

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



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 23 February 2021, 10.30 am

Meeting held virtually, via Skype

Committee Members present

Councillor Graham Jeal (Chairman)
Councillor Mark Whittington (Vice-Chairman)
Councillor Ashley Baxter
Councillor David Bellamy
Councillor John Dawson
Councillor Phil Dilks
Councillor Charmaine Morgan
Councillor Ian Stokes

Cabinet Members

Councillor Adam Stokes – Cabinet Member for Finance and Resources
Councillor Barry Dobson – Cabinet Member for Growth and Leisure
Councillor Robert Reid – Cabinet Member for Housing and Planning

Officers

The Chief Executive (Karen Bradford)
Interim Director for Finance (Richard Wyles)
Director of Law and Governance (Shahin Ismail)
Director for Commercial and Operations (Gary Smith)
Assistant Chief Executive, Housing Delivery (Ken Lyon)
Performance Lead Officer (Ben Russell)
Democratic Officer (Naomi Page)
Civic and Member Services Officer (Anita Eckersley)

28. Comments from members of the public

No comments from members of the public had been received.

29. Register of attendance, membership and apologies for absence

Apologies for absence had been received from Councillor Bob Adams.

It was noted that Councillor Ashley Baxter would be substituting for Councillor Philip Knowles who had sent apologies.

A register of attendance was taken, and it was confirmed that seven Committee Members were present.

30. Disclosure of interests

No interests were disclosed.

31. Action notes of the meeting held on 10 November 2020

It was noted that Councillor Ian Stokes had attended the meeting held on 10 November 2020.

ACTION POINT 1

Amend the attendance list to show that Councillor Ian Stokes was in attendance on 10 November 2020.

Subject to the amendment to include Councillor Ian Stokes's attendance, the action notes from the meeting held on 10 November 2020 were agreed as a correct record.

32. Updates from previous meeting

The Chairman referred to Item 19 on the Action Sheet regarding a charge over the investments and assets in the Council's companies and noted that although the progress was marked as completed, it was ongoing. Clarification on the current position was sought from the Monitoring Officer.

The Monitoring Officer referred to a previous meeting where the Chairman had queried what protection was in place for the Council's investments and assets in the Council's companies. External legal advice had been taken and work was in hand to establish what assets and loans were in the Council's Companies and whether it was proportionate to apply a charge to those assets. Further information would be provided in a report at the next meeting of this Committee.

ACTION POINT 2

That a report on the outcomes of the work undertaken regarding the protection of the Council's assets and investments in the Council's Companies would be presented to the next meeting of this Committee.

Item 23 – A Rent Guarantee Scheme. It was suggested that this item be brought to the mid-year Committee.

ACTION POINT 3

That further consideration is given to the Council's role in respect of the Rent Guarantee Scheme at the mid-year Committee.

Item 24 – Invest to Save, it was noted that the interpretation of the action was slightly different from what had been proposed by the Chairman and Vice Chairman in so far as, a report that defined how the Invest to Save should report back to Committee would be presented to the mid-year Committee.

ACTION POINT 4

That the Committee receives a report defining how the Invest to Save should report to Committee at the mid-year meeting.

Item 25 – The impact of Brexit which had been assigned to the Chairman and Vice-Chairman. It was felt that it was too early to understand the impact of Brexit especially as it had been complicated by the impact of COVID-19 and would be impossible to separate the issues at this time. It was therefore, suggested, that this should be considered nearer the end of the year or early next year along with a report that provided some understanding of the impact of COVID-19.

ACTION POINT 5

That the Committee receives a report on the impact of Brexit together with a separate report on the impact of COVID-19 at the end of the year or the beginning of 2022.

In response to a Member's query about Item 21 of the action notes regarding the recommendation to Council to abolish the Deepings Special Expense Area, the Interim Director of Finance confirmed that this was part of the Budget Proposals that would go before Council on 1 March 2021.

Councillor Morgan joined the meeting at 10.40.

Item 23 – The breakdown of grant payments in wards, clarification was sought on whether it was possible to have information for the areas. The Interim Director of Finance confirmed that it would not be possible by ward postcode due to the way the information was retained. He noted that Government had requested that information on provision of grants was available by MP Constituency area. He also noted that the information could potentially be provided geographically by town or village.

ACTION POINT 6

That the District Councillors for the Deepings area are provided with a breakdown of grant payments made in the villages and towns in their area.

