

EAST STAFFORDSHIRE BOROUGH COUNCIL

SCRUTINY (AUDIT AND VALUE FOR MONEY COUNCIL SERVICES) COMMITTEE

Minutes of the Meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held in the Coltman VC Room, Town Hall on 9th February 2022 at 6.30pm.

Present:

Councillors A. Clarke (Chairman), L. Beech, A. A. Chaudhry, M. Fitzpatrick, D. F. Fletcher, S. Gaskin, Mrs V. J. Gould, R. G. Grosvenor, T. Hadley, S. McGarry, C. Sylvester and Mrs L. Walker.

Officers Present:

Andy O'Brien (Chief Executive), Sal Khan (Head of Service), Chris Eberley (Interim Monitoring Officer), Lisa Turner (Chief Accountant), James Abbott (Corporate and Commercial Manager), Tom Deery (Enterprise Manager) and Monica Henchcliffe (Senior Democratic Services Officer).

Also Present:

Councillor G. Allen and Councillor B. Ashcroft and Mike Hovers (Open Spaces Manager) (for Minute no. 271/22).

Apologies for absence were received from Councillors P. Hudson and C. Whittaker.

260/22 **DECLARATIONS OF INTEREST**

There were no declarations of interest at the commencement of the meeting

261/22 **MINUTES**

Resolved:

That the Public Minutes of the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 16th December 2021 be approved and signed as a correct record.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech		Councillor C Sylvester
Councillor A A Chaudhry		Councillor Mrs L Walker
Councillor A Clarke		
Councillor M Fitzpatrick		
Councillor D F Fletcher		
Councillor S Gaskin		

Councillor V J Gould		
Councillor R Grosvenor		
Councillor T Hadley		
Councillor R Lock		
Councillor S McGarry		

262/22 **URGENT BUSINESS**

There was no urgent business submitted to the meeting pursuant to Rule 12.

263/22 **TREASURY MANAGEMENT STRATEGY AND STATEMENT AND ANNUAL INVESTMENT STRATEGY 2022/2023**

The Chief Accountant presented the Treasury Management Strategy Statement and the Annual Investment Strategy 2022/23, which fulfils various statutory requirements and best practice guidelines in respect of the Council's Treasury activities and also its capital investment plans.

An opportunity for questions followed.

Resolved:

That Members recommended that full Council approve the Treasury Management Strategy Statement, Minimum Revenue Provision, and the Annual Investment Strategy 2022/23 and did not make any comments or observations to full Council.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech	Councillor A A Chaudhry	
Councillor A Clarke	Councillor M Fitzpatrick	
Councillor S Gaskin	Councillor D F Fletcher	
Councillor V J Gould	Councillor R Grosvenor	
Councillor R Lock	Councillor T Hadley	
Councillor S McGarry	Councillor Mrs L Walker	
Councillor C Sylvester		

264/22 **SCRUTINY REVIEW PROGRESS REPORT**

The Sub-group chairs gave a brief update on the ongoing reviews on the Scrutiny Work Programme.

He reported that the sub-group were in the process of aligning the Waste Management Review reports from both Scrutiny Committees and would be brought to the March Cabinet meeting.

It was reported that:

1. Mayoralty – awaiting Members responses from the survey circulated previously.
2. Disabled Facilities Grants – Trent and Dove has been invited to attend the meeting of the Committee in March.
3. ICT Infrastructure – ongoing.

He reported that dates are being arranged for the sub-group meetings in order to progress the reviews.

265/22 **TOWNS FUND PROGRAMME**

At the commencement of the meeting, Councillor Grosvenor (seconded by Councillor D. Fletcher) put forward a motion to suspend Standing Order in order that Members could ask more than one question and do not apply to a time limit, also for members of the public to ask questions. Members were requested to vote on the decision whether to suspend. The motion was lost.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech	Councillor A A Chaudhry	
Councillor A Clarke	Councillor M Fitzpatrick	
Councillor S Gaskin	Councillor D F Fletcher	
Councillor V J Gould	Councillor R Grosvenor	
Councillor R Lock	Councillor T Hadley	
Councillor S McGarry	Councillor Mrs L Walker	
Councillor C Sylvester		

The Chairman informed Members that the Towns Fund Programme report, which was circulated prior to the meeting, and requested Members consideration.

