken to health check the service and identify methods for improving its success.

The Lead Executive Member for Environmental Health and Housing introduced the report on behalf of the Lead Executive Member for Assets, and advised Members of the improvements made including: the use of plastic cards rather than paper tickets, rebranded concessionary tickets, fleet cards for businesses, guest cards for hotels and a new leaflet for tourist offices. He also advised that a customer survey had been undertaken and the feedback highlighted the necessity for a proper business appraisal of the service.

One Member reiterated that a root and branch appraisal of the service was important.

A local Ward Member reminded Members that the service did make a profit for the Council. It was not a statutory service but was a front line service with excellent staff. In his opinion, a manager on site was needed to respond to issues and he hoped that this would form part of the appraisal. He concluded by stating that any goodwill from Higher Ferry customers who used the service whilst the Higher Ferry was off service had been lost, as immediately it returned then the Lower Ferry reduced to one float resulting in queues to use it. Another local Ward Member stated that many years ago an agreement had been reached whereby if ever the Lower Ferry was considered for sale then it should be offered to the staff that operated it.

One Member wanted to be convinced that the rest of the South Hams was not subsidising Dartmouth through the provision of the Lower Ferry.

Another Member stated that he would be totally opposed to selling off the Lower Ferry and he could not think of anything worse for local communities. If privatised, his fear was that the service would finish at 7pm. The Council had a responsibility to communities and Members should perhaps question the amount allocated to support services for the re-charge to the Ferry. Finally, any options appraisal should not be based on the last 12 months and should take a longer term view.

In response to the final point, the Commercial Services Group Manager confirmed that the options appraisal would be based on a three year profile.

It was then:

### **RESOLVED**

1. That progress in relation to improvements and efficiencies delivered by the Property Services Manager over the last two years be noted; and
2. That a full Options Assessment on the Lower Ferry Service to ensure a preferred option for the Lower Ferry business is identified by autumn 2015 at a cost of up to £7,500 to be funded from the Land and Development Reserve, be agreed.

**E.75/14 REPORTS OF OTHER BODIES**

**RESOLVED**

That the following be received and that any recommendations contained therein be approved:

- a) **Community Life and Housing Scrutiny Panel – 5 February 2015**
  - i) **CLH.33/14 NEW HOMES BONUS ALLOCATION TO DARTMOOR NATIONAL PARK AUTHORITY**

**RESOLVED**

That the status quo be retained in relation to the process adopted for the future allocation of funds.

- b) **Corporate Performance and Resources Scrutiny Panel – 19 February 2015**

**(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTE E.72/14 and E.73/14 WHICH ARE RECOMMENDATIONS TO THE COUNCIL MEETING TO BE HELD ON 21 MAY 2015, WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 16 MARCH 2015 UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).**

(Meeting commenced at 10.00 am and concluded at 11.15 am)

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Chairman

## **PUBLIC QUESTIONS AT EXECUTIVE MEETINGS**

The Council at its meeting on 21 June 2001 agreed that 15 minutes should be set aside at the beginning of the Council's monthly Executive meetings to allow members of the public to ask questions.

Any member of the public who wants to raise a question at a meeting should:-

- (a) submit the question in writing to the Democratic Services Manager by 5.00 pm on the Monday prior to the Executive meeting. This will allow a detailed answer to the question to be given at the meeting. If advance notice of the question cannot be given, the Chairman of the meeting has the discretion to allow questions on matters which are felt to be urgent;
- (b) ensure that normally questions are no longer than 50 words in length;
- (c) ensure that the question does not relate to a specific planning matter (this is specifically excluded from the public question time);
- (d) ensure that the question relates to something over which the Council has some control and is suitable to be considered, ie, that it is not derogatory to the Council or relates to matters which the Council could consider confidential.

For any further advice on questions for Executive meetings, please contact Kathryn Trant (Member Services Manager).

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## Dartmouth Indoor Pool

### NOT FOR PUBLICATION

This report contains exempt information as defined in Paragraphs 3 and 5 of Part 1 of Schedule 12A to the Local Government Act 1972 (applies to appendices C and D only)

Report to: **Executive**

Date: **18 June 2015**

Title: **Dartmouth Indoor Pool – Link with Leisure Review**

Portfolio Area: **Assets**

Wards Affected: **Dartmouth and surrounding wards**

Relevant Scrutiny Committee:

Urgent Decision: **Y** Approval and clearance obtained: **Y**

Date next steps can be taken: **Current**

Author: **Chris Brook** Role: **CoP Lead – Assets**

Contact: **01803 861170** [Chris.Brook@swdevon.gov.uk](mailto:Chris.Brook@swdevon.gov.uk)

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#### Recommendations:

1. To pay the grant of £400k to Dartmouth and District Indoor Pool Trust (DDIPT) and look to transfer the land to Dartmouth Town Council or DDIPT along with it,  
  
or, if the land transfer cannot be agreed
2. To hold the drawdown of the grant to DDIPT, until the initial market feedback on the operation costs of the future facility, are received via the Leisure Review (est. September) and any revenue funding deficit resolved.

## **Dartmouth Indoor Pool**

### **1. Executive summary**

Dartmouth and District Indoor Pool Trust (DDIPT) have a grant agreement with SHDC, for £400,000 to support the construction of an indoor pool on SHDC land.

They wish to draw down this funding (and others from DCC and the Town Council) and commence construction, using Kier as a management contractor.

The business case submitted to SHDC for the operation of the pool is predicated on an annual subsidy of £20k via the Trust, as well as savings derived from shared operation with the existing facility, which may no longer be achievable. Independent professional scrutiny of this business case (with these assumptions) has shown it to be optimistic. The reality could be significantly higher than £20k/yr and therefore challenging for DDIPT to honour.

SHDC, so as to undertake appropriate due diligence against the long term failure of the pool, wish to include the facility in the leisure review (agreed E60/14). The market will then determine conclusively the quantum of the operation subsidy required in the long term. This will also conclude the grant requirement of a written commitment for this revenue stream, as it will then be quantified.

The leisure review programme determines that this information should be available in September, which would cause a delay to the Trust's programme of 3/4 months.

The price the Trust have been offered from Kier to build the pool following a tender exercise was issued in the middle of May 2015 and is valid for 45 days to early July. This price is £200,000 higher than the Trust had originally anticipated. Kier are not able to hold the price to September, so a start at that time would be subject to a fresh tender exercise and would most probably be higher. At the time of writing the construction sector is running at a quarterly inflation of 1.6% (~£35k/quarter).

So as to mitigate the significant risk to the Council of the pool on SHDC land, it is recommended to transfer the freehold of the land to Dartmouth Town Council or DDIPT, at the time of issuing the grant funding. If a land transfer cannot be agreed with either party on terms acceptable to SHDC the following is recommended:

That the grant drawdown is held until the outcome of the Leisure Review, so the operation costs and how they could be funded can be ascertained. If this recommendation is accepted, DDIPT's construction costs will be higher and DDIPT are already at or close to their limit of affordability.



## **Dartmouth Indoor Pool**

### **2. Background**

DDIPT have been working towards obtaining a final price for the construction of an indoor pool in Dartmouth. This was finally achieved in the middle of May 2015 and put them in a position to sign a contract with Kier, subject to:

- 1) funding drawdown from DCC, SHDC and Dartmouth Town Council (DTC)
- 2) Their own affordability criteria
- 3) The specification remaining fit for purpose following a cost cutting exercise to lower the capital costs.
- 4) A building licence from SHDC (as land owner)
- 5) A lease agreement from SHDC (ditto)

At the time of writing, 4 & 5 have been broadly agreed and are ready for signing. The final price issued by Kier, whilst being £200k more expensive than budgeted by DDIPT, is within their affordability criteria, but with no contingency.

