

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



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 10 November 2020, 10.00 am

Meeting held virtually, via Skype

Committee Members present

Councillor Graham Jeal (Chairman)
Councillor Mark Whittington (Vice-
Chairman)
Councillor Bob Adams
Councillor David Bellamy

Councillor John Dawson
Councillor Phil Dilks
Councillor Philip Knowles
Councillor Ian Stokes
Councillor Charmaine Morgan

Cabinet Members

Councillor Kelham Cooke (Leader and Cabinet Member for Corporate Services and Transformation)
Councillor Robert Reid (Cabinet Member for Housing and Planning)
Councillor Rosemary Trollope-Bellew (Cabinet Member for Culture and Visitor Economy)
Councillor Adam Stokes (Cabinet Member for Finance and Resources)

Officers

Alison Hall-Wright, Head of Finance
Shahin Ismail, Director of Law and Governance
Richard Wyles, Interim Director of Finance, Section 151 Officer
Zena West, Scrutiny Officer
Susan Hislop, Democratic Officer

Other Members present

Councillor Ashley Baxter
Councillor Barry Dobson
Councillor Sue Woolley

15. Comments from members of the public

No comments from members of the public were received.

16. Register of attendance, membership and apologies for absence

A register of attendance was taken, confirming all committee members were present.

17. Disclosure of interests

No interests were disclosed.

18. Action notes of the meeting held on 22 September 2020

It was noted that Councillor John Dawson was in attendance at the meeting held on 22 September 2020.

ACTION 1

Subject to amendment to include Councillor John Dawson's attendance, the action notes from the meeting held 22 September 2020 were agreed as a correct record.

19. Updates from previous meeting

The Cabinet Member for Housing and Planning added further to the action response he had supplied to advise Members that the Regulator will insist on continuation of the housing roll out plan and undertaking compliance which will be reflected within the Budget.

Item 96 of the action tracker remained outstanding. The Head of Legal and Governance sought clarification as to whether this was a legal point and clarification from the Chairman who confirmed that he would discuss this item with her.

ACTION 2

The Chairman to discuss with the Head of Legal and Governance the following action request from a previous meeting:

- To seek legal advice and speak to the Directors of EnvironmentSK and Gravitas regarding a charge over assets and to update Committee members accordingly.

Councillor Bob Adams joined the meeting at 11:42.

Members noted appreciation of the inclusion of the action note summary within the agenda.

The Chief Executive confirmed that there would be an update at the end of November 2020 as to whether the Council had or had not been successful in its Future High Streets funding bid for Grantham. She also informed members that St Martins Park negotiations surrounding the land purchase and Collaboration Agreement remained ongoing.

A change of the order of proceedings to that shown in the agenda was then proposed and agreed.

20. Council Tax Support Scheme

The Cabinet Member for Finance and Resources presented the report. Members then received further information from the Interim Director of Finance.

Members' attention was drawn to the conflicting objectives within the Council Tax Support scheme as set out within the report and future uncertainty around the level of impact of the pandemic. The report sought the support of the committee for the current scheme to be put forward to the Council in January 2021 and to support a future review of the scheme. A consultation period was proposed for the next financial year.

Members raised several questions arising from the report. Responses provided by the Interim Director of Finance included:

- The 80% threshold for tax relief was consistent with most other authorities. Any regional variations were a result of local demographics such as age and workforce.
- The current budget of £30,000 was deemed sufficient for the top-up assistance scheme. The extension of the furlough scheme endorsed continuing with this level of budget while observing that any shortfall would be indirectly met by council taxpayers.
- The Council has facility to set the level of relief with various options available to meet hardship needs.

A member suggested that should the current budget not be sufficient then flexibility for a budgetary increase could be necessary, and comments were made regarding lack of awareness of the scheme. The Chairman sought assurance that all issues raised would be included within the review and that a scoping report would be reviewed by the Committee.

ACTION 3

The Interim Director of Finance to present a scoping report to the Committee in 2021 to include framework of proposals.

On being put to the vote it was AGREED:

- 1. To recommend the current scheme with support levels of 80% to the Council for the financial year 2021/22.**
- 2. To recommend that a fundamental review of the scheme is started in summer 2021 in order to assess the impact of the pandemic on the scheme.**

21. Special Expense Areas

The report was outlined by the Cabinet Member for Finance and Resources who drew committee members' attention to recommendations 2, to abolish the Special Expense Area (SEA) in the Deepings as it was to be covered by LeisureSK Limited. A further detailed presentation was provided to members by the Interim Director of Finance, highlighting the following points.

