

Meeting of the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Thursday, 5 September 2019, 10.30 am

Committee Members present

Councillor Bob Adams
Councillor David Bellamy
Councillor Phil Dilks
Councillor Graham Jeal (Chairman)
Councillor Philip Knowles

Councillor Charmaine Morgan
Councillor Jacky Smith
Councillor Mark Whittington (Vice-
Chairman)
Councillor Sue Woolley

Cabinet Members

Councillor Kelham Cooke, the Deputy Leader of the Council
Councillor Robert Reid, the Cabinet Member for Communities, Health and Wellbeing
Councillor Adam Stokes, the Cabinet Member for Finance

Other Members present

Councillor Ashley Baxter

Officers

Strategic Director, Transformation and Change (Lee Sirdifield)
Director of Finance (Richard Wyles)
Interim Strategic Director, Growth (Ken Lyon)
Assistant Director, Housing (Harry Rai)
Organisational Development and Change Manager (Victoria Brackenbury)
Head of Finance (Alison Hall-Wright)
Principle Planning Policy Officer (Shaza Brannon)
Democratic Officer (Naomi Page)

22. Comments from members of the public

There were no comments received from members of the public.

23. Membership

The Committee was advised that Councillor Woolley would be substituting for Councillor Wootten and Councillor Mrs Jacky Smith would be substituting for Councillor Mason for this meeting only.

24. Apologies

An apology for absence was received from Councillor Robins, the Cabinet Member for Planning.

25. Disclosure of interests

No interests were disclosed.

26. Action notes of the meeting held on 16 July 2019

The action notes from the meeting held on 16 July 2019 were noted.

27. Update from previous meeting

Advertising and Sponsorship Initiative

The Vice-Chairman of the Committee apologised for not yet providing a written note to the Committee of the findings of his review regarding the awarding of a contract to Publitas. Having noted the Action notes of the previous meeting, Members confirmed that they were satisfied the relevant points had been covered, and there would be no need for a further written statement from the Vice-Chairman.

Utilisation of the Disabled Facilities Grant funding

At its meeting on 16 July 2019, the Committee identified the issue of underspending with regards to the Disabled Facilities Grant funding. It was requested that an update be given, to set out the action being taken to reduce the underspend. The Cabinet Member for Communities, Health and Wellbeing received a written response on 9 August 2019. Members requested that this information was circulated.

Action Point

- **The Disabled Facilities Grant update to be circulated to all Members of the Committee**

The Cabinet Member for Communities, Health and Wellbeing was present to provide an update. He explained that the Council had spent a significant figure on disabled adaptations for our own housing stock, but this could not be

included in the expenditure figure under discussion, as Disabled Facilities Grants were not available for the Council to use on its own properties. This was an challenge experienced by district councils on a national level. The Cabinet Member explained that the funding was distributed via Lincolnshire County Council, with the relevant amounts being dispersed according to each district. The Rural and Communities Overview and Scrutiny Committee would be addressing the dispersal of funds in more detail at their next meeting. One Member expressed concerns that the underutilisation of the Disabled Facilities Grants contradicted national trends indicating an increasingly older, vulnerable population. It was suggested that the availability of the provision could be promoted more effectively to those most likely to require access to the funding. It was, however, noted that the number of referrals received was influenced by the availability of Occupational Therapists across the district.

28. Finance update report - quarter 1 2019/20

Members were advised to consider the report of the Cabinet Member for Finance outlining the Council's forecast 2019/20 financial position as at the end of quarter 1. At the end of quarter 1, the Revenue budget stood at £19.796m and a forecast overspend of £461k. One of the most significant variances to the Revenue Budget General Fund was the forecast underachievement of the workforce efficiency target (vacancy factor). Officers explained that this target was a workforce efficiency measure used to reflect in the budget provision any gaps between an employee leaving the organisation and a replacement being recruited.

