

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



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 20 July 2021 - 10.30 am
Council Chamber, Council Offices,
St Peter's Hill, Grantham, NH31 6PZ

Committee Members present

Councillor Ashley Baxter
Councillor David Bellamy
Councillor Graham Jeal (Chairman)
Councillor Philip Knowles
Councillor Charmaine Morgan
Councillor Jacky Smith
Councillor Ian Stokes
Councillor Mark Whittington (Vice-
Chairman)

Members in attendance

Councillor Adam Stokes (Cabinet Member for Finance and Resources)
Councillor Linda Wootten (Cabinet Member for Corporate Governance)

Officers

Assistant Director for Finance, Section 151 Officer (Richard Wyles)
Head of Finance (Alison Hall-Wright)
Head of Revenues and Benefits (Clare Moses)
Corporate Project Officer (Debbie Roberts)
Acting Principal Democratic Officer (Shelley Thirkell)

12. Comments from members of the public

No comments from members of the public were received.

13. Apologies for absence

Apologies for absence had been received from Councillors Bob Adams, John Dawson and Phil Dilks.

Councillor Jacky Smith would be substituting for Councillor John Dawson and Councillor Ashley Baxter would be substituting for Councillor Phil Dilks, for this meeting only.

14. Disclosure of interests

No disclosures of interest were received.

15. Action notes of the meeting held on 29 June 2021

It was proposed, seconded, and agreed that the action notes from the meeting held on 29 June 2021 were a correct record.

16. Updates from previous meeting

Action point 6 – Special Expenses Area. The Cabinet Member for Finance and Resources noted that he and the Section 151 Officer would be attending the next full Bourne Town Council meeting on 31 August 2021 to discuss the Special Expenses Area for Bourne.

Action point 10 – Report on the Asset Management Review and cost savings. The Vice-Chairman noted that he had held a discussion with the Chief Executive on the scoping of the report of the Asset Management Review and cost savings. It was confirmed that this would be included as part of a wider piece of work reported to Cabinet in advance of the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee meeting to be held in the Autumn.

The remaining contents of the Action Sheet were noted.

17. Local Council Tax Support Scheme 2022/23

The Head of Revenues and Benefits presented a report which reviewed the Council's Local Council Tax Support Scheme in advance of the 2022/23 financial year and sought comments from the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee regarding potential changes to the scheme in readiness for public consultation.

Based upon the current core elements of the existing scheme, a range of different scenarios had been modelled, along with an assumed increased charge of Council Tax equating to 3%. Caseload levels were a significant factor when considering changes to a scheme, with a variance in caseload impacting the cost of the scheme. The volatility of caseload was therefore a concern and the impact of any changes would not be known for some time. As a result, varying changes to caseload had also been included as part of the financial modelling, but these assumptions were caveated on events that were

outside of the Council's control or influence, such as the consequences of Covid-19 pandemic. The full outcome of this modelling work was set out in Appendix 1, together with different options, changes to core elements of the scheme and wider considerations outlined in the table at paragraph 1.4 of the report.

It was reported that the current Council Tax Support Scheme provided maximum support at 80% of a person's liability. As a result, the Council Tax bill was raised for the residual amount and this was typically around £277.74 per annum, based on a Band B property. Any changes to the scheme would result in an increase or decrease to the residual amount and, therefore, consideration may be needed to the disproportionate impact this may have on the cost of collection.

The indicative timetable to approve any change to the new scheme was set out at paragraph 2.2 of the report, with a final decision required by Council on 27 January 2022 prior to implementation from 1 April 2022.

During discussion, Members raised the following points:

- A query was raised regarding the implementation of national schemes.

It was confirmed that the Secretary of State would notify the Council regarding any positive change which could impact customers, so that this could be reflected in the Council Tax Scheme. It was confirmed that an amendment would be made to the report to reflect this.

- Concerns were raised regarding changes to universal credit.

It was confirmed that if a reduction in universal credit was introduced, there would be a subsequent increase in council tax support. At present, no decision had been made regarding this. It was confirmed that some wording would be added to report to advise of this volatility.

