



Agenda for Scrutiny Committee Thursday, 6th February, 2020, 6.00 pm

Members of Scrutiny Committee

Councillors: A Dent (Chairman), K Bloxham (Vice-Chairman),
T McCollum, K McLauchlan, C Pepper, V Ranger, J Rowland,
E Rylance, J Whibley, M Chapman, I Chubb, B De Saram,
C Gardner, P Jarvis and A Colman

Venue: Council Chamber, Blackdown House, Honiton

Contact: Chris Lane, Democratic Services Officer;
01395 517544; email clane@eastdevon.gov.uk
(or group number 01395 517546)
Tuesday, 28 January 2020

East Devon District Council
Blackdown House
Border Road
Heathpark Industrial Estate
Honiton
EX14 1EJ

DX 48808 HONITON

Tel: 01404 515616

www.eastdevon.gov.uk

- 1 Public speaking
Information on [public speaking](#) is available online
- 2 Minutes of the previous meeting (Pages 3 - 7)
- 3 Apologies
- 4 Declarations of interest
Guidance is available online to Councillors and co-opted members on making [declarations of interest](#)
- 5 Matters of urgency
Information on [matters of urgency](#) is available online
- 6 Confidential/exempt item(s)
To agree any items to be dealt with after the public (including the press) have been excluded. There are no items which officers recommend should be dealt with in this way.
- 7 Decisions made by Cabinet called in by Members for scrutiny in accordance with the Overview and Scrutiny Procedure Rules
There are no items identified
- 8 Process for assessing Commercial Investment opportunities (Pages 8 - 10)
- 9 Forward Plan (Page 11)

Under the Openness of Local Government Bodies Regulations 2014, any members of the public are now allowed to take photographs, film and audio record the proceedings and report on all public meetings (including on social media). No prior notification is needed but it would be helpful if you could let the democratic services team know you plan to film or record so that any necessary arrangements can be made to provide reasonable facilities for you to report on meetings. This permission does not extend to private meetings or parts of meetings which are not open to the public. You should take all recording and photography equipment with you if a public meeting moves into a session which is not open to the public.

If you are recording the meeting, you are asked to act in a reasonable manner and not disrupt the conduct of meetings for example by using intrusive lighting, flash photography or asking people to repeat statements for the benefit of the recording. You may not make an oral commentary during the meeting. The Chairman has the power to control public recording and/or reporting so it does not disrupt the meeting.

Members of the public exercising their right to speak during Public Question Time will be recorded.

[Decision making and equalities](#)

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

EAST DEVON DISTRICT COUNCIL

Minutes of the meeting of Scrutiny Committee held at Council Chamber, Blackdown House, Honiton on 21 November 2019

Attendance list at end of document

The meeting started at 6.00 pm and ended at 8.05 pm

41 Public speaking

There were no public speakers.

42 Minutes of the previous meeting

The minutes of the previous meeting held on 3 and 31 October 2019 were agreed and signed as a true record.

43 Declarations of interest

There were no declarations of interest.

44 Matters of urgency

There were no matters of urgency.

45 Confidential/exempt item(s)

There were no confidential/exempt items.

46 Decisions made by Cabinet called in by Members for scrutiny in accordance with the Overview and Scrutiny Procedure Rules

There were no decisions called in.

47 Police and Crime Commissioner

Members noted that this item had been withdrawn due to the restrictions of purdah. The Chairman confirmed that the Police and Crime Commissioner would be invited to a future meeting of the Committee.

48 Presentation from the Recycling and Waste Team

Members of the Committee received a presentation from Andrew Hancock, Service Lead – Street Scene and John Golding, Strategic Lead - Housing, Health & Environment on aspects of the Waste and Recycling contract. Members noted that all the materials collected were valuable resources which were put to good use to give both environmental and economic benefits. They were used as secondary raw materials for manufacturing, used to make products for agriculture or used to generate electricity.

Members noted that the system produced segregated materials which were of good quality with good levels of demand despite volatile market conditions. The total material

sales income in 2018-19 was £902,022 and the total recycling credits income for 2018-19 was £852,714. The District recycling rates were just under 60% which put East Devon in the top twenty districts for recycling in the country. We were also the second lowest producer of residual waste in the country. The arrangements for vetting the processors who bought the recycled materials were also discussed and a webpage on the East Devon website giving details of end destinations highlighted.