Members were informed of the current known budget pressures for 2019/20, including income from Council-owned car parks, trader levels at markets, operational costs relating to St Martin's Park and the challenges securing the budgeted transformation and procurement savings. At the end of quarter 1, only a proportion of the budgeted savings and income generation were on target to be achieved. Significant variances to the Housing Revenue Account, General Fund Programme and HRA Capital Programme budgets were outlined to Members.

As the information within the report represented the first quarter of the year only, Members were advised that a clearer understanding of the Council's financial position in relation to budgets would be able to be given at the end of quarter 2.

Members of the Committee were then given the opportunity to ask questions or discuss different aspects of the report:

- One Member noted that it would be useful to have numerical figures relating to market stalls occupied in towns throughout the district, in order to support understanding of the red RAG status for markets in Appendix B.

Action Point

- **Officers to provide a breakdown of the usage of market stalls across towns in the district**
- Members asked for further explanation of the budget variance in relation to dwelling rents in the Housing Revenue Account budget. Officers advised that this variance could be attributed to an increase in right to buys over the 2018/19 period, which reduced the total number of properties from which rent could be collected. It was noted that the working assumption in the Housing Revenue Account business model may need to be updated in light of the sustained increase in right to buys in excess of the associated assumption.
- One Member asked if there could be an update provided on the New Homes Bonus. Officers explained that they had not received an update from central government regarding this, but at this stage it was assumed that the current four year legacy payment model would continue. As central government was yet to confirm the payment amount for the next financial year, the challenge for the Council moving forward would be balancing the cost of potential external borrowing against investment.
- Members asked for information regarding income for car parks. It was suggested that an account of historical trends for car parking income over the past couple of years would aid their work to ensure that usage was economically driven.

Action Point

- **Members to receive figures relating to car park income in Grantham**
- One Member asked if the sponsorship money for the Bourne CiCLE festival had been received. The final account for the festival had not yet been confirmed.

Action Point

- **The final account of the Bourne CiCLE festival to be confirmed to the Committee at the next meeting**
- Members requested further explanation of the budget variances for the General Fund Programme relating to the Guildhall Arts Centre projector and the Public Realm works. The Deputy Leader of the Council explained that there had not been a business case to back the projector scheme at the Guildhall Arts Centre. In relation to the Public Realm, unforeseen costs during construction works had occurred, including the need to provide a separate boiler system for the Civic Suite when it became clear that it would not be feasible to link the heating system to

the main offices, as originally planned. Although this outcome had caused budget variances, it had also created the advantage of allowing the Civic Suite to be used as a stand-alone building.

- Members suggested that the RAG system for categorising budget variances in Appendix B needed further explanation. The system was a new introduction to the significant variance analysis report. It was introduced primarily to highlight areas influenced by external factors outside of the Council's control, identifying when these influences may adversely affect budget projections.

29. Quarter 1 performance

At the Committee's meeting of 16 July 2019, questions had been raised by Members with reference to the performance report for quarters 3 and 4 of 2018/19. Hard copies of the responses to these questions were circulated.

Members were advised to consider the Report of the Deputy Leader of the Council, which set out performance information for quarter 1 of 2019/20. Also included in the report was an update on the progress of the Microsoft Power BI development as a new approach to performance reporting.

Members were advised that of the twenty one corporate performance indicators, three were at amber status, meaning they were not achieving their target at the end of quarter 1.

Included in the indicators at amber status was the percentage of rent collected in the quarter 1 period. This was attributed to an increase in arrears resulting from the further roll out of Universal Credit across the district, in addition to an increase in unrecoverable debts relating to deceased tenants and evictions. It was not considered to be a significant shortfall at this stage in the financial year.

Also at amber status was the number of apprenticeships hosted within the Council. Members were informed that further recruitment opportunities for apprenticeships were in the pipeline, including degree apprenticeships and LGV apprenticeships. The Human Resources team would continue to work with service areas across the Council to identify further apprenticeship opportunities moving forward.