The design has been thoroughly rationalised and as a result offers excellent value for money in terms of capital construction cost. This is at the expense of long term maintenance and operation costs, which will not be as good as a facility constructed to full Sport England standards.

Quantifying this additional running cost, is hard and may depend to a significant extent on the quality of key mechanical and electrical (M&E) components, such as boilers. This issue is of relevance, as any additional running / maintenance costs, above and beyond the norm will not have been included in the business case submitted by the Trust.

To date, the Trust has not drawn down any of the grants from DCC, SHDC or DTC. They wish to do so immediately and commence construction.

SHDC has deep concerns around the ongoing operation costs of the pool, and do not wish to have a facility constructed on SHDC land which may have an uncertain future due to unsustainable operating costs. A mothballed asset on our land would attract a significant annual cost to keep safe, and an even more significant cost to demolish.

A full commentary on the business case, similar to that shared to date with DDIPT is included in Appendix C.

Including the pool in the leisure review would allow the facility to be costed in the long term, and potentially offer significant operational savings by facilitating a joint facility with the existing leisure centre.

The programme of the leisure review would mean delaying the grant funding draw down until September. This would force Kier to re-tender the pool construction and the price most probably would increase. The quantum of this increase is hard to ascertain, but it would be driven by the market in terms of inflation and the amount of other work available to the supply chain. It could therefore exceed sector inflation.

## **Dartmouth Indoor Pool**

Kier are prepared to offer a price to start in September, but as they would then be taking that risk, the price is significantly higher than currently offered. SHDC and DDIPT have and continue to negotiate with Kier a risk share mechanism so that this price can become more favourable. DDIPT's current resources would not be able to sustain a rise in the capital construction costs, without further fund raising. DDIPT's fund raising plans are unknown to SHDC at this time. A raise of 1.6%, which is the current sector inflation, would add approximately £35k to the cost of the pool construction.

The Council needs to make a decision on the release of the grant funding as DDIPT now wish to commence construction and are, for the first time, able to do so.

The grant conditions, (Appendix B, page 2, numbered 1 – 14) have been fulfilled. However, the letter (which forms part of the agreement), stipulates that: *Written confirmation of revenue funding for the project will need to be provided by the Trust before any payment of this capital grant can be made by South Hams District Council* (page 1, paragraph 3). As this is yet to be quantified conclusively, it is hard for DDIPT to fulfil this obligation.

The leisure review would quantify the revenue costs of the pool and would therefore allow DDIPT to provide a written confirmation of the revenue funding as above.

The Overview and Scrutiny Committee (04/06/15) debated these issues, (reference Appendix A, List of questions and draft minutes), and had the opportunity to consider the representations of key members of DDIPT, who attended in person. The recommendation of the committee to the Executive was to issue the grant money . It should be noted that the Overview and Scrutiny Committee did not have the business case available to them for reference.

It should also be noted that the payment terms of the grant are for it to be released in thirds, with the first third being issued when costs have been accrued with the contractor of one third of the value of the grant (page 3, paragraph 6). The executive may choose to waive this condition were they mindful to do so.

### **3. Outcomes/outputs**

SHDC want to achieve a viable pool for Dartmouth in the long term. The construction element of this project needs to be affordable by DDIPT, but more importantly, the ongoing operation of the pool needs to be done professionally and affordably.

## **Dartmouth Indoor Pool**

The leisure review market feedback, which should be available in September would provide a definitive operation cost which DDIPT could then assess. DDIPT would have to be able to realistically guarantee any ongoing subsidy to keep the pool open. DDIPT and SHDC would be able to move forward confidently with the construction of a new pool facility.

### **4. Options available and consideration of risk**

There are four options available:

- 1) Issue the grant funding with immediate effect
- 2) Issue the grant funding and look to transfer the land to the Town Council or DDIPT
- 3) Hold the grant funding until the operational costs are resolved
- 4) Withdraw the grant funding offer and cease SHDC involvement

#### **Option 1 – Issue the grant funding with immediate effect**

This carries the least risk to DDIPT's construction budget as they can afford the current contract price offered by Kier. The contract is "fixed price" and the risks that fall outside of the contract are relatively small, but not zero. DDIPT have no further assets, so in the event of a contract overspend, would need to rely on personal guarantees to cover a deficit or construction would cease.

Construction would commence and the facility could still be included in the leisure review. However, the risk to DDIPT failing to be able to afford any ongoing funding requirement is high, as it would not be quantified ahead of construction starting. It also requires the executive to conclude that DDIPT have to-date fulfilled all the conditions of the grant and waive the payment terms.

This option carries significant risk to SHDC and the viability of the facility in the longer term. The operational costs of the facility will not be known until after the contract has been signed and construction started.

It leaves SHDC vulnerable to having a facility on SHDC land that cannot be operated due to a funding deficit. It leaves DDIPT responsible for any financial subsidy, which is as yet un-quantified and could be a significant annual cost.

#### **Option 2 - Issue the grant funding and transfer the land to the Town Council or DDIPT**

The most significant risk to SHDC arising from this project is the legacy issue of a pool on SHDC land that is unable to open due to the operating costs. If the land which is currently proposed to be leased to DDIPT was transferred out of the ownership of SHDC, this potential liability would transfer with it.

## **Dartmouth Indoor Pool**

A freehold transfer of the land is not without risk, as SHDC would no longer have control over the land by way of a lease. Were DDIPT to cease to exist, the land would most likely fall to the charity commission. This could frustrate any long term wider development objectives for the area.

How willing the Town Council would be to such a transfer is yet to be explored, but failing that, DDIPT may well be more open to such an offer.

This option does not address any of the risks identified with the revenue and business case of the pool, it simply seeks to mitigate the impact to the Council.

### **Option 3 - Hold the grant funding until the operational costs are resolved**

This would allow the facility viability to be tested by the market, quantifying the running costs definitively. Subject to the market test showing that the pool requires no subsidy from SHDC, the grant funding could be drawn down.

It has the potential to provide security to the pool in the long term via its operation by a third party, joined up with the existing leisure offering. It also opens up the door to capital investment from a third party operator, for example, for the construction of a physical link to the existing facility.

The risks to DDIPT are high, as they are already at the upper end of their affordability criteria, so, in the absence of any further fund raising, may not be able to fund the construction of the pool.

DDIPT however, have indicated that they may be able to raise further funding, and have proved to date that they are very effective in doing so.

As with all legal agreements, it is possible that DDIPT are of the opinion they have fulfilled the terms of the grant and there is a low risk that they may commence legal action against the council.

It should be noted however, that the grant offer does define the timescale for which it should be paid and that point has not yet been reached, as one third of the grant value has not yet been accrued by DDIPT.

The executive, were they to be mindful to proceed with this recommendation, may choose to offer an increase to the grant to the value of the inflation of the capital costs, which is estimated at ~£35k and would be based on the relevant index of inflation for the construction sector (BCIS).

### **Option 4 – Withdraw the grant funding offer**

Preventing the construction altogether would remove the risk to SHDC from the potential of an unviable, high operating cost facility, being built on SHDC land, and the legacy associated therewith.

## Dartmouth Indoor Pool

SHDC would be at risk from a legal challenge from DDIPT for renegeing on the grant offer and associated costs, reference Appendix D.

