

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



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

Tuesday, 22 February 2022, 2.00 pm

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

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## **Committee Members present**

Councillor Graham Jeal (Chairman)  
Councillor Kaffy Rice-Oxley (Acting Vice-Chairman)  
Councillor Helen Crawford  
Councillor John Dawson  
Councillor Phil Dilks  
Councillor Philip Knowles  
Councillor Susan Sandall

## **Other Members in attendance**

Councillor Ashley Baxter

## **Officers in attendance**

Karen Bradford (Chief Executive)  
Alan Robinson (Deputy Chief Executive)  
Ken Lyon (Assistant Chief Executive)  
Gary Smith (Director of Commercial and Operations)  
Richard Wyles (Assistant Director of Finance (Section 151 Officer ))  
Nicola McCoy-Brown (Director of Growth and Culture)  
Andrew Cotton (Director of Housing and Property)  
Alison Hall-Wright (Head of Finance and ICT)  
Jon Hinde (InvestSK Ltd Manager)  
Sarah Downs (Democratic Services Officer)

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## **47. Comments from members of the public**

The Chairman commenced the meeting by informing Members that as the Vice-Chairman had moved on to the Cabinet, a replacement was needed for today's meeting. A request for nominations or volunteers was made. A nomination was made for Councillor Rice-Oxley to act as Vice-Chairman.

It was proposed, seconded and **AGREED** that Councillor Kaffy Rice-Oxley was to act as Vice-Chairman for today's meeting only.

The Chairman asked if Members had received any comments from members of the public. As Committee Members confirmed they had received none, the Chairman confirmed he had received two comments.

A question was asked from a resident through the Chairman, commenting upon the fuel theft from the Alexandra Road Depot:

- Where would this be scrutinised?

The Assistant Director of Finance stated that a verbal update was given at the last Governance and Audit Committee meeting, following the outcome of the criminal prosecution on the matter. It was identified that there were some weaknesses in the internal control framework and an improvement plan was implemented. This was to be tracked and monitored with updates given to Governance and Audit Committee at the appropriate time.

#### **ACTION 1**

**That a brief summary of the findings from the Governance and Audit Committee on the fuel theft matter be given to Finance, Economic Development and Corporate Overview and Scrutiny Committee.**

Following the recent postponement of the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee, a member of the public asked if the correct process was followed. The Chairman apologised for the late notice of the postponement, having explained that it had come to his attention that the majority of Committee Members could not attend on 15 February and the decision was taken in consultation with Democratic Services Officers. The Chairman asked the Monitoring Officer for an explanation of the process as per the Constitution.

The Monitoring Officer confirmed that the Chairman brought it to the attention of Democratic Services that a number of Committee Members were unable to attend the meeting scheduled on 15 February, making the meeting unlikely to have been quorate. The Officer explained that this was an 'exceptional circumstance' in the Council's view and the decision was made to delay the meeting which was reasonable, in line with the Constitution. Apologies were made to those who had to change their plans.

The Chairman reiterated the apology and confirmed that a written response had been sent to the member of the public.

A Member in attendance questioned the reasoning behind the postponement of the meeting and felt that the circumstances for moving the meeting were not as

prescribed within the Constitution. The Member felt that perhaps this was something that the Committee could refer to the Constitution Committee. The Chairman indicated that he was happy for the matter to be referred to the relevant Committee.

#### **48. Apologies for absence**

Apologies for absence had been received from Councillors David Bellamy, Gloria Johnson and Charmaine Morgan.

It was noted that Councillor Helen Crawford would be substituting for Councillor David Bellamy and Councillor Kaffy Rice-Oxley would be substituting for Councillor Gloria Johnson.

#### **49. Disclosure of interests**

No disclosures of interest were received.

#### **50. Action notes of the meeting held on 3 December 2021**

It was proposed, seconded and **AGREED** that the action notes from the meeting held on 3 December 2021 were a correct record.