33. Quarter 3 Financials

The Interim Director of Finance introduced the report of the Cabinet Member for Finance and Resources that provided an update on the Council's 2020/21 financial forecast position as at the end of December 2020. The Committee would receive the outturn report for the final quarter at a future meeting of the Committee.

The Committee was informed that the forecast showed a projected deficit of £300k as at, 31 March 2021. Reference was made to the impact on income levels due to the pandemic and Members were advised that the compensation schemes and reimbursements from the Government did not wholly meet the income losses from areas such as car parking and art venues.

Work was being undertaken to try to achieve a balanced position by the end of the financial year but due to the volatility of the current situation an element of caution on achieving this was given. Members were reminded that should the final position be a deficit then the Stabilisation Reserve would be used to ensure a balanced position at the end of the financial year.

A summary of the report was given to Members and the following points were highlighted for noting:

- There had been no significant changes since the last report.
- The additional £116k of Disabled Facility Grant funding secured by the Council did not need to be reimbursed to Government at the end of the financial year. Any funds not fully utilised prior to year-end would be transferred to a reserve funding allocation.
- Business Grants totalling £38.5m had been awarded by the Council to eligible local businesses in accordance with the various Government's business support schemes.
- The Council would continue to play a supporting role as further grant tranches became available to cover the continuation of lockdown up to 14 April 2021 when it was expected that non-essential businesses would re-open.
- In July 2020 Council had approved funding of up to £750k to support and fund payments for One Life, the leisure provider, during the closure period to the end of December 2020. The final payments were still to be ratified but were estimated to be around £100k less than predicted.
- The HRA new build programme showed that the anticipated spend was now just over £3m rather than the anticipated £27.4m forecast in the original 2020/21 budget. The underlying reasons for the pause in the programme would be identified but the focus would now be on the new financial year. Members would receive details of the new build programme for the new financial year in due course.

Members sought clarification on:

The Review of the safety and property inspections, how had costs and resources been identified, had a detailed analysis on the amount of work outstanding been done and how much had been allocated to the task.

The Interim Director for Finance noted that the housing service challenges were highlighted during the budget setting period. Members would be asked to consider at Council next week additional funding that would ensure the Compliance Action Plan could be delivered within the agreed timelines. Assurance was given that the financial implications had been built into the budgets.

A Member queried profiling of expenditure forecasts between quarterly reporting. There had been a question regarding the profiling of capital costs as these had been previously allocated to period 12 each financial year. When

the actuals had been compared to the profiles, there had been a mismatch between actual costs incurred to date and the profiled budget. This had now been corrected to provide Members with more comparative information.

A Member commented that the pandemic might be used as a reason for inaction and queried why only around £3m of the predicted £27m had been spent on housing. The Chief Executive noted that the improvement plan, the Regulatory Notice, and details of the actions taken had been shared with all Members. She assured Members that there had been openness and transparency. Timely actions had been taken to allocate the right resources and ensure that the initial processes were in place to comply with the Compliance Action Plan.

The Chairman referred to Table 1 regarding the Cash flow forecast and sought assurance that the cash flow was being managed and what actions had been taken to keep the cash balances at appropriate levels.

To comply with good practice, creditors were paid within 30 days. Members were informed that it was not unusual for the Council to experience a reduction of income levels during January, February, and March due to the nature of income. To offset these cash flow movements, funds from the Council's Money Market, banks and building society investments would be transferred to the cash accounts to ensure there was a positive position for the day to day running of Council business.

The Chairman thanked the Finance Team for the level of detail contained within the report, and the contents were noted.

34. Quarter 3 Performance

The Monitoring Officer noted that the report contained the 6 performance dashboards that the Committee had worked on and developed. The dashboards were now available on the SKDC Website via the performance reporting link.

The Chairman had met with the Monitoring Officer and the Performance Lead Officer and discussed the longer-term future of performance measures and the new Corporate Plan. There was an exercise to bring the performance measures in line with the Corporate Plan. The Chairman suggested that a workshop should be arranged to review the performance measures, identify how these could be aligned with the Corporate plan and look at how the big-ticket items could be included in performance reporting. It was suggested that the workshop take place over the coming Summer when it was hoped that restrictions would have been sufficiently eased by then. Members were asked to let the Chairman and Vice-Chairman know whether they would be interested in taking part in the workshop.

ACTION POINT 7

- a) A workshop to be arranged during the Summer to review the performance measures, identify how these could be aligned to the Corporate plan, look at how the big-ticket items could be included in the performance reporting, gather an understanding of what was being taken from the performance dashboards and whether there were areas that required more focus.
- b) Members to let the Chairman and Vice-Chairman know whether they would like to take part in the workshop.