During discussions the following points were noted:

-) All of the recycling materials were at the moment traded in the UK. Infrastructure does not exist at present in the south west to recycle much of the material.
-) End destinations are recorded through a statutory reporting mechanism. Once our materials are sold, we don't have the legal or technical ability to track material from East Devon, but all processors are vetted to ensure they are EA compliant and that we are doing the right thing with our material; legally, ethically and environmentally.
-) Information on our environmental responsibility and end destinations is now published on our website.
-) The cost of the waste and recycling service was circa £6M and this was reduced to £4M by monies from the sale of recycling materials.
-) What happens to black plastics? Black plastics were not picked up by some optical sorters and were often left in recycling stream. Any which were not sorted for recycling were put to energy from waste production.
-) Our system was all about the quality of our recyclables.
-) People should be encouraged to buy drinks in aluminium cans rather than plastic bottles as this would reduce plastic and also give us a valuable recycling income.
-) There was a very low price for recycled glass at the moment, 0.2p per tonne.
-) Damp cardboard could still be recycled.
-) A large amount of smaller electrical items, such as mobile phones and computer screens could be recycled as long as they fitted in the green box.
-) The service was working with 'Recycle Devon' to encourage home composting. Information would soon be on the East Devon website as well as recycledevon.org.
-) There was zero waste being sent to landfill at present.
-) It was more carbon neutral to send crisp packets to the energy from waste centre than recycle them through Terracycle.
-) The contents of the dog waste bins were currently being sent to the energy from waste centre in Exeter.
-) Around 30% of waste in the black wheelie bins was still recyclable. What was the service doing to educate people to improve recycling rates further? Targeted material campaigns are being used to remind, nudge and educate people about recycling the high % materials still going in rubbish bins.
-) The possibility of more education and marketing around Refuse, Reduce, Refill and Re-use to improve recycling rates was being investigated, but this would come at a cost of more staffing.
-) An additional 1% of recycling in the district would produce another £20k of income, but require a lot of marketing and education input.
-) Issue of producers/retailers putting packaging on all their products, such as cabbages. It was understood that it would be government policy to make producers pay for this unnecessary packaging.

-) What happens when through ill health or incapability, households were not able to recycle? There was capability within the service to offer assistance to such households with their recycling.
-) Possibility of EDDC adopting the End Destination of Recycling Charter, which would be an excellent achievement and chartermark.
-) The quarterly report to Councillors by Karen Simpkins, Strategic Lead – could include greater details of recycling information that was provided at this meeting.
-) It was likely that due to increased costs, there would be a need to increase the Waste & Recycling budget by £500k in 2020/21 (half from expected contract increases tied to property growth and half resulting from falling recyclate income due to volatile market conditions). Which would provide more problems with the Council meeting a balanced budget.
-) EDDC recycling was a success story that should be more widely advertised.
-) What needed to happen to achieve first place residual waste? Further education and participation marketing (tied to more capacity/FTEs to 'door step' residents).

- RESOLVED:**
1. that the officers be thanked for their excellent presentation and also thanks be sent to all recycling staff for the excellent service, the level of recycling they achieved and work with the Alexa app.
 2. that the ommittee wishes to indicate its support for the various educational proposals to increase the recycling rates.
 3. that, where possible more graphics be introduced to explain recycling rates and procedures.
 4. that the team be congratulated on the success of the green waste service.
 5. that the service pursue achievement of the End Destination of Recycling Charter.
 6. that the presentation slides be circulated to all Councillors.

49 Section 106 Funding and CIL Update

Members noted that the report was designed to provide an update on progress with changes to the systems and processes regarding the collection and spend of monies secured through Section 106 agreements and CIL. The report related to both the Council response to the Finance audit of these issues published in 2016 and also concerns previously pressed by Members.

Ed Freeman, Service Lead – Planning Strategy and Development Management reported that the reason for the recommendations was to enable the completion of the project to provide a new fit for purpose system for monitoring the collection and spend of Section 106 and CIL monies.

It was noted that the majority of monies collected through Section 106 agreements were for open space and play. The Council would occasionally collect monies for other matters and it would depend on what it was as to how spend was determined. For example if it is a contribution for affordable housing then we would engage with housing to determine how that was spent. The only case that he was aware of a tourism contribution being collected was the Fortfield Hotel in Sidmouth where in the spirit of participatory budgeting the Council were engaging with the Town Council and awaiting their proposals for engaging with the community and local businesses over spend. In principle where appropriate we would look to engage with the local community.