#### **51. Action notes from Joint Scrutiny - Deepings Leisure Centre on 30 November 2021**

The Chairman asked if there were any comments on the action notes from the meeting held on 30 November 2021 before voting on their approval. The following points were raised during discussion:

- A Member asked what the process of the minutes were and if the Chairman had approved them before publication. They further explained that they didn't agree they were entirely accurate.
- There was no confirmation of who the Chairman and Vice-Chairman were, at the meeting.
- A Member felt there were points missing from the public statements.

The Chairman confirmed that he referred the minutes of the meetings that he chaired to the Vice-Chairman, to approve minutes, explaining that taking accurate notes was not always possible alongside the role of chairing a meeting. He further informed the Committee that the role of Chairman for the Joint Scrutiny Committee was rotated following a decision taken previously, but he had chaired the Joint Scrutiny Budget meeting.

Concern was expressed by some Members about the content of the minutes with some Members feeling that the minutes were inaccurate and not a true reflection of the meeting held on 30 November 2021.

The Chairman rejected the view that the minutes were inaccurate but agreed some elements could be added. He informed the Committee that as the meeting on 30 November 2021 was an important meeting and cross-party support for the minutes was required, the minutes were to be referred to the Head of Democratic Services with the agreement of the Committee today and were to be voted on at the next meeting in May.

### **Decision**

**That the minutes of the joint meeting held on 30 November 2021 be referred back to the Head of Democratic Services and that they would be voted on at the meeting held in May 2022.**

### **52. Updates from previous meeting**

There were none from the meeting held on 3 December 2021.

A Member asked if an update could be requested on the meeting held on 30 November 2021 in reference to the Deepings Leisure Centre. The Member asked if all Building Condition Surveys for all district Leisure Centres had been commissioned.

The Director for Growth and Culture confirmed they had been commissioned and results would be available within the next month or two.

A question was asked in relation to the position with regard to the lease in respect of the Deepings Leisure Centre. It was stated that the specific questions around leisure should be directed to the Committee which dealt with leisure which was the Culture and Visitor Economy Overview and Scrutiny Committee, this would enable the correct senior officers to update Members.

### **ACTION**

**That an update in respect of the position of the lease for Deepings Leisure Centre be referred as an item to the Culture and Visitor Economy Overview and Scrutiny Committee and that a written response following the Committee be circulated to the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee Members.**

### **53. The Post-Brexit South Kesteven Economic Climate**

A report was presented by the Director for Growth and Culture to the Committee. The report provided insight into the impact felt since 'Brexit' by businesses within

South Kesteven. A range of online and specialist support was provided to approximately 6,000 businesses.

The Director continued that there were five commonly reported issues faced by the business community within the district due to the UK's exit from the European Union. A close look into the agric-food sector in particular identified seven county-wide issues.

The Committee were informed that while some level of disruption had been felt over the last 60 weeks, there has been no long-term negative impact on the local economy. Labour shortages had not impeded production or led to business closures. InvestSK Ltd would continue to design appropriate measures of support for business as necessary.

During discussion, the following points were raised:

- The transport industry had, at least nationally, experienced substantial delays in receiving product from Europe and issues in getting supplies to the supermarket shelf. This may worsen in the coming months.
- Is there specific data available on the number of enquiries received from businesses?
- Approximately £51 million was handed out by the Council in business grants. A Member asked for assurance that the Council followed the necessary procedures to ensure the appropriate grant was paid to legitimate businesses. The Government had referenced concerns regarding potential 'scam businesses'.
- Over 3,000 local businesses received help when needed. Congratulations were expressed to officers for getting the help to those that required it in a timely manner.
- A Member asked if the Council had to contribute financially towards the helpline run by the Lincolnshire Growth Hub.

The InvestSK Ltd Manager confirmed that the report noted that delays in delivery of perishable goods was recognised both locally and nationally. The Council had addressed these concerns by looking at potential schemes to retrain people as HGV drivers. Training costs £3,000 per driver and discussions had taken place with local businesses.

The InvestSK Manager continued by informing the Committee that when awarding business grants, all checks and balances were done in advance of payment. The Council had been audited by the Government a number of times with satisfactory findings. It was stressed that any findings of fraud would be passed on to the Police.

