

## OVERVIEW AND SCRUTINY PANEL



**22 OCTOBER 2012 - 2.30PM**

**PRESENT:** Councillor Chambers (Chairman), Councillor Miscandlon (Vice-Chairman), Councillors Booth, Mrs Bucknor, Cornwell, Hodgson, Scrimshaw and Sutton.

**APOLOGIES:** Councillor Stebbing

**OTHER MEMBERS IN ATTENDANCE:** Councillors Cotterell, Murphy and Seaton

**OFFICERS IN ATTENDANCE:** Jane Bailey (Member Services), Gary Garford (Corporate Director), Clive Gibbon (Economic Development Manager), Alan Pain (Corporate Director and Monitoring Officer), Carol Pilson (Corporate Director), Mark Saunders (Chief Accountant) and Vicki Whittingstall (Economic Development Officer)

**ALSO IN ATTENDANCE:** Iain Smith (Chief Executive - Middle Level Commissioners), Robert Hill (Treasurer - Middle Level Commissioners) and Stephen Whittome (Chairman - Middle Level Commissioners)

### **OS16/12    PREVIOUS MINUTES**

The minutes of the meeting of 6 August 2012 were agreed and signed.

**\* FOR INFORMATION OF THE COUNCIL \***

### **OS17/12    MIDDLE LEVEL DRAINAGE BOARD**

Iain Smith - Chief Executive, Robert Hill - Treasurer and Stephen Whittome - Chairman attended the meeting to represent the Middle Level Commissioners (MLC).

Councillor Chambers welcomed the representatives from MLC. He explained that MLC are not a statutory partner of FDC, and are therefore under no obligation to attend the meeting, he thanked them for providing background information to the panel and for attending to answer their questions today.

Iain Smith gave a presentation to the panel containing background information on MLC.

Members asked questions, made comments and received responses as follows:

1. Councillor Cornwell thanked MLC for the extensive background material that they had provided. He asked that with regards to the Corporate Procurement Strategy, is this strategy delivered through a code. Iain Smith stated that MLC have financial regulations to follow depending on the work to be carried out. It is often difficult to find people to carry out very specialist work, and for that reason difficult to tender out in the same way that we would for other work;
2. Councillor Cornwell asked why MLC find it difficult to get contractors to tender for specialist work. Iain Smith stated that previously there were a number of contractors to carry out specialist work, however many of these have retired or ceased business. So when we are looking for specialist work to be carried out its more about who we can find to get the work

done as opposed to getting a number of quotes, for this reason we have taken some of the work in-house;