During discussion the following points were noted:

-) Getting the database completed and launched was important to allow Councillors to understand the information and database. It was hoped that this would be available in the New Year.
-) Need for users to have confidence in the system for monitoring 106 and CIL monies.
-) The data was constantly evolving and changing.
-) Need to provide training sessions for town/parish councils on the new system.
-) Concern that the new information system for S106 and CIL should have been done sooner. The depth of information available was important.
-) Will Councillors receive regular emails on the progress of S106 and CIL? Ed Freeman agreed to check the functionality of the new system to ensure that this was available.
-) We were ahead of the game compared to other local authorities. The new system was 'state of the art' and not currently available within Exeter City or Teignbridge. A lot of resources had been put into the new system of information provision. The previous system used was a system of spreadsheets.
-) Have previously tried to find out information on S106 in Exmouth and found it difficult. Hope that information would be logged. Ed Freeman confirmed that the system would be well monitored.
-) Is there a policy for deciding how s106 money is allocated to proposed projects? Who are the decision makers?
-) Previous issues with lack of staffing.
-) S106 and CIL was an extremely involved and complicated area of work.
-) Hope that the new system would provide greater transparency.

- RESOLVED:**
1. that the progress that has been made available to support the implementation of the new system for monitoring Section 106 and CIL monies be acknowledged.
 2. that STRATA will be asked to progress implementation of the public portal into the Exacom system to permit public access to the data held as a matter of urgency once officers are satisfied that the data held is complete and accurate and Ed Freeman – Service Lead – Planning Strategy and Development Management be requested to provide a progress report for the February meeting..
 3. that the Overview Committee be requested to review the process of defining the process for funding and also the responsibility for decision making.

Attendance List

Councillors present:

A Dent (Chairman)
K Bloxham (Vice-Chairman)
T McCollum
V Ranger
J Rowland
M Chapman
B De Saram
C Gardner
P Jarvis

F King

Councillors also present (for some or all the meeting)

S Bond
P Faithfull
G Jung
D Ledger
T Wright

Officers in attendance:

Ed Freeman, Service Lead Strategic Planning and Development Management
John Golding, Strategic Lead Housing, Health and Environment
Andrew Hancock, Service Lead StreetScene
Christopher Lane
Anita Williams, Principal Solicitor (and Deputy Monitoring Officer)

Councillor apologies:

K McLauchlan
E Rylance
J Whibley

Chairman

Date:



Report to: **Scrutiny Committee**

Date of Meeting: 6th February 2020

Public Document: Yes

Exemption: None

Review date for release None

Subject: **Familiarisation with adopted Commercial Investment Framework**

Purpose of report: To advise members of the history, criteria and purpose of the council's adopted Commercial Investment Framework and inform discussion and recommendations.

Recommendation: **That Scrutiny Committee:**

- 1. Note the content of the presentation**
- 2. Recommend to cabinet further engagement with Councillors through Commercialisation Workshops**

Reason for recommendation: To support in raising the profile and understanding with Councillors of the Commercial Investment Framework.

Officer: Tim Child
 Service Lead – Place, Assets & Commercialisation
tchild@eastdevon.gov.uk
 01395 571692

Portfolio Holder: Portfolio Holder for Asset Management

Financial implications: Financial implications and legal powers are contained in the Commercial Investment Framework. The Framework has clear governance arrangements and with the financial criteria to be used for investment assessment, this aligns to the Council's low risk appetite. The Council's Capital Strategy, Treasury Management Strategy and Prudential Indicators reflect the inclusion of the Commercial Investment Framework which demonstrates the effect on the Council's overall financial position. The financial and legal positions of each investment proposal will be documented and commented on by both the Strategic Leads for Finance and for Governance & Licencing.

As stated in the report this aspect of commercialisation along with service income generation and the Housing Company are essential elements outlined in the Council's Medium Term Financial Plan in order for the Council to set balance budgets going forward along with savings that can be achieved through Fit for Purpose and Careful Choices. The

gap in funding of £1.6m for 2021/22 needs to be found from the three areas.

Legal implications: The legal position is detailed in the Framework itself, which in turn reflects the advice received from our external legal advisors in advance of the Framework being adopted. No further legal comment is required.

