

**MINUTES OF A MEETING OF THE EXECUTIVE  
HELD AT FOLLATON HOUSE ON THURSDAY, 7 JANUARY 2010**

**MEMBERS**

\* Cllr R J Tucker - Chairman

\* Cllr P W Hitchins - Vice-Chairman

\* Cllr H D Bastone

\* Cllr M J Hicks

\* Cllr B E Carson

\* Cllr M J Howarth

\* Cllr J D Hawkins

\* Cllr M F Saltern

\* Denotes attendance

Also in attendance and participating:

Cllrs K J Baldry, J Brazil, J T Pennington and J W Squire

Also in attendance but not participating:

Cllrs J I G Blacker, Cllr R J Carter, Cllr G J Fielden, R C Steer and M Stone

Officers in attendance:

All Agenda Items: Chief Executive, Strategic Director (Community), Strategic Director (Resources) and Senior Member Support Officer;  
Item 8 (minute E.84/09 below refers): Acting Community Development Officer; and  
Item 9 (minute E.85/09 below refers): Head of Financial Services.

**E.79/09 MINUTES**

The minutes of the meeting of the Executive held on 3 December 2009 were confirmed as a correct record and signed by the Chairman.

**E.80/09 MEMBERS IN ATTENDANCE**

It was noted that the following Members were in attendance and participated during the discussion on the under-mentioned items:-

Item 7 (minute E.83/09 below refers) – Cllr Brazil;

Item 8 (minute E.84/09 below refers) – Cllrs Baldry and Squire;

Item 9 (minute E.85/09 below refers) – Cllrs Pennington and Squire.

**E.81/09 DECLARATIONS OF INTEREST**

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

**E.82/09 PUBLIC QUESTION TIME**

It was noted that no public questions had been received.

E.83/09

## POTENTIAL FUTURE ARRANGEMENTS FOR THE DELIVERY OF PROPERTY SERVICES

Consideration was given to a report which asked Members to provide a direction of travel to facilitate detailed consideration of future arrangements for delivery of the service. In his introduction, the Lead Executive Member explained that the report highlighted how the Council managed its assets and the future options available. However, the Members had some concerns over the first recommendation and an amended recommendation was **PROPOSED** and **SECONDED**, and when put to the vote was **CARRIED**.

Members were concerned over the first recommendation because it did not give scope for assessing the cost effectiveness of the identified option. Members requested a full review of the service with a view to introducing an external provider to establish the best value for money approach. It was accepted that the outcome of the process may include the suggested Devon County Council option. Whilst officers explained that a full tendering process would be more expensive and time consuming, particularly in the light of other strategic work pressures, Members felt this was balanced by the knowledge that the chosen option would give the best value for money in the longer term. Members also accepted that the revised approach would extend the timescale for potential change to service delivery arrangements.

During the discussion issues raised included the following:

- Officers clarified that the report did not suggest that the assets would simply be handed over to NPS South West Ltd and Devon County Council, but that the proposal had been promoted as a potential shared service with DCC as an extension of the current work on Integrated Devon;
- The report had been driven by a number of factors, including concerns over the sustainability of the current temporary arrangement for the head of service role and the capacity of the service to respond to work pressures. In response, Members accepted the urgency but nonetheless felt a robust challenge about value for money potentially offered by different providers was needed;
- Members agreed with the Chief Executive that to progress a wider procurement process would necessitate the need for purchasing independent expertise from an advisor with a property background to provide contract preparation advice;
- A Member asked that West Devon Borough Council be approached to consider becoming part of the procurement exercise in the interests of shared working;

- A Member asked that a future tender document provides the opportunity to split the key activities as identified in the report, so that elements could be separately bid for to help further test value for money. The activities as listed were: Estate/Asset Management, Facilities Management, Repairs and Maintenance of Assets and Capital Project Implementation/Engineering;
- A non- executive Member expressed disappointment that the Executive had not taken the route as outlined in the agenda report. He felt that the identified option would be the preferred option as the company concerned were leaders in the field of local authority asset management.

It was then:-

### **RESOLVED**

That :-

1. a comprehensive review of the Property Service be introduced with a view to evaluating the possibility of introducing an external provider ; and
2. the Monitoring Officer be instructed to seek counsel's opinion to clarify the process by which the District Council's asset management function may be discharged by Devon County Council through their providers NPS South West Ltd, and in particular, whether such a transfer can lawfully take place without the need to undertake a procurement exercise that accords with the Public Contract Regulations 2006;

Council be **RECOMMENDED** that:

3. A Member be nominated to be part of the Steering Group to oversee the potential future arrangements for the delivery of Property Services.

E.84/09

### **MONITORING OF SERVICE LEVEL AGREEMENTS FOR THE CVS AND CAB**

Members considered a report which reviewed the operation in 2008/09 of the Service Level Agreement (SLA) between South Hams Community and Voluntary Service (CVS) and its core funders, South Hams District Council (SHDC), Devon County Council (DCC) and NHS Devon (formerly Devon Primary Care Trust), including the operation of the Volunteer Centre. The report requested that under the terms of the SLA (and agreed in minute E.175/01), approval be sought to roll forward the current three year SLA for a further year – i.e. to cover the year commencing 1 April 2012.

