

**MINUTES OF THE MEETING OF SCRUTINY
HELD AT FOLLATON HOUSE, TOTNES ON THURSDAY, 26 JULY 2007**

MEMBERS

* Cllr C M Pannell - Chairman

* Cllr K J Baldry - Vice-Chairman

* Cllr J H Baverstock

* Cllr P H Cook

* Cllr G J Fielden

* Cllr R D Gilbert

* Cllr J W Squire

* Cllr J A Westacott

* Denotes attendance

Also in attendance at the invitation of the Chairman:
Cllrs J I G Blackler, B F Carson, P W Hitchins, M F Saltern, R J Tucker.

Officers in attendance for all items: Chief Executive, Strategic Director (Community)
and Senior Member Support Officer.

SC.09/07 MINUTES

The minutes of the meeting of Scrutiny held on 21 June 2007 were confirmed as a correct record and signed by the Chairman subject to it being recorded that Cllr R J Tucker was in attendance and that minute number SC.04/07 (page 3 refers) read 'In comparison to *similar* authorities'.

SC.10/07 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 was made.

SC.11/07 QUESTION AND ANSWER SESSION WITH IAN McGUFFOG (SOUTH WEST WATER BUSINESS PLANNING MANAGER)

Mr McGuffog gave a brief presentation informing Members that price limits were set by the regulating authority OFWAT, for a five year period with the next review due in 2009. OFWAT calculates what the required charge to customers would need to be in order to fund the activities of South West Water (SWW), the review also set out future investments and targets.

When discussing price increases, SWW took into account inflation and legislation which stated that the Retail Price Index must be the guide for determining any increases.

For the period of 2007/2008 the 'K' factor required efficiency savings of 2%. Scrutiny noted this was difficult to achieve, as 20% of operating costs were fixed, for example business rates and Environment Agency contributions. Efficiency savings had focused on staffing and work processes, for example what was the best structure to deliver the service. OFWAT had incentives in place to drive efficiency savings and the company's reputation was at stake as league tables were published.

Members were informed that SWW were still undertaking a 10 year programme of mains rehabilitation and between 2005 and 2010, 2000 miles of water mains pipe would be replaced. The pipe replacement was required by the Drinking Water Inspectorate and for compliance with the Iron Standards. Moreover an additional benefit for customers was the reduction in incidents of discoloured water. The pipe replacement would enable European Standards to be met, and would lead to better tasting water as the levels of chlorine could be reduced.

The Committee was informed that approximately 60% of domestic properties were currently on a water meter which was an average increase of 5% per year. 90% of commercial properties were using water meters, however they were only installed where it was practical to do so. In instances where it was not practical to install a meter at a domestic property, the homeowner would be eligible for an assessed charge so customers would pay an average bill for that property. A Member expressed the belief that if everybody changed to a water meter then the metered charges would also increase, Mr McGuffog explained that legislation did not allow for meter charges to increase.

SWW profits were used to finance investment and it had the highest value of assets per household which resulted in increased profits. However, for some programmes like Clean Sweep and Mains Rehabilitation borrowings were still required. When acquiring new assets customers paid for the financing and maintenance cost of that asset. A Member questioned whether it was reasonable to be making an 11% increase in profits when many customers were struggling to pay their water bills. Mr McGuffog informed Members that the increase in bills was due to the large investment programmes such as Clean Sweep, and that SWW had petitioned OFWAT to allow the bill increases to be spread across a number of years. Whilst there were no new investment drives expected for the next price setting period, Members were advised that it was still too early to commit.

Mr McGuffog informed Members that the Government consulted on proposals that water companies should adopt private sewers. Should this be approved SWW would see the length of sewer it was responsible for increase by 50%. The costs and impact upon customer bills was uncertain but an initial survey had estimated the charge to customers to be £11 per household. However, the condition of the sewer pipes would affect the final bill impact. A Member questioned whether the Government would adopt the proposal early for new developments. Mr McGuffog explained that the water companies involved in the consultation had voiced concerns that developers may not install the

sewer works to the expected standards as the water company would ultimately be the authority responsible. Currently the only control that SWW had over sewer connections was if there was a specific planning condition imposed. Private sewer discharges into rivers and estuaries would not be included in sewer adoption.