### 5. Proposed Way Forward

To date, Option 1 & 3 have been discussed at length with members of DDIPT. SHDC officers have also been working closely with DDIPT and Kier to try and mitigate future construction cost rises by looking at alternative contract risk provision.

It is recommended to the Executive that Option 2 is taken forward and discussions with Dartmouth Town Council are commenced forthwith in regard to the freehold transfer of land into their ownership. If an agreement in principal cannot be reached within by 30<sup>th</sup> June then it is recommended that Option 3 is followed.

As part of this recommendation it is proposed that the Executive delegate the power to undertake the freehold land transfer to the CoP Lead for Assets, in consultation with the Portfolio Holder for Customer First. It is also proposed that should Option 2 be unviable by 30<sup>th</sup> June, DDIPT would then be formally notified of SHDC's intentions to follow Option 3 by the Executive Director (Strategy and Commissioning).

This recommendation is made, as it is considered that the risks of the long term running costs of the pool being too high for it to remain viable, should be mitigated through land transfer, or quantified and resolved through the leisure review process.

This officer recommendation is not made lightly, given the recommendation of the Overview and Scrutiny Committee. It is important that the Executive should give due weight and consideration to the recommendation of Overview and Scrutiny, which noted the importance of honouring a previous commitment.

### 6. Implications

Implications	Relevant to proposals Y/N	Details and proposed measures to address
Legal/Governance	Y	<p>The public interest has been assessed and it is considered that the public interest will be best served by not disclosing the information contained in Appendix C &amp; D because they contains financial information about the Council and a third party as well as information to which a claim to legal privilege may be maintained in the legal proceedings.</p> <p>Accordingly Appendix C &amp; D contains exempt information as defined in paragraph 3 &amp; 5 of schedule 12A of the Local Government Act 1972.</p>

## Dartmouth Indoor Pool

Financial	Y	Option 1 – Grant payment of £400k (Section 4) Option 2 – Grant payment of £400k (Section 4) Option 3 – Grant payment of £400k, plus possible inflation related costs (Section 4) Option 4 – Reference Appendix D
Risk	Y	Reference report section 4 for further risk info:  1) Financial 2) Legal 3) Reputational
Comprehensive Impact Assessment Implications		
Equality and Diversity		The net impact of the pool would be positive, as facilities would be more readily available to the local population. If the pool was not to move forward, there would be change to the current situation in this regard.
Safeguarding		N/A
Community Safety, Crime and Disorder		N/A
Health, Safety and Wellbeing	Y	There is a close link between swim provision and the health and wellbeing agenda
Other implications		

## **Dartmouth Indoor Pool**

### **Supporting Information**

#### **Appendices:**

Appendix A – Overview and Scrutiny Committee:

(i) list of questions posed to DDIPT

(ii) Draft minutes of meeting

Appendix B – Grant offer letter to DDIPT

Appendix C – Business Case Commentary [Exempt]

Appendix D – Legal commentary [Exempt]

#### **Background Papers:**

[under provisions of the Local Government Act 1972]

Executive Report May 2012, Item E14/12.

#### **Approval and clearance of report**

<b>Process checklist</b>	<b>Completed</b>
Portfolio Holder briefed	<b>Yes</b>
SLT Rep briefed	<b>Yes</b>
Relevant Exec Director sign off (draft)	<b>Yes</b>
Data protection issues considered	<b>Yes</b>
If exempt information, public (part 1) report also drafted. (Executive/Scrutiny)	<b>Yes</b>

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# Dartmouth Indoor Pool Questions

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## Construction Price

Background – The anticipated cost of construction was £1.95M. The tendered price for the pool has come in at £2.17M. The contract type is “fixed price” but in reality, there is no such thing and the price may go up further during construction.

***“Is the Trust sure that it can afford to build the pool, given the construction price is £200k more than anticipated?”***

***“What will the Trust do if something happens during the course of the construction which puts the price up?”***

***“Given that Sport England figures a 4 lane pool and learner pool should cost £3M, what has the pool done to make this pool £1M less expensive?”***

## Bond:

Background – The pool site is SHDC’s, and the Trust have limited finance. If the build ceases part way through SHDC end up with a half finished project on their land to either finish or remove. Normally this would be covered by a bond between the Trust and SHDC of 10% (£210,000). The Trust are unable to provide a bond as they have no assets to back it with. A surety of £75k from a private source has been offered, which is the best we can hope for.

***“What indemnity or bond has the Trust offered to SHDC in case the Trust becomes insolvent during construction?”***

## Business Case:

Background – The Trust commissioned the ASA to provide a business case and then updated it 2013. It has been reviewed by our leisure experts RPT. The business case is predicated on a shared management model with the existing leisure centre, £20k of fund raising per annum and volunteer workers (in part). RPT raised significant risks with all of these:

***“How will the Trust guarantee to be able to raise the required operational subsidy of £20k year on year, and what happens if they can’t?”***

***“The use of volunteer staff is a key part of the operational business model, that is probably achievable during summer months, but how will it be achieved during the winter?”***

***“The current business case shows a reduced utilities and staffing cost compared with the 1<sup>st</sup> issue, as more realistic usage figures were used. However, staff and utilities costs are linked to opening hours, not usage numbers, so how is this justified?”***

***“How will the shared management solution with the existing facility work in practice, is the Trust looking to a third party to run the pool? Is the lack of a physical link between the two buildings an issue in this regard?”***

## **Timeline**

Background – the Trust feel they have been fighting an uphill battle with SHDC all the way with the pool. In fact, the Trust only fulfilled the conditions of their grant when they got the final tender price for the build, which was in early May.

***“Why does the Trust continue to imply that SHDC have always delayed this project, when getting a tendered price for construction was a condition of the grant, which was achieved only this month?”***

## Extract of Minutes from Overview and Scrutiny Panel held 4 June 2015

### O&S.5/15 DARTMOUTH INDOOR POOL

At the invite of the Chairman, Sir Geoffrey Newman and Messrs David Shaw and George Hardy were in attendance to represent the Dartmouth and District Indoor Pool Trust. In light of a report on the Pool being scheduled for consideration at the Executive meeting on 18 June 2015, the Trust representatives had been invited to respond to Member questions.

In their introduction, the Trust representatives firstly welcomed the opportunity to address the Panel and also wished to apologise for the conduct shown by some supporters before the Annual Council meeting on 21 May 2015.

A number of questions had been submitted by Members to the Trust in advance of the meeting (as outlined at Appendix A). However, before responding to these questions, the representatives emphasised the need (and the extent of local support) for the indoor pool and stated that it was the view of the Trust that it had complied with all of the conditions associated with the Council's original grant offer.

The representatives proceeded to respond to the advanced questions and, in so doing, made particular reference to:-

- (a) the construction price. Members were informed that a fixed price contract was in place with a construction company up until 3 July 2015. If this deadline was not met, the construction company had estimated that the price of works would increase by between £70,000 and £100,000, thereby making the project unaffordable to the Trust. When questioned, officers advised that, even when considering the cost of inflation in the construction industry, there was still a lack of clarity in relation to the exact costs of any delay from July to September.

The Trust acknowledged that the fixed price contract did not cover any additional risks (e.g. adverse weather delaying construction works or asbestos being discovered on-site). As a consequence, the Trust had raised and set aside a contingency budget of £75,000 to cover any additional costs outside of the contract.

For specific design reasons (e.g. the use of straight beams and the Plant Room being built outside of the main building), the Trust was confident that the pool could be constructed for £1 million less than Sport England estimates.