Members noted that the percentage of waste sent for reuse, recycling and composting also remained within the amber threshold for quarter 1. This indicator reflected the ongoing issue of the contamination of silver recycling bins across the district. Officers advised that this issue is part of a county-wide problem currently being addressed by Lincolnshire County Council. Members expressed their concern over the high contaminations levels in silver bins, and felt that this needed considering in further detail by the relevant Committee.

Recommendation

That the Environment Overview and Scrutiny Committee consider the percentage of household waste sent for reuse, recycling and composting, including the level of contamination of silver bins to support the work being undertaken by Lincolnshire County Council and within the Council's own service area for Waste and Recycling.

Attention then turned to the indicators meeting or exceeding their targets at the end of quarter 1. The percentage of streets meeting the clean streets standard was noted to be performing particularly well, with over 97% of streets assessed meeting the standard. The percentage of planning applications approved also remained high.

A presentation of the new Performance Reporting Framework using Microsoft Power BI software was given by the Strategic Director, Transformation and Change, providing Members with examples of interactive dashboards for different service areas. Dashboards could also be configured for the Overview and Scrutiny Committees, displaying corporate indicators as requested by each Committee. Members were advised that the website displaying the information would be linked directly to analytics, allowing for the display of live data. It was intended that this data could then be used to track and plan based on real-time statistics, providing a greater level of insight and detail than current information allowed.

Members were then invited to make comments or ask questions arising from the presentation:

- Members asked about the possibility of information relating to overall strategic objectives being shown by the software, allowing the Committee to focus primarily on overall performance rather than operational details. It was indicated that the Committee could decide over a period of time which indicators they felt held the most value for their role.
- Members enquired as to the access ambition for the software. The framework would be rolled out incrementally, with each service area and committee providing input on the performance indicators needed on their corresponding dashboards. Officers could then look at formulating dashboards relating to Member Portfolios or Ward areas. Information would be shared to the public domain initially as static views. The current priority would be collating the data sets in order for them to provide relevant meaning for each target audience.
- Members suggested that that the Customer Services dashboard could provide useful information to inform the development of indicators available to the public, as it would show their reasons for contacting the Council and therefore the areas in which they expressed significant interest.
- Members mentioned a number of areas they would like to see further performance indicator information for, including the number of legal

actions taken due to non-payment of council tax and rent, the financial implications of providing temporary accommodation, the progress of planning appeals in addition to applications and the frequency and quality of grass cutting across the district. It was also suggested that it would be helpful to see performance indicator information relating to complaints.

- Members expressed that an explanation of housing application bands one, two and three, as well as the emergency band, would improve understanding of the performance measure relating to the housing register.
- Members commented that the figures provided within performance indicator information would hold increased value if displayed alongside data from previous quarters, to provide context and a basis for comparison. Officers advised that this would be possible within the new framework.
- It was noted by Members that additional data in the form of numerical or monetary figures would provide greater transparency within the performance reporting framework. Members felt that this would provide a clearer display to avoid abstract figures and aid a full understanding of the practical reality of the percentages given.
- It was commented that in order to provide optimal value, performance information should include trends, targets, benchmarks and implications. In some instances, it was noted that our targets could be set above national targets if the Council had demonstrated that it was consistently achieving above them. Members also noted that it would be useful to have an indication of how targets had been originally set, in order to provide a basis for reviewing how they had been adjusted over time. Officers confirmed that targets had evolved over time to correspond with developing needs and expectations, and the new Performance Indicator Framework was a further opportunity to refresh and review them.
- Members asked if it was possible to compare our performance to other district councils of a similar size as a benchmark. Officers stated that tools allowing this comparison had been used as part of the transformation work. However, due to all authorities measuring and interpreting performance data differently, the challenge in using this approach would be ensuring that an accurate comparison could be made.
- Members considered that there would need to be further discussion in relation to which performance indicators would provide the most value for each of the Committees, and it was suggested that a separate workshop alongside officers could facilitate this.

