

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



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Friday, 3 December 2021, 10.30

Council Chamber – South Kesteven House
St Peter's Hill, Grantham. NG31 6PZ

Committee Members present

Councillor Graham Jeal (Chairman)
Councillor Mark Whittington (Vice-Chairman)

Councillor David Bellamy
Councillor John Dawson
Councillor Phil Dilks
Councillor Charmaine Morgan
Councillor Susan Sandall
Councillor Jacky Smith

Cabinet Members in attendance

Councillor Adam Stokes (Cabinet Member for Finance and Waste)

Officers in attendance

Alan Robinson (Deputy Chief Executive)
Ken Lyon (Assistant Chief Executive)
Richard Wyles (Assistant Director of Finance (Section 151 Officer))
Andrew Cotton (Director of Housing and Property)
Alison Hall-Wright (Head of Finance)
Ben Russell (Performance Lead)
Sarah Downs (Democratic Services Officer)

35. Comments from members of the public

No comments from members of the public were received.

36. Apologies for absence

Apologies for absence had been received from Councillors Gloria Johnson and Philip Knowles.

It was noted that Councillor Jacky Smith would be substituting for Councillor Gloria Johnson.

37. Disclosure of interests

No disclosures of interest were received.

38. Action notes of the meeting held on 7 September 2021

It was proposed, seconded and **AGREED** that the action notes from the meeting held on 7 September 2021 were a correct record.

39. Updates from previous meeting

Members noted the action sheet from the meeting held on 7 September 2021.

40. Corporate Plan Key Performance Indicators 2021/22 (Mid-Year Update)

The Committee received a report on the Corporate Plan Key Performance Indicators 2021/22 and a review of the Corporate Plan Actions. Following a review of the Corporate Plan Actions and their associated KPIs, revised measures were proposed for Members' consideration.

The South Kesteven Corporate Plan 2020 – 2023 was approved by Council on 1 October 2020, where it was agreed that Scrutiny Committees would develop relevant KPIs and targets. October 2021 was the first anniversary of the Corporate Plan and Members were asked to consider amending actions and KPIs in line with the annual review.

Appendix 1 to the report outlined overall performance against the 13 actions due, as well as 35 sub-measures contained within those. Of those actions, 6 were rated green, 2 were amber and 1 was red. The Assistant Chief Executive provided details of the actions, having clarified that there were two elements to the report; in addition to looking back at performance management, the report proposed KPIs and targets for the coming year.

During discussion, Members raised the following points:

- The plan targeting 'Delivery of Growth of our Economy (7)' was labelled as a red action and believed to potentially not be achievable. Concern was raised that such an action may be removed from the plan as undelivered. A Member requested information on how the decision would be made around other

options for use of the Grantham cinema site and emphasised that they believed Councillors should have been involved in that process.

- It was noted that Members were disappointed that Lincoln University were no longer able to make use of the Grantham cinema site. Arrangements were deemed to be 'on hold' and a Member asked why, after two years of negotiations, could the University not be clear and confirm their position. Until this has happened, the Council was not able to move on to other options. It was clarified by the Deputy Chief Executive that it was clear that the University were not now interested in the site and that other options should be explored.
- A Member asked a question about the potential income loss of the Grantham cinema site remaining empty? This Assistant Director for Finance responded to this question.
- Members agreed that other potential uses of the Grantham cinema site should be explored. A Member highlighted that Grantham has not had a town centre-based community centre which could have been considered.
- Clarity was requested on the target for apprentices as it appeared the Council was behind target. Why had this not been achieved when the target was set quite low and what were the obstacles? It was outlined that this target was on track as it was above the mid-year target and it is expected that the end of year target would be achieved.
- A Member raised a point that several actions within the report were generic and non-specific. These targets were considered to be easily achievable due to their lack of structure. The Member further informed that they would like to see more results with the red actions and asked if some of the actions were more appropriate for other Committees or for the Senior Management Team.

The Assistant Chief Executive clarified that the aim of the report was to address issues and tackle them. If having explored all options and no solution was found, it was considered appropriate to remove the target. The Officer further informed that if Members considered any action were for other Committees, it would be ensured that Officers would liaise with the relevant Chairman.

