

Date: 17 July 2013  
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To:

Members of the Overview and Scrutiny Committee  
(Councillors Tim Wood (Chairman); Graham Troman (Vice Chairman);  
Mike Allen; Peter Bowden; Derek Button; David Chapman;  
Maddy Chapman; Deborah Custance Baker; Vivien Duval Steer;  
Roger Giles; Peter Halse; John Humphreys; Sheila Kerridge;  
David Key; Frances Newth; John O'Leary; Brenda Taylor; Chris Wale;  
Eileen Wragg; Steve Wragg; Claire Wright)  
Portfolio Holders  
Chief Executive; Deputy Chief Executives

## **Overview and Scrutiny Committee**

**Thursday 25 July 2013 at 6.30pm**

**Council Chamber, Knowle, Sidmouth**

Members of the Council who do not sit on this Committee are welcome to attend as observers. Members of the public are welcome to attend this meeting.

### **AGENDA**

**Page/s**

1. **Public question time** – standard agenda item (15 minutes)  
Members of the public are invited to put questions to the Committee through the Chairman. Councillors also have the opportunity to ask questions of the Leader and/or Portfolio Holders during this time slot whilst giving priority at this part of the agenda to members of the public
2. To confirm the minutes of the meeting of the Overview and Scrutiny Committee held on 11 July 2013. 4 - 8
3. To receive any apologies for absence.
4. To receive any declarations of interest relating to items on the agenda.
5. To consider any items which, in the opinion of the Chairman, should be dealt with as matters of urgency because of special circumstances.  
(Note: Councillors please notify the Chief Executive in advance of the meeting if you wish to raise a matter under this item, who will then consult the Chairman).
6. To agree any items to be dealt with after the public (including the press) have been excluded. There are **no** items that the officers recommend should be dealt with in this way.
7. Decisions made by the Cabinet called in by Members for scrutiny in accordance with the Overview Procedure Rules under Part 4.5 of the Constitution. There are **no** items identified.

8. **Provision of leisure services** 9 - 14  
 An update on the success of LED in providing leisure services on behalf of the Council, along with a response to the recommendations by the LED Task and Finish Forum. Peter Gilpin, Chief Executive of LED, will be present to answer questions.  
 a) Recommendations from the LED TaFF (the full report can be viewed at [www.eastdevon.gov.uk/led\\_taff\\_nov11.pdf](http://www.eastdevon.gov.uk/led_taff_nov11.pdf) )  
 b) Extract from SWAP report of January 2013 setting out background information to the role of LED in providing leisure services and their recommendations specifically on the service level agreement.
9. **Forward Plan** 15 - 16  
 Members are asked to note the forward plan.

### **Public Information**

- There is a period of 15 minutes at the beginning of the meeting to allow members of the public to ask questions.
- The Chairman has the right and discretion to control questions to avoid disruption, repetition and to make best use of the meeting time. The Chairman is entitled to interrupt the speaker to ask for their question to be put.
- In addition, the public may speak on items listed on the agenda. After a report has been introduced, the Chairman (Leader of the Council) will ask if any member of the public wishes to speak and/or ask questions.
- All individual contributions will be limited to a maximum period of 3 minutes – where there is an interest group of objectors or supporters, a spokesperson should be appointed to speak on behalf of the group.

This meeting is being recorded for subsequent publication on the Council's website. Audio recording is permitted by press representatives and members of the public from the public area, subject to their notification to the Chairman prior to the start of the meeting of a wish to record all or part of that meeting. If you are exercising your right to speak during Public Question Time, but do not wish to be recorded, please inform the Chairman who will instruct those taking a recording to cease while you speak.

Should anyone have any special needs or require any reasonable adjustments to assist them in making individual contributions, please contact Debbie Meakin (contact details at top of page). A hearing loop system will be in operation in the Council Chamber. Councillors and members of the public are reminded to switch mobile phones to silent during the meeting.