The report also reviewed the operation in 2008/09 of the SLA between the Citizens Advice Bureau (CAB) and its core funders, SHDC and DCC. The report sought approval for SLA funding for the CAB to cover the year commencing 1 April 2010.

The Lead Executive Member introduced both reports and reiterated how important the CVS and the CAB were to the community and the Council. For example, they supplemented the Benefits work undertaken by the Council and helped to support the priorities.

Another Member supported the organisations, particularly in relation to their work on homelessness. However, he felt that it had been some time since these organisations had been reviewed and he therefore proposed a further recommendation that the Scrutiny Group undertake a detailed review of both the CAB and CVS. This proposal was subsequently **SECONDED** and on being put to the vote was **CARRIED**.

During discussion the following points were made:

- A Member questioned whether the usage figures in the report took account of South Hams residents in the west of the district who may use the Plymouth office of the CAB. In response, officers advised that an approach to the Plymouth office of CAB would not be redirected to South Hams and, therefore, would not be included.
- A Member raised concerns over the population figures in the report. In reply it was confirmed that the discrepancies were being investigated;
- A number of Members commented that the CAB was very Totnes centric, despite their outreach work in Dartmouth, Kingsbridge and Ivybridge. A Member requested that whilst the CAB should be supported, it should be asked that some of the funding be used to support outreach work located in the west of the district.

It was then:-

### **RESOLVED**

That:-

1. the progress report on the operation of the SLA with the CVS, including the delivery of the Volunteer Centre, be noted;
2. approval be given to the rolling forward by one year of the SLA funding for the CVS to cover the year commencing 1 April 2012;
3. the progress report on the operation of the SLA with the CAB, be noted;
4. approval be given to SLA funding for the CAB to cover the year commencing 1 April 2010;

5. the Scrutiny Group be requested to undertake a detailed review of both the CAB and CVS.

## E.85/09 **TREASURY MANAGEMENT UPDATE REPORT 2009/10**

Members considered a report which sought to adopt the recommendations within CIPFA's new Treasury Management Code and Guidance notes. The report also sought to update Members on the performance of the Treasury Management activity and Strategy for 2009/10.

In his introduction, the Lead Executive Member stated that in addition to the usual update, this report also included a request for some changes. The changes were in relation to an increase in the maximum amount to be invested in any one institution and a request to include Santander Banking Group on the lending list. He then reiterated the main points of the report and the background behind the requested changes.

During the discussion, Members were updated on the situation regarding Heritable Bank and were advised that interest would be received up to a specific date.

A Member asked for caution in relation to Santander Bank as they had some exposure in South America. Another Member stated that Chelsea Building Society were in negotiations with the Yorkshire Building Society and a merger may go through.

As part of the discussion, a Member asked if the Treasury Management activity could be scrutinised by the Audit Committee rather than Scrutiny, as was presently the case. There were no objections from the Executive or from the Vice Chair of Scrutiny to this wish and therefore, an additional recommendation was **PROPOSED** and **SECONDED** and on being put to the vote was **CARRIED**.

It was then:-

### **RESOLVED**

That:

1. The Executive notes the Treasury Management activity to date during 2009/10;
2. The CIPFA Treasury Management Code of Practice Key Principles and Treasury Management clauses as detailed in Section 5 be adopted;
3. The amount that can be invested in any one institution or group be increased to £4.0million;

4. The Santander Banking Group be added to the lending list if it continued to meet the Council's minimum lending criteria.

That the Council be **RECOMMENDED** that:

5. The Terms of Reference for the Audit Committee be amended to allow for scrutiny of the effectiveness of the Treasury Management function.

E.86/09

### **EXEMPTIONS TO STANDING ORDERS RELATING TO CONTRACTS AND FINANCIAL INSTRUCTIONS**

The Executive was presented with a report which informed Members of the exemption(s) to the Standing Orders Relating to Contracts and Financial Instructions since the previous Executive meeting, in accordance with the procedure approved by Council (Minutes 70/07 and 49/07 also refer).

In conclusion, the report informed that the process for providing officers with approval for exemptions to the Standing Orders Relating to Contracts and Financial Instructions, in certain circumstances, provided more flexibility and the ability to react promptly to situations that arose. It was also a more efficient and less bureaucratic approach than was previously in place.

The Lead Executive Member introduced the report and advised those present that he had previously raised concerns over the number of requests to make exemptions to Standing Orders. As such, he had closely examined the attached requests and was satisfied that they were both necessary.

It was then:-

#### **RESOLVED**

That the exemptions to the Standing Orders Relating to Contracts and Financial Instructions (attached at Appendices A and B of the presented report) be noted.

**(NOTE: THESE DECISIONS, WITH THE EXCEPTION OF MINUTE E.83/09 PART 3 AND E.85/09 PART 5 (WHICH ARE RECOMMENDATION TO THE COUNCIL MEETING ON 4 FEBRUARY 2010), WILL BECOME EFFECTIVE FROM 5.00PM ON MONDAY 18 JANUARY 2010, UNLESS CALLED IN, IN ACCORDANCE WITH SCRUTINY PROCEDURE RULE 18).**

(Meeting commenced at 11.00am and concluded at 12.15pm).

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Chairman