- A query was raised regarding the figures under paragraph 6 of the report relating to the reduction of the capital limit.
- A query was raised regarding a possible reimbursement of costs by Lincolnshire County Council.

It was confirmed that consultation would take place between the Council, Lincolnshire County Council and the Police and Crime Commissioner should there be any formal proposed changes. It was advised that the Scheme currently sat within the remit of the Council and no conversations regarding reimbursement had taken place.

- Members questioned whether there was an option to increase the support available for the district's most vulnerable residents.

It was confirmed that an option to do this was outlined in Appendix A of the report. However, if the award was to be increased it would need to be increased for all customers. To amend this system, an equality impact assessment would need to be undertaken.

- A question was asked as to how the Council's scheme compared with other districts across the county?

It was noted that South Kesteven District Council was the only Council across Lincolnshire not to have any other adjustments alongside the 80% maximum reward. It was confirmed that this reflected the modelling of a maximum reward scheme and that it was easy for customers to understand.

- A Member asked whether the Council could consider undertaking a vulnerability assessment to identify whether more support could be offered to the most vulnerable residents across the district.

It was advised that a Top Up scheme was available as part of wider council tax support. This scheme ensured funds could be available for customers experiencing a shortfall between their council tax award and their remaining liability for council tax.

- One Member asked whether more funding could be given to the Top Up Scheme.
- A query was raised as to why the Council's Council Tax Support Scheme did not have a banding cap.

It was advised that as the majority of customers were either in Band A or B properties, it was unlikely that any savings could be made through the introduction of a banding cap.

ACTIONS:

- a) That work is undertaken around an equality impact assessment to consider whether additional support is available for vulnerable residents.**
- b) To consider reviewing the Top Up Scheme, and that these findings be presented as a report to the Committee in the Autumn.**

DECISION:

That the Committee supports the recommendation outlined in the report that the current Council Tax Support Scheme be maintained for 2022/23.

18. Finance Update Report: April - May 2021

The Interim Director of Finance and Section 151 Officer presented a report which informed the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee of the Council's 2021/22 financial position as at the end of May 2021 and covered the general fund revenue budget, the housing revenue account budget and respective capital programmes.

With regard to the revenue budget associated with the general fund, the budget set by Council on 1 March 2021 was £17.351 million. Cabinet, at its meeting on 13 July 2021, had approved budget carry forwards thus increasing the overall budget to £19.19m and this was shown at table paragraph 2.2 of the report which outlined the actual position as at 31 May 2021.

It was reported that the co-payment losses scheme had continued into 2021/22 and would cover income losses for the period 1 April to 30 June 2021. The provisional claim for April and May based on the actual net income losses declared in accordance with the Government scheme criteria was £134,000 and would be utilised to cover specific income shortfalls as defined by the scheme.

Significant income streams for the general fund were outlined in table 3 of the report and totalled £6.805m based upon the current budget, with actual income to date totalling £2.189m and was £146,000 lower than budgeted, equating to a 2% variance overall.

The 2021/22 general fund capital programme was £4.085m which had been approved by Council on 1 March 2021. The summary of movements associated with the capital programme was set out in table 4 of the report, with the general fund capital position being summarised in table 5.

The Council's housing revenue account revenue budget as set by Council on 1 March 2021 was £5.435m, with the budgeted surplus being fully utilised to fund future investment in stock growth and property maintenance. Table 6 of the report summarised the summary of movements in relation to this revenue budget, with table 7 outlining the actual position as at 31 May 2021.

The housing revenue account capital programme for 2021/22 was set by Council on 1 March 2021 as £22.716m, with table 8 of the report showing a summary of movements and table 9 outlining the actual position as at 31 May 2021.

It was reported that cashflow management remained an important area of focus given the unpredictability in the Council's income streams, particularly Council Tax and Business Rates, whilst the Council had legal obligations to continue to pay precepts and contractual payments. An assurance was given that cash flow management remained a key focus and was reviewed daily, with the cashflow model outlined at Appendix A of the report. This showed a

positive cash flow position with collection rates also performing strongly in the current climate.