### **Decision making and equality duties**

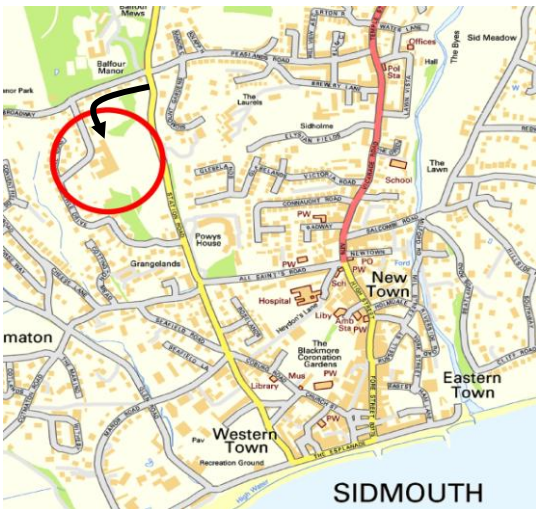
The Council will give due regard under the Equality Act 2010 to the equality impact of its decisions.

- An appropriate level of analysis of equality issues, assessment of equalities impact and any mitigation and/or monitoring of impact will be addressed in committee reports.
- Consultation on major policy changes will take place in line with any legal requirements and with what is appropriate and fair for the decisions being taken.
- Where there is a High or Medium equalities impact, Members will be expected to give reasons for decisions which demonstrate they have addressed equality issues.

## Members and co-opted members remember!

- ❑ You must declare the nature of any disclosable pecuniary interests. [Under the Localism Act 2011, this means the interests of your spouse, or civil partner, a person with whom you are living with as husband and wife or a person with whom you are living as if you are civil partners]. You must also disclose any personal interest.
- ❑ You must disclose your interest in an item whenever it becomes apparent that you have an interest in the business being considered.  
Make sure you say what your interest is as this has to be included in the minutes. [For example, 'I have a disclosable pecuniary interest because this planning application is made by my husband's employer'.]
- ❑ If your interest is a disclosable pecuniary interest you cannot participate in the discussion, cannot vote and must leave the room unless you have obtained a dispensation from the Council's Monitoring Officer or Standards Committee.

## Getting to the Meeting – for the benefit of visitors



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**From Exeter – 52A, 52B; From Honiton – 52B**

**From Seaton – 52A; From Ottery St Mary – 379, 387**

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**For a copy of this agenda in large print, please contact the Democratic Services Team on 01395 517546**

**EAST DEVON DISTRICT COUNCIL**  
**Minutes of a Meeting of the**  
**Overview and Scrutiny Committee held**  
**at Knowle, Sidmouth on 11 July 2013**

**Present:** Tim Wood (Chairman)  
Graham Troman (Vice Chairman)

Mike Allen	David Key
Peter Bowden	Frances Newth
David Chapman	John O’Leary
Deborah Custance Baker	Chris Wale
Peter Halse	Claire Wright
Sheila Kerridge	

**Officers:**

Richard Cohen, Deputy Chief Executive  
Simon Davey, Head of Finance  
Debbie Meakin, Democratic Services Officer

**Also Present**

**Councillors:**

David Cox	Stephanie Jones
Paul Diviani	Andrew Moulding
Christine Drew	Pauline Stott
Tony Howard	Tom Wright

**Apologies:**

**Committee Members:**

Maddy Chapman	Ray Bloxham
Vivien Duval Steer	Jill Elson
John Humphreys	Mark Williamson
Eileen Wragg	
Steve Wragg	

The meeting started at 6:30pm and ended 8:17 pm.

**\*10 Public Question Time**

The Chairman welcomed Councillors to the meeting. There were no public questions.

**\*11 Minutes**

The minutes of the meeting of the Overview and Scrutiny Committee held on 6 June 2013 were confirmed and signed as a true record.

**\*12 Declarations of Interest**

None declared.