3. Councillor Cornwell asked if MLC carry out some specialist work in-house to ensure that you are getting value for money. Iain Smith stated that these arrangements are not always the most cost effective, but often there is a need to get the job done quickly and the contractors are not always immediately available;
4. Councillor Cornwell stated that in these circumstances you cannot demonstrate value for money. Iain Smith agreed that sometimes they cannot demonstrate value for money in these cases;
5. Stephen Whittome confirmed that MLC carry out a certain amount of in-house maintenance, this is often the most efficient way of getting the work done, but is not always the most cost effective;
6. Councillor Cornwell asked if MLC act as a third party for other drainage boards. Iain Smith stated that other drainage boards are independent bodies, they are often looking for people to carry out specialist work and may ask for assistance as they are experiencing the same issues finding contractors too;
7. Councillor Cornwell asked how MLC deal with EU regulations. Iain Smith stated that MLC do not have to deal with this as the drainage boards do this themselves;
8. Councillor Miscandlon stated that carrying out work in-house better serves the demand for that work. Stephen Whittome confirmed this, stating that timing is often an issue too. Iain Smith stated that the time in which they have the opportunity to carry out work on land is shorter now as the gap between crops is smaller than in previous years. There are certain times of the year when there is a lot of work to be carried out and then other times when there is none or very little;
9. Councillor Mrs Bucknor asked if MLC sub contracted out their flailing equipment to other drainage boards. Iain Smith stated that we will find a contractor who knows the work and who works alongside the MLC machinery, other drainage boards will make various arrangements dependant on their circumstances;
10. Councillor Mrs Bucknor asked how MLC can ensure efficiency over the next few years. Iain Smith stated that a Middle Level Strategy went to DEFRA, which has been accepted. St Germans Pumping Station was the first step in the efficiency programme; the Middle Level Strategy also includes bank raising and water storage. MLC are looking at replacing the generator and pumps at Bevill's Leam Pumping Station to make them run more efficiently, we are very aware that this all costs money, MLC will ensure that they pay no more than they have to for this. The Internal Drainage Boards (IDB) are much smaller, and with regards to efficiency have all had reports and carry out water course maintenance;
11. Councillor Mrs Bucknor asked that with regards to St Germans Pumping Station, a huge development, the biggest of its kind in the UK, how are we as rate payers incurring the costs. Iain Smith stated that all loans required were taken from the Public Works Loan Board as they had the best rate, the scheme is now complete and the levy payable to the MLC is currently 25p per pound of annual value. Of the 25p per pound, 9p relates to the cost of St Germans and 16p towards the remainder of the Commissioners expenditure;
12. Councillor Chambers asked if panel members could be sent a copy of the Middle Level Strategy. Iain Smith agreed to forward this for circulation;
13. Councillor Bucknor stated that she could not see where depreciation levels for pumps within the documents. Iain Smith stated that there are none for St Germans Pumping Station as they are new. Robert Hill stated that the figures that were circulated do not include the depreciation levels for pumps, however the final audit that is still with the Audit Commission MLC were asked to show these levels;
14. Councillor Mrs Bucknor stated that I understand that a pump has a 30 year lifespan, but do you have a programme in place to look at what costs might come up in 5 years for example. Iain Smith stated that there are no provisions in place for St Germans Pumping Station, the IDB have ongoing Pump Improvement Programmes, a pump will not be replaced simply because it has been pumping for 30 years, it will depend on need and the usage of a particular pump;

15. Councillor Mrs Bucknor stated that Fenland make a large contribution to MLC and we are keen to understand and want to feel confident that we understand how you are functioning. She asked if MLC publish minutes and or agendas for board meetings online. Iain Smith stated that agendas are available online shortly before a board meeting;
16. Councillor Mrs Bucknor asked how people do MLC employ. Iain Smith stated that the workforce consists of 35 people, 4 of which are part time, plus independent contractors;
17. Councillor Chambers stated that amongst the documentation you provided you list 30 IDBs that you administer, would it be easier if you took them over and acted as one drainage board? Are these arrangements on fixed term or rolling contract? Iain Smith confirmed that these arrangements are on a rolling contract. There have been recommendations from Government that there should be one drainage board, but it is likely that if this were to happen the fees would increase by 60%, as currently most of the members only receive expenses. With the changes that have taken place with regards to flood defense there is more call from Government for full time officers and expertise;
18. Councillor Chambers asked who runs the IDBs on a daily basis. Iain Smith stated that the officers themselves run the IDBs from day to day. Stephen Whittome stated that there are approximately 4 or 5 IDBs who choose not to use the administrative services of MLC;
19. Councillor Sutton stated that MLC sold off their old offices for £225,000 and were planning to use this money to pay off loans; he suggested that it might be better to use this money to pay towards the work at Bevill's Leam Pumping Station. Iain Smith stated that it was the intention that any money would go towards paying off the loan but due to the interest rate we would get a penalty for paying this early, once the rates have risen we will use this money to pay off the loan. MLC will not borrow to carry out the work on the Bevis Leam Pumping Station as existing funds and grants will be used;
20. Councillor Booth stated that he noticed from the documentation that a works vehicle would be replaced as it had done 100,000 miles, and asked if that was too early as modern vehicles are capable of twice this mileage. Iain Smith stated that usually a vehicle is capable of far more mileage but these vehicles are bouncing along riverbanks, they travel where vehicles are not supposed too, very rough terrain compared to road vehicles and we are lucky if we get 100,000 miles from them;
21. Councillor Booth asked if MLC had considered hiring for a length of time. Iain Smith stated that we get no tax relief, we need to use them, we generally run them into the ground, so this option is not cost effective for MLC;
22. Councillor Booth stated that looking at the previous minutes from the MLC board meeting there are lots of legal matters and asked if there are any lessons that were learnt during the process. Iain Smith stated that The St Germans Pumping Station was a very large project and there are always going to be lessons to learn from a project of this size. The contractor made a loss on the project and tried to claim that there had been a variation to the contract, which there had not. MLC fought this case and won, we were supported by DEFRA but due to the size of the case we had to use a QC and not a Barrister at much higher cost;
23. Councillor Booth asked what legal arrangements MLC use when drawing up contracts. Iain Smith stated that MLC use some in-house expertise and use other legal firms depending on the issue;
24. Councillor Booth stated that MLC responded to the Council's Core Strategy, and asked if MLC were satisfied that the queries had been addressed in the final document. Iain Smith stated that there remains some concerns with the final document, which is highlighted as part of the latest round of consultation. In particular his view was that there appears to be limited reference to flood defense in the Core Strategy. FDC appoint members to most of the IDBs. The IDBs are keen for allocated FDC members to attend as it is important that members share their local expertise especially when looking at developments;
25. Councillor Mrs Bucknor asked if MLC can produce a list of members appointed to IDBs. Iain Smith agreed;
26. Councillor Scrimshaw stated that the Engineers report says that purchases were made on Ebay, and asked if this was the most cost effective way to buy plant. Iain Smith apologised stating that this was a misprint as they sell old plant very successfully on Ebay, but do not

