

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 26 November 2024, 2.00 pm

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
Councillor Ashley Baxter
Councillor Philip Knowles
Councillor Richard Cleaver
Councillor Rhea Rayside

Other Members present

Councillor Steven Cunningham

Officers

Richard Wyles (Deputy Chief Executive and S151 Officer)
Graham Watts (Assistant Director of Governance and Public Protection, Monitoring Officer)
Emma Whittaker (Assistant Director of Planning and Growth)
Paul Sutton (Interim Head of Finance and Deputy Section 151 Officer)
Gyles Teasdale (Head of Property Service and ICT)
Debbie Roberts (Head of Corporate Projects, Performance and Climate Change)
Claire Moses (Head of Service - Revenues, Benefits, Customer and Community)
Nick Hibberd (Head of Economic Development and Inward Investment)
Melanie Brown (Grantham Engagement Manager)
Charles James (Policy Officer)
Claire Saunders (High Street Heritage Action Zone Project Manager)
Joshua Mann (Democratic Services Officer)

44. Public Speaking

There were none.

45. Apologies for Absence

There were none.

46. Disclosure of Interests

There were none.

47. Minutes from the minutes of the meeting held on 17 September 2024

The minutes from the meeting held on 17 September 2024 were proposed, seconded and **AGREED** as an accurate record.

48. Updates from previous meeting

An action from the previous meeting was for a briefing note to be circulated to all Members to provide information of the UKSPF scheme, money available and how to apply for the funding. The Chairman requested an update on this.

The Assistant Director of Planning and Growth stated confirmation was still being sought that SKDC's position was in line with the relevant funding. Once this confirmation had been obtained then Members would be updated via email at the earliest opportunity and an update would be provided at the following meeting.

Another action agreed at the previous meeting was for the Grantham Town Centre Footfall Report to be added to the Work Programme for the 26 November meeting. It was noted that whilst this was on the agenda for the meeting, Members had only received the report the day before the meeting. Members stated their frustration that they had insufficient time to study the report prior to the meeting and requested future reports were published in a timelier manner.

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

The Cabinet Member for Corporate Governance and Licensing confirmed that there was to be another UKSPF meeting in December and whilst there was a small amount of funds yet to be allocated, this would be kept under review over the rest of the financial year.

The Vice-Chairman voiced their belief that Councillors should have access to see the exact figure of remaining funds within the UKSPF.

The Cabinet Member for Property and Public Engagement confirmed that the amendment to the Parking Order resulting in updated parking charges would be

initiated from 20 January 2025. The Cabinet Member also confirmed there to be a press release planned regarding a festive period of free parking on Mondays, Tuesdays, and Wednesdays, from the week commencing 2 December 2024.

It was also confirmed that a new tenant had been secured for Unit Two at The Picture House, Grantham. Further details of this would be discussed at the Cabinet meeting of 3 December.

50. Grantham Future High Streets Fund - Mid-Year Update

The Grantham Future High Streets Fund - Mid-Year Update was presented by the Leader of the Council.

The Leader confirmed the Ministry of Housing, Communities and Local Government (MHCLG) to have paid the entirety of the capital funding allocation for the Future High Street Fund to the council, totaling £5,556,042.

Following this monetary confirmation, the report outlined details of the following five subsections -

- **Subset One: Public Realm Projects** (This included raising the Grantham Market Place carriageway to the same level as the existing York stone paved areas and resurfacing of the carriageway and upgraded traffic signals at the Station Road/A607 Junction. Works started on 19 August 2024 and were anticipated to last a duration of 16 weeks, concluding in December 2024. The works were completed under the forecasted budget which allowed for the release of circa £426,000 remaining funding. Confirmation of the final value of this was awaited from LCC Highways, following their negotiation of compensation events with Taylor Woodrow. In anticipation, Officers were developing a programme of additional works, including street furniture and improving power supplies to the marketplace.)
- **Subset Two: Conduit Lane Toilet Refurbishment** (Renovations to male, female and disabled public toilets within the block, as well as the staff toilets available to the Markets team. Works started on 11 November 2024 and were anticipated to take between 8 to 10 weeks)
- **Subset Three: Upper Floor Grants Programme** (Allowing owners of retail properties within the town centre to convert vacant and underutilised upper floor space into high-quality residential units. All 22 grants have now been allocated to applicants to the full programme value of £550,000.)
- **Subset Four: Grantham Town Team** (The newly appointed Grantham Engagement Manager joined the Council on 22 July 2024 and work begun to re-establish the Grantham Town Team.)
- **Subset Five: A summary of engagement with the Ministry of Housing, Communities and Local Government.** (Monthly Officer meetings continued to take place with MHCLG Funding Delivery Managers to provide updates on progress and discuss issues. Council Officers were discussing any potential underspend with MHCLG on the programme and, as reported in previous updates to elected Members, the Council was not the only grant recipient experiencing difficulties with programme delivery, particularly around costs. MHCLG confirmed over 50% of