The purpose of the report was to provide detail progress of the Towns Fund programme, for Members of the Committee to review and provide observations to the Cabinet ahead of any decision being made.

The Corporate and Commercial Manager and the Enterprise Manager gave a short presentation and summary of each of the projects, namely:

1. The Towns Fund Programme consisted of seven projects: C; D; E; F; G; H and J.
2. The Business Cases that have been received for project D; E; F; G; H and J and reported that the assessment of submitted business cases were in progress.
3. Project C had been deferred until September 2022 as agreed by the Government following the withdrawal of the project sponsor in November 2021.

4. At the Towns Fund Board meeting on Thursday 23rd December 2021, they took the decision to remove project F from the programme, as the business case could no longer meet the original ambition of the project.
5. The Benefit Cost Ratios had been presented to the Council within the submitted Business Cases.
6. Evaluation of Business Cases was opening pending further commentary and clarifications being received from sponsor organisations.

Discussions took place and an opportunity for questions followed.

Members requested information as to why **Projects C** and **F** had been shelved as agreed by the Town Deal Board and how the funds would be allocated, which they felt had undermined the credibility of the projects. They showed concerns that Staffordshire County Council had removed their support for Project F and questioned their motivation to move to the market hall. The Deputy Leader informed Members that the funds from Project F would be recycled to the other projects.

Members were concerned the County Council had pulled out of this project as they felt they could do the same about the Market Hall move, which would be very detrimental to the Council. It was explained the Towns Board had reluctantly withdrawn the project from the programme as SCC had not delivered a bridge proposal that was within scope.

Project C

Members requested an update on who had been committed to take on this project. They showed concerns that the Council had not taken on the project when it was public money that were being spent and considered that this would be a major risk to the authority. They requested information as to why the University pulled out of the project when it had been submitted to the Government. It was explained that the leadership of the University of Wolverhampton had changed toward the end of 2021.

Councillor Grosvenor asked when the request to Government was made to defer the project and what justification was made for the deferral. He also requested a copy of the note sent to Government, and how long the Government would take to come back to the Council to clarify. Officers agreed to provide the information outside of the meeting.

Project D

Members informed the Committee that when this project was put together, they had not known that there would be additional cost, £10m which could potentially cost millions to the Council. Members were concerned that this cost would be borne by taxpayers. They were also concerned that they were not given the full risks and picture of the whole programme. They requested the quantum of the risks as they are concerned about the escalation and had no confidence with the dismissive attitude of the Deputy Leader. It was explained that the original proposal in the Town Investment Plan identified that match funding from the public and private sector was 'to be confirmed' and that the £3m submission was not proposed as the only funding for the project at the time.

Members requested that the Committee give consideration to Phase 1A, they reported that there was a figure of nearly £1.5m Section 106 monies, what would that be for; and Phase 2 had a cost of £23m, was this the cost of purchasing the Town House and the

Bass House, and was that in the £23m or was it just for one deal. Does the Council become legal owners of the library building and land? The observations were for the Market Hall and Library should be situated in their original buildings, and asked that this motion be forwarded on to Cabinet. It was confirmed that the allocation of S106 monies for Phase 1a was for the land that would be allocated for affordable housing, with Phase 1b delivering those units. The acquisition of property would take place at the beginning of the project and so is not linked to Phase 2.

Members requested further information on the following:

1. Who would be responsible for the ongoing operation cost of the visitor's centre on the library site?
2. Phase 2 unfunded currently to an addition to business centre, what was this is.
3. The £4m S106 money is to build 22 housing for key workers costing £182,000 roughly, how would the key workers be identified, which could cover all sorts of workers; identify the price of the key workers' houses.
4. Regarding the land swap of the market hall and the library building, who carried out the valuation of the library building as part of this project, and the amount of money that would be received by the Council.