Action Point

- **A workshop to be provided for Members in relation to the new Performance Framework**

30. Local Plan - proposed main modifications

Members were given an explanation of the background behind the development of the Local Plan to date, including a general outline of the proposed Main Modifications of the report. The Main Modifications had been recommended in consultation by the independent Inspector. In order for the Local Plan to be assessed as sound by the Inspector, and thereby adopted by the Council, the Main Modifications were a requirement. If the recommendations were to be rejected, the Council would need to start on the production of a new Local Plan.

The Committee were then invited to make comments relating to the proposed Main Modifications, which would be taken into consideration by Cabinet at its meeting on 10 September 2019. A summary of the comments can be found below:

- Concerns were raised from Members with regard to the Main Modification requesting an amendment to Policy H2 on affordable housing (pg. 12 of Schedule of Proposed Main Modifications). Members expressed concerns that reducing the Affordable Housing requirement in the urban area of Grantham to 20% may adversely affect potential residents of lower income households. Although it was confirmed that this Main Modification had been put forward by the Inspector due to independently produced evidence submitted with the Plan, Members requested a more in-depth explanation of why this Modification was needed.

The Assistant Director of Housing confirmed that the Modification related primarily to how the Plan would be deliverable in practical terms. The reduction in the percentage of affordable housing required could potentially increase the number of schemes desiring to develop in the area, thereby also increasing the number of affordable homes available overall. If this percentage were to remain at 30%, it was anticipated that there would not be enough schemes to allow for a deliverable Plan. Work had been independently carried out to inform this decision. Members considered the explanation to address their concerns. It was also noted by Members that the Affordable Housing requirement includes social housing.

- Members discussed their concerns relating to the Main Modification to amend policy H1 (pgs. 10 & 11 of the Schedule of Proposed Main Modifications) to increase the indicative number of units in a number of areas. Members considered there to be a significant increase in the number of units in the market towns and villages such as Barrowby and Ancaster. Members expressed their concern surrounding the impact that these developments would have on local residents, including a

number of Members' Ward Constituents and queried whether the development of other areas could have relieved some of this pressure. It was acknowledged, however, that the intention of considering the report was not to scrutinise the original principles included in the Plan (including the proposed areas for development), as these were approved at Full Council on 24th May 2018. Explanation was given that the Inspector had increased the capacity of some of the village sites discussed for transparency, as some of the sites had gained planning permission or developers had indicated through the Examination that the site could yield a higher capacity.

The broader concern of how the need for increased growth in the District could conflict with the wellbeing of residents was also mentioned, including the possible reduction in green spaces and the impact of increased traffic on air quality. Officers related that the Council's HRA Business Plan would support the sustainability of the development of our own housing stock, taking these factors into consideration.

- The Main Modification to amend the text of paragraphs 2.16-2.18 of MM reference MM15 (Pgs. 7 – 10 of Schedule of Proposed Main Modifications) was raised, with one Member questioning the allowance for windfall sites within the Plan. Officers confirmed that the inclusion of a windfall allowance is commonplace as policy compliant sites which are not specifically identified in the plan will continue to come forward. Also commonplace in Local Plans is a housing land buffer, to provide choice and contingency but it was noted that the communication of the 'buffer' could be clarified.
- Members of the Committee thanked the officers involved in the development of the Local Plan, acknowledging the level of work and time that had been invested to date. During discussion, Members considered the implications of rejecting the Main Modifications at this stage in the process. Officers explained that if the Main Modifications were not approved, the Inspector would be unable to declare the Plan sound, and the Council would not have an up-to-date development plan for the Development Management Committee to use to inform their consideration of planning applications. One Member expressed the importance of having a Local Plan, in order for the Council to continue to have influence over how and where areas of land are developed in the South Kesteven area. It was noted that without a Local Plan, National Government Policy would apply, including presumption in favour of sustainable development, which would essentially prevent the Council from shaping the way our District is developed.