A Member questioned why there was a delay in some people receiving their requested water butts, Members were informed that the commencement of the water butt scheme coincided with droughts in other regions which had caused a national shortage.

The response rate of SWW when dealing with leaks was also queried. Mr McGuffog explained that leaks were prioritised based on the amount of water being lost, the level of damage and whether a road closure would be required, and concluded that SWW aimed to fix all leaks within 3 weeks.

Members questioned why the water at Avon Dam had not been harnessed to create hydroelectric power. Mr McGuffog confirmed that SWW had a responsibility to reduce their carbon footprint, and that they had considered creating hydroelectric power but the environmental impact would need to be considered, a licence obtained and substantial investment would be required. SWW would also have to ask whether there would be a benefit to its customers.

At the end of the presentation and discussion, the Chairman, on behalf of Scrutiny, wished to thank Mr McGuffog for an interesting and informative presentation.

SC.12/07 **SCRUTINY SHADOWING ROLES**

Members provided an update on the progress of their respective shadowing roles. It was apparent that many Members were in constant contact with their Executive counterpart. The Chairman was pleased with the effort that each Member had made to forge a relationship with their counterparts on the Executive.

SC.13/07 **NEEDS OF YOUNGER PEOPLE**

Cllr Baverstock informed Members that the Sub Committee wanted to investigate four main areas of possible development which were stated in the report.

Officers provided Members with details of what South Hams District Council had previously undertaken in each of these areas. Members were informed that the establishment of a Youth Council was incorporated in the draft Social Inclusion Plan, upon speaking with a number of schools it was found that each was already operating a school council and the Council was requested to make efforts to link in with the existing structures.

The adopted Social Inclusion Plan had therefore been modified to reflect this position.

Members were asked to consider the subsidised transport idea within the context of budget constraints and look at the concessionary fare scheme for people over 60 as an example of how budgets could be overstretched. Members requested that the Sub Committee when considering transport include Tavistock in their deliberations as areas of the South Hams District were served by education facilities in that area, and that when appropriate it involve Devon County Council education and transport departments in any discussions.

Officers informed Members that the Section 106 agreements were governed by law and the discharge of these monies had to be a direct response to the need created by the development. The Council had been focusing Section 106 discussions on affordable housing, play facilities and open spaces. Members expressed the need to monitor how and what the Section 106 monies were being spent on. Officers agreed that this was a priority, and a way forward was currently being considered.

SC.14/07 **AGENDA ITEMS FOR FUTURE MEETINGS OF SCRUTINY**

a.) Section 106 Agreements

Members requested that the issue of Section 106 Agreements and how they were being spent and how value for money was being gained be considered at the 20 September 2007 meeting along with the Quarter 1 Performance Indicators.

b.) Education and Social Services Provision

It was noted that Social Services was currently undergoing a number of changes, Members therefore considered an examination of the service to be unproductive at present and should be dependant upon the outcome of the review. It was suggested that the Primary Care Trust should address Council Members in the near future given the recent changes.

c.) South Hams Strategic Partnership

Members were informed that strategic partnerships were currently under review in accordance with the Local Government White Paper. Members therefore considered reviewing the partnership once the review had been completed and had an opportunity to settle down.

d.) Cost of Hospital Transport

The cost of hospital transport was recently reviewed and the rates had been reduced to £5 return per person for up to 10 miles, £8 return per person for up to 20 miles and £12 return per person for over 20 miles. In light of these dramatic price reductions, Scrutiny felt that the issue should be removed from the future agenda items at present.

e.) Environment Agency

Members expressed the need to be clear as to why they were scrutinising the Environment Agency. It was suggested that the Community Safety and Emergency Planning Officer also be involved in the discussions. Members requested that the Environment Agency be asked to attend 21 February 2008 meeting and that all questions be submitted in writing in advance of the meeting.

The Chairman reminded Members to submit topics for Scrutiny to consider in accordance with the criteria checklist.

(Meeting commenced at 10.00 am and concluded at 12.35 pm).

Chairman