

At a Meeting of the **HUB COMMITTEE** held at the Council Chamber, Council Offices, Kilworthy Park, Drake Road, **TAVISTOCK** on **TUESDAY** the **12<sup>th</sup>** day of **JULY, 2016** at **2.00pm**

**Present:** Cllr P R Sanders – Chairman  
Cllr R E Baldwin – Vice-Chairman

Cllr M J R Benson	Cllr C Edmonds
Cllr J B Moody	Cllr R J Oxborough
Cllr G Parker	Cllr R F D Sampson
Cllr L Samuel	

**In attendance:** Executive Director (Strategy and Commissioning)  
Executive Director (Service Delivery and Commercial Development)  
Group Manager Support Services  
Group Manager Commercial Services  
Group Manager Business Development  
S151 Officer  
Solicitor  
Senior Case Manager

Anthony Dunne – PWC Representative  
Peter Donson – PWC Representative

**Other Members in attendance:**

Cllrs Cheadle, Leech, Moyse, Musgrave, Pearce, Sellis, Sheldon and Stephens

**\*HC 08      DECLARATIONS OF INTEREST**

Members were invited to declare any interests in the items of business to be discussed but none were made.

**\*HC 09      MINUTES**

The Minutes of the Hub Committee Meeting held on 7 June 2016 were confirmed and signed by the Chairman as a correct record.

**HC 10      ANNUAL REPORT**

The Leader introduced a report that asked Members to consider the Annual Report (as presented in Appendix A of the published agenda) and to make any recommendations to Council prior to publication.

Members noted one or two minor amendments and were advised that a final version would be available in time for the full Council meeting on 26 July 2016. During discussion, the Executive Director (Strategy and Commissioning) confirmed that the Annual Report would be disseminated to the public through being published on the website, and circulated to town and parish councils.

It was then **RESOLVED** that Council be **RECOMMENDED** that there were no further comments on the content of the Annual Report and it should therefore be published accordingly.

**\*HC 11**

**T18 BUDGET MONITORING REPORT – TO END MARCH 2016**

The Leader presented a report that set out the revenue position of the T18 Programme at the end of March 2016.

The Group Manager Support Services advised the Committee that a business case would be presented to the Council's Senior Leadership Team this week to work with our existing web provider to upgrade the website to a cloud based service. This work would be managed within the existing budget and a plan was in place to migrate services to the new website using a phased approach. He also advised that the Civica planning portal now had a bulk download facility and urged Members to test this out. The Leader asked that Members be advised when this facility was live.

Finally, Members were advised that in ongoing discussions with Civica, they had reiterated their commitment to drive the product forward.

It was then **RESOLVED** that progress to date on the T18 Transformation Programme be noted.

**HC 12**

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

The Leader presented 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.

During discussion, the following points were raised:

- All of the original organisations were still signed up to the Heart of the South West Bid, and dialogue with the current Secretary of State was positive. He had indicated that he hoped to make an announcement in the autumn statement;
- There was no real appetite amongst Members for an elected Mayor, but there was recognition that this could affect the level of devolution and associated funding;
- A governance review was ongoing and so far it appeared that a Committee structure would be favoured for a Combined Authority;
- If one of the organisations decided to withdraw from the Bid, it may not prevent the Bid going forward, but that organisation would not have access to the funding streams that would be available to Bid partners. The Bid would need to be cost neutral, and no money would be available to cover existing services. However, funding would be available for new projects that previously had been delivered by central government;

- One of the themes within the Prospectus document focussed on business growth, but there was no evidence of how this information had been collected. The Executive Director (S&C) advised that discussions had been held with Chambers of Commerce and the Federation of Small Businesses, and Devon County Council had undertaken an analysis of local economy.

It was then **RESOLVED** that 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.

## HC 13

### **LOCAL AUTHORITY CONTROLLED COMPANY BUSINESS CASE**

The Leader presented 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 into the merits of establishing a local Authority Controlled Company (LACC). The preparation of the business case followed the Council's decision on 16<sup>th</sup> February 2016 to establish a LACC subject to the further approval of a detailed business case and implementation plan. In introducing the report, the Leader affirmed that Members must make a decision based on what was best for West Devon Borough Council.

He then introduced the representatives from PWC. Following the introduction, Members asked a number of detailed questions to the representatives from PWC, the Council Solicitor and the Executive Directors. The questions covered a range of issues such as the history of trading powers for local authorities, the impact of waste management services being transferred into the LACC, the estimated cost of additional work to progress the implementation of the LACC, how some questions could not be answered until the LACC had been set up, how the savings were calculated, how the value of the potential market had been evaluated, governance and the capacity of managers to take this forward.

During discussion, the following points were raised:

- One Member raised a combination of concerns over set up costs, payback period, estimated operational costs, the difficulty of identifying the potential market and the projected level of profit. He **PROPOSED** an amendment to the first recommendation that the decision to

proceed with setting up a LACC be deferred. This amendment was **SECONDED** but subsequently **LOST**, as Members felt the proposal should be recommended to full Council to enable all Members to have the opportunity to debate the proposal at that meeting;

- Whilst some Members agreed that a LACC model relying was the right way forward, they also agreed that a market analysis was essential to provide them with further information in advance of making a decision at the full Council meeting on 26 July. The Group Manager Commercial Services advised of an Informal Market Analysis Member Working Group that had been set up at South Hams District Council and invited West Devon Members to attend future meetings;
- Some Members were positive about the proposal and felt that the Council should continue on this journey, although there were comments made that they did not feel they had sufficient information.

It was then **RESOLVED** that Council be **RECOMMENDED**:

1. To proceed with the implementation of a Local Authority Controlled Company (LACC) jointly owned with South Hams District Council to commence trading on 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 agenda report and market intelligence;
2. That a Joint Steering Group (JSG) is established to deal with matters concerning the implementation of the LACC as detailed in paragraph 5.5 of the presented agenda report and terms of reference (as presented at Appendix B) be revised in light of Members' comments;
3. That, Subject to approval of recommendation 1 above, the Council enters into an external Waste Management arrangement; this arrangement will be subject to full affordability assessment, risk analysis and in compliance with Public Contract Regulations 2015, for a 2 year period with a view to waste services transferring to the LACC at the end of the 2 year period;
4. That the Council proceeds to acquire the fleet required to satisfy the West Devon Waste specification as set out in Appendix D of the presented agenda report. If purchased, as opposed to leased, the cost of the fleet is to be financed through borrowing;
5. That the Council approves the use of up to £127,500 of the 2016/17 budget surplus Earmarked Reserve for the set-up costs of the LACC as detailed in paragraph 5.8 of the presented agenda report.

(Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting on the grounds that exempt information is likely to be disclosed as defined in Paragraph 3 of Schedule 12(A) to the Act).

Prior to any discussion on this item, a Member proposed that the item be deferred to a future meeting to enable a full discussion.

It was then **RESOLVED** that this item be deferred to a future meeting of the Hub Committee for further consideration.

(The Meeting terminated at 5.35 pm)

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Chairman