

## EXTRAORDINARY OVERVIEW & SCRUTINY PANEL

### Minutes of the extraordinary meeting held on 02 March 2017 at 7.00 pm in Council Chamber, Council Offices, Cecil Street, Margate, Kent.

**Present:** Councillor D Saunders (Chairman); Councillors G Coleman-Cooke, Ashbee, Campbell, Connor, Dexter, Dixon, Falcon, Hayton, Jaye-Jones, Martin, Parsons, Rusiecki and M Saunders

**In Attendance:** Councillors Crow-Brown and K Coleman-Cooke

#### 103. APOLOGIES FOR ABSENCE

Apologies were received from the following Members:

Councillor Dennis;  
Councillor Curran, substituted by Councillor M. Saunders.

#### 104. DECLARATIONS OF INTEREST

There were no declarations of interest.

#### 105. BUSINESS CASE, SINGLE EAST KENT COUNCIL

Madeline Homer, CEx introduced the report and gave a brief background of the process that started with a July 2016 Full Council adoption of the Statement of Intent to explore the potential for the creation of a single East Kent district by the five district councils. They then asked for the drafting of a business case to explore the proposals further. This led to a report that was considered by Cabinet on 16 February 2017.

Hannah Thorpe, Head of Communications gave a rundown of the methodology to be used for the public consultation and stakeholder engagement. Miss Thorpe made the following points:

- There would be four strands to the consultation;
  - 1,000 sample survey to be used, consisting of 250 randomly selected residents for each of the four districts that will take part.
  - There will be pre-selection questions that will be asked before respondents are accepted into the 1,000 sample population;
  - There will be an open questionnaire which can be completed by any member of the public;
- Single day Stakeholder Forum to be held with local businesses, education and other sectors;
- Series of residents stakeholder forum events to be held;
- All of the above events to be co-ordinated by an external organisation ORS (Opinion Research Services) who are highly qualified and have conducted similar events in Dorset and Cambridgeshire;
- ORS have requested for a Member briefing session to advise councillors on the process for the public consultation to be used ahead of the consultation events;
- The consultation will be launched on 24 March 2017.

When the Chairman invited the Panel to comment on the proposals for the East Kent Merger as contained in the report, the following comments and points were raised:

- Would the approach to the consultation be same across the four local councils that are involved in the proposals?
- How would the selection for the respondents to the consultation survey be done?
- What would happen if one of the councils pulled out of the proposed project after the public consultation?
- Was the final decision to be made by Cabinet or Full Council?
- How did these proposals link with proposals for devolution?
- In the event of the merger going ahead would councils share each individual council's debt?
- What was the combined debt for the four local authorities?
- Was the Panel going to have another opportunity to review the proposals further down the process of the merger?
- Has inflation for the period in question been factored into the proposals (up to 2015)?
- There were growth rate reported in the business case of 19-27%. Where did Thanet sit on that scale and in what sectors were these figures in reference to?
- Would the electoral boundaries have been resolved by the time the election for the new council?
- Would the local Plan being drafted be put on hold until after the merger?

Members also made the following observations:

- The merger was a significant project which required time to think through the process;
- The process required a strategic leader to successfully steer the process through;
- The proposed timetable for the merger was too optimistic;
- There was a need to consider how this process related to devolution and the associated implications;
- There were potential contradictions between the proposed merger (amalgamation) and devolution;
- There was a need to provide some information on what the alternative to the merger was. There was nothing to compare the merger proposals against and so Members could only see one side of the argument;
- Some concern was raised that the section on the economy seemed to view Thanet as an area for future construction and manufacturing growth to the exclusion of tourism and leisure;
- There was the concern that housing development may be concentrated more in Thanet area after the merger.