It was further clarified by the Deputy Chief Executive that the plan was to work with Lincoln University. The report confirmed that the Council would not be able to work with the University in regard to the Grantham site since circumstances changed due to the Pandemic and Lincoln University changed the way they work to significantly online and therefore did not wish to take up tenancy of the site.

A Member added that as Lincoln University now provided many courses online the need for a physical site in Grantham was significantly reduced.

In reference to Councillors being involved in decisions, it was explained that the performance reporting and targets within the Corporate Plan drove the agenda of

the Overview and Scrutiny Committees. Comments from Committee Members were carried forward and informed the work programmes of future meetings.

The Assistant Director of Finance informed the Committee that there had been no formal lease in place with the University and they were able to modify their business plans in respect of occupancy of the site. The potential income from the use of the space by the University had not been built into base budgets due to the high level of uncertainty surrounding the potential usage.

AGREED:

The Committee noted the contents of the 2021/22 mid-year performance report.

DECISION:

Supported amending the Corporate Plan Actions and Key Performance Indicators that fell within the scope of the Committee, in line with the outcomes of the review.

That the options related to the cinema site are added to the work programme and a report is brought to a future committee meeting.

41. Budget Monitoring Report - Period 1 April - 30 September 2021

The Assistant Director of Finance presented a report that provided an update on the Council's financial position during the current financial year. The report was to monitor and forecast the budget against the current economic conditions that were facing the Council.

It was noted that there was a slight deterioration in the deficit but the forecasting work that has recently been undertaken during October was more positive and it was expected that the Council would progress to a reduced deficit position at March 2022. The Committee were informed that income reduction rather than over-expenditure was the reason for the deficit as key income areas are still performing below budgeted levels. It was confirmed that the Government had introduced an income-loss compensation scheme which finished after the first quarter of the current financial year so further income losses would directly affect the Council's overall finances.

It was explained that staff were continuing to work on a hybrid basis, between home and office and this had reduced some costs such as travel claims for business and postage and printing costs. A reduction of £92,000 had been made in this respect and it was expected this reduced level of expenditure would continue in the future.

In reference to collection rates, the Assistant Director of Finance confirmed that the collection was in line with targeted profile. However, it was acknowledged that

Business rates collectable amounts had been greatly affected due to Government changes in reliefs awarded to eligible businesses.

During discussion, Members raised the following points:

- Income received from Grantham car parks had been particularly low (and to a lesser extent, Stamford), even though there had been a 10p increase since April 2021. A Member asked if the reduction in income received was purely due to the Pandemic or were charge increases also an influence?
- It was noted that car park payment machines were frequently out of use and this was perhaps a further factor in the low usage levels. It was further acknowledged that people were likely to have tried to park in nearby streets to avoid charges so as to save money and even pre-pandemic, people were increasingly shopping online rather than travelling into town centres.
- A Member asked if a figure for the cost of Covid to the Council could be confirmed to date.
- A Member noted that the pandemic would most likely influence revenues for years to come and a period of adjustment should be expected.
- A Member informed that the financial risk register should have been reviewed and updated to ensure it continued to include all of the relevant financial risks facing the Council.
- A Member asked about the housing new build programme and enquired as to what lessons had been learnt from the Authority's inability to deliver the plans.
- Was the Government Support during the pandemic sufficient and was any further funding likely to be made available in the event of a further wave of infection?

The Director of Housing and Property acknowledged that as a strategic housing Authority, an ambitious programme was desirable but plans had to be realistic in terms of financial capacity to deliver and the situation had changed within the last year or two.

The Assistant Director of Finance explained to the Committee that it was not necessarily possible to separate and clarify the reasons for the income reduction particularly the distinction between the pandemic impact and the adverse impact of the charge increases. April 2021 saw an increase in car park charges but the country had been in lockdown at this time. It was confirmed that the impact of income losses was consistent with other authorities hence the need for the Government's income losses scheme. The Officer further confirmed that when charges were previously increased, such a reduction hadn't materialised, which appeared to suggest that Covid had some adverse impact on revenue levels.