The Chairman referred to Appendix 6 – Complaints in the report and sought clarification on the Complaint process. The Monitoring Officer explained there was currently a three-stage complaint process, but a two-stage process was being considered. The complaint process together with the timelines could be accessed through the SKDC website. If the complaint was not satisfied it moved to two levels of review all the way up to Director level. A member of the public could also take a complaint to the Ombudsman but there were few of these as most of the complaints were dealt with satisfactorily.

Members were informed that due to the current way complaints were collated, the statistics presented were misleading. Reference was made to Street Scene and how most of the “complaints” were requests for service, such as requesting a bin collection that may have been missed. These were normally dealt with very quickly and work was being done to disaggregate the reports as the current format provided a distorted picture.

ACTION POINT 8

The Chairman asked the Monitoring Officer to arrange for the details of the 76 Street Scene complaints to be forwarded to Committee Members.

A Member referred to the previous Quarter 3 report on complaints when the Committee had been advised that a new complaints system was being developed and queried what progress had been made in developing this new system.

The Monitoring Officer noted that progress had been made and work was ongoing with the Customer Services Team. IT input would be required to help in disaggregating complaints information and collecting it in a more appropriate manner. It was also noted that the aim was to report at every stage which would provide more accurate information for Members to consider and ensure that service improvements could be achieved.

ACTION POINT 9

That the Committee receives a report on the progress of the work undertaken on a new complaints system at the next meeting.

The Vice Chairman referred to the fluctuation of rent performance and acknowledged that the downturn at the beginning of the year was due to COVID. He queried whether there was still a degree of understanding for

tenants experiencing financial difficulties and how this had impacted on the projections for the year. He also queried whether the Council Tax collections and non-domestic waste collection performances were below the collection rate targets due to the impact of COVID, how this had impacted on the Council's cashflow and what was being done to counteract any impact.

Members were informed there had been multiple dimensions over the last year which had created a volatile arrears position. The whole of the recovery process had been suspended for six months with no recovery action being taken until September 2020. This had been a local decision in line with other authorities, Courts had also been suspended and Government had intervened nationally by preventing evictions. Weekly generated finance reports identified areas where a more supportive approach could be taken through direct intervention conversations with tenants and businesses about what support and arrangements could be put in place.

The converse had been an acceleration of discretionary housing payment allowances which had been fast tracked to tenants. The Government had also intervened with nearly £1m hardship fund. Eligible residents had £150 reduction in Council Tax bills for one year only. Where it had been possible to offset arrears, this had created a positive impact on the arrears position but there was no enforcement underpinning arrangements with those tenants who could not pay.

Reference was then made to the business rates and the target backdrop being incorrect due to the Government Relief given at the start of the period. This had wiped off £25m of debt by giving those business sectors specific relief. That had impacted on the collectable debit of £45m being reduced to £20m which meant that the profile was not in line with the remaining residual debt.

In context, Council Tax was behind by around £756K up to the end of Quarter 3 which meant that the Council Specific portion was down by around 10% equating to around £75K. In terms of the Business Rates, these were around £698K behind target. Projected targets for the year would probably not be reached and it was anticipated that the fluctuations would continue into the new year.

A Member referred to Appendix 4 regarding planning application decisions and noted they had to be determined within a specific timescale but there was no mention of a planning determination date in the report. He felt it should be mentioned as there could be implications should an application go to appeal.

A Member queried where the complaint figure of 7 for Environmental Health, Licensing and Neighbourhoods had come from, how these were picked up and whether they referred just to the Council or to private landlords as well. The Monitoring Officer confirmed that the figures related solely to the Council.

A Member raised concerns about the number of affordable houses that had been built in Grantham noting that only 3 out of 181 houses had been delivered. The Cabinet Member for Housing and Planning noted that he

shared the concerns around the affordable housing and suggested that a report on the issue of affordable housing be brought to both this Committee and Planning Committee.

ACTION POINT 10

That the Cabinet Member for Housing and Planning brings a report to this Committee on the issue of the delivery of affordable housing in the District.

The Chief Executive noted that it was disappointing that the affordable housing targets were not being met and that not all private developers brought affordable housing forward on their developments. She referred to the number of permissions being granted and the developments that were in the pipeline and commented on the Barrowby Development that contained plans for affordable housing. She also noted that the Council could not control how developers delivered the 30% target of affordable housing on their sites.

