

Meeting of the Budget - Joint Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 14 January 2020, 2.00 pm

Committee Members present

Councillor Graham Jeal (Chairman)	Councillor Nikki Manterfield
Councillor Bob Adams	Councillor Annie Mason
Councillor Ashley Baxter	Councillor Penny Milnes
Councillor David Bellamy	Councillor Judy Stevens
Councillor Chris Benn	Councillor Sarah Trotter
Councillor John Cottier	Councillor Hilary Westropp
Councillor Phil Dilks	Councillor Amanda Wheeler
Councillor Mike Exton	Councillor Mark Whittington
Councillor Gloria Johnson	Councillor Linda Wootten
Councillor Philip Knowles	Councillor Ray Wootten

Cabinet Members

Councillor Kelham Cooke, the Leader of the Council
Councillor Barry Dobson, the Deputy Leader of the Council
Councillor Dr Peter Moseley, the Cabinet Member for Commercial and Operations
Councillor Robert Reid, the Cabinet Member for Communities and HR
Councillor Adam Stokes, the Cabinet Member for Finance
Councillor Rosemary Trollope-Bellew, the Cabinet Member for Culture

Other Members present

Councillor Louise Clack
Councillor Jacky Smith

Officers

Interim Chief Executive (Paul Thomas)
Director of Finance (Richard Wyles)
Director of Law and Governance (Shahin Ismail)
Strategic Director, Transformation and Change (Lee Sirdifield)
Interim Strategic Director, Growth (Harry Rai)
Assistant Chief Executive, Housing Delivery (Ken Lyon)
Head of Finance (Alison Hall-Wright)
Assistant Director, Commercial and Operations (Ian Yates)
Scrutiny Officer (Zena West)
Democratic Officer (Naomi Page)

8. Apologies

Apologies for absence were received from Councillors Fellows, Kaberry-Brown, Moran, Morgan, Ian Stokes, and Thomas.

9. Disclosure of interests

There were no interests disclosed.

10. Action notes from the meeting held on 10 January 2019

The action notes of the meeting held on 10 January 2019 were noted and agreed as a correct record.

11. Updates from the previous meeting

There were no updates from the previous meeting.

12. Budget proposals 2020/21 and indicative budgets for 2021/22 and 2022/23

The Committee was given a presentation on the medium term financial outlook and budget update, which summarised the budget report and appendices and provided the national context in which the budget had been prepared.

The Funding Position for the General Fund, General Fund Budget Proposals and Fees and Charges

The funding settlement from the government had been confirmed for a one year period only. A continuation of the Rural Services Delivery Grant had been confirmed for the 2020/21 period. The New Homes Bonus funding amount had also been confirmed for 2020/21; this would be paid with the legacy payments due from previous years' allocations, but was expected to reduce moving forward. The forecast Business Rates Reset was expected to reduce baseline funding in the medium term, although the level of reduction was not yet known.

The anticipated reduction in government funding for Local Authorities would require an increased reliance on Council Tax levels in order to maintain a balanced budget and keep pace with any other funding reductions. The Council would be asked to consider increasing its proportion of the annual Council Tax charge in 2020/21 by £5 for a band D property, as permitted within the Council Tax referendum limits for District Councils.

It was expected that a further forecast of funding would become available as government Fair Funding Review and Business Rates Reset updates were

received. The budget proposals for 2020/21 had been developed to achieve a balanced position without the need to utilise reserves.

Members were asked if they had any questions relating to the General Fund funding position and budgetary proposals or Fees and Charges.

Members referred to Special Expense Area (SEA) levy currently included within the Council Tax charge for some areas of the district. One Member asked why the Deepings SEA could not be removed within the 2020/21 budget proposals. It was explained that contractual commitments did not allow for this change to be implemented at the present time, but that it would be included in the negotiations for the long term leisure offer. The concept of SEAs across the district would be considered by the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee at a future meeting.

Members enquired about the reviewed provision for Customer Services at the Stamford, Bourne and Deepings area offices. The Committee were informed that a report relating to the Customer Experience Strategy would be presented to the Rural and Communities Overview and Scrutiny Committee at its next meeting. The focus of the strategy would be on improving access for self-service to reduce the number of manual queries and thereby the cost of service delivery, whilst also maintaining the required level of additional support where necessary.

The Committee asked for a further explanation of the decision to reduce the funding allocated to InvestSK and enquired as to whether the Council had considered bringing the services back in-house. The Leader of the Council explained that a review of the services currently provided by InvestSK had been undertaken. This had resulted in the decision to realign the focus of the company and return the Arts and Heritage aspect and seconded roles back to the Council, to improve clarity over the provision of service in some areas. However, it was recognised that InvestSK were undertaking valuable work and that the most beneficial course of action at this time would be to fund InvestSK at a revised level, with the company procuring professional support directly from the Council. Further consideration of the outcomes of InvestSK would fall under the remit of the Companies Committee.

One Member asked if the Council still held a pension reserve fund. Following the decision made previously to utilise the pension reserve fund held historically by the Council, the pension reserve would be fully utilised during the 2020/21 financial year at which time pension costs would move back into the core expenditure area. There was no requirement for the Council to hold a pension reserve.