It was explained that a definitive figure confirming the overall cost of the pandemic would be difficult to show accurately as behaviours of the public have changed in a number of ways and the reasons were difficult to measure. However, subjective calculations could be carried out. Going forward, budget levels were to be adjusted taking into consideration the current economic and customer usage profile.

The Committee were informed that the Income Loss Scheme formed by the Government was not sufficient to cover all Local Authority losses. It amounted to the reimbursement of 75p for every £1 lost.

AGREED:

- a) **The Committee reviewed and noted the forecast 2021/2022 outturn position for the General Fund and HRA Revenue and Capital budgets as at the end of September 2021 and identified any variances that required further action or investigation.**
- b) **The Committee recommended any specific actions or interventions that should be considered in order to reduce the General Fund forecast deficit.**

42. Council Tax Support Scheme 2022/23 - Consultation

The Council Tax Benefit system was abolished on 31 March 2013 and replaced by the Local Council Tax Support Scheme (CTS) which can be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders, and residents. The scheme currently provides 80% entitlement for working age claimants.

The Deputy Chief Executive presented a report for the Committee to review consultation responses and comment on the proposed changes to the Localised Council Tax Support Scheme 2022/23, as well as proposals made in relation to the Discretionary Hardship Fund, discount for care leavers and Special Constables.

During discussion, Members raised the following points:

- It was noted that the lack of progress with the Special Constables Discount Scheme was disappointing. When will the discount be delivered?
- The Discount Scheme seemed to be a 'postcode lottery' as it was unavailable to some residents in certain areas within the County.

An Officer confirmed that there was updated information in respect of the Special Constable Discount Scheme available the Council's website. All applicants were expected to prove eligibility and would then receive the benefit retrospectively for the past year. This would be the process for future years too should the scheme continue each year.

It was explained that as each billing Authority was responsible for their District decision, the County Council were unable to impose a county-wide billing process and sadly, this had led to what was perceived as a 'postcode lottery' for applicants.

The Deputy Chief Executive confirmed that the Council Tax recovery was the responsibility of District Councils under the two tier Local Government system.

DECISION:

That the Committee recommend to Cabinet the Local Council Tax Support Scheme for 2022/23 after taking into consideration the recent consultation.

43. Rent Guarantee Scheme

This report aimed to provide the Committee with a summary of issues in the context of homelessness within the district, with a focus on the Private Rented Sector and Rent Guarantee Schemes.

As with most stock-retained local authorities, South Kesteven District Council Could not meet the housing demand within the district solely within its own housing stock. This was of importance given the Council's duties under the relevant homelessness legislation to provide accommodation and to discharge its homelessness prevention duties, most significantly the Housing Act 1996 and the Homelessness Reduction Act 2017.

The Director of Housing and Property confirmed that the Pandemic had an impact on an increase in homelessness within South Kesteven alongside a backlog of applications influenced by the Government eviction ban during lockdowns.

Councillor Mark Whittington informed that he would not take part in the debate, declaring an interest as a private landlord.

Councillor John Dawson also declared an interest as the landlord of both commercial and private property.

During discussion, Members raised the following points:

- It was noted that the Rent Guarantee Scheme was a very important 'safety net' for the Council as it depended on private landlords and the reduction in availability was an issue.
- Has the Local Authority seen a 50% increase in homelessness or have these figures been impacted by a reduction in private landlords?

An Officer confirmed there had been a backlog in actioning the eviction process and Section 21 Notices due to restrictions during the Pandemic which had impacted the

figures. The Rent Guarantee Scheme had given Officers an extra tool to use in application of the process.

AGREED:

The Committee noted the contents of the report in terms of current homelessness issues within South Kesteven.

DECISION:

The Committee recommended further work to research the risks and benefits of local authority rent guarantee schemes.

44. Work Programme 2021 - 2022

The Committee noted the contents of its Work Programme 2021 – 2022.

It was noted that the Chairman and Vice-Chairman would meet with the Democratic Services Officer after the meeting to consider the Work Programme in greater detail.

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

There were none.

46. Close of meeting

The Chairman closed the meeting at 12.05.