## **Extract of Minutes from Overview and Scrutiny Panel held 4 June 2015**

Whilst the representatives informed that the specification was recognised as being 'fit for purpose', the Panel invited the lead officer to comment. In so doing, the officer confirmed that the specifications were indeed 'fit for purpose', however, it was recognised as being best practice for swimming pools to be built above Building Control specifications, thereby increasing the initial cost of construction to reduce ongoing running and repair and maintenance costs. Furthermore, the specifications did not comply with Sport England standards and the brand of Boiler to be used had still to be defined;

- (b) the Business Case. Through a combination of public revenue subsidies (e.g. Dartmouth Town Council, who had offered to provide £10,000 for 10 years and Dartmouth Academy and four local primary schools) and volunteer fundraising (£173,000 had been raised towards the project since 2010), the Trust was very confident that it could more than adequately deal with revenue budget pressures.

In alluding to examples with the Flavel Centre and Dartmouth Caring, the Trust was equally confident that there would be plentiful numbers of volunteer staff available to support the operational business model.

The representatives also made reference to the comments of the Council's then Strategic Director (Community), who had confirmed his view that the business plan appeared to be a well researched document. At the request of the Panel, it was agreed that this letter would be circulated to all Members.

Members were advised that two versions of the business case had been produced – one version being considered as the most accurate estimate, with the other version being based upon a worst case scenario. In its conclusions, the Trust was confident that the Pool could still operate on a break even position in the worst case scenario.

The representatives confirmed that the Trust could not run the Leisure Centre and the Pool because it did not have the expertise and it would not therefore be able to submit a bid during the tendering exercise. In addition, it had always been the assumption of the Trust that it would either run the pool itself or a leisure provider would run it for the Trust under a contractual arrangement (which was the preferred option for the Trust).

The Trust recognised that the lack of a physical link between the Leisure Centre and the pool was an issue, but that this was a decision which had been taken based upon the consequent additional costs of constructing a corridor.

## Extract of Minutes from Overview and Scrutiny Panel held 4 June 2015

In the ensuing discussion, reference was made to:-

- (i) the risk of being able to afford to run the Pool in the future. The Panel was informed that one of the main benefits of including the Pool in the wider leisure review was that guarantees would be included in the tender exercise in respect of being able to meet ongoing revenue cost pressures. With regard to ongoing revenue costs, a number of Members wished for it to be recorded that the Council would not provide any revenue funding to this project beyond its capital commitments;
- (ii) contributions from other public sector agencies. A Member expressed his concern that neither the health or education sector were contributing any monies towards the capital costs of the project;
- (iii) the enthusiasm shown by the Trust. Some Members were full of admiration for the Trust, but did question what measures of succession planning were in place to ensure that the Trust had a sufficient number of volunteers (and expertise) in the future. In response, the representatives expressed their confidence that the Trust would always have sufficient capacity to operate;
- (iv) the land being Council owned. As a consequence, the Panel acknowledged that the Council would be liable should either the revenue funding run out or the Trust be disbanded;
- (v) the expectations of the local community. The view was expressed that local expectations had been raised by the Council and it would therefore not be a credible course of action to hold off from allocating the grant before the 3 July 2015 deadline. The Chairman commented that the Executive would have to reach a decision on the issue of grant timing, however, in doing so it should be mindful of the commitment already given to the Dartmouth community by this Council.

It was then by a vote of seven in favour, with two against and one abstention:

### **RECOMMENDED**

That the Executive be **RECOMMENDED**:-

1. to continue with the original intention to grant £400,000 towards the construction of the Indoor Pool ; and
2. that the Council should not be liable to any ongoing revenue costs associated with the project.

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Please reply to: Amanda Harvey  
Service: Community Regeneration  
Direct telephone: 01803 861103 Fax: 01803 861404  
Email: amanda.harvey@southhams.gov.uk

22 September 2009

Dear Sir Geoffrey

**Investment in the Community Initiative  
Dartmouth & District Indoor Pool, Dartmouth & District Indoor Pool Trust**

I am pleased to advise you that your application for a grant for the above project has been approved by South Hams District Council under the Investment in the Community Initiative, subject to the conditions set out in this offer letter being met.

We would therefore like to offer **a full and final grant of £400,000 or 50% of the total capital project cost, whichever is the lesser.**

The grant is subject to the completion of Dartmouth & District Indoor Pool, as set out in your application form, business plan and subsequent information submitted. Written confirmation of revenue funding for the project will need to be provided by the Trust before any payment of this capital grant can be made by South Hams District Council.

To accept this offer of grant please read the conditions and payment procedures on pages two and three of this letter. **Please arrange for a member of your organisation with the appropriate authority to sign and date both copies of this letter on page three and return one copy to us no later than 22 November 2009.** The other copy is for your records.

South Hams District Council will review the project every 12 months from the date of this offer letter to ensure that progress has been made. The Council reserves the right to withdraw this grant offer if insufficient project progress can be evidenced at the time of the yearly reviews.

Please contact me if you have any queries.

Yours sincerely

Amanda Harvey  
Acting Community Development Officer



**South Hams  
District Council**

## **Investment in the Community Initiative**

### **Conditions of Grant:**

1. The grant must be used exclusively on the activities / items / works set out in the application form, business plan and subsequent information submitted.
2. No payment of grant will be made until written evidence of all match funding has been submitted to the Acting Community Development Officer.
3. Full planning permission for the project must have been granted before building works commence.
4. Contractors for the project must be engaged after due tendering process.
5. Any changes to the project must be agreed in writing by the Acting Community Development Officer.
6. Expenditure which pre-dates this offer letter (22 September 2009) will not be eligible for grant.
7. A representative from South Hams District Council will inspect the project's activities / purchases / works before any payment of grant is made.
8. The applicant organisation must agree to recognise the grant contribution from South Hams District Council in any publicity for the project and co-operate, if required, with any representative from South Hams District Council concerning publicity of the project.
9. At the end of the project any capital equipment purchased must be used for community benefit and not for the benefit of an individual. South Hams District Council reserves the right to inspect the use of any capital equipment beyond the life of the initial project.
10. For the avoidance of doubt South Hams District Council accepts no liability for the project beyond the provision of the grant as detailed in this offer letter.
11. Should the project fail before its completion, South Hams District Council reserves the right to require repayment or part-repayment of the grant received.
12. A completed Project Monitoring Form must be submitted every 12 months from the date of this offer letter (22 September 2009) detailing the project's progress.
13. On completion of the project, a completed Project Monitoring Form and a copy of the project's full accounts must be submitted to the Acting Community Development Officer.
14. This grant offer shall not imply any future revenue commitment for the project from South Hams District Council.





**South Hams  
District Council**

## **Investment in the Community Initiative**

### **Payment Procedures for Grants:**

1. Requests for payment of grant must be submitted to the Acting Community Development Officer using the Grant Claim Form provided and must include a progress report on the Project Monitoring Form.
2. The first request for payment must be accompanied by written evidence that all match funding for the project is in place.
3. No payments will be made until a representative from South Hams District Council is satisfied that the project has been carried out satisfactorily in accordance with the application or any subsequently agreed written amendments to it.
4. All payments will be made by BACS. The applicant organisation will need to provide:
  - Name on account
  - Account number
  - Sort code
5. The applicant organisation must provide the Acting Community Development Officer with a copy of the accepted quotation/s / tender/s before any request for payment can be made.
6. Payment of grant will be made in three instalments on submission of completed Grant Claim Forms and Project Monitoring Forms, when the project's expenditure reaches:
  - One third of the predicted total project cost;
  - Two thirds of the predicted total project cost and;
  - When the applicant organisation has a Certificate of Practical Completion.