purchase it there;

27. Councillor Scrimshaw asked what the plant replacement strategy or plant depreciation policy was. Robert Hill stated that lots of the machinery is very specialist, and much is dependent on usage, but generally the Depreciation Policy is vehicles - 4 years, Marine craft - 10 Years, bank mowing plant and equipment - 6 years and mechanical lifting plant - 8 years;
28. Councillor Scrimshaw stated that there are 11 main pumping stations linked to MLC and asked why they operate on as and when policy and not a strategy looking at depreciation. Iain Smith stated that this refers to telemetry stations and not pumping stations, MLC are currently looking to see if we can negotiate a better deal and are looking at remote monitoring of stations using phone line alerts;
29. Councillor Mrs Bucknor stated that she recently attended a visit to North Level District Internal Drainage Board. She explained that they demonstrated a very impressive satellite system. Robert Hill stated that MLC are looking to link software in with the IDBs, we have been doing preliminary work to look at this and hope to set it up in the next few years;
30. Councillor Scrimshaw asked if MLC were doing enough to get the European grants that are available. Iain Smith stated that MLC have looked into this but there are few available, anything that could be awarded would be deducted from the Defra grant received. MLC check regularly and if additional grants were to become available MLC would seek to progress those opportunities;
31. Councillor Hodgson agreed that FDC representative attendance levels at IDB meetings is crucial especially when such a large amount of money is contributed to the IDBs from the District Council. Iain Smith stated that the contribution percentage that is set is worked out on how much of an area is not agricultural, the more property that you develop the higher the levy will be. An area can go back to agriculture from developed, but the change does not usually take place this way around;
32. Councillor Mrs Bucknor asked if it makes any difference what type of building is on the developed land, would a factory be charged more for example. Iain Smith stated that it makes no difference what type of building in on the land, just that it has been developed;
33. Councillor Booth stated that with regards to the Core Strategy if all the developments go ahead the levy would increase quite dramatically. Iain Smith confirmed that the levy could increase quite substantially depending on the IDB involved. Robert Hill explained that the levy increases usually have a trickle effect as gradually land is developed, there would need to be a huge development for this to have a major impact on the special levy amount;
34. Councillor Booth stated that he also attended the North Level district Internal Drainage Board, they talked about charges for developers and asked if MLC had similar charges in place. Iain Smith stated that MLC charge developers for an increased usage of water;
35. Councillor Sutton asked with regards to the audit 07/08 what systems are in place to comply with the recommendations from that audit. Iain Smith stated that many systems went into place following those recommendations, to ensure compliance. Robert Hill added that the auditors came late that year and audited two years together. This meant that when they made the recommendations on the first year and we had put systems in place, they were already looking at the next year, so we were playing catch-up. All issues have now been dealt with and the auditors have signed them off;
36. Councillor Sutton stated that the auditors made several recommendations and asked if they are all now in place. Robert Hill stated that the auditors decided that we fall under a different audit regime, so we have moved over to this new regime with all the recommendations. Iain Smith stated that the auditors were looking at IDBs and their balances; currently across the offices we pay no bank charges at all. This is the best deal for us at the moment, the banking is coming up for tender again soon and we will look at the best options for us at the time;
37. Councillor Cornwell asked do MLC have a renewals fund and a renewals programme in place. Iain Smith stated that there is not a specific renewals fund, most of the IDBs use their general balance as their renewals fund, MLC also use this system;
38. Councillor Cornwell suggested that if they had a renewals fund that this might help them to

