

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Wednesday, 17 July 2024, 10.00 am

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

Committee Members present

Councillor Bridget Ley (Chairman)
Councillor Gareth Knight (Vice-Chairman)

Councillor Ben Green
Councillor Tim Harrison
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Murray Turner
Councillor Mark Whittington

Cabinet Members present

Councillor Ashley Baxter (Leader of the Council)
Councillor Philip Knowles (Cabinet Member for Corporate Governance and Licensing)

Other Members present

Councillor Graham Jeal

Officers

Richard Wyles (Deputy Chief Executive (S151 Officer))
Graham Watts (Assistant Director of Governance and Public Protection, Monitoring Officer)
Emma Whittaker (Assistant Director of Planning and Growth0
Claire Moses (Head of Service - Revenues, Benefits, Customer and Community)
Gyles Teasdale (Head of Property Services and ICT)
Amy Pryde (Democratic Services Officer)

17. Public Speaking

Mr Clark made a statement to the Committee on agenda item 8, Local Council Tax Support Scheme Proposals 2025/26 in relation to Veterans.

All Members thanked the public speaker for his statement and his service as a Veteran.

The Leader of the Council informed the public speaker that he would arrange a meeting to discuss and explain the issues surrounding the Local Council Tax Support Scheme for Veterans.

18. Apologies for Absence

All Committee Members were present.

19. Disclosure of Interests

There were none.

20. Minutes from the previous meeting

One Member queried the delay in minutes being published and being provided as a Supplement.

The Deputy Chief Executive clarified there had been 14 working days since the last meeting of the Committee, during this time a General Election had taken place whereby the Democratic Services team were involved.

The minutes of the meeting held on 27 June 2024 were proposed, seconded, and **AGREED** as a correct record.

21. Updates from previous meeting

The Committee had received an email on costings from the work undertaken by Officers on the Veterans Scheme.

Clarification was sought around how some of the figures had been calculated

The Deputy Chief Executive noted the costings were not unbudgeted costs or overtime of Officers. The table was a demonstration of Officer time which was diverted away from other work to focus on the development of the proposed Veteran Scheme.

Each heading of the table was a summary of the particular task, for example, to construct an e-mail and present the information within the e-mail and send off may take 30 minutes. The figures were calculated by taking the salaries together with overheads for those Officers involved in the scheme development.

22. Announcements or updates from the Leader of the Council, Cabinet Members or the Head of Paid Service

There were none.

23. Provisional Outturn Position Report 2023/2024

The Leader of the Council presented the report.

The report provided the Finance and Economic Overview and Scrutiny Committee with detail of the Council's provisional outturn position for the financial year 2023/24. Throughout the financial year the Committee had been provided with regular and comprehensive budget monitoring reports which enabled members to be kept updated on what had been a particularly financially volatile year.

The financial year 2023/24 had been projected to be supported by use of the Budget Stabilisation Reserve (BSR) of £1.534m which was in response to an unprecedented increase in budgets relating to utilities, inflation, material and fuel costs. These budget heading increases were as a result of external events outside of the Council's control and were considered to be temporary in their duration. In order to ensure a balanced budget was presented to Council it was recommended that the BSR was used. As this proposal was in accordance with the reserve policy, Council approved the one-off use to avoid the need to significantly reduce operating expenditure.

During the financial year, the situation gradually improved and the prudent budget increase assumptions did not materialise which had resulted in there no longer being a need for a reserve movement. This coupled with ever improving investment interest rates and therefore increasing investment income (an additional £832k General Fund during 2023/24) had resulted in an opportunity to review Budget Stabilisation Reserve and put some of the reserve balance to other uses. This is necessary due to a number of earmarked reserves being required to continue to invest in specific activities, particularly ongoing investment in the backlog maintenance of corporate assets, investment in ICT and the formation of a Flood Reserve.

One Member raised the timing of the meeting and that the report would usually be considered by the Finance and Economic Overview and Scrutiny Committee in the first instance, then to Governance and Audit and Cabinet. It was requested that this timeline be adhered to in future years.

The importance on the need of a 3-year funding settlement figure with Local Government was emphasised to allow future planning.

It was noted the report stated that financial situations had improved in 2023/24, following pressures from previous years.

The Deputy Chief Executive highlighted that assumptions had been put into the budget in November 2022 including prudent levels of interest rate forecasts, and that assumptions were a reflection of that period.

The Stabilisation Reserve remained in place due to continued uncertainty in future funding settlements.