In response to questions and comments from Members, Madeline Homer, Tim Willis (Director of Corporate Resources & S151 Officer) and Hannah Thorpe made the following points:

- The consultation approach would be the same across the four councils and there would be a pre-selection of residents to response to the survey questionnaire;
- Canterbury City Council would be procuring the service for the consultation on behalf of the four local councils;
- If one council pulled of the proposed merger process that would mark the end of the proposals as they were based on the business case for the four councils;
- Each council would consider responses to the consultation from its own area and make a decision;
- The results of the consultation were not legally binding but they were important for the process;
- The consultation would be held over eight weeks starting on the 24 March;

- The issue regarding the final decision was a constitutional issue which would be dealt with by each council. Officers were going to confirm the position after the meeting on whether the final decision will be made by Cabinet or Council;
- No confirmation had been made as yet on the implementation and recruitment to senior staff for the proposed council in early 2018;
- There were ongoing discussions around devolution at the request of Kent County Council and these were separate from the merger discussions being conducted by Thanet, Shepway, Dover and Canterbury;
- Devolution was a separate issue to the merger and was to be on a voluntary basis. It had been agreed that there were three work streams on devolution (i.e. community safety, public health and highways). These could potentially be delivered by the new single council after the merger;
- There were long term liabilities and long term assets that would be brought together to become the responsibility of the proposed single council (e.g long term liabilities for Canterbury were £215m as compared to £167m for Thanet. On the other hand long term assets for Canterbury were £505m as compared to £237m for Thanet);
- Section 151 Officers were working on more detail regarding the financial figures of the four councils to provide a clearer picture of the commitments to be taken over by the proposed single council. This would be provided in the coming months;
- The debt for each of the four councils would become the responsibility of the new single council;
- The timetable in the report was indicative and was still work in progress;
- The Panel would have another opportunity to review the proposals further;
  
- The four councils were in constant contact with the Department for Communities and Local Government (DCLG) and were also consulting solicitors on the amalgamation process to understand how this would work, as this was a new area of work for the councils and DCLG;
- Once the order had been made the councils would no longer be able to change their minds on the proposed merger;
- Any proposals related to devolution of functions to parish/town councils could only be carried out by officers after Council has given the officers the go ahead to put together the proposals for such an undertaking;
- The CEx would consider the request that information be provided, and discussions be held, on devolution by the Council and clarify the position;
- Great care would need to be taken when discussing the issues related to devolution. There was a need to make sure that local issues were not overshadowed by amalgamation. The governance issues around how the single council would work with parish/town councils needed to be discussed without creating a more costly structure;
- A shared services approach could be considered if the more optimum approach did not go ahead;
- There were implied 'go it alone' financial projections in the business case which could be used to evaluate the position if the merger proposals were not adopted;
- Officers were going to come back with information regarding where Thanet sat on the 19-27% growth rate reported in the business case;

- Comments regarding construction and manufacturing growth forecasts were in the appendix of the business case to provide some context and had been produced by Nathaniel Lichfield & Partners (an external consultant) and could therefore not be changed. The appendix was not part of the recommendations on the key issue being discussed;
- The Boundary Commission for England was expected to review the electoral boundaries in time for the election for the new single council (before April 2019);
- If timetable did slip and the Commission had not yet concluded their work, then the county boundaries would be used for the establishment of the new council, with an election based on the new boundaries the following year.

In concluding the debate, Members then agreed the following recommendations that:

1. In the timetable for implementing the merger project, where it refers to the 'Executive decision by cabinet of each council to proceed with project for a new East Kent Council (July 2017);' that decision should be made by Full Council;
2. In the timetable for implementing the merger project (Autumn 2017), the 'Final Decision' should be made by Full Council;
3. If there was an early recognition that the timescale for implementing the project was slipping, an early decision should be made by each of the participating councils to seek permission from the Department of Communities and Local Government to extend the current administration by a year;
4. The Overview & Scrutiny Panel be given an opportunity to review the process at the decision points highlighted in the timetable.

#### **106. ANNUAL OSP REPORT TO COUNCIL 2016/17**

The Chairman asked for comments from members of the Panel. In response one Member suggested that the pilot scheme for public speaking at Panel meetings should have been flexible enough to extend the deadline for members of the public to register to speak right up to the start of the meeting rather than three working days before the meeting. Mr Hughes advised that a report reviewing the public speaking trial would be considered by the Panel on 25 April 2017.

The Chairman then invited Members to contact him after the meeting with comments that he could consider including in the Annual Report. One Member was concerned that in the previous municipal year such comments were forwarded but some Members felt that those comments were not included in the final version of the report that went to Council.

There being no further comments the Panel noted and agreed that the report be forwarded to Full Council.

Meeting concluded: 8.45 pm