programmes have submitted project change requests and were anticipating this percentage to rise.)

During discussions, Members commented on the following:

- The reliability of the financial data in Subset One was queried. The Leader confirmed the data for finances spent to be bulletproof and the data for finances yet to be spent to be subject to standard building industry variation.
- Members queried the composition of the Town Team. It was confirmed that the Town Team consisted of four members: namely, John Manterfield, Nigel Rivers, Roy Redmond, and Susan Swinburn. These were joined by The Leader, The Chairman of Grantham Town Council, and the Cabinet Members for both Corporate Governance and Licensing, and Property and Public Engagement. They were then supported by SKDC Officers, who were not entitled to vote.
- It was queried how the above appointments had been made to the Town Team. The Leader confirmed recruitment to be their responsibility and that they had made the appointments in consultation with Officers and the Leader of the Town Council. A Member suggested that appointments had been made due to patronage. The Leader rebuked this, citing that there had been no financial or other incentive to himself for the appointments to be made. Albeit the Leader did concede there was not a codified application process.
- It was noted whilst there was representation on the Town Team from individuals involved in local business, transport, and the Civic Society, there were no individuals on the Town Team actively involved in the retail sector. It was queried how proactively retailers had been sought for their involvement.
- A Member suggested there may have been individuals rejected from joining the Town Team due to their political views. This was rebuked by the Grantham Engagement Manager.
- A Member questioned the political independence of the four individuals appointed to the Town Team citing that Sue Swinburn had ran as an independent candidate against Cllr M. Bailey in May 2023. The Member's view was that it was more appropriate for the Town Team to comprise of elected Members to increase transparency. The Leader expressed concern that politicizing the Town Team could deter members of the public from engaging.
- The Chairman reminded the Committee that it was not the role of the Committee to determine the personnel and appointment process of the Town Team.
- It was queried and confirmed the Station Road roadworks were on target to finish by the documented completion date.
- A Member suggested an impact assessment should be undertaken to gage the disruption caused to road users by the roadworks.

The report was noted by the Committee.

51. Turnpike Close Waste Depot Update

The Update in respect of the Construction of the Waste Depot, Turnpike Close Grantham was presented by the Cabinet Member for Property and Public Engagement.

Budget approval of £8.8 Million had been granted for the project by the Finance OSC's of September 2023 and February 2024.

Since the last meeting, significant project milestones had been achieved – specifically the conclusion of the value engineering, the signing of the construction contract and the mobilisation of the contractor onto the site. The mobilisation of the contractor had commenced approximately two weeks earlier than initially anticipated and Lindum had also reduced the construction period to 50 weeks. The target completion date was therefore scheduled to be 7 October 2025, meaning an operational go-live date of mid-November 2025, allowing a four-week relocation and mobilisation period. This relocation period would require one-off funding to be sought to the value of £500,000.

The timeframes for the updated proposed programme were outlined within the report.

During discussions, Members commented on the following:

- Why the £500,000 one-off funding being sought was not factored into the initial estimations, especially given the further 10% increase secured in February 2024. It was confirmed by the Deputy Chief Executive and Section 151 Officer that the initial budgeting had been done by consultants who had presented their methodology to the Committee at the time. The necessity for one-off additional funding had not become clear until March 2024 when the figures from the sector identified this shortfall due to changes in the market.
- It was queried how the consultants had reached the original £8 Million budget figure. It was confirmed the figure had been determined by Gleeds Consultants and had been negotiated down by SKDC officers. The Deputy Chief Executive and Section 151 Officer stated their belief that even with an additional £500,000 of funds, this was still value for money given the quality of the product.
- A Member expressed their concern citing the contingency fund prior to the additional funding secured in February 2024 was 15%, following the securing of the funding the contingency fund dropped to 5.2%. It was the Member's belief that the one-off funding request of £500,000 would not have been required had the contingency fund remained at 15%. The Deputy Chief Executive and Section 151 Officer confirmed the 5.2% contingency figure had been determined by Gleeds rather than Officers.
- Another Member speculated that the significant time left on the project may manifest into further requests for additional funds. The Member expressed their concern about this happening and this sentiment was echoed by other Members.
- The Vice-Chairman expressed their view the project was lacking political leadership from the Cabinet Member for Property and Public Engagement. The Cabinet Member recognised the view but expressed their belief that political project leadership was not in the best interests of the public. They stated that their leadership was embodied by the direction the project had taken by having open dialogue with the Committee and choosing to seek the one-off additional payment rather than 'scrimp & save' which had historically been detrimental.

- One of the ward Councillors expressed their support for the project citing the existing site was not fit for purpose. The Member expressed disappointment at the extra costs requested but noted the transparency of the project.

Cllr Cunningham entered the Chamber.

- The Chairman requested an update at the following Committee meeting by a representative from Lindum. – **ACTION.** The Deputy Chief Executive and Section 151 Officer replied in their capacity as the Project Officer stating their understanding that Lundum would engage at a future meeting and could provide drone footage of the site.
- It was noted the final decision would be made by Cabinet.

The Committee noted the report.

52. Localised Council Tax Support Scheme 2025/26

The Localised Council Tax Support Scheme 2025/26 was introduced by the Leader of the Council.

In place since 1 April 2013, SKDC's Local Council Tax Support Scheme (LCTSS) had been determined locally after consultation with precepting authorities, key stakeholders, and residents.

As of October 2024, there were 7077 residents in receipt of Council Tax Support in South Kesteven. Of these, 3996 were of working age whilst 3081 were of pension age. Of these, 6,062 receive statutory protection.

Due to this statutory protection, any reduction in cost to the proposed scheme could only be applied to the working age customers. This meant the Council's share of the October cost of £687,536 – only £98,593 (14.34%) could be influenced by any change made to the existing scheme.

The groundwork for determining the 2025/26 scheme had been laid previously when a report was presented to the Finance and Economic OSC on 17 July 2024 to consider a 'no change scheme' for public consultation. Following the report, the recommendation by the Committee was to undertake consultation for the 2025/26 Localised Council Tax support scheme and to consider the outcome of the consultation findings prior to making a recommendation to Cabinet, for the final scheme to be presented to Council in January 2025.

Letters were issued to all those in receipt of Council Tax Support at the start of the consultation. This totalled 7108 recipients. A total of 336 responses were received, a rate of 4.73% - a decrease from the 5.2% the previous year.

A key finding from the consultation was that 89.6% of respondents agreed with the principles of the current scheme.

During discussions, Members commented on the following:

- A Member queried the stance of the Leader, had the Labour Government decided to remove the scheme, as had been previous speculated according to the Member. The Leader declined to respond stating they did not wish to pass comment on a rumour that never happened or came to fruition.

Following a proposal, it was seconded and AGREED to recommend that Cabinet support a 'no change' Local Council Support Scheme for 2025/26.

53. Marketplace footfall report

It was suggested deferring the Marketplace footfall report item to allow for more time to consider the report given as it was only published the afternoon before. This would also allow for the attendance of a Member who was unable to make the meeting. A vote was held on this with three votes in favour of deferring, three against, and two abstaining. The Chairman cast their deciding vote in favour of proceeding with the item on the agreement that the absent Member was given the opportunity to provide comment after the meeting. The Leader placed on record that they were happy to meet with the Member and discuss the report away from the meeting.

The report was presented by the Leader of the Council.

The development of the plan to promote footfall in the Market Place had been discussed by FEOSC on several occasions, most recently in September 2024. At that meeting Officers committed to bring an 'Action Plan' to the 5 November meeting, which would be developed in conjunction with the Grantham Town Team. The Action Plan included a fully costed feasibility study which had considered the following potential interventions recommended by FEOSC at the June meeting:

- Parking - Free parking on market days/midweek to encourage shoppers.
- Marketing - implement a grant scheme to enable better promotions.
- New Traders – offer financial incentives to new market traders taking up stalls.
- Rent – offer financial support for rent costs for new town centre businesses.
- Transport – provision of free buses to Grantham on market days.