Reference was also made to the regular requests from the Cabinet Member for Housing and Planning, for updates on the capital programme and explained that the focus for the last few months had been on compliance and not the capital programme. She assured Members that schemes were being prioritised and that a housing report would be going before Cabinet next week.

The Chairman welcomed all the valid comments and thanked everyone for their input and the Performance Report was noted.

35. Corporate Plan 2020-23 - Key Performance Indicators and Targets

The Assistant Chief Executive introduced the report and explained that it focussed on the performance indicators attached to the Council's Corporate Plan 2020-23, as adopted by Council on 1 October 2020 that were in the remit of this Committee. The Plan set out the vision for South Kesteven to: *"Be the best district in which to live, work and visit"* and contained five priority areas:

- 1 Growth and our Economy
- 2 Housing that meets the needs of All Residents
- 3 Health and Strong Communities
- 4 A Clean and Sustainable Environment
- 5 A High Performing Council

Under the five priority areas were 54 actions that the Council was planning to deliver over the period to 2023. The delivery of each priority would be supported by several actions. Targets and performance indicators would need to be set to determine whether delivery was on track, whether the action was likely to be achieved and if not how to address it. Key performance indicators (KPIs) and targets had been developed with each of the relevant overview and scrutiny committee. Once approved, each Committee would receive a quarterly performance report.

The performance indicators for the scope of this Committee would cover 4 of the 5 priority areas in the Plan and largely be focussed on economic growth,

employment and regeneration, capital projects and corporate services as part of a, high performing Council. Any proposed changes to key performance indicators would be brought back to Committee.

Members raised the following points:

- What evidence was there that this reflected what the people of South Kesteven wanted or was it evidenced from Councillor demand.
- Members acknowledged that public engagement had been difficult this year but expressed concern that there did not appear to be much input from the public.

The Assistant Chief Executive referred to the information gathered at the workshops that Members had attended and how an evidence-based approach had been undertaken to develop the priorities and actions within the Corporate Plan. A range of data sources had been utilised to undertake an assessment of performance and benchmarking to form an analysis of strengths, weaknesses, opportunities, and threats (SWOT) for the District. The SWOT was then analysed and used to inform three key areas of the Corporate Plan:

- **Vision** – an encompassing statement setting out succinctly the high-level aim for the District
- **Priorities** – specific key areas of focus for the Council
- **Actions** – the things that will, in combination seek to achieve the targets of the Council

The Chairman requested that the Committee Members receive copies of the KPIs for all the other Overview and Scrutiny Committees as well as the SWOT analysis. He commented that the Committee wanted to ensure that the Council was not talking to itself and that the proposed targets were what people wanted and not was thought to be a good idea.

ACTION POINT 11

That the Strengths, Weaknesses, Opportunities, and Threats (SWOT) data be shared with the Committee Members together with the Key Performance Indicators for the other Overview and Scrutiny Committees.

In response to queries about the Corporate Plan's journey, how it would be reviewed, and consultation of any changes to the Corporate Plan, Members were informed that the Corporate Plan had been developed by assessing evidence, with Member and officer input and had been approved at Cabinet and Full Council in 2020. However, the Corporate Plan was a living document that could change should circumstances require it and any changes would be approved via Overview and Scrutiny Committees and Cabinet.

A vote by exception was taken, For: (7) and Abstain: (1). The following recommendations were agreed subject to the Committees and Members being involved and consulted at the draft stage of the process of any changes.

- 1 The proposed key performance indicators and targets associated with the actions in the South Kesteven District Council Corporate Plan 2020-23 are recommend to Cabinet.**
- 2 That the Committee notes the key performance indicators and success criteria for each action will be reviewed and if necessary revised as part of the annual review process.**

36. Future High Street Fund Bid

The Deputy Leader and Cabinet Member for Growth and Leisure introduced the update on the Future High Street Fund Bid. He reminded Members that Grantham's Further Clarification Stage funding request was £8.01m and had been submitted to MHCLG in October 2020. On 26 December 2020, Grantham was offered an in-principle funding envelope of up to £5.55m. This was 69% of the original funding request.