Please note that South Hams District Council cannot make payments directly to suppliers on your behalf.

Dartmouth & District Indoor Pool Trust hereby confirms its acceptance of these conditions of grant and payment.

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Signed on behalf of Dartmouth & District  
Indoor Pool Trust

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Date

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## SOUTH HAMS DISTRICT COUNCIL

<b>NAME OF COMMITTEE</b>	<b>Executive</b>
<b>DATE</b>	<b>18 June 2015</b>
<b>REPORT TITLE</b>	<b>Write Off Report</b>
<b>REPORT OF</b>	<b>Section 151 Officer Case Management Manager</b>
<b>WARDS AFFECTED</b>	<b>All</b>

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### Summary of report:

The Council is responsible for the collection of: Housing Rents; Sundry Debts including Housing Benefit Overpayments, Council Tax and National Non-Domestic Rates.

The report informs members of the debt written off for these revenue streams. Debts up to the value of £5,000 being written off by the Section 151 Officer, under delegated authority. Permission needs to be sought from the Executive to write off individual debts with a value of more than £5,000.

This report covers the period 1<sup>st</sup> January 2015 to 31<sup>st</sup> March 2015

### Financial implications:

South Hams District Council debts totalling £158,108.48 to be written-off.

### RECOMMENDATIONS:

**The Executive notes that, in accordance with Financial Regulations, the s151 Officer has authorised the write-off of individual South Hams District Council debts totalling £102,574.01 as detailed in Tables 1 and 2.**

**Executive approves the write off of individual debts in excess of £5,000 as detailed in Table 3**

**Officer contact:** *Lisa Buckle: Tel ext no.3644 e-mail Lisa.Buckle@swdevon.gov.uk  
Kate Hamp: Tel ext no. 1104 e-mail Kate.Hamp@swdevon.gov.uk*

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## **1. BACKGROUND**

The Council's sound financial management arrangements underpin delivery of all the Councils priorities, including the commitment to providing value for money services. This report forms part of the formal debt write-off procedures included in these financial arrangements.

Members have requested that this information be presented in a composite report rather than for each individual revenue stream.

Collection rates for 2013/14 were; Council Tax 98.8% & Business Rates 98.6%

## **2. ISSUES FOR CONSIDERATION**

In accordance with good financial management principles the Council has, for the revenue streams detailed in this report, made a total bad debt provision of £1,407,442. This provision recognises that a proportion of the authority's debts will prove irrecoverable and ensures that the value of debtors within the authority's accounts is a fair reflection of the amount that will eventually be recovered. The total collectable debt for Council Tax is £58.2 million and for Business Rates is £30.2 million.

All debts, taxes and rates within the Service's control are actively pursued, and in most instances are collected with little difficulty. Sometimes, however, special arrangements are needed to effect recovery, and this may mean extending the period of time to collect the debt or ultimately instigating enforcement proceedings and then using Enforcement Agents to secure payment.

In some cases further pursuit of the debt is not possible for a variety of reasons, such as bankruptcy or liquidation and such cases with arrears under £5,000 are written off by the s151 Officer under delegated authority. Cases where the debt exceeds £5,000 must, however, be approved by Executive prior to the debt being written off.

Members are reminded that a record is kept of debts written off, together with the reason for doing so, so that if there is a realistic chance of recovery in the future a debt may be resurrected and pursued again.

Members are advised that the Service has access to Experian's Citizenvue database which is currently the most reliable means of tracing absconded debtors. Each case is checked against this system before a decision is taken to write off the debt. A periodic review of write offs against this system may also be carried out to resurrect debts where appropriate.

## **3. LEGAL IMPLICATIONS**

The relevant powers for this report are contained within the following legislation;

Section 151 Local Government Act 1972

Section 44 Local Government Finance Act 1988 (Non Domestic Rate)

Section 14 Local Government Finance Act 1992 (Council Tax)



#### 4. FINANCIAL IMPLICATIONS

South Hams District Council Debts totalling £158,108.48 to be written-off.

#### 5. OTHER CONSIDERATIONS

<b>Corporate priorities engaged:</b>	Economy Homes Community Life
<b>Statutory powers:</b>	Section 151 Local Government Act 1972 Section 44 Local Government Finance Act 1988 (Non Domestic Rate) Section 14 Local Government Finance Act 1992 (Council Tax)
<b>Considerations of equality and human rights:</b>	All enforcement action that is taken prior to this point is undertaken in accordance with legislation and accepted procedures to ensure no discrimination takes place
<b>Biodiversity considerations:</b>	None
<b>Sustainability considerations:</b>	A bad debt provision is built into the financial management of the Authority
<b>Crime and disorder implications:</b>	None
<b>Background papers:</b>	None
<b>Appendices attached:</b>	Tables 1, 2 & 3

**RISK MANAGEMENT**

No	Risk Title	Risk/Opportunity Description	Inherent risk status				Mitigating & Management actions	Ownership
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Reputation	Any risk to reputation is managed carefully by prompt recovery of amounts due wherever possible.	3	2	6	↓	This risk is also mitigated by taking a balanced view and ensuring that resources are not expended on debts which are not cost effective to pursue	Case Management Manager
2	Write Off	The obvious risk of debtors subsequently being able to pay a debt which has been written off is mitigated by the activity outlined in issues for consideration.	2	1	2	↔	Any individual debt exceeding £5,000 is referred to members for consideration prior to write-off which accords with Financial regulations.	S151 Officer

Direction of travel symbols ↓ ↑ ↔

**TABLE 1 SUMMARY OF SOUTH HAMS DISTRICT COUNCIL DEBT UNDER £5000 WRITTEN OFF BY THE S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes			
	<£1000	>£1000			Quarter 4	Cumulative Total		Equivalent Quarter 2013/14		Grand Total 2013/14	
					Amount (£)	Cases	Amount	Cases	Amount	Cases	Amount
<b>HOUSING BENEFIT</b>	120	6		Overpaid Entitlement	36,480.11	187	65,344.60	46	6,603.08	140	42,460.86
	-	2		Bankruptcy	4,499.74	9	11,262.30	-	-	9	8,382.57
	4	1		Absconded	2,000.35	14	7,929.70	2	2,100.92	13	7,132.56
	-	-		Deceased	-	5	1,408.36	-	-	3	139.45
	7	-		Not cost effective to pursue	27.10	18	63.92	5	12.08	16	174.08
	6	-		Uncollectable old debt	1,151.03	49	16,129.65	10	2,217.24	44	17,067.78
Total	137	9			44,158.33	282	102,138.53	63	10,933.32	225	75,357.30
<b>COUNCIL TAX</b>	13	-		Absconded	4,354.20	72	23,674.01	18	7,675.29	139	81,974.01
	-	-		Administrative Receivership	-	-	-	-	-	-	-
	11	5		Bankruptcy	15,074.49	56	39,476.74	10	6,975.16	36	24,927.46
	3	1		Deceased	1,429.43	6	1,702.61	2	141.10	6	1,816.58
	206	-		Small balance	9,706.00	323	11,790.33	-	-	18	411.20
	2	-		Other	611.75	15	13,666.11	4	2,392.00	9	8,194.75
	3	-		Uncollectable old debt	159.65	9	2,812.75	1	196.61	2	204.97
	-	-		Voluntary Bankruptcy	-	8	4,804.75	-	-	-	-
Total	238	6			31,335.52	489	97,927.30	35	17,380.16	210	117,528.97
<b>SUNDRY DEBTS</b>	-	-	-	Absconded	-	15	1,415.89	-	-	-	-
	-	-	-	Bankruptcy/DRO/IVA/CVA etc	-	11	1,299.62	-	-	2	146.06
	-	-	-	Not cost effective to pursue	-	5	639.10	-	-	4	123.10
	1	-	1	Other	104.00	35	3,086.39	4	859.74	14	2,360.38
	-	-	-	Administrative Receivership	-	8	105.49	-	-	-	-
	-	-	-	Small balance	-	35	38.14	11	14.59	67	93.69
Total	1	-	1		104.00	109	6,584.63	15	874.33	87	2,723.23
<b>HOUSING RENTS</b>	-	-		Bankrupt	-	-	-	-	-	-	-
	2	-		Not cost effective to pursue	142.34	18	1,053.65	22	627.09	22	627.09
	2	-		Absconded	921.75	2	921.75	-	-	1	31.94
	-	1		Uncollectable old debt	1,061.98	1	1,061.98	-	-	-	-
	-	-		Other	-	1	76.00	-	-	9	378.80
	-	-		Deceased	-	-	-	-	-	-	-
Total	4	1			2,126.07	22	3,113.38	22	627.09	32	1,037.83
<b>Grand Total</b>	<b>380</b>	<b>16</b>			<b>77,723.92</b>	<b>902</b>	<b>209,763.84</b>	<b>135</b>	<b>29,814.90</b>	<b>554</b>	<b>196,647.33</b>