A draft Grantham Town Centre Action Plan (Appendix 2) was prepared to support an overall strategy for Grantham Town Centre, both through the delivery of the scheme and the initial period up to December 2025. The Action Plan was developed in collaboration with the Grantham Town Team and was fully funded from existing budgets.

During the continuation of the works, up to December 2024, the Action Plan concentrated on maintaining town centre footfall, supporting established businesses, and providing incentives to new market traders during the period of the disruptive highway works. The data showed footfall was not only maintained during this period but generally shows a year-on-year increase.

Since the start of the works in the Marketplace there was continuous support to businesses affected by the roadworks. This was continuing throughout the Station Approach works. This had included regular engagement with businesses and the hosting of two events on the newly completed Market Place. The most recent being the 'Grantham Community Event' on 19 October. This was well attended by a cross-section of the Grantham public and was the culmination of weeks of community engagement involving over 500 residents who participated in workshop activity. All initial feedback was positive.

During discussions, Members commented on the following:

- It was confirmed that individuals passing through Grantham by train or car were not included within the footfall figures.
- The Assistant Director of Planning confirmed the geofences for the marketplace footfall data to be from Westgate to Guildhall Street, including the marketplace. The Chairman requested a map of this for Committee Members. **ACTION**
- It was suggested the 2023 footfall figures were comparatively low due to rail strikes effecting the transport into the area. Some Members were concerned the 2023 data was not a reliable source from which to make spending decisions given that the data had been distorted due to the rail strikes. Given the concerns the Assistant Director for Planning confirmed the overall footfall data from 2022-24 had showed an 11.4% increase per year.
- It was noted by a Member that the peaks and troughs of the 2024 footfall data encapsulated in Appendix One had coincided with attendance levels of Grantham Market.
- It was queried why some activities within Appendix Two of the report were recorded as having no costs to them. The Member was concerned this failed to recognise the cost of the Officer time involved. The Assistant Director of Planning confirmed the costs recorded in Appendix Two were additional costs and initial costs such as Officer time had already been accounted for.
- The Chairman noted that a Member had previously provided a list of costing requests which had not been fully responded to by the report, such as purchasing the George Centre. The Chairman requested if Officers could revisit this. – **ACTION**
- Further details regarding the Loyalty Scheme within the proposed Action Plan were requested. The Head of Economic Development confirmed they were waiting for the response to the consultation with Retail Club Grantham.
- A Member noted that the report had incorrectly suggested that Lincolnshire Day was held between January-July. The Assistant Director of Planning confirmed this day had merely been used as an example of a local event.
- It was queried and confirmed that an option considered within the report was for SKDC to offer an initial rent-free four-week period for stall holders at Grantham market as an attempt to secure more stallholders at the market and subsequently increase footfall.
- It was suggested the empty retail unit on St. Catherine's Road could be used for a pop-up restaurant.
- It was noted that the bus timetable provided in the Appendix was too infrequent in the rural areas.

A Member expressed their concern that the level of scrutiny during this agenda item was insufficient and that it would benefit from additional time for consideration. The Member proposed holding an extraordinary meeting before the end of 2024, this motion was seconded, and a vote was held in which three Members voted in favour, two against, and two abstained. On the advice of the Democratic Services Officer, the Chairman noted that three Members of the Committee voting in favour of an extraordinary meeting was sufficient to trigger the extraordinary meeting in line with the Section 3.2, Part 4 of the Constitution. The Monitoring Officer advised that a vote on the initial Short Term-Christmas 2024 section of the Action Plan (Appendix Two) could be held at the current meeting. The extraordinary meeting could then scrutinize and vote on the aspects of the Action Plan from January 2025 onwards.

Following being proposed and seconded, it was AGREED to endorse Section One of the Action Plan for Grantham Town Centre – the Short Term to Christmas 2024.

54. Finance Update Report: April - September 2024

Councillor Ben Green left the Chamber and Councillor Murray Turner entered the Chamber at 16.25.

The Finance Update Report: April – September 2024 was presented by the Leader of the Council.