manage renewals better overall. Robert Hill stated that we look at renewals regularly and forecast this in. Stephen Whittome stated that the pumps are inspected 2 or 3 times a year, we are set up to carry out repairs to ensure that machinery is working all the time, this is very variable at each IDB;

39. Councillor Cornwell asked if it would be possible to show the MLC levy contribution on the Council Tax bills. Carol Pilson agreed to investigate;
40. Councillor Chambers stated that FDC pay in excess of £1 million to MLC in levies, and yet staff at FDC are on a pay freeze, but staff at MLC are not. Iain Smith stated that the pay award was agreed by the wages board, however the pay committee are fully aware of this point;
41. Councillor Booth asked that with regards to building resilience into the MLC systems, are you looking at alternative energy sources. Iain Smith confirmed that MLC look into alternative energy sources where appropriate, however when we were looking at the St Germans pumping station there was nothing available with enough power, we continue to explore the possibilities;
42. Councillor Chambers stated that he understood from Steve Barclay MP that he was working with MLC looking at navigational charges. Iain Smith confirmed that MLC are currently not able to charge vessels, we have met with the MP and he has agreed to make a 10 minute slot for this issue to be raised, we have submitted our proposal and hope that this will raise the issue with Defra;
43. Councillor Chambers asked if it would be possible for the panel to arrange a visit to St Germans Pumping Station. Iain Smith confirmed that this can be arranged and agreed to liaise with officers;

Councillor Chambers thanked the representatives from MLC for attending and answering the questions put to them by the panel today.

Councillor Sutton declared a non-pecuniary interest in this item, by virtue of the fact that he contributes to MLC and Upwell IDB.

Councillor Scrimshaw declared a non-pecuniary interest in this item, by virtue of the fact that he contributes to North Level IDB.

## **OS18/12      PROGRESS OF CORPORATE PRIORITY - OPEN FOR BUSINESS**

Councillor Seaton presented the Progress of Corporate Priority - Open for Business Report to the panel, providing them with an performance update on Open for Business Corporate priorities.

Members asked questions, made comments and received responses as follows:

1. Councillor Mrs Bucknor stated that she felt the report lacked sufficient depth particularly related to outcome measures. Carol Pilson agreed to feedback to officers preparing future reports;
2. Councillor Booth agreed with Councillor Mrs Bucknor's comment with regard to the lack of detail contained in the report. Councillor Seaton stated that he has taken the comments on board, and agreed that more information would be included in future reports;
3. Councillor Mrs Bucknor asked about the costs involved with regards to the de-silting works to Wisbech Yacht Harbour. Councillor Seaton stated that the cost for the extra de-silting that had to be done was funded by the Environments Agency (EA) linked to water abstraction approvals further upstream. Gary Garford stated that the works in this instance was an operation to bring silt levels down in Yacht Area and ship berths. A contributing factor to silt levels was the severe reduction in the release of fresh water flows from upstream on the Nene;
4. Councillor Mrs Booth asked do we still dredge. Gary Garford stated that we no longer dredge in the traditional sense of removing silt by dragline but we now move the silt around