**TABLE 2 SUMMARY OF NON DOMESTIC RATE DEBT UNDER £5000 WRITTEN OFF BY THE S151 OFFICER**

TYPE OF DEBT	NUMBER OF CASES		No of people / business	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes				
	<£1000	>£1000			Quarter 4		Cumulative Total		Equivalent Quarter 2013/14		Grand Total 2013/14	
					Amount (£)	No.	Amount	No.	Amount	No.	Amount	
<b>NON-DOMESTIC RATE</b>	3	1	4	Absconded	2,703.57	8	6,123.27	1	717.80	18	25,414.01	
	-	2	2	Administrative Receivership	6,985.15	4	11,031.06	-	-	3	2,137.62	
	-	2	2	Liquidation	8,703.62	15	35,579.70	4	9,842.32	15	21,181.35	
	1	-	1	Voluntary Bankruptcy	636.56	5	9,697.43	2	4,554.19	4	9,015.08	
	5	-	5	Other	158.74	10	658.94	1	825.33	3	1,828.64	
	-	-	-	Uncollectable old Debt	-	2	863.60	-	-	-	-	
	-	2	2	Bankruptcy	5,662.45	6	11,062.54	-	-	5	11,233.22	
	-	-	-	Deceased	-	-	-	-	-	-	-	
<b>Total</b>	<b>9</b>	<b>7</b>	<b>16</b>		<b>24,850.09</b>	<b>50</b>	<b>75,016.54</b>	<b>8</b>	<b>15,939.64</b>	<b>48</b>	<b>70,809.92</b>	

**TABLE 3 SUMMARY OF ITEMS OVER £5000 WHERE PERMISSION TO WRITE OFF IS REQUESTED**

TYPE OF DEBT	NUMBER OF CASES	REASON FOR W/OFF	Financial Year 2014/15			Totals for Comparison purposes				
			Quarter 4		Cumulative Total		Equivalent Quarter 2013/14		Grand Total 2013/14	
			Amount (£)	No.	Amount	No.	Amount	No.	Amount	
<b>NON-DOMESTIC RATE</b>	-	Administrative Receivership	-	-	-	-	-	1	14,943.32	
	2	Liquidation	20,039.34	9	118,132.28	-	-	2	22,642.65	
	-	Absconded	-	-	-	-	-	-	-	
	-	Bankruptcy	-	1	5,914.67	-	-	-	-	
	-	Uncollectable old Debt	-	-	-	-	-	-	-	
	2	Voluntary Bankruptcy	35,495.13	2	35,495.13	-	-	1	6,960.88	
	-	Other	-	1	6,870.52	-	-	-	-	
<b>Total</b>	<b>4</b>		<b>55,534.47</b>	<b>13</b>	<b>166,412.60</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>44,546.85</b>	
<b>HOUSING BENEFIT</b>	-	Deceased	-	-	-	-	-	-	-	
	-	Overpaid Entitlement	-	-	-	-	-	1	9,386.50	
	-	Bankruptcy	-	-	-	-	-	1	5,516.69	
<b>Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>14,903.19</b>	
<b>COUNCIL TAX</b>	-	Absconded	-	-	-	-	-	1	6,240.06	
	-	Bankruptcy	-	-	-	-	-	1	9,160.90	
	-	Voluntary Arrangement	-	-	-	-	-	1	7,689.97	
<b>Total</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>23,090.93</b>	
<b>Grand Total</b>	<b>4</b>		<b>55,534.47</b>	<b>13</b>	<b>166,412.60</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>82,540.97</b>	

**MINUTES OF THE MEETING OF THE  
OVERVIEW & SCRUTINY PANEL  
HELD AT FOLLATON HOUSE, TOTNES ON  
THURSDAY, 4 JUNE 2015**

<b>Panel Members in attendance</b>			
* Denotes attendance		∅ Denotes apology for absence	
*	Cllr K J Baldry	*	Cllr J T Pennington
*	Cllr N A Barnes	*	Cllr K Pringle
*	Cllr J I G Blackler	*	Cllr M F Saltern (Chairman)
*	Cllr D Brown	∅	Cllr P C Smerdon
∅	Cllr J D Hawkins	*	Cllr K R H Wingate
*	Cllr D Horsburgh	*	Cllr B Wood
∅	Cllr D W May		

<b>Members in attendance and participating</b>
Cllrs H D Bastone, I Bramble, R D Gilbert, J M Hodgson, T R Holway, J A Pearce, R C Steer, R J Tucker, R J Vint, L A H Ward, S A E Wright

<b>Item No</b>	<b>Minute Ref No below refers</b>	<b>Officers in attendance and participating</b>
All		Head of Paid Service, Executive Director (Service Delivery and Commercial Services) and Senior Specialist – Democratic Services
7	O&S.5/15	Community Of Practice Lead for Assets

**O&S.1/15 WELCOME**

The Chairman welcomed all Members, officers, public and press who were in attendance at the inaugural meeting of the Overview and Scrutiny Panel.

**O&S.2/15 DECLARATIONS OF INTEREST**

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

**O&S.3/15 OVERVIEW AND SCRUTINY PANEL – TERMS OF REFERENCE**

In consideration of the Panel's Terms of Reference, a Member wished to repeat his previously raised view that the position of Panel Chairman should be allocated to a Member of the Opposition Group.

It was then:

**RESOLVED**

That the Terms of Reference be noted.

**O&S.4/15 PUBLIC FORUM**

In accordance with the Public Forum procedure rules, no items were raised at this meeting.

**O&S.5/15 DARTMOUTH INDOOR POOL**

At the invite of the Chairman, Sir Geoffrey Newman and Messrs David Shaw and George Hardy were in attendance to represent the Dartmouth and District Indoor Pool Trust. In light of a report on the Pool being scheduled for consideration at the Executive meeting on 18 June 2015, the Trust representatives had been invited to respond to Member questions.

In their introduction, the Trust representatives firstly welcomed the opportunity to address the Panel and also wished to apologise for the conduct shown by some supporters before the Annual Council meeting on 21 May 2015.

