

# MEMBER'S WRITTEN QUESTION



Member submitting the question: Lee Finn

Date received: 3/31/2025 4:02:55 PM

To the Cabinet Member for: mark.lowry@plymouth.gov.uk

Question: 1. Why has the Audit & Governance been guided to close down the discussions on the Miel transaction when the representations to Government have not been completed. 2. Why, when agreed by the A&G via the Vice Chair that members be furnished by officers with the letter minding to grant capitalisation as soon as it was known not actioned. 3. Why, has the A&G committee not been furnished with the full CIPRA Report regarding the MIEL investigation as soon as it was published, as agreed by the A&G committee. 4. Why has no one been held accountable for the MIEL fiasco. 5. How will Plymouth be affected by the SEND deficits when the statutory override ends in March 2026 when this debt must return to the council balance sheet.

Answer:

1. Why has the Audit & Governance been guided to close down the discussions on the Miel transaction when the representations to Government have not been completed.

*I am not aware of the Audit & Governance Committee being guided to close down discussions on the Miel transaction. My understanding is that there was a request for you Councillor Finn to discontinue raising the matter at each Committee during the presentation of Grant Thornton's (GT) reports when unrelated matters were under discussion. I note that at its meeting of 11<sup>th</sup> March, the Audit & Governance Committee agreed to remove the standing agenda item on the Capitalisation Direction, as the matter had been substantively closed (see published minute 89 of the Committee, which refers to this). However, I anticipate that the Audit & Governance Committee will wish to review the CIPFA report findings and the Council's response at a future meeting and officers stand ready to discuss this with the chair ahead of the Committee's next meeting in July (noting that the composition of the Committee may change following the forthcoming Council AGM). If you are not satisfied with the response above, I would ask that you clarify what you mean by 'close down discussions' in relation to the Miel transaction.*

2. Why, when agreed by the A&G via the Vice Chair that members be furnished by officers with the letter minding to grant capitalisation as soon as it was known not actioned.

*I would ask that you clarify this point. Having reviewed recent minutes of the Audit & Governance Committee I cannot find a reference to any agreement with the Committee to share correspondence. There has been an ongoing, lengthy discussion with MHCLG on the capitalisation direction, and I am not clear which letter you refer to.*

3. Why, has the A&G committee not been furnished with the full CIPRA Report regarding the MIEL investigation as soon as it was published, as agreed by the A&G committee. *The CIPFA external assurance review for Plymouth City Council was published on 20<sup>th</sup> March, and the report was shared with Committee members on 2<sup>nd</sup> April.*
4. Why has no one been held accountable for the MIEL fiasco.

*There have been no findings of wrongdoing in relation to the Pension Transaction, but there were governance issues which have been addressed, as set out in the CIPFA report. As a result of the Pension Transaction, Grant Thornton undertook a governance review in 2021 which resulted in 11 recommendations for improvement in governance arrangements. This was presented to the Audit & Governance Committee in July 2021. Subsequently PCC provided its response to the GT recommendations to the Committee on 29 November 2021. These recommendations have all been implemented.*

5. How will Plymouth be affected by the SEND deficits when the statutory override ends in March 2026 when this debt must return to the council balance sheet

*The majority of councils with Education responsibilities have accumulated significant deficits relating to overspending on the High Needs block within the Dedicated Schools Grant budget; currently, these deficits are treated as 'off balance sheet' as result of a national statutory override put in place under the previous government. Plymouth City Council's deficit position is not as significant as many other councils, although it is growing and a deficit recovery plan has been put in place by Plymouth's Schools Forum. Whilst the current statutory override is due to end on March 31<sup>st</sup> 2026, the significance of this national issue and the number of Councils affected means that it is very likely that a solution will be developed at the national level. This being the case, we anticipate that Plymouth's deficit position will be mitigated before the statutory override ends – your statement that 'this debt must return to the council's balance sheet' is a little premature in light of the ongoing national debate. Nonetheless, the High Needs block deficit presents a significant financial risk to the Council. Officers are working to implement the SEND sufficiency plan to address increasing levels of demand for special school places and the position is being kept under close review through the Council's budget monitoring process.*

Signed:



Date: 15 April 2025

Written questions:

- will be replied to within 10 working days
- will be published on the last Friday of each month