**13 Portfolio Holder up-date – Finance**

The Chairman welcomed Councillor David Cox to update the Committee on his Portfolio. The presentation he gave reminded Members of the responsibilities under the portfolio and the budget pressures on the Council over the coming years. He highlighted the following points:

13 **Portfolio Holder up-date – Finance (continued)**

- Government deficit reduction policy
- Risk areas to revenue, including:
  - Local council tax support scheme, which as at the end of June was on target for expenditure.
  - Business Rate retention – now at 40% of the risk with the Council;
  - Universal Credit;
  - New Homes Bonus Scheme;
  - Technical Council Tax reforms – changes to some categories
- Increasing costs to the Council leading to need for further restructuring to the budget for future years;
- Balanced budget for 2013/14
- Work of Budget Working Group, Fees and Charges TaFF, Asset Management Forum and Procurement and Efficiency Group;
- Replacement of Investec
- Peer Review full report still pending
- Reviewed Asset Management Plan due to Cabinet in the autumn
- Property register being populated
- Tenanted non residential property review underway
- Seaton and Exmouth regeneration.

Members discussion on areas under this portfolio included:

- Largest sum of waste budget fell to SITA contract which covered the man power and fuel elements that continued to increase, although monitoring of driving patterns continued to help improve efficiency. The contract is due for renewal in 2016. SITA have also obtained a euro patent for converting plastics into diesel fuel;
- Request for further debate at the Committee on the office relocation project. A report was on the agenda for the next Cabinet meeting on 17 July and Members were encouraged to attend to hear and partake in the debate; the Deputy Chief Executive confirmed that he would be happy to attend at the Committee's invitation to update in future as the project progresses;
- The Council had been cautious to only use an element of New Homes Bonus funds to support revenue; the Head of Finance advised the latest possible changes to the bonus arrangements;
- Merits of writing to Government to express concern on continued strain on local authorities to fund services in light of Government decisions on funding;
- Continued work of the Leader in pursuing with the LGA the concerns of continued pressures on local authority budgets

The Head of Finance outlined the work in preparing the budget, predicting the Government announcement on funding – the predicted 9.2% headline cut built into the budget had been announced as 10%; the predicted Council Tax increase of 2% built into the budget had been announced as 1%; and the risk had already been identified for not relying too heavily on the New Homes Bonus, by only using a proportion and setting up some reserve in case the NHB disappears completely. Overall, prudent steps had been taken.

The Chairman indicated that work planned by the Committee should have the option to review major budget areas during the autumn, to assess the expenditure on these areas and the benefits of those services.

13 **Portfolio Holder up-date – Finance (continued)**

**RESOLVED:** that the Overview and Scrutiny Committee write to Government to express concern about the continued strain on local authorities to fund services in the light of Government decisions on funding;

**RECOMMENDATION:** that Cabinet consider issuing a press release to outline the extensive work carried out by this Council to raise concern about the continued strain on local authorities to fund services in the light of Government decisions on funding.

14 **Final report of the Community Infrastructure Levy TaFF**

Councillor Graham Troman presented his final report to the Committee. He thanked those Members and officers who had worked over several months in reaching the conclusions set out in the report on a model of governance for CIL.

The TaFF had looked at CIL governance arrangements for other authorities, which varied in the extreme, and felt they had reached a sensible and practical solution.

The CIL charging schedule had already been completed in order to be considered alongside the Local Plan.

Members raised some questions, including:

- Would top-slicing up to the 5% permitted for administration of the CIL be enough to cover the actual cost? With the prediction on the level of funds the CIL may reach, and the experience of other authorities, it was not expected that the top-slicing would be enough to cover administration costs;
- What was the difference in scale between the CIL predicted fund and Section 106 monies collected? Section 106 agreements were individual agreements for specific purposes and the information was not available at the meeting to determine the collective size. These related to larger developments – CIL related to an individual property and gave a fairer approach to obtaining a levy. Development could not attract both CIL and s106 monies;
- Would the levy be able to be collected prior to the development, in order to prevent any developer exploiting a loophole to avoid payment? The CIL charging schedule relates to the phasing of development and securing payment beforehand is unlikely. The CIL system is more rigid, and it would be difficult to avoid payment with the levy in place.

The Deputy Leader commended the Task and Finish Forum for their work in producing the report on what is a complex issue. In response to the covering report outlining concerns on introducing a new committee for CIL governance, the Committee agreed that the operation of an advisory panel to recommend to Cabinet for decision was a sensible option. The CIL TaFF report would go onto Development Management for consideration before going to Cabinet for a decision in September.