Equalities impact: Low Impact
If choosing High or Medium level outline the equality considerations here, which should include any particular adverse impact on people with protected characteristics and actions to mitigate these. Link to an equalities impact assessment form using the [equalities form template](#).

Climate change: Medium Impact

Risk: Medium Risk
Property investment brings with it the potential for significant risk if things go wrong. Risks can be mitigated but ultimately some risks are externally driven.

Typical risks are listed within the Investment Framework.

The Council must take a prudent approach to the management of its financial affairs and therefore when assessing investments will need to consider such factors as the security against loss, the liquidity of the investment, the yield and risk of change in interest rates, property values and voids.

Assessing the risk of individual investment opportunities will be a key element of both the Outline Business case and Full Business Case outlined within the Framework.

Links to background information: [Commercial Investment Framework](#)
[Appendix A](#)
[Appendix C](#)
[Commercial Investment Framework presentation](#)
Choose Priorities and delete what not appropriate.

Link to [Council Plan](#): Outstanding Place and Environment
Outstanding Economic Growth, Productivity, and Prosperity
Outstanding Council and Council Services

Report in Full

The Commercial Investment Framework provides the mechanism to help deliver the £450,000 nett income per annum set out within the Council's Transformation Strategy and on which the Capital Strategy and Treasury Management Strategy have been developed. Being more commercial generally and generating this £450,000 nett income per annum is key to the pathway to financial self-sufficiency and to address the Council's budget shortfall along with the benefits of contributing to the wider growth and prosperity and place making aspirations benefitting not only the Council but the residents and visitors to East Devon.

At the Joint Overview & Scrutiny Committee of 15th January discussions took place around the adopted Commercial Investment Framework. Councillors were interested in the degree of engagement with them in the consideration of individual transactions, the importance of commercial sensitivity and its impact in terms of confidentiality and the ability to share information.

The original decision to establish a commercial investment fund is detailed in the Feb 2019 Cabinet report which all members have been able to access. To reflect the arrival of a new administration and new members, officers have over the past 6 months given quarterly updates at Asset Management Forum (AMF) and most recently including a wider presentation at the January AMF. This report to Scrutiny Committee continues that process and mix of member information.

Following on from the 15th January Joint Overview & Scrutiny, the Chair of Scrutiny has requested that a report be brought to this meeting. The presentation given to AMF will be presented to Scrutiny and is attached to this report. The purpose of this agenda item is to:

- a) Raise awareness of the Commercial Investment Framework which was adopted by Cabinet in February 2019 and the Fund which was approved by Council in March 2019, the opportunities it creates, its purpose, how it is managed and the decision making rigour that exists.
- b) Give context to the need to engage in commercial investment to support the council's ability to fund services and achieve positive outcomes for the local economy and place.
- c) Update on the types of current commercial investments being considered and progress so far in delivery.

The presentation annexed to this report and any questions and answers will cover non-commercially sensitive information only so will therefore exclude detail around both the scoring matrices and about live transactions. The presentation will however include some narrative about how the scoring matrices work and the types of issues considered. To share the actual detail within those scoring matrices would damage the Council's ability to properly and impartially consider opportunities on a level playing field in an objective manner.

The intention is to follow this up with Commercialisation Workshops available to all Councillors to aid understanding of the Investment Framework and how this sits within the wider commercialisation and transformation agenda, alongside Careful Choices, Fit For Purpose and Commercialisation, along with giving Councillors the opportunity to influence future direction of travel in respect of priorities and opportunities to be considered. Officers are very aware that the current scoring criteria for example does not reference climate change nor poverty.

Scrutiny Forward Work Plan

15 January 20	Joint meeting with Overview <ul style="list-style-type: none">) Service Plans and Budget setting
6 February 20	Property and Place <ul style="list-style-type: none">) Commercial Investment Management process
5 March 20	Presentation from Citizens Advice Update on Section 106 and CiL process
2 April 20	Report on EDDC relocation to Honiton Update on Councillor iPads
4 June	Presentation from LED Leisure Review of Planning Portal (STRATA)
3 September	Organisational Development <ul style="list-style-type: none">) Website Review and 'Fit for Purpose' Environment) Street Cleaning and Furniture
1 October	Environment <ul style="list-style-type: none">) Replacement of Public Bins) Maintenance of Sports Clubs, Parks and Gardens

Items for future consideration

PCC Alison Hernandez