One Member clarified the 3-year funding was included within the new Government's manifesto and they had ambitions for security and stability. It was likely that a 12-month settlement would be provided in November 2024 from Government, however, from 2025 it was hoped that 3-year settlements be implemented.

One Member suggested any interest rates income received be diverted over to Budget Stabilisation Reserve in the event of any unknown expenditures which may occur, for example, increased energy prices.

The Deputy Chief Executive clarified the Business Rate Volatility Reserve acted as a buffer in the same way as the Budget Stabilisation Reserve. The Business Rate Volatility Reserve would be utilised in the event of any business rate forecast receipts not being in line with projection which would be useful in the event of any threat of service delivery risk.

Members welcomed the balanced budget presented at the AGM in May 2024 which did not solely rely on reserves.

That the Finance and Economic Overview and Scrutiny Committee review the provisional Revenue and Capital Outturn report and associated appendices for the financial year 2023/24.

24. Local Council Tax Support Scheme Proposals 2025/26

The Leader of the Council presented the report which outlined the Council's proposed Local Council Tax Support Scheme for 2025/26 ahead of public consultation.

The Council Tax Benefit system was abolished on 31 March 2013 and replaced by the Local Council Tax Support Scheme (LCTSS). This scheme could be determined locally by the Billing Authority having had due consultation with precepting authorities, key stakeholders, and residents.

There were currently 7,172 residents claiming LCTSS in the South Kesteven District. Of these, 3,076 are pensioners who are protected under the legislation and receive LCTSS as prescribed by the Government (broadly similar to the level of Council Tax Benefit). It is the 4,096 claimants of working age who will be affected by changes to the level of support determined by a local scheme.

The Council agreed to a LCTSS which came into effect on 1 April 2013. The core scheme currently provided:

- 80% support for working age claimants
- 100% support for pension age claimants

In determining changes for the 2025/26 scheme, the Council was required to consider the cost of the scheme, along with the administrative and legislative need to consider any changes.

During 2024, there had been a small increase in claim numbers for working age customers, which was detailed within the report. This indicated a downturn in economic activity and financial support for residents.

It was difficult to accurately determine the reasons for the increase in cost, however, Officers had noticed an increase in contact with the Cost of Living Team and an increase in applications for Discretionary Council Tax Payments and Discretionary Housing Payments.

The Council's local scheme has been updated with amendments since the introduction in April 2013 to maintain the link with Housing Benefit and the previous Council Tax Benefit scheme, alongside technical changes to Council Tax.

In conclusion, there were no proposed changes to the current scheme for 2025/26.

One Member was pleased to see that care leavers would continue to receive Council Tax exemption.

It was queried as to how many care leavers were benefitting from the scheme at present.

ACTION: For the Head of Service - Revenues, Benefits, Customer and Community to provide the Committee with a figure on how many care leavers were benefitting from the scheme at present.

It was proposed and seconded:

'For the following questions in the upcoming consultation about the Localised Council Tax Support Scheme for 2025-26:

- a) Do you support providing targeted council tax relief for employed veterans in Band A properties? Yes or no?
- b) If yes, should the relief for employed veterans in Band A properties be 5% or 10% off their annual council tax bill?

Further work would then be expected.'

The Deputy Chief Executive clarified the topic of Council Tax for Veterans had previously been discussed where information available in that document enabled the Committee to make the proposal and recommendation. On 27th June 2024, the Committee requested that no further work be undertaken on the development of a Council Tax Support Scheme for Veterans.

Part 4 – Rules of Procedure (Paragraph 14.28) of the Constitution stated that:

'No motion or amendment will be proposed which has the effect or intention of rescinding any resolution passed within the preceding six months, or has the same

effect as one which has been defeated within the preceding six months, unless significant new information has been received.'

One Member highlighted that the Health Cash Plan, which was discussed at another meeting had not followed Part 4 – Rules of Procedure (Paragraph 14.28). However, this concern was not raised at the time of said meeting.

(The Committee adjourned for 5 minutes)

The Monitoring Officer clarified that the motion proposed was similar to a previous motion voted on at the previous meeting and no new information had been received in relation to the proposal put forward at the meeting.

Part 4 – Rules of Procedure (Paragraph 14.28) of the Constitution applied to this Committee and all meetings of the Council.

Clarification was sought around Part 4 – Rules of Procedure (Paragraph 14.29) of the Constitution.