Members were then advised of the next stage in the process, should the Main Modifications be approved by Cabinet at its meeting on 10 September 2019. There would be a six week public consultation starting on 30 September 2019. The process for this would be guided by the Statement of Community Involvement, with the details being available on the Council website, at its offices and in district libraries. Public responses made to the consultation would be forwarded to the Inspector, who would then provide a final report.

Members requested that a record of the Committee's comments be circulated for reference before they were forwarded to Cabinet for consideration.

Action Point

- **The record of comments relating to the Local Plan item to be circulated to Committee Members prior to Cabinet's meeting on 10 September 2019**

31. Deepings Special Expense Area

Members were invited to consider the report of the Cabinet Member for Finance regarding the review of the Deepings Special Expense Area. Any recommendations made by Members would be considered as part of the budget proposals for 2020/21.

The Local Government Finance Act 1992 permits local authorities to create Special Expense Areas within the district to avoid double taxation. In other areas, expenses covered by a Special Expense Area levy (usually grounds maintenance costs) would be covered by the Parish or Town Council precepts. The tax levy for the Deepings Special Expense Area (SEA) was charged to residents of Market Deeping and Deeping St James. The only cost currently included in the SEA was the grounds maintenance for the Linchfield Road playing field. This created the equivalent charge of around £3 per annum for a Band D Council Tax charge property.

Officers explained that costs needed to continue to be met in order for the maintenance of the playing field to be sustained. The Council would need to decide whether to keep charging the local residents through the SEA levy, or request that the costs be wholly met by the direct users of the field; The Deepings School and The Deepings Rugby Union Football Club and the Deepings Leisure Centre. It was noted that the current review of the Deepings SEA called for further consideration of the principle of using SEAs as a means to meet community facility costs across the District. Bourne, Grantham, Langtoft and Stamford also currently had SEAs.

Members were invited to make comments or ask any questions arising from their consideration of the report:

- Some Members expressed that they felt SEAs were no longer the most effective way of collecting the tax levy for the relevant areas.
- One Member noted that the field was closed to the public throughout school periods, and therefore found it unfair to ask the residents to pay for a facility which they would potentially not be able to use. Similarly, during discussion other Members mentioned that as the playing field was used primarily by the school, the leisure centre and the rugby club, it needed to be carefully considered whether all residents in the area should continue to front the tax levy for these services.
- Some Members pointed out that there were amenities available for public usage in all towns and villages, and as there were no restrictions in place to prevent residents from other areas making use of the provisions, the overall costs should be shared between all tax payers.
- Concerns were raised as to the potential implications of asking stakeholders to meet the costs. Members expressed concern that the charge could deplete school resources, and could potentially mean that the Rugby Union Football Club would find itself in the position of no longer being financially viable.
- One of the Members for the Market and West Deeping Ward expressed concern as to the level of consultation which had been undertaken with stakeholders.
- It was noted that the Leisure Centre were benefitting from income received in relation to external bookings for the playing field.
- Members suggested that they be provided with further information detailing the facilities provided by each of the Special Expense Areas to allow the discussion of SEAs across the District to continue at a later date. It was recommended that the Cabinet Member for Finance consult with Parish Councillors in the Deepings area as well as the Finance team, to gather further information for the Committee to consider in order for it to make any recommendations. It was requested that this be carried out in sufficient time for any recommendations of the Committee to be considered during budget proposals for the following financial year.

Action Point

- **The Cabinet Member for Finance to consult with The Deepings Parish Councillors and Officers regarding the Deepings Special Expense area, and report back to the Committee with his findings**
- **Information detailing the facilities covered by Special Expense Areas in all areas across the District currently included in this tax levy**

32. Work programme

Members noted that they wished to add the discussion regarding Special Expense Areas to the Work Programme to be discussed at a later date.

33. Any other business, which the Chairman, by reason of special circumstances, decides is urgent

There was no other business to be discussed.

34. Close of meeting

The meeting was closed at 13.37pm.