Due to charging of residents in the Deepings via their SEA alongside the incorporation of LeisureSK Limited, it was considered to be an ideal opportunity to streamline costs. Members were advised that the Committee can undertake a further fundamental review of the remaining Special Expense Areas and consider whether other local arrangements may be preferable.

Members raised questions that included details of costs of the Deepings SEA; review of remaining SEAs; review of Bourne SEA and use of facilities by those living outside the area. It was noted that if Grantham had a Town Council they would have responsibility over an SEA. The Interim Director of Finance responses included the following:

- Of the 90 parishes covered by SKDC, Deepings was an exception, so a realignment was needed.
- Support costs accounted for officers of the authority charging time and expense on special activities incurred within the SEA. Any underspend would be returned to the SEA reserve that could then be used for capital projects.
- To conduct a review of all SEAs before April 2021 would be challenging. A wider review had not been requested at the time that Deepings SEA was proposed for review. Members raised concerns over an isolated review highlighting wider implications

A recommendation was made to reject the two proposed recommendations within the report and replace with a review of all Special Expense Areas. This recommendation was not seconded and therefore failed.

An amendment was proposed to add a third recommendation for a fundamental review of all Special Expense Areas while proceeding with Deepings. Members discussed the amendment and concluded that this be worded to include consultation with local bodies and local councillors.

On being put to the vote it was AGREED:

- 1. To note the guiding principles that are used to establish the costs being charged to each Special Expense Area.**
- 2. To recommend to Council the abolition of the Deepings Special Expense Area with effect from 1 April 2021.**
- 3. To request that a fundamental review be conducted for all Special Expense Areas within South Kesteven in consultation with local**

bodies and local councillors where available in time for the 2022/23 financial year.

22. Quarter 2 Financials

The report for the Quarter 2 Financials was introduced by the Cabinet Member for Finance and Resources. The Interim Director for Finance outlined the contents of the report, highlighting the following points:

Members heard that there was positive movement since the last position presentation to the committee, while the initial forecasting had been pre-Covid that had subsequently had an impact on services such as car parking. Central Government funding support of £118,000 had been received which was explained as not being ringfenced and having been allocated according to deprivation and demographics of the area. A further grant submission on behalf of the Arts was received at £210,000.

St Peters Hill (the Council's offices) refurbishment had been deferred and reduced with a fundamental review planned to take into account recent working practice changes due to the pandemic, with many of those that are able to now working from home.

Members discussed the outlook following lower than expected funding to date while there was confidence that the level of support would not be far short of expectation and that the 1% cashflow shortfall could be covered. The Interim Director for Finance responded to the committee members questions that included:

- Access to urgent funding for reallocation of budgets was being investigated to assist with shortfall within the Housing Revenue Account for this financial year.
- An assessment of the impact of extra housing costs for this year would be required to correct issues resulting from the pandemic which was likely to impact in the next budget year.
- Leisure was a key area impacted by a funding gap due to no availability of direct government funding. However, there was money set aside by the Government with methodology confirmation awaited. SKDC had provided one off funding to the leisure centres, provided from reserves
- Housing growth forecast had been realigned due to a slowdown in new builds.

The Chief Executive informed the committee that to meet the challenges of Covid-19, additional staff had been hired to address the increased demands within the housing sector including private lets and bringing empty properties back into use.

It was noted by a member that further investigation of the HRA underspend had not been undertaken.

The Chairman expressed appreciation to the Finance Committee and Team for the level of detail within the report, and the contents were noted.

23. Quarter 2 Performance

Due to technical issues the Council Leader was unable to introduce this item. The Interim Director of Finance therefore proceeded to present the report for the Quarter 2 Performance.

Councillor Kelham Cooke left the meeting at 12:33 due to ongoing technical issues.

The Committee were informed that SKDC had supported local businesses to ensure all were Covid-19 compliant, with nearly 2,500 businesses also benefitting from business rate support. Volunteer groups have also been supported through The Hub. The collection of rates remained strong, with measures in place to reduce the risk of fraudulent claims for business grants. The new Track and Trace scheme had received 165 applications for assistance that provided a one-off payment of £500 for those who met strict qualifying criteria.

The Chairman noted the improvements to the dashboards of the report. Cosmetic suggestions and amendments by Members were requested to be raised directly with report authors.

Members debated items within the report. The Cabinet Member for Housing and Planning reported that the Planning Committee backlog had seen improvement following the introduction of additional Planning meetings as well as other support measures.