The Consultants had been asked to look at what could be done to maximise the benefits to cost ratio (BCR) and had come up with four proposals that were outlined on pages 79 and 80 of the report. The benefits to cost ratio (BCR) that would be accepted by the MHCLG was Option 1. To make the necessary final savings, this would mean the removal of the St Peters Hill Gardens Public Realm and highway improvements and a reduction in the number of conversions of vacant upper floor units to residential from 25 to 22. The updated scheme would need to be submitted by 26 February 2021. The Committee was being asked support the preferred option (identified as 'option 1') as the final proposed scheme for the Future High Street Fund in principle offer of £5,558,818.

Members were in support of the proposal and raised the following comments and observations:

- It made sense to concentrate on the station approach as it was the initial view of Grantham for visitors leaving the railway station.
- Whether the schemes not now covered in this bid would be financed from other sources – it was noted that the aim was for them to be picked up in due course.
- Whether volunteers could be asked to support the St Peter's Hill Garden Project – It was noted this was a possibility.
- What consultation had been undertaken with Grantham residents – It was noted that a survey had been undertaken and consultation with Grantham Councillors had also taken place.
- What strategy would be in place around the detail of development and would it include the inclusion of the history of Grantham.
- What would happen with the listed buildings in this area – it was noted that the four listed cottages would remain.

ACTION POINT 12

That the Consultation in respect of the Future High Street Fund Bid be brought back to Committee for further consideration.

In response to a Member's query about consultation with Grantham Councillors following the MHCLG response, the Cabinet Member for Growth and Leisure confirmed that consultation had taken place with Grantham Councillors at the beginning of the year and there had been meetings with the consultants to go through the proposed projects. The MHCLG had given the Council £5000 to amend the previously submitted scheme, so it met the benefits to cost ratio (BCR). This now had to be submitted by 26 February 2021 to ensure the Council received the £5.55m.

The Chairman thanked Members for their input and noted that the Committee would like to see more detail when it was available. The Cabinet Member for Growth and Leisure assured Members that as soon as the funding was in place, Members would be asked for further input.

ACTION POINT 13

That the Committee receives the details of the proposals for development when this is available.

The Chairman confirmed that the update was noted and reiterated that the Committee would welcome sight of further details once these were available.

37. Grantham Town Centre Review

The Chairman referred to the economic development aspect of the Committee and how there had been a longstanding item on the workplan in respect of an assessment and research of Grantham Town Centre. It was recognised that Grantham Town Centre required reconsideration and thought, and reference was made to several previous reports and bids that had been developed over the last 10 years. The aim was to think laterally and to broaden the scope of where and who to gather evidence from when considering the medium-term future of Grantham Town Centre.

The Chairman and Vice Chairman proposed that over the next year this would be a standing item on the agenda. This would be an opportunity to consider communicating with slightly different groups of people to gather evidence and views on how to improve Grantham Town Centre. The work would not overlap the High Street Funding bid but would enable the Committee at the end of the year to help identify what the local community wanted for the future of Grantham Town Centre.

ACTION POINT 14

That the Grantham Town Centre Review is a standing item on future agendas for this Committee.

Members welcomed the initiative and discussed the following ideas:

- Include groups that were not necessarily promoting business such as Community Groups, Local Resident Associations, Pedestrian Groups, Civic Societies, Cycle Groups, Heritage Groups, Disabled Groups.
- Contact sustainable transport organisations and wider groups from the outskirts of Grantham including the rural areas to ascertain how easy or difficult it was to get into Grantham.
- Whether it would be feasible to pedestrianise part of the High Street.
- Work on the Southern Quadrant Relief Road had resulted in Roman Foundations and around 4000 artefacts being found which were now in Lincoln. This was part of Grantham's history.
- That due to infrastructural issues whether a representative from Lincolnshire County Council should be invited. It was noted that this had been considered along with an input from Lincolnshire LEP.

The Chairman welcomed the comments made by Members. He referred to the limited time available to the Committee due to the number of meetings in the municipal year. The initial stage would be to gather suggestions first, these could then be organised into groups which would enable the Committee to use its' time gathering evidence effectively and therefore, give a broader voice to the people of the town. He requested that Members email both the Chairman and the Vice Chairman with their ideas, thoughts, and comments.

ACTION POINT 15

That Members provide the Chairman and the Vice Chairman with their ideas on who to contact outside the usual business contacts and that these will then be prioritised into groups.

38. Work programme

There were no comments from Members on the Work Programme. The Chairman and the Vice Chairman would arrange a date for the Performance Matrix Workshop.

ACTION POINT 16

That the Chairman and Vice Chairman to arrange a date for the Performance Matrix Workshop.

39. Close of Meeting

The meeting closed at 12:56.