Officers were asked how the budget proposals promoted reuse and recycling across the district and why the green waste collection service had a proposed increase in charges. The Cabinet Member for Commercial and Operations

confirmed that the charge for the green waste collection service had not been increased the previous year and that the increase within the 2020/21 budget proposals had been calculated on a cost recovery basis only. The Cabinet Member also assured the committee that the Council were keen to continue to work with the Lincolnshire Waste Partnership to promote reuse and recycling within the district, with the overall aim of encouraging members of the public to reduce the level of waste produced.

Members asked if there were plans to introduce the facility for contactless card payments in Council owned car parks. This facility would not yet be introduced because of contractual restrictions but the request was noted as a future possibility. Members were reminded of the facility for members of the public to pay via phone.

Reference was made to the savings included within the 2019/20 budget that had not been met; Members asked for assurance that forecast savings included within the 2020/21 budget proposals could be achieved. The Cabinet Member for Finance reassured the Committee that he was confident that the £350k procurement and £200k transformation savings targets would be met, following the extensive work that had been undertaken throughout the budget setting process to ensure that any forecast savings within the 2020/21 budget were achievable. The Leader of the Council added that Cabinet Members and senior officers would be held accountable for the delivery of the anticipated savings, which would be reviewed as part of performance monitoring by the Finance and Economic Development Overview and Scrutiny Committee. A senior management structure proposal would be developed by the Leader of the Council and the new Chief Executive, when appointed; this would be considered by the Employment Committee later in the year and support the budgeted management cost savings.

Housing Revenue Account (HRA)

The Cabinet Member for Finance introduced the HRA section of the report. He informed the committee that the Council would be adopting a refreshed Housing Strategy in the 2020/21 period and highlighted the rent proposals, which had a 2.7% proposed increase. Members were asked if there were any questions arising from this section of the report:

- One Member asked if the funding for Disabled Facilities Grants would decrease in the 2020/21 period. The Cabinet Member for Communities and HR confirmed that the Disabled Facilities Grant funding would not decrease and would be demand driven within budgetary considerations.

Capital Programme 2020/21 – 2022/23 and Reserves and Balances

The Cabinet Member for Finance introduced this section of the report by explaining that there was an anticipated capital investment programme

required in the short to medium term. It was recommended that the £10m investment fund (funded by external borrowing) approved by Council at the last budget meeting be deferred to allow business cases and feasibility studies to be completed in respect of the changes for the leisure offer in the district.

The committee were given the opportunity to ask any questions relating to this section of the report:

- One Member referred to the £20k proposed reserve for climate change quick wins, small works and carbon efficiencies that had been requested to support the work of the Climate Change Action Task and Finish Group and asked if there was a total budgeted amount for environmental initiatives. The Cabinet Member for Commercial and Operations explained that as this proposed reserve related directly to small works and quick wins, any wider reaching environmental projects would need to be put forward for in-year budgetary amendments and would be assessed based on business cases. It was acknowledged that further environmental initiatives would likely be put forward after the work currently being undertaken with the Carbon Trust to establish the Council's baseline carbon emissions had been completed.
- One Member expressed concern as to whether the £200k allocated for the Deepings all weather pitch would be sufficient to meet costs. The committee were told that this amount was anticipated to be enough to replace the existing pitch for the appropriate usage requirements.
- The committee asked for a further explanation of the capital programme plans for improvements at Welham Street car park. The Cabinet Member for Commercial and Operations made reference to the Council's intention to improve the maintenance of its assets, including car parks. The maintenance works were considered necessary to improve the car park provision at Welham Street and to address the antisocial behaviour issues identified.
- Officers were asked what the 'specific grants (to be confirmed)' identified in the report at 6.2 referred to. It was confirmed that a grant from Homes England was included in this amount. The grant related to the new build programme; it was site specific and calculated per unit.

Other Financial Considerations

Members were asked if they had any questions relating to this section of the report, or final questions relating to other areas:

- The outdoor recreation fees and charges were noted by a Member who asked why indoor recreation fees and charges (leisure centre charges) had not been included within the report. It was confirmed that the indoor recreation charges had not yet been agreed with the contractor but would be included within the final budget papers.
- One Member referenced the transformations savings identified in appendix G, and asked whether the £200k saving would be an ongoing

saving in subsequent years and whether the £150k per annum cost of the Intelligent Automation project with Ernst and Young was included in this amount. It was confirmed that the annual £200k saving would be offset against the £150k per annum cost of the project but that the saving was expected to grow in future years.

- A member of the committee asked if there would be other budgetary options for Members to consider when the final budget papers were considered by Council, referring to section 12.1 of the report. Officers explained that the options available were contained within the report, but any changes requested by Members would be discussed prior to the final papers being submitted to Council.

The Committee noted the content of the report and the appended documents and considered that a comprehensive review of the budget proposals for 2020/21 in respect of the General Fund (revenue and capital) and Housing Revenue Account (revenue and capital) had been undertaken. Officers were thanked for the information provided and Members noted that following its consideration at Cabinet the final budget would be presented for adoption at the February meeting of Council.

13. Any other business which the Chairman, by reasons of special circumstances, decides is urgent

There were no matters of urgent business to discuss.

14. Close of meeting

The meeting closed at 15:25.