During discussion, Members raised the following points:

- Concerns were raised regarding a lack of action relating to the HRA Capital Programme. It was stated that the programme had seen a significant underspend.

It was noted that decision makers were waiting for the results of the Stock Condition Survey Waiting before committing any money to the building of new housing. It was advised that the Council needed to know the current condition of existing housing stock before identifying funds for refurbishments. The Stock Condition Survey results were expected in October.

- A query was raised as to why the Leisure Maintenance and Leisure Transformation Programmes were not referenced to within the report.

It was stated that revenue maintenance budgets were included within the budget framework each year. The variance analysis review had not identified any issues with the budget levels that had been set.

- A query was asked as to whether there had been any progress relating to the St Martin's Park project.

It was noted that the project was currently going through the necessary planning process. There had been no pressure from a financial position which meant that there was no need for a comment within the report. The Council had agreed that the Regeneration Reserve would act as the primary source of funding for the project.

- It was suggested that social housing delivery should be monitored separately alongside the monitoring of affordable housing delivery.
- A comment was made relating to the review of the Council-operated car parks and the subsequent price changes to parking charges. A concern was raised that the rise in parking charges had led to fewer residents using the car parks.

It was noted that a briefing on the car parking reviews would take place the following week.

ACTIONS:

- a) **Following the receipt of the Stock Condition Survey, that the analysis of the results from a financial perspective be added to the Work Programme.**

- b) That an appendix be included alongside the subsequent report outlining the criteria for how the Covid Recovery Reserve will be utilised.

DECISIONS:

That the Committee notes the actual 2021/22 position for the General Fund and HRA Revenue and Capital budgets as at the end of May 2021.

19. Progress on the New Complaints Procedure

The Cabinet Member for Corporate Governance presented a report which provided the Committee with an update on a new complaints procedure.

Since 2013, the Council had operated a Customer Feedback Process consisting of compliments, comments and complaints. Feedback could be provided via completion of an online form, emailing the customer services team, calling the customer service team or submitting written correspondence.

The new complaints system would involve a two-stage complaints process for the Council which would be in line with the handling of housing complaints.

During discussion, Members raised the following points:

- The importance of clear communication between the Council and the customers it served was emphasised. It was stated that a clear audit trail was needed across all departments to ensure consistency.
- Regarding the proposed system, it was asked how complaints would be logged.

It was noted that all phone calls to customer services would be logged, as well as emails, letters, and face to face correspondence.

- Whether the scope of the new system would be limited to Housing as a service area only.

It was noted that the new system had been prompted by issues within housing, but that it would be incorporated across the whole authority going forward.

- Where the current figures regarding complaints and response time were scrutinised.

It was confirmed that at present, underperformance reports went to the relevant Overview and Scrutiny Committees on a regular basis. Each Overview and Scrutiny Committee had their own work programmes and areas

to scrutinise, with each work programme carrying their own performance measures.

- One Member suggested the development of a simple flowchart which would outline the new procedure for handling complaints across the whole Council.
- Members asked for a timeline to be made available which would outline the timeframe for the delivery of the new process.
- A question was asked as to what a fully delivered project would look like?

It was noted that a fully delivered project would involve the system implemented across the Council and comprehensive training provided to staff around the process.

It was confirmed that the Deputy Chief Executive would be leading the project.

ACTIONS:

- a) For the project initiation document to be presented back to the Committee at the next meeting, with updates on the observations outlined during this meeting.**
- b) For the complaints figures across the whole authority to be provided to Committee Members.**
- c) For a flowchart to be developed as part of the project, outlining the new procedure for handling complaints.**

DECISIONS:

That the Committee:

- **Notes the update regarding a new complaints system.**
- **Supports progressing the implementation of a two-stage complaints process for the Council, which is in line with the handling of housing complaints.**
- **Delegates to the Deputy Chief Executive in consultation with the Cabinet Member for Corporate Governance to commence the corporate project and provide regular updates on progress to the Committee.**

20. Work Programme 2021 - 2022

The Committee received the Work Programme for 2021 – 2022.

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

There was none.

The meeting closed at 12:26.