The Leader noted the General Fund Revenue Forecast Outturn Position had amounted to a £725,000 surplus from variants. This had been due to the following:

- A reduction in predicated inflationary price increases had resulted in a forecast underspend based on modelling at 0.9% increase per week for the remainder of 2024/25. The budget was set using a price of 171p but actual prices had been up to 39% below this.
- An interim pay award in line with the proposed national award for 2024/25 of:
 - £1,290 uplift for pay scales up to and including SK20
 - 2.5% uplift for pay scales from SK20A and abovewas endorsed by the Employment Committee and paid in July 2024. This had been funded by the approved budgets which were increased by an assumed 5% pay award. SKDC since received confirmation that this was the final approved national award for 2024/25 and as such, no further pay award is due resulting in a forecast underspend.
- Higher forecast levels of investment income were based on a combination of: more investments being held; and higher average interest achieved on those investments (currently 5.3% compared to 4.75% included in the budget).

The Leader confirmed that Collection Rates had also been positive and highlighted the following:

Council Tax – As of 30 September 2024 collection of £58.772m was on target against an annual debt of £105.848m. South Kesteven had the highest net

collectable debt in the county (£105.848m), with the next Councils debt being £102.909m.

Business Rates – As of 30 September 2024, £24.157m had been collected against an annual debt of £43.188m. The collection rate was 0.05% above target. South Kesteven had the highest net collectable debt in the county (£43.188m), with the next Councils debt being £41.611m.

Rent - Collection was £14.969m as of 30 September 2024 against an annual debt of £29.958m. The collection rate was 0.42% above target equating to an increase in the collection of £125k.

During discussions, Members commented on the following:

- The proportion of expenditure spent on discretionary rather than mandatory services was queried. This was confirmed to be approximately 60% of overall spending with the largest discretionary spending being spent on leisure and arts.

The item was noted by the Committee.

55. Corporate Plan 2024-27 Key Performance Indicators: 2024/25 Mid-Year (Q2) Report

The Corporate Plan 2024-27 Key Performance Indicators: 2024/25 Mid-Year (Q2) Report was presented by the Cabinet Member for Corporate Governance and Licensing. The report covered Quarter 2 for 2024/25, July-September 2024.

Appendix A presented the overall performance against the fourteen actions being presented in the session. Nine of the actions were rated Green (on or above target) and two were rated as Amber (off target by less than 10% or where milestone achievement was delayed but with resolution in place to be achieved within a reasonable timeframe). There were zero actions rated as Red (significantly below target). Three actions were rated as N/A where work had not yet meaningfully commenced.

During discussions, Members commented on the following:

- Guidance was sought on accessing the online dashboard of which KPI's were published at the end of each quarter. It was confirmed that there was training planned for all Councillors to demonstrate how to access this.

The report was noted by the Committee.

56. Leisure Maintenance Update

Taking the report as read due to time constraints, the Cabinet Member for Property and Public Engagement invited any questions regarding the Leisure Maintenance Update Report.

During discussions, Members commented on the following:

- Details were requested regarding the £105,000 upgrades to Grantham Stadium and the lease agreement with Grantham Town Football Club. This was because the Member saw the upgrades as being an indirect subsidy for the club which had not been matched for other football clubs across the district. The Leader confirmed the Stadium was also used by other organisations such as Inspire+ and the Athletics club and remained an asset to SKDC regardless of the football club. The Leader also confirmed that negotiations were continuing regarding the lease agreement with Grantham Town FC.
- It was queried whether St. Leonard's Priory, Stamford was owned by SKDC. The Cabinet Member confirmed it was leased to SKDC under a long-term lease agreement dating back to the 1960s.

The Leisure Centres Maintenance Update was noted by the Committee.

57. Work Programme 2024-25

Following a proposer and a seconder, the Committee voted to extend the meeting beyond 17:00.

During discussions, it was requested the following matters were added to the Work Programme:

- A UKSPF update,
- A Future Highstreets Fund update,
- A Waste Depot update from Lindum, including drone footage of the Turnpike Close site,
- An update regarding the costings of Grantham Town FC.

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

None was raised.

59. Verbal Update on St Martin's Park, Stamford

It was proposed, seconded and AGREED to go into private session.

Under Section 100(a)(4) of the Local Government Act 1972, the press and public may be excluded from the meeting during any listed items of business, on the grounds that if they were to be present, exempt information could be disclosed to them as defined in the relevant paragraphs of Schedule 12A of the Act.