Part 4 – Rules of Procedure (Paragraph 14.29) of the Constitution related to Full Council meetings, where a recommendation from a Committee or Cabinet had been submitted to Full Council for consideration.

It was proposed, seconded and AGREED that the Finance and Economic Overview and Scrutiny Committee:

- 1. Note the content of the report.**
- 2. Offers comment and feedback on the proposal of a 'no change' Local Council Tax Support Scheme 2025/26 for stakeholder consultation.**
- 3. Approves the areas for stakeholder consultation as detailed in the report.**

(Councillors Ben Green, Mark Whittington and Gloria Johnson abstained from the vote, and requested their votes to be recorded).

(Councillors Lee Steptoe, Tim Harrison and Max Sawyer voted in favour of the recommendation, and requested their votes to be recorded).

25. Progress Update in respect of the construction of the Waste Depot, Turnpike Close Grantham

The Leader of the Council presented the report on behalf of the Cabinet Member for Property and Public Engagement. The report provided Members with a progress update in respect of the construction of the Waste Depot, Turnpike Close, Grantham.

The Finance and Economic Overview and Scrutiny Committee was provided with an update on the new Waste Depot project at the last meeting on 27 June 2024 following the decision the Committee would be provided regular updates at each of their meetings during the project delivery phase.

The report provided an updated dashboard and further information with the current projected allocation of £8.8m budget and further details within the £7.9m construction budget.

The activity timetable was presented and provided current projected timeline of key events up to October 2024.

The Head of Property Services and ICT highlighted the further breakdown in terms of the overall spend of the £7.9m construction budget and the £8.8m budget. New milestones had been allocated on the programme as requested.

The project was in value-engineering stage 4 design which remained as low risk. The elongation of the project was at further risk during construction phase, where further costs may be incurred.

It was questioned whether Officers would be able to quantify a risk with a financial aspect and include it within the risk register.

One Member queried whether any contractors had expressed interest of completing the construction work.

It was noted the construction contract award was 27 September 2024, and the contractors were expected to mobilise by 30 September 2024, which didn't seem enough time.

A procurement exercise had been undertaken within a framework whereby a tender was produced, and 5 contractors expressed interest in the works. During the procurement process and tender period, various contractors had withdrawn from the tender process.

It was noted that professional fees for the project were currently running at about 4%, whereas normal guidance for professional fees was 7-11%. Members congratulated Officers on keeping professional fees to a low percentage.

A query was raised on value engineering proposed by Lindum was unacceptable. Members requested an explanation as to why their proposal was not acceptable.

The Deputy Chief Executive confirmed certain financial risks on different components of the scheme that would be out of the Council's control. The pie chart provided within the dashboard would potentially change in line with certain milestones of the project.

A potential risk of prolonged period of construction may mean further fees would be incurred. Contractors were being pushed to deliver within a small timescale, in order to eliminate the material risk of delay in construction.

It was clarified that Lindum had presented a list of areas of the design which could be removed in order to reduce costs. The Team analysed the suggestions of removing certain areas of the design, however, some of the areas would compromise the quality of the building, create energy inefficiency and possibly require another planning permission with amendments.

That the Finance and Economic Overview and Scrutiny Committee:

Note the current position with respect to the delivery of the new Waste Depot Turnpike Close Grantham for the period up to 5 July 2024.

26. Work Programme 2024-25

The Committee noted the Work Programme 2024-25.

An update was requested on the outcome of a decision made at a previous meeting, where the Committee had voted in favour of Option 3, in regard to marketplace footfall.

Option 3: In addition to the activities outlined in option two, to complete feasibility works and costed proposals for long term/ permanent suggestions to support the town centre, including the removal of parking charges, implementing a rental support or financial incentive scheme for new businesses and/ or market traders, providing additional bus services on Market days, and funding grants to town centre businesses to deliver additional marketing/branding/promotional activity. Subsequently to bring these fully costed proposals to a future meeting of the committee for allocation of additional budget.

ACTION: For marketplace footfall to be added to the Work Programme, for a future meeting of the committee for allocation of additional budget.

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

The Leader of the Council reminded the Committee of the Economic Development Strategy Workshop taking place, following the meeting.

Members were informed that the former Landis & Gyr factory in Deepings had been purchased by a company called Press Glass.

The Leader of the Council was pleased to observe a newly opened Westgate Bakery in Grantham Marketplace.

28. Close of meeting

The Chairman closed the meeting at 11:50.