- by boat pulled plough to allow it to disperse on an out going tide;
5. Councillor Booth stated that there is not enough information in the report with regards to job creation opportunities. Councillor Seaton stated that further to the information in the report about Delamore Ltd, they have recruited 7 apprentices, there is an event taking place there to mark the occasion;
  6. Councillor Booth stated that this is a good news story that we can promote, something that says we are open for business and we are creating opportunities. Councillor Seaton agreed;
  7. Councillor Miscandlon stated that the number of engineering companies have decreased, and asked what is being done to encourage existing companies to take on apprentices. Councillor Seaton stated that Clive Gibbon and the Economic Development Team are working very hard talking to companies about various training opportunities;
  8. Councillor Miscandlon stated that following a visit to Metalcraft he was very impressed with the training facilities, smaller establishments can benefit from this training in the industry. Councillor Seaton stated that there are lots of opportunities for the future and there are lots of things that are going well for Fenland;
  9. Councillor Booth stated that there have been reports that Cambridge is leading the Country out of recession. Councillor Seaton stated that FDC have a lot of contact with CCC, and they are very pro Fenland. In this area we are never going to get every type of industry and business as they might in Cambridge, but we are looking at what type of businesses that we can support, and we are working hard to encourage and support those businesses;
  10. Councillor Sutton stated that it is important that we look at what is achievable and target what we can do in Fenland. Councillor Seaton agreed that targets have to be achievable;
  11. Councillor Mrs Bucknor stated that she feels strongly that engineering is the way forward, good engineers are very hard to find, we do not want to be recruiting a workforce from outside the area. We need to work together with CCC to look at building a programme to develop the training for engineers locally. Councillor Seaton agreed that more training needs to be available locally, he stated that The College of West Anglia (CWA) introduced a course for Nestle Purina and there are plans for more of this type of training;
  12. Councillor Mrs Bucknor stated that the report refers to promoting Fenland to businesses at an Expo event held in Ely and asked for more information about this event. Clive Gibbon stated that the event took place at Ely Cathedral, it was an all day event and was very well attended by approximately 500/600 people. We were there promoting the support that Fenland offer to businesses and the accommodation opportunities here for new or existing businesses looking to relocate;
  13. Councillor Booth asked that with the Expo in Ely in mind, have we looked at doing something similar in Fenland to draw people into the area. Councillor Seaton stated that by going to these shows we are showing businesses what Fenland have to offer. Clive Gibbon stated that Fenland had a very successful business forum in the past, but due to the economic slowdown it dissipated, we are looking to build a similar, but smaller group in the future;
  14. Councillor Mrs Bucknor asked when a potential business came to your stand at the Expo, did you have the relevant information for them, so they could see how attractive the opportunities are in Fenland. Clive Gibbon confirmed that the team had invested a lot of time to put together a pack that had all the information in, with fact sheets that we could pick from depending what they were looking for;
  15. Councillor Mrs Bucknor asked if the team provide comparisons prices for other areas so people can see how competitive this area is when looking to start or relocate a business here. Clive Gibbon confirmed that the team had robust figures looking at the costs;
  16. Councillor Mrs Bucknor stated that she promotes the Boathouse Business Centre at every opportunity and feels that people do not know enough about it or the costs involved. Gary Garford stated that FDC have carried out several campaigns to promote the Boathouse, we have targeted many sectors in order to promote the opportunities there. He stated that if members have ideas or sectors that they think are not being targeted, that they let officers know for future campaigns;
  17. Councillor Cornwell stated that the Fenland Tourism Board (FTB) was formed following the

Overview and Scrutiny review of tourism. FTB have been concentrating on bringing people into the area;