It was confirmed that the project proposed the capital construction of the visitor centre, but that the Council would look to engage an operator to run services from the facility. As such, operating costs and footfall were not modelled as they depend upon the operating model. It was confirmed that no operator is currently contractually engaged on the project.

It was explained that the additional works to the visitor centre under Phase 2 included the rooftop terrace area, but that the café element was included within Phase 1.

Information on the estimated value of the first homes and the organisation who carried out the valuation reports would be provided to the Councillor in question after the meeting.

It was noted that other funding could be available to the project, such as income from the project and other Government funding like the UK Shared Prosperity Fund, for which the Council will receive an amount of capital funding over the next three years with the amount yet to be confirmed.

Project E

Members requested information on the calculation of the footfall of the library building, and asked if the library would be bigger at the Market Hall. Members enquired about any financial liabilities of Project D and E, and what would be happening to the Council's Customer Services Centre. It was confirmed that although the library service at the Market Hall would be smaller than the current library, if the project doesn't go ahead the County Council will consolidate their services within the existing building and the library service will be smaller than it would be at the Market Hall. The Deputy Leader confirmed that the Customer Service Centre was not part of this project and that the relevant Deputy Leader is reviewing the centre separately as per the Forward Plan. It was confirmed that the Council would have no ongoing financial responsibility for the Market Hall in the event of the project going ahead.

Members were concerned that public opinion were being ignored as the Market Hall belonged to the Council and was a heritage asset. They also enquired about the cost of both buildings in delivering the project, and information as to where conversation took place to 'swap' the buildings, with which Members of the Council, who made the decision and the numbers for the shortfall. It was confirmed that the consultation response formed part of the Strategic Case of the business case and, when questioned, it was confirmed that it does not form part of the BCR as this is solely an economic indicator. The Deputy Leader confirmed that the decision on the property transfer has not yet taken place because the business case has not yet been approved.

Members informed the Committee that taxpayers did not want the Market Hall and Library move and should remain as they are, and the following questions put forward:

1. Why is the foodhall in the Market Hall not being taken seriously;
2. What is the full construction cost of the Market Hall;
3. Who did the valuation of the Market Hall;
4. What are the financial implications to the current traders;
5. What are the footfall, and where has the counters being placed;
6. The footfall at Crossley House and the Market Hall, where did this figure come from;
7. There is a 40% uplift from the County Council's proposals, how was this figure arrived at;
8. Why has the County Council ignored the consultations, as people had informed them that they will not go to the Market Hall.

It was confirmed that information relating to the construction cost, footfall uplift and valuation would be provided to the Councillor in question following the meeting. It was explained that footfall counters in the Market Hall are located at the entrances and the information provided on footfall in the appendix does calculate to the correct total for the Market Hall as of 2019/20.

Members requested confirmation of how the S106 monies would be coming from and were the public aware of the work to be done during construction. It was confirmed that S106 commuted sums for affordable housing are provided by developers in lieu of providing affordable housing as part of their developments. It was also confirmed that information on the proposal was provided by Staffordshire County Council as part of their consultation last year.

Members also informed the Committee that although the library and market hall required upgrading, most residents were against the move, and enquired as to why the Council was making this decision.

At this juncture, as three hours had elapsed since the commencement of the meeting a motion to extend the meeting was duly moved and seconded. In accordance with the voting the Chairman declared the motion carried.

Project G

Members requested information in order that they could understand the assessment regarding the usage of the towpath on certain times of the year. They enquired whether the Canal Trust would be funding any part of the project, and to how the shortfall of this project would be funded. The Deputy Leader confirmed that any shortfall would not be the Council's responsibility. It was clarified that the indicated shortfall is proposed to be

met from the Project F redistribution. It was confirmed that the Canal and River Trust used examples from other areas in order to inform their assessment of whether the enhancements will encourage more usage, and that it had been indicated in the business case that the number of housing developments within the area will likely contribute to an increased need in the area. It was confirmed that the Canal and River Trust don't have permanent usage counters on this section of towpath but are requesting that temporary cameras are installed in Spring 2022 to gather baseline data with a view to repeating the exercise in 2023.

Some members noted that they were very pleased that the towpath would be used by people with disabilities, and that it was an excellent project.