- RECOMMENDATION:**
- 1 Note the significant challenges embodied in the new regime for collecting and deploying funds for infrastructure improvements under the CIL and the potential resource implications;
  - 2 Consider the proposed process for committing CIL monies to specific infrastructure improvements in partnership with external organisations;

\*14 **Final report of the Community Infrastructure Levy TaFF (continued)**

- 3 Consider the merits of a new advisory panel to focus on the consideration of strategic planning and economic development issues in the District and for this to be introduced as part of the next reorganisation of the Council;
- 4 Recognise the need to continue and potentially expand the current participatory budgeting exercise with Parish Councils to help frame local infrastructure priorities.

\*15 **Scoping of National Parks Proposal**

Members of the Committee had requested that the cabinet report of 12 June on the National Park Proposal for Dorset and East Devon AONB Areas come back to them for debate before a decision was taken by the Council on its stance on the proposal.

Members were reminded that the process of reaching any conclusion on status by Natural England would take several years and therefore any scrutiny on the topic was not designated as a priority.

Suggestions were made by the Committee in refining the draft scope document before them, including:

- Adding into specific areas to explore the impact on age groups, such as the very young and old;
- Consult with Chambers of Commerce in the district; along with AONB officers;
- Source Campaign to Protect Rural England surveys on National Park areas.

Work in compiling research would be done over the coming months with a view to a targeted meeting on the topic in November or January 2014. Councillor Sheila Kerridge volunteered to assist in the research on the impact of tourism of such a proposal.

\*16 **Forward Plan**

Members noted the forward plan for the Committee. The Chairman outlined work for the Committee during the autumn in taking an earlier and more detailed look at budgets, but the format on how that would be undertaken was still to be finalised.

Requests were made for:

- Lobbying, with a view to having guidelines to follow on the topic. The Democratic Services Officer advised that there may be a cross over with the remit of the Standards Committee on this topic, and would seek clarification and legal advice to report back to the Committee before a decision was taken on adding this to the forward plan;
- Amend the timetabling of reviewing the local plan process to when the Inspector's report is published – this was agreed by the Committee.

\*16 **Forward Plan (continued)**

Members were reminded of the Flood Forum on the evening of the 23 July that all were invited to attend.

Members were also reminded that from the next meeting, all Overview and Scrutiny Committee meetings will be recorded on a trial basis. In answer to a question, the Democratic Services Officer outlined the steps to implementing this initiative over the coming months - as agreed with the Portfolio Holder for Corporate Services

Chairman ..... Date .....

# Task and Finish Forum Leisure East Devon



## Final Report November 2011

Overview and Scrutiny Committee

# Recommendations

The Forum recommends the following, based on their interviews, findings and consultation;

- (1) that the Chief Executive of Leisure East Devon be congratulated and supported for his innovative leadership and drive to seek opportunities for growth, increase profit and reduce costs during difficult trading times;
- (2) that the dedicated and effective work of the Monitoring Group and LED Trustees be acknowledged;
- (3) that LED be assured that the Council was positive about LED's approach to identifying and progressing innovative and proactive leisure activities, which reflected local demand and leisure 'trends', to protect the viability of the service provided within the terms of the Service Level Agreement
- (4) that East Devon District Council and LED review and, where necessary, modify and update the Service Level Agreement made on the setting up of LED as to the role and responsibilities of LED in relation to the provision of leisure services in East Devon. The review should be carried out by the end of 2012 with any financial implications being included in the preparation of the Council's 2013/2014 budget.
- (5) that, in addition to the review outlined in (4) above, the long term dual- use arrangements with schools/colleges should be reviewed as soon as the position in respect of their Academy status is clarified. Both the Council and LED need to be proactive in investigating how satisfactory the dual role arrangements continue to be in each case.
- (6) that LED provide the Monitoring Group with additional accounting detail, including a breakdown of income and expenditure from specific activities within the centres to help inform judgements of the LED Board and the Council regarding any proposed changes to future provision;
- (7) that LED provide the Monitoring Group with accounting details for their information to show the effect that subsidies have on the profitability of activities/classes;
- (8) that central office overheads be proportionally allocated across the LED portfolio realistically to reflect profit and losses within budget heads;
- (9) that LED give consideration to improvements to the current catering arrangements at some Centres to generate additional income;
- (10) that LED should consider whether to widen the marketing of the East Devon Tennis Centre to increase the knowledge and usage of the facility;
- (11) that Members generally be made aware of the significant contribution of £2M per year the Council makes to the provision of sport and leisure within the district through support to LED and the cost of on-going maintenance/repair of the 11 Centres.