Reference was made within the report to paragraph 1.12 which concerned the Lincolnshire Growth Hub and the EU exit helpline which was accessed by only 41 businesses. It was clarified that no financial contribution was required for the helpline for the Lincolnshire Growth Hub from the Council.

The Chairman stated that it was an excellent report on the local economy, however, the item had been put on the agenda to see what the direct impact on operations of the Council there was, post Brexit. From reading the report it seemed the Brexit had no impact on Council operations, employment, sourcing and provisions of Council services across the district.

It was stated that the content of the report was not specific to the Council but the economy of South Kesteven as an area and reference was made to the next item on the agenda in relation to the COVID-19 impact report. If the Committee required detail which was specific to the impact on South Kesteven as a Council then a further report would be required. It was noted that difficulties had arisen and an example was given in respect of the labour market and the acquirement of staff since Brexit.

A Member asked for it to be noted that the statement within the report (para. 1.4) that 'everything else remained the same' had been challenged robustly and that the statement was not entirely accurate.

Members noted the recommendations contained within the report.

#### **54. The Impact of Covid-19 on South Kesteven**

A report was presented to the Committee by the Assistant Chief Executive, that set out South Kesteven District Council's response to the global pandemic such as measures taken to reduce the potential for transmission of the virus as well as an explanation of the key lessons learnt to date.

The Assistant Chief Executive informed the Committee that 3 priorities were set out by the Council at the start of the pandemic:

- To protect the health of staff and residents
- To maintain critical services
- To support local businesses

The report also covered the financial impact, such as income loss through car parks not used in lockdowns and the impact of delivery of savings as staff were redeployed to support in critical services. Additional costs were incurred in personal protective equipment. It was explained that income from Government grants mitigated some of the losses such as the income protection grant.

Lessons learnt included the value of the Council's role in enabling the community voluntary sector to support the local community through its vital work during the pandemic. As a result of these findings, risk modelling was undertaken to ensure the Council was even better prepared for the future.

The Assistant Chief Executive wanted to ensure that everyone involved in supporting local residents during the pandemic was formally thanked by the Committee, including the communities within the voluntary sector that stepped in to help.

During discussion, the following points were raised by Members:

- A Member described the report as very thorough and interesting. Appendix 1 contained clear information. The lessons learnt were clearly set out and very reflective. How were the lessons learnt put into practice?
- A Member noted that the pandemic highlighted the Council could play a greater role in community leadership and felt this could have been considered prior to the pandemic.
- Tribute was made to the cross party work being undertaken in respect of mental health and the impact that Covid-19 had, particularly on children's mental health.
- The financial impact was also highlighted and the cost to the Council after receiving Government grants. What was the cost of 'usual' Government funding for the Council pre-pandemic.

The Assistant Chief Executive confirmed that a number of lessons learnt have been incorporated into the continuing review process. For example, the business continuity plan has been regularly reviewed and updated and was part of Service Plans activity. The Overview and Scrutiny Committees have covered different elements as relevant and this was also reflected within performance management.

The Assistant Director of Finance stated that the full cost of Covid-19 to the Council could not be specifically calculated as budgets were volatile and prone to change. He referred to the various factors that had to be taken into consideration and stated that there was not always a clear correlation between services and financial losses. It was emphasised that the full impact of the pandemic was yet to be measured but a table included in the report provided a financial overview.

The Chairman thanked the Officers for a comprehensive report and referred to how the transformation and savings could be actioned going forward and the delivery mechanisms. He again thanked the Assistant Chief Executive for his contribution to the Committee over the years that he had been at South Kesteven.

**AGREED:**

- a) **That the Committee noted the impact of Covid-19 and related restrictions on SKDC services and the ongoing changes to the service delivery landscape for the district.**
- b) **That the Committee endorsed the key lessons learnt from Covid-19 and asked the Chief Executive to ensure that these were embedded in the future operations of the Council.**
- c) **That the Committee thanked all those involved in the response and recovery from Covid-19, with particular thanks to communities and the voluntary sector who had played a vital role in supporting the most vulnerable during the pandemic.**

**55. Finance Monitoring Update - April to December 2021**

The Head of Finance presented a report that provided the third update in this financial year to the Committee.