Project H

Members enquired as to how this project would be delivered, and who would be leading.

It was confirmed that Staffordshire County Council were leading the project and it formed part of the Local Cycling and Walking Infrastructure Plan for Burton. It was requested what level of contingency had been included in the costs. It was confirmed that provision for a 30% contingency had been made.

Project J

Members sought assurance that the companies mentioned in the project's curriculum were existing businesses, and if the Council had a list of potential businesses. They also requested information of the difference to the courses proposed in the project, and the courses they were currently delivering. It was confirmed that the Council had received information on local businesses, and it was also suggested that queries on courses / curriculum could be picked up with the Councillor in question and the College directly.

Observations to be Passed to Cabinet

A motion was put forward by Councillor M Fitzpatrick (seconded by Councillor R Grosvenor) that the Market Hall and Library remained in their original locations, and that the visitors centre be situated near to the water tower. The motion was lost.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor A A Chaudhry	Councillor L Beech	
Councillor M Fitzpatrick	Councillor A Clarke	
Councillor D Fletcher	Councillor S Gaskin	
Councillor R Grosvenor	Councillor Mrs V Gould	
Councillor T Hadley	Councillor R Lock	
Councillor Mrs L Walker	Councillor S McGarry	
	Councillor C Sylvester	

A motion was put forward by Councillor A. Clarke (seconded by Councillor V. Gould) that the entirety of the Committee's discussion in the form of draft Minutes of the Committee be submitted to Cabinet for their consideration. The motion was carried.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech		
Councillor A Chaudhry		
Councillor A Clarke		
Councillor M Fitzpatrick		
Councillor D Fletcher		
Councillor S Gaskin		
Councillor V Gould		
Councillor R Grosvenor		
Councillor T Hadley		
Councillor R Lock		
Councillor S McGarry		
Councillor C Sylvester		
Councillor L Walker		

A list of questions were also received from Councillor A. Chaudhry prior to the meeting, and are appended to these Minutes along with the responses.

266/22 **PUBLIC EXECUTIVE DECISION RECORDS**

Members considered the Public Executive Decision Records.

An opportunity for questions followed.

NOTED

267/22 **QUESTIONS**

There were no questions submitted to the Committee prior to the meeting.

268/22 **DATE AND VENUE OF NEXT MEETING**

Resolved:

That the next meeting take place on Wednesday 23rd March 2022 at 6.30pm.

269/22 **EXCLUSION OF THE PRESS AND PUBLIC**

Resolved:

That, in accordance with Section 100(A) (4) of the Local Government Act, 1972, the Press and Public be excluded from the Meeting during discussion of the following items as it would likely, in view of the nature of the business to be transacted or the nature of the proceedings that there would be disclosed exempt information as defined in the paragraph of Part 1 of Schedule 12A of the Act indicated in brackets before each item number on the Agenda:

PRIVATE MINUTES

PRIVATE EXECUTIVE DECISION RECORDS

DRAFT

270/22 PRIVATE MINUTES

That the Private Minutes of the meeting of the Scrutiny (Audit and Value for Money Council Services) Committee held on 16th December 2021 be approved and signed as a correct record.

Voting concerning the above decision was as follows:

Those voting for the motion	Those voting against	Those abstaining
Councillor L Beech		Councillor C Sylvester
Councillor A Clarke		Councillor Mrs L Walker
Councillor A Chaudhry		
Councillor M Fitzpatrick		
Councillor D F Fletcher		
Councillor S Gaskin		
Councillor V J Gould		
Councillor R Grosvenor		
Councillor T Hadley		
Councillor R Lock		
Councillor S McGarry		

271/22 PRIVATE EXECUTIVE DECISION RECORDS

Members considered the Private Executive Decision Records.

An opportunity for questions followed.

NOTED.

Councillor B. Ashcroft (Deputy Leader) and the Open Spaces Manager, attended the meeting to answer questions and the lessons learnt on EDR 376.21, to award Lot 2 of the grounds maintenance contract to ID Verde.

An opportunity for questions followed.

NOTED.

Chairman