## East Devon District Council

► Leisure East Devon

**Issued to:** Mark Williams  
*Chief Executive Officer*

Simon Davey  
Head of Finance

Charles Plowden  
*Countryside and Leisure Manager*

Gerry Cox  
*Head of Audit Partnership*

*Working in partnership with:*



**Date of Report:** 21 January 2013

**Issued by:** Moya Moore  
*Senior Auditor*

David Hodgson  
*Auditor*

## Leisure East Devon

### Management Summary

As part of the 2012/13 audit plan a review has been undertaken to assess the adequacy and effectiveness of the governance arrangements in place to manage the contract for Leisure East Devon (LED) to provide leisure services on behalf of EDDC.

Leisure East Devon Ltd (LED) has been running the EDDC'S leisure services since 2006, in premises which it leases from the Council. LED is an established, not for profit organisation which is incorporated under the Industrial and Provident Societies Act as a society for carrying on business for the benefit of the local community and visitors.

LED currently manages a portfolio of leisure and cultural facilities on behalf of East Devon District Council which include leisure centres in Exmouth, Honiton, Sidmouth and also the Exmouth Pavilion. There is an existing contract between the Council and LED which is based on a 30 year agreement that has been in place since January 2006.

LED receive an annual management fee from East Devon District Council to help manage the delivery and development of it's existing leisure and culture facilities within East Devon. In 2011, this management fee equated to be £1.112m. The fee was reduced by 5% in April 2011 and there has been an agreement to reduce this by 5% per annum for each of the next four years on a reducing balance basis.

During 2011, LED secured a new contract for the management of Goldenstones Leisure Centre and St Michael's Hall (Yeovil) which are currently owned by South Somerset District Council. LED is currently active in trying to attract new partnerships into the trust. This is part of LED's aim to grow it's activities further with the aim of reducing operational costs.

The key aims of the organisation are set out within LED's current business plan and these are;

- To recognise the diversity of customers and their leisure needs and to provide opportunities which meet their expectations.
- To promote, develop and sustain physical, mental and social well-being by encouraging healthy lifestyles for the whole community.
- To advance educational opportunities through leisure and cultural activities.
- To achieve a relationship with residents of East Devon such that the Trust is seen to belong to and is for the benefit of the local community.
- To address the issues of Sustainability and Financial Viability.

The Council do not have a specific strategy or policy on Leisure and Culture at present. However, the Council does have governance arrangements in place to help manage the contract. This is done through the use of LED Trustees, Advisory Members and the Chief Executive Officer who has taken on the responsibility to lead the Advisory Group and review the partnership arrangements with LED.

These Governance arrangements have been put in place to ensure that services are run in accordance with the contract and are set out in the Funding and Management Agreement, originally signed in December 2005. Within this agreement are rules for the management of the Board of Trustees, as well as reporting requirements.

The Advisory (Monitoring) Group, attended by Leisure East Devon senior management, EDDC councillors and the Chief Executive Officer, meets quarterly to monitor the performance of the Trust. In addition to this, EDDC councillors have a place on the Board of Trustees and various sub committees which meet on at least a quarterly basis.

2.1a It was agreed that the Advisory (Monitoring) Group review the current SLA reporting requirements and confirm/ clarify:

- Whether they are still useful measures of performance, or whether they should be replaced by other measures.
- job titles and roles are still relevant
- ambiguous measures
- Whether the targets (or lack of SMART targets) is still appropriate
- Whether reporting by exception is still appropriate or should be replaced by a periodic governance/ management statement confirming if no issues were identified
- Whether the comparative figures currently reported are adequate for their needs.
- Whether a verbal update is sufficient, or a report required.

#### Service Level Agreements

On commencement of the original contract with LED in 2005, a Service Level Agreement (schedule 4) was included. This document defines 28 areas of service that EDDC require LED to report on, with frequency of reporting stipulated.