18. Councillor Mrs Bucknor stated that as pleased that she is that the FTB are encouraging people into the area she is concerned that there is a lack of accommodation in this area, people want good quality hotel accommodation. She asked how we are encouraging hoteliers to Fenland. Councillor Cornwell stated that the FTB realise that this is a problem in Fenland, this is why in the short term we have been marketing ourselves differently with this in mind. We have been trying to get tour operators to come into Fenland for a period during the day. We need to look at the expansion of a hotel, or the development of a hotel from a chain on the outskirts of town, ensuring that our planners are switched on to developments of this type. It will be interesting to see what will come out of the Wisbech 2020 Vision project, we hope to be able to be able to focus more on the heritage of this area;
19. Councillor Mrs Bucknor stated that she has been attending the Wisbech 2020 meetings, and asked what progress has been made with the brown signs for tourist destinations. Vicki Whittingstall confirmed that there is now a brown sign in place for Elgoods. We have provided case histories for other sites and they are reviewing the situation at the moment. Feedback shows that we need to highlight routes for tourist destinations in rural areas. Councillor Cornwell confirmed that we need to try to get signs for attractions at the entry or periphery of the towns rather than just in the towns;
20. Councillor Booth asked how the development of the website is progressing. Councillor Cornwell stated that there has been a working group looking at this, the current website has been improved and the stand alone website contents have been agreed, the next stage is to make that website live. The new website will act as a search engine with information and outside links. FTB are well supported by the 7 trade representatives who are involved and the group are confident that the website will be up and running by January 2013 when people begin to plan their holidays for next year;
21. Councillor Booth asked if we are still looking at introducing interactive displays in public areas. Councillor Cornwell confirmed that they were still planned but the website will be developed first;
22. Councillor Booth asked are we putting in links for the town councils. Vicki Whittingstall confirmed that links are in for town councils and market towns;
23. Councillor Miscandlon asked does the FTB make direct contact with large hotel chains to let them know that we have land available. Councillor Seaton stated that the Economic Development Team would be looking at this opportunity. There has to be a very solid business plan in place before we would be able to approach these chains, but everything that can be done is being done;
24. Councillor Booth made reference to an article reporting that FDC were the only authority out of 300 who could not supply information relating to invoice payment times. Councillor Seaton stated that there was a lot of false information in that article. Alan Pain stated that we had a specific request for data in a format that we no longer record, however we provided a detailed response to the query. This article was very disappointing and does not reflect the strength of the relationships that we have with small businesses.

The Overview and Scrutiny Panel noted the progress made by the Council in delivering the Open for Business Corporate Priority.

## **OS19/12 FUTURE WORK PROGRAMME**

Members considered the Future Work Programme 2012/2013 for the Overview and Scrutiny Panel.

Members asked questions, made comments and received responses as follows:

1. Councillor Sutton stated that he would like some advice as to whether he has to declare a pecuniary interest at the next meeting regarding the Draft Local Council Tax Benefit

Scheme, as he owns property that he rents out. Carol Pilson stated that she would investigate further but that it would depend on the focus of the meeting;

2. Members agreed that it would be beneficial to have a briefing regarding the council tax benefit scheme prior to the next meeting, so that members are better informed at the meeting. Carol Pilson agreed to contact officers;
3. With regards to the November meeting, members agreed to start the information session at 1.30pm followed by the Panel pre-brief at 2.00pm
4. Members agreed to move the information item regarding Grounds Maintenance scheduled for the November to the meeting in December;
5. Councillor Mrs Bucknor stated that we need constructive information with detail that we can evaluate. This panel has said this before, but the reports are not showing this level of information. Carol Pilson suggested that so the reports contain what members want to see, they should email her, or one of the member services team with ideas that they would like to focus on, this can then be forwarded to the relevant officer;
6. Members stated that they would like some further information and to see a copy of the consultation responses with regards to the changes in the benefits system. Carol Pilson agreed to circulate a link and suggested that it might be useful to ask Geoff Kent to prepare a few pages of key information about the changes, and the impact that the changes will have;
7. Councillor Mrs Bucknor stated that following the issues with the contaminated water recently in Wisbech, she would like to invite Anglia Water in to ask them about the processes they have in place with regards to this type of emergency measures. Councillor Cornwell stated that it would be more beneficial to invite the Emergency Planning Manager to a meeting to give an information session to the panel; Carol Pilson agreed to look into this.

**Members agreed the Future Work Programme 2012/2013 for the Overview and Scrutiny Panel, subject to the amendments agreed above.**

5.35pm

Chairman