A number of questions had been submitted by Members to the Trust in advance of the meeting (as outlined at Appendix A). However, before responding to these questions, the representatives emphasised the need (and the extent of local support) for the indoor pool and stated that it was the view of the Trust that it had complied with all of the conditions associated with the Council's original grant offer.

The representatives proceeded to respond to the advanced questions and, in so doing, made particular reference to:-

- (a) the construction price. Members were informed that a fixed price contract was in place with a construction company up until 31 July 2015. If this deadline was not met, the construction company had estimated that the price of works would increase by between £70,000 and £100,000, thereby making the project unaffordable to the Trust. When questioned, officers advised that, even when considering the cost of inflation in the construction industry, there was still a lack of clarity in relation to the exact costs of any delay from July to September.

The Trust acknowledged that the fixed price contract did not cover any additional risks (e.g. adverse weather delaying construction works or asbestos being discovered on-site). As a consequence, the Trust had raised and set aside a contingency budget of £75,000 to cover any additional costs outside of the contract.

For specific design reasons (e.g. the use of straight beams and the Plant Room being built outside of the main building), the Trust was confident that the pool could be constructed for £1 million less than Sport England estimates.

Whilst the representatives informed that the specification was recognised as being 'fit for purpose', the Panel invited the lead officer to comment. In so doing, the officer confirmed that the specifications were indeed 'fit for purpose', however, it was recognised as being best practice for swimming pools to be built above Building Control specifications, thereby increasing the initial cost of construction to reduce ongoing running and repair and maintenance costs. Furthermore, the specifications did not comply with Sport England standards and the brand of Boiler to be used had still to be defined;

- (b) the Business Case. Through a combination of public revenue subsidies (e.g. Dartmouth Town Council, who had offered to provide £10,000 for 10 years and Dartmouth Academy and four local primary schools) and volunteer fundraising (£173,000 had been raised towards the project since 2010), the Trust was very confident that it could more than adequately deal with revenue budget pressures.

In alluding to examples with the Flavel Centre and Dartmouth Caring, the Trust was equally confident that there would be plentiful numbers of volunteer staff available to support the operational business model.

The representatives also made reference to the comments of the Council's then Strategic Director (Community), who had confirmed his view that the business plan appeared to be a well researched document. At the request of the Panel, it was agreed that this letter would be circulated to all Members.

Members were advised that two versions of the business case had been produced – one version being considered as the most accurate estimate, with the other version being based upon a worst case scenario. In its conclusions, the Trust was confident that the Pool could still operate on a break even position in the worst case scenario.

The representatives confirmed that the Trust could not run the Leisure Centre and the Pool because it did not have the expertise and it would not therefore be able to submit a bid during the tendering exercise. In addition, it had always been the assumption of the Trust that it would either run the pool itself or a leisure provider would run it for the Trust under a contractual arrangement (which was the preferred option for the Trust).

The Trust recognised that the lack of a physical link between the Leisure Centre and the pool was an issue, but that this was a decision which had been taken based upon the consequent additional costs of constructing a corridor.

In the ensuing discussion, reference was made to:-

- (i) the risk of being able to afford to run the Pool in the future. The Panel was informed that one of the main benefits of including the Pool in the wider leisure review was that guarantees would be included in the tender exercise in respect of being able to meet ongoing revenue cost pressures. With regard to ongoing revenue costs, a number of Members wished for it to be recorded that the Council would not provide any revenue funding to this project beyond its capital commitments;
- (ii) contributions from other public sector agencies. A Member expressed his concern that neither the health or education sector were contributing any monies towards the capital costs of the project;
- (iii) the enthusiasm shown by the Trust. Some Members were full of admiration for the Trust, but did question what measures of succession planning were in place to ensure that the Trust had a sufficient number of volunteers (and expertise) in the future. In response, the representatives expressed their confidence that the Trust would always have sufficient capacity to operate;
- (iv) the land being Council owned. As a consequence, the Panel acknowledged that the Council would be liable should either the revenue funding run out or the Trust be disbanded;
- (v) the expectations of the local community. The view was expressed that local expectations had been raised by the Council and it would therefore not be a credible course of action to hold off from allocating the grant before the 31 July 2015 deadline.

It was then by a vote of seven in favour, with two against and one abstention:

#### **RECOMMENDED**

That the Executive be **RECOMMENDED**:-

- 1. to continue with the original intention to grant £400,000 towards the construction of the Indoor Pool before 31 July 2015; and
- 2. that the Council should not be liable to any ongoing revenue costs associated with the project.



**O&S.6/15 EXECUTIVE FORWARD PLAN**

With regard to the most recently published Forward Plan, the following points were raised:-

- (a) The Chairman made reference to the Devon Home Choice and Local Allocations Policy Review, which was scheduled to be considered by the Executive at its meeting on 10 September 2015. The Chairman informed that he was exercising his discretion to schedule an update on this item to be made to the Panel meeting on 27 August 2015;
- (b) The Chairman also confirmed that it was his intention for the Panel to have the opportunity to consider the draft 2016/17 Budget setting proposals at its meeting on 19 November 2015 (e.g. before the Executive meeting on 10 December 2015);
- (c) A non-Panel Member queried whether consideration of the Homeless Strategy (which was currently scheduled for presentation to the Executive at its meeting on 10 March 2016) could be brought forward to an earlier date. In reply, the Leader stated that he would consider bringing this agenda item forward to an earlier Executive meeting and would advise the Chairman of any revised date.

**O&S.7/15 TRANSFORMATION PROGRAMME: PROGRESS UPDATE**

The Executive Director (Service Delivery and Commercial Services) provided a verbal progress update on the Transformation Programme.

In the ensuing debate, specific reference was made to:-

- the main recent focus being on ensuring that the organisational structure was in place. In particular, it was noted that Phase 1(b) of the recruitment process had just gone live on 1 June 2015. As a consequence, it was acknowledged that, in light of the extent of the changes, there would be strains on certain services in the next few months. In expressing his concerns, a Member felt that the public had a right to instant success and was unhappy at the number of senior experienced officers who had been allowed to leave the employ of the council at the same time;
- the importance of Members being kept abreast of senior officer contact details. Officers realised the importance of this point and had published and circulated an organisational structure chart and contact details for the Senior and Extended Leadership Teams;

- the number of unsuccessful members of staff during this phase of the Programme. When questioned, it was confirmed that a handful of staff had been unsuccessful and had left the organisation as a consequence. Moreover, an additional number had either been offered jobs at lower levels than their current salary or were unable to secure their preferred first choice role. It was noted that these staff members would be subject to 18 months pay protection and a Member requested that the Panel be informed of how many individuals this affected;
- the commendable work undertaken by the HR Specialists during this phase of the Programme;
- the high percentage of agency staff being employed by the Council. Some Members expressed their deep reservations at the current numbers of agency staff being employed and requested a thorough review into the costs and value for money of this trend. In reply, it was noted that the numbers had been high due to the Council being unable to fill any vacancies whilst staff were at risk of redundancy. Officers also highlighted that this would be an ongoing issue for the Panel to monitor and, since Phase 1(b) of the Programme had now been implemented, the Council should start to see a downward trend in numbers of agency staff;
- an all Member Briefing on the Programme, which had been scheduled to take place on Thursday, 25 June at 2.00pm.

**O&S.8/15 PERFORMANCE INDICATOR REPORT – QUARTER 4 (2014/15)**

The Panel considered a report that provided Members with information on the Key Performance Indicators at the end of Quarter 4 for 2014/15.