Audit review of a random sample of these was undertaken to confirm adherence to this agreement, and a number of issues were identified;

#### Consistency and Transparency of Reporting

Early in the partnership, a table listing all 28 SLA items was used for reporting to the Advisory

(Monitoring) Group. More recently, a shorter version of the spreadsheet is used to report only SLA ref 3, 4, 5, 6 and 7. The remainder SLA reporting requirements are now met through alternative methods and reports and it was not always clear which report was being used to meet the reporting obligation, with information being found in a number of places.

From a review of the minutes from both the Board of Trustees and the Advisory (Monitoring) Group, it was difficult, in some instances, to establish which reports had been discussed and whether appropriate action was being taken as a result of issues raised.

There is a risk that there is less consistency in reporting and that it is harder for members of the Advisory Group to assess whether the information they are receiving is in-line with contractual obligations. An example of this would be the customer satisfaction ratings (Refs 1 and 2) where annual surveys have been substituted by complaints/ suggestions monitoring, forums, mystery shoppers, and subcommittee review. Although the spirit of the reporting requirement appears to be met, the impact of this is that comparability year-on-year to assist in measuring performance may be unclear.

Finding	Recommendation	Priority Rating	Management Response	Responsible Officer	Implementation Date
<b>2. Governance members are not able to make well informed decisions due to a lack of reliable performance information</b>					
2.1a SLA - review of reporting requirements	<p>I recommend that the Advisory (Monitoring) Group review the current SLA reporting requirements and confirm/clarify:</p> <ul style="list-style-type: none"> <li>•whether they are still useful measures of performance, or whether they should be replaced by other measures.</li> <li>•job titles</li> <li>•ambiguous measures</li> <li>• whether the targets (or lack of targets) is still appropriate</li> <li>• whether reporting by exception is still appropriate or should be replace by a periodic governance/ management statement confirming if no issues were identified.</li> <li>•whether the comparative figures currently reported are adequate for their needs.</li> </ul> <p>Whether a verbal update is sufficient, or a report required.</p> <p style="text-align: right;"><small>SWAP Ref: 19487</small></p>	3	Agreed.	Chief Executive	July 2013

## Agenda Item 9

**Overview and Scrutiny Committee**

**25 July 2013**



### Overview and Scrutiny Committee Forward Plan 2013/14

Date of Committee	Report	Lead Officer
26 September 2013	Transport Infrastructure Investment	Dave Black, DCC Head of Planning, Transportation and Environment
	Performance monitoring Quarter 1 2013/14 Fees and Charges TaFF update Reviewing the general terms of reference for working parties and task and finish forums	Cllr Tim Wood Debbie Meakin
24 October 2013	Portfolio Holder update – Environment Pre-application advice	Cllr Iain Chubb
21 November 2013	Performance monitoring Quarter 2 2013/14	
2 January 2014		
30 January 2014		
27 February 2014	Performance monitoring Quarter 3 2013/14	
27 March 2014		
24 April 2014	Draft Overview and Scrutiny Annual Report	

#### Topics for scoping and allocation to the Forward Plan:

Proposed date	Topic
November or January 2014	Health and Social Care Reforms – role for Overview and Scrutiny. Devon County Council are currently considering how to progress health scrutiny with the assistance of the District Councils. Suggest a return visit from the local GPs responsible for the commissioning areas around November for an update on the new arrangements now in place.
September	Rural Broadband – look to holding joint Scrutiny with South Somerset District Council
Start once Inspector's report published	Review of production process of Local Plan

/continued

November or January 2014	National Parks research findings and debate
October or November	New waste contract 2016
On completion of TaFF	Business Task and Finish Forum final report
As and when available	Updates from Portfolio Holders
January 2014	Crime and Disorder update, including visit from Police Area Commander
October or November	Update from Devon County Council as lead authority on flood alleviation
	Council relationship with LEPs
February 2014	Committee timetabling review
	Improving communication with Ward Members and Town and Parish Councils on District Council work/events/consultations
September, October and November	Detailed budget sessions on each portfolio in preparation for draft budgets for 2013/14 and 2014/15