Additional updates were provided by the Cabinet Member for Housing and Planning that the housing and repairs were included for scrutiny at the next meeting of the Rural and Communities Overview and Scrutiny Committee. He also notified the Committee that to date £410,000 of Disabled Facilities Grants (including occupational therapy) had been issued out of the available £800,000 with the forecast through continuing work, to be on target.

ACTION 4

1. To note that paragraph 3.7 of the report should refer to “the Police and Crime Commissioner”, not “Peterborough County Council”.
2. The Interim Director of Finance assess whether a breakdown of the distributed £28m could be provided by ward via postcode within reasonable scope of staff resources.
3. To note that page 71 House Build Performance should read “The Deepings”, not “Market Deeping”.
4. That members email report authors direct with any ‘cosmetic’ changes to reports.

The Chairman proposed an extension of 15 minutes beyond the allotted time for the meeting of three hours, as set out in the Constitution. This was seconded and on being put to the vote it was AGREED by all present.

A Member raised a reported delay of 6 weeks for property searches undertaken by SKDC. The Chief Executive explained that two additional members of staff had been appointed due to demand. Another Member also questioned why SKDC does not offer a rent guarantee scheme and requested that the creation of such a scheme be investigated.

ACTION 5

1. Additional statistics to be provided by the Cabinet Member for Housing and Planning on timescales of property searches undertaken by SKDC.
2. To include within figures for affordable housing within report, social housing and number of tenants in priority bands 1 and 2.
3. Introduction of a Rent Guarantee Scheme by SKDC to be considered by the Chairman and Vice-Chairman for inclusion in the Work Plan.

24. Invest to Save

Councillors received an explanation from the Interim Director of Finance on how the investments had been used and of proposals for a restriction and cap to be set on the discretionary reserve to enable innovations and flexibility. A financial limit would lower potential risk.

Members questioned the Interim Director of Finance over the level of Invest to Save funds set aside to respond to the climate emergency. In response he informed Councillors that there was a specific amount outside of the Invest to Save budget to be used for Climate Change “quick wins”, but that the Invest to Save budget could also be utilised for projects which would reduce carbon emissions and help towards the Council’s aims with regards to the Climate Change Emergency.

Concern was expressed over the lack of depth to the report with the Committee requesting a more substantive report to include, lessons learned, and transformation savings.

ACTION 6

1. Report to return to the Committee at a future date to review cost benefit analysis to outcomes.
2. The Chairman and Vice-Chairman to work with report authors to supply more details within report on lessons learned.

On being put to the vote it was AGREED:

- To note the use so far of the Invest to Save Reserve and to agree the guiding principles that are used.
- To recommend that the Invest to Save Reserve continues for 2021/22 at a level of £500k.

25. Work programme

The Chairman noted the high number of items due for consideration at the January 2021 meeting of the Committee, and the Cabinet Member for Finance and Resources suggested that Local Priority Reserves and Invest to Save be moved to the February 2021 meeting.

A member requested an item analysing the impact of the UK's exit from the European Union as a future agenda item.

In response to a query by a Member concerning scrutiny responsibility to the Housing Compliance Report, the Chief Executive explained that in accordance with page 49 of the Constitution, it fell within the remit of the Rural and Communities Overview and Scrutiny Committee with the audit undertaken by auditors RSM presented to the Governance and Audit Committee.

ACTION 7

1. The Chairman and Vice-Chairman to discuss and finalise the committee agenda for January 2021.
2. The Chairman and Vice-Chairman to discuss whether an item on the impact of the UK's exit from the European Union should be added as a future agenda item.
3. Local Priority Reserves and Invest to Save to be moved from January 2021 to February 2021.

26. Change date of meeting - 12 January 2021

It was noted that the scheduled meeting for 12 January 2021 would need to move to a different date, following a change of date to the January 2021 Cabinet meeting, to allow time for reports to be seen by both Committees.

ACTION 8

The Chairman and Vice-Chairman to discuss an alternative date for the meeting currently scheduled to be held on 12 January 2021.

27. Any other business, which the Chairman, by reason of special circumstance decides is urgent

The Chairman informed Committee Members that following a meeting of the Scrutiny Chairs it had been suggested that the remit of the Scrutiny Committees could be reviewed, in light of the new Council Plan and priorities. The Chair of Chairs (currently Councillor Ray Wootten – Chairman of the

Rural and Communities Overview and Scrutiny Committee) requested that members let him know their views to be incorporated within any review.

Meeting closed: 13:15