In discussion, the following points were raised:-

- (a) Officers highlighted the new agenda report format and confirmed that they would welcome any Member feedback (both positive and negative) on this new format;
- (b) Whilst officers stated that the average call answer time was improving, some Members cited examples which contradicted this belief. In reply, officers urged Members to make them aware of such instances;

- (c) Officers had spoken to a number of colleagues who were all experiencing similar issues in respect of recruiting planning officers. Nonetheless, officers were totally committed to improving service performance and were fully aware of the reputational issues associated with below average performance;
- (d) The Panel supported the officer suggestion whereby a Task and Finish Group review should be undertaken into the appropriateness of the performance indicators which were presented;
- (e) A non-Panel Member was of the view that the PIs relating to the Development Management (DM) service should be reported to the DM Committee in the first instance. In contrast, other Members disagreed with this view and felt that the Overview and Scrutiny Panel was tasked with reviewing the performance of the Council and its services;
- (f) When considering the current economic climate, a Member emphasised the importance of invoices being paid on time and hoped that this trend would improve.

It was then:

### **RESOLVED**

1. That the Key Performance Indicators for Quarter 4 be noted;
2. That Members note the proposal for a Development Management Service Update to be presented to the Panel meeting on 17 September 2015;
3. That the Panel endorse a review being undertaken into the Performance Measures and welcome a report being presented back to Members in the autumn.

## **O&S.9/15 MEMBERS PROPOSAL FORM FOR POTENTIAL AGENDA ITEMS**

Members were supportive of the proposal form being adopted and recognised the importance of the key objectives and outcomes sections of this document.

It was noted that nothing would be excluded from consideration and each submitted form would be reviewed by a Panel comprising of the Head of Paid Service and the Chairman and Vice-Chairman of the Panel.

It was then:

### **RESOLVED**

That the Proposal Form be adopted as the means for submitting future agenda item requests.

O&S.10/15 **OVERVIEW AND SCRUTINY MEMBER LEARNING AND DEVELOPMENT PLAN**

The Panel supported the creation of a structured approach towards Learning and Development for Overview and Scrutiny Panel Members, which it was felt should be prominent throughout the wider Corporate Member Learning and Development Plan and should be resourced appropriately.

O&S.11/15 **DRAFT ANNUAL WORK PROGRAMME 2015/16**

The Panel considered its draft 2015/16 Work Programme and made the following additions and amendments:-

- (a) the establishment of a Dartmouth Lower Ferry Task and Finish Group. It was noted that Cllr Saltern would lead upon this review, with Cllrs Pennington and Pringle also serving on the Group. The importance of local Member involvement in this process was recognised and Cllr Saltern confirmed that he would ask Cllr Hawkins if he would wish to also become a Member of the Group;
- (b) the creation of a Performance Indicator review Task and Finish Group. Cllr Baldry confirmed his willingness to lead upon the Group, with Cllrs Blackler and Horsburgh supporting him in this review;
- (c) re-establishing the Waste Review Task and Finish Group. Some Members suggested that the Group should be re-established. In reply, the Chairman made it clear that he would establish the latest position regarding the outcomes of the former Waste Working Group and would then (if deemed appropriate) form a task and finish group on specific aspects of the Waste Review;
- (d) Our Plan. The Panel was informed that officers were currently developing the timeline for Member consideration of Our Plan. It was therefore felt to be inappropriate at this time for the Panel to commit to a definite date on its Work Programme to consider Our Plan;
- (e) the Community Safety Partnership being scheduled to attend the Panel meeting on 17 September 2015;
- (f) separating the Service Level Agreement monitoring reports on the CVS (Council for Voluntary Services) and the CAB (Citizens Advice Bureau). The Panel felt it was unhelpful for these reports to be considered at the same meeting and therefore requested that the CAB report be presented to its next meeting on 9 July 2015, with the CVS report being presented to the meeting on 27 August 2015;
- (g) the merits of inviting Coastguard representatives to a future meeting were recognised;

- (h) the Dispensations for dual-hatted Members agenda item being scheduled for consideration at the Panel meeting on 19 November 2015;
- (i) the Panel's annual report. The constitutional requirement to produce an annual report was recognised and it was suggested that a draft version should be presented to the meeting on 25 February 2016, with the final draft then being presented to the Panel meeting on 17 March 2016.

(Meeting started at 10.00 am and concluded at 12.45 pm).

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Chairman

## Appendix A

### Dartmouth Indoor Pool – Member Questions Submitted in Advance

#### Construction Price:

Background – The anticipated cost of construction was £1.95M. The tendered price for the pool has come in at £2.17M. The contract type is “fixed price” but in reality, there is no such thing and the price may go up further during construction.

***“Is the Trust sure that it can afford to build the pool, given the construction price is £200k more than anticipated?”***

***“What will the Trust do if something happens during the course of the construction which puts the price up?”***

***“Is there a contingency budget?”***

***“Given that Sport England estimates a 4 lane pool and learner pool should cost £3M, how have the trust achieved a pool for approx £1M less?”***

***“What impact will this lower cost have on ongoing running and repair and planned maintenance costs?”***

#### Bond:

Background – The pool site is SHDC’s, and the Trust has limited finance. If the build ceases part way through SHDC end up with a half finished project on their land to either finish or remove. Normally this would be covered by a bond between the Trust and SHDC of 10% (£210,000). The Trust is unable to provide a bond as they have no assets to back it with. A surety of £75k from a private source has been offered, which is the best we can hope for.

***“What indemnity or bond has the Trust offered to SHDC in case the Trust becomes insolvent during construction?”***

#### Business Case:

Background – The Trust commissioned the ASA to provide a business case and then updated it 2013. It has been reviewed by our leisure experts RPT. The business case is predicated on a shared management model with the existing leisure centre, £20k of fund raising per annum and volunteer workers (in part). RPT raised significant risks with all of these:

***“How will the Trust guarantee to be able to raise the required operational subsidy of £20k year on year, and what happens if they can’t?”***

***“The use of volunteer staff is a key part of the operational business model, that is probably achievable during summer months, but how will it be achieved during the winter?”***

Background – A 3rd party is unlikely to be keen to operate with the high numbers of volunteers included in the business case:

***“How does the Trust propose to balance the need for economies of scale and expertise brought by the operator with the financial pressure to use volunteers to make the business case stack up?”***

***“The current business case shows a reduced utilities and staffing cost compared with the 1<sup>st</sup> issue, as more realistic usage figures were used. However, staff and utilities costs are linked to opening hours, not usage numbers, so how is this justified?”***

Background – It is our understanding that the Trust do not want to operate the pool and would like a 3rd party (preferably the Council’s facilities operator) to operate it on their behalf. In order for the operation to be able to be considered in the Council’s contract then it is necessary to engage with the market:

***“Why is the Trust so reluctant for this engagement with the market? And more importantly why would they want to commit the public money that they have raised to build the pool without first getting the assurances from the potential operators that they will be able to operate it?”***

***“How will the shared management solution with the existing facility work in practice, is the Trust looking to a third party to run the pool? Is the lack of a physical link between the two buildings an issue in this regard?”***

## **Timeline**

Background – the Trust feel they have been fighting an uphill battle with SHDC all the way with the pool. In fact, the Trust only fulfilled the conditions of their grant when they got the final tender price for the build, which was in early May.

***“Why does the Trust continue to imply that SHDC have always delayed this project, when getting a tendered price for construction was a condition of the grant, which was achieved only this month?”***

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