The Officer was able to report a forecast deficit as at 31 December 2021 of £528,000 – a reduction of approximately £560,000 when compared to 30 September 2021. The reduction was as a result of:

- In year vacancies in a number of service areas.
- Improved car-parking forecast income.
- Additional reduction in spending within service areas.

Further main points covered within the report included the general fund forecast outturn position at directorate level with an appendix that provided the forecast outturn along with details of significant variances for each service area.

The Head of Finance continued that the forecast deficit of £528,000 included additional workshop costs of £160,000 due to a combination of an increase in the price and quantity of consumables and external specialist repair works on end-of-life vehicles. It was confirmed that a non-key decision had been approved from the Save to Spend waste reserve which reduced the forecast deficit to £368,000.

Table 3 of the report provided a forecast outturn of significant income streams with a forecast deficit of £947,000 reduced to £817,000 following the final payment from the Income Losses Scheme. Reference was made to rows four and five of the table where the forecast outturn figures had been reported the wrong way round. The Stamford Arts Centre should read £352,000 and Building Control should read £670,000, all other figures were correct.



Paragraph 2.6 of the report provided Members with an update on the positive savings that continued to be made through the hybrid working arrangements of Council staff. Forecasts showed savings of £135,000 across a number of budget headings as highlighted in Table 4 of the report.

Section 3 of the report provided an update on the General Fund Capital Programme. Table 6 showed a forecast spend of £5.8m against a current budget of £8.7m and Table 7 provided further details on significant variances for each scheme. Budget carried forwards had been requested for some of the schemes and these would be reflected in the Budget report to Council on 3 March 2022.

Section 4 of the report detailed the forecast position of the Housing Revenue Account Budget was also included alongside a detailed breakdown. Table 9 showed a forecast surplus of £2.3m against a budgeted £3.7m. Appendix B detailed a breakdown of the HRA and comments regarding the variances shown.

Section 5 of the report provided an update on the Capital Programme and the forecast spend was shown in Table 11. A number of budget carry forwards had been requested for the HRA.

The final section of the report confirmed the collection rates for council tax business rates and HRA dwelling rents and these were monitored on a monthly basis.

Members raised the following points during the discussion that followed:

- A Member asked if the Football Foundation bid had been completed with regard to the Deepings all-weather pitch?

The Chief Executive confirmed that the football foundation bid was still moving forward. Funding had not been in place last year but will be this coming year. A further update would be provided as available.

- Has the reduction in the backlog of Void properties improved the performance in void rates?

The Director of Housing confirmed that the new voids policy contributed to the significant November reached over 100 and was now below 50.

- In reference to the Heritage action zone, there were delays in establishing a property grant scheme. What were causing these delays?

The Manager of InvestSK Ltd explained that the delays in establishing the shop front grant scheme were due to finding skilled trades-people and sourcing materials as there was a national shortage. Brexit and Covid-19 have added to these delays which may take months to overcome but was expected.

- Variances were rising – was the inflation rate used too low?

The Head of Finance confirmed that the assumptions used for budget setting were established at a specific point so it was an inherent risk that significant variations to the assumptions could have an adverse impact on the financial position. However, there was an established risk register that models the variations to the financial assumptions to assess the financial exposure.

Further questions were asked in relation to the Council's commitment to large funding programmes and the fluctuations in Business Rates to which the Assistant Head of Finance and the Head of Finance responded.

The Committee noted the forecast 2021/22 outturn position for the General Fund and HRA Revenue and Capital budgets as at the end of December 2021 and identified any variances that required further action or investigation and any specific actions or interventions were considered in order to reduce the General Fund forecast deficit.

#### **56. Work Programme 2021 - 2022**

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

- It was noted that the Future High Street Funding report was to be heard at the next meeting. Other main towns within South Kesteven were to be considered in a similar future report.
- It was suggested that an updated report on voids performance be considered for addition to the Work Programme.

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

There were none.

#### **58. Close of meeting**

The Chairman closed the meeting at 15:28pm.