

## **ACTION NOTES**

### **Finance, Economic Development and Corporate Services Overview and Scrutiny Committee**



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

**Tuesday, 7 September 2021, 10.30**

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

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#### **Committee Members present**

Councillor Graham Jeal (Chairman)  
Councillor Mark Whittington (Vice-Chairman)  
Councillor David Bellamy  
Councillor Phil Dilks  
Councillor Philip Knowles  
Councillor Charmaine Morgan  
Councillor Ian Stokes

#### **Cabinet Members in attendance**

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

#### **Officers in attendance**

Richard Wyles, (Interim Director of Finance (Section 151 Officer))  
Alison Hall-Wright (Head of Finance)  
Claire Moses (Head of Revenue and Benefits)  
Debbie Roberts (Corporate Project Officer)  
Sarah Downs (Democratic Services Officer)

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## **22. Apologies for absence**

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

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

No comments from members of the public were received.

### **24. Disclosure of interests**

No disclosures of interest were received.

### **25. Action notes of the meeting held on 20 July 2021**

It was proposed, seconded and **AGREED** that the action notes from the meeting held on 20 July 2021 were a correct record.

### **26. Updates from previous meeting**

A Member asked for an update on the concessionary scheme for special constables and why there had been a delay with the scheme implementation.

It was confirmed that conversations were ongoing with the Police but details of how the scheme would be implemented had yet to be confirmed. The matter was scheduled to be further debated at the Lincolnshire Finance Officer Group meeting in order to implement the scheme as soon as possible.

A Member asked about the impending reduction in Universal Credit. More information was requested about the potential impact.

It was noted that the impact would become apparent in the latter part of this year.

A Member queried the use of the Government provided Hardship funding and the Council specific Hardship fund and asked for clarity as to the separate uses of each fund. It was agreed that these funds would continue to be monitored during the course of the financial year.

A Member noted that the vast majority of complaints were involving street care and housing maintenance with only one complaint about a leisure centre. The Member asked how soon it should be expected that complaint levels returned back to normal. They also queried whether it was normal for very few complaints to escalate to stages 2 or 3.

It was confirmed that the areas that had high numbers of complaints had been continuing as normal throughout the pandemic. It was also emphasised that most complaints were resolved relatively quickly.

### **27. Breathing Space Update**

The Head of Revenues and Benefits presented a report which provided an update on the Breathing Space Debt Respite Scheme.

The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Moratorium) (England and Wales) Regulations 2020 - SI 2020 No 1311 were made on 17 November 2020 and came into force on 4 May 2021.

The regulations gave people legal protection from most creditor action for 60 days while they received advice and entered an appropriate debt solution. The Creditors could not take up the recovery process within this time. This would include residents who were debtors of South Kesteven District Council, for example, Council Tax, debtors invoices, Housing Benefit Overpayment, Rent etc.

An internal office team had been established to ensure that debtors were assisted through their journey. Each case was monitored for the 60 days, with a review mid-term and at the end of the period before confirming a debt resolution plan.

Since the regulations came into force, South Kesteven District Council had received 37 Breathing Space notifications, all of which had a Council debt, totalling £118,250. The level of individual debt ranged from £234.56 to £18,034.

Actions following the 60 day period took a two-step approach. Non-enforceable debt created a debt solution plan following written contact with the debtor. Debts such as rent arrears and summons required engagement with the debtor. If there was no response, the process moved to court proceedings having ensured the debtor received plenty of notice.

Going forward, the aim was to establish consistency and continuity in respect of all applications. In response to a question it was confirmed that there was no funding available to support the additional work this was putting on the Council.

A Member asked how big the debt problem was compared to last year, pre-covid and how residents would learn of the availability of Breathing Space.

It was confirmed that the debt was larger this year due to the suspension of all debt recovery processes during the pandemic lockdowns. SKDC had the highest number of residents applying for debt respite in the County and received applications directly as well as from Citizens Advice and StepChange.

It was explained that there had been a spike in numbers within the first six weeks of the scheme starting and the overall levels of debt were higher than would normally be expected due to the suspension of the recovery process during 2020. It was confirmed that the Breathing Space scheme was publicised on the SKDC website and through contact with staff from the recovery team.

A Member questioned the nature of the debt of £18,000 and asked what type of debt it was and how it had accumulated.

It was confirmed the amount was higher due to the pandemic delaying the recovery and summons process. It was noted that a substantial part of the debt was Housing Benefit overpayment but also included Council Tax and rent arrears.

A Member asked what the specific role of debt advisor covered within the process and what level of contact the Council had with them.

It was confirmed that debt advisors were regulated and they were instructed by the debtor. Contact was maintained by SKDC with the advisors through email and reviews were requested mid-term and then after 60 days.

A Member queried why in some cases, a debt solution wasn't reached after 60 days and what triggered the resolution process.

It was confirmed that a response was not always received and this made it difficult to assess what had happened. The requirement and aim was always a debt solution but the high volume of cases had increased the difficulty.

A Member was concerned that five days was a short period to action a plan.

Assurance was given that a pre-contact period of 10 days was established before the five day period was invoked but that this was still in an infancy stage.

A Member asked who bore the cost of recovery and at what point a debt was written off. The Member also queried whether in some cases the cost of recovery may be higher than the cost of a debt.

It was confirmed that the recovery cost was entirely the duty of SKDC and that further information will be obtained as part of a follow up report later in the year.

**It was AGREED that the introduction of the Debt Respite Scheme (Breathing Space) along with the financial impact and arrangements put in place to enable the Council to respond to the legislative requirements be noted.**

## **28. Finance Update Report: April - July 2021**

The Assistant 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 July 2021.

It was reported that the Council was currently projecting a General Fund deficit of circa £1m for the current financial year due to a combination of factors including income shortfalls. Reasons for this included the car parking occupancy being lower than budgeted (Grantham being 60% and Stamford being 80%) and leisure and arts facilities having been closed due to pandemic restraints. The Government's Income Loss Compensation Scheme remained until the end of June but would not fully reimburse the Authority for income losses due to the restrictive criteria of the scheme. Other contributing factors included projected shortfall in achieving the process automations savings and securing further savings from procurement activities due to the market increases in materials and contractor availability.

It was reported that savings were being generated in some areas with underspends as a result of staff working remotely and these savings were expected to continue for the remainder of the year. Attention was also drawn to the approved criteria for the recently formed COVID recovery reserve the details of which were included in the report.

There were updated projections for the Housing Revenue Account and members attention was drawn to the revised New Build programme projections which had reduced for the remainder of the year. Finally, the Committee was reminded that the Council's Finance Risk Register was included in the report and included a new risk to reflect the projected deficit projection.

During discussion, Members raised the following points:

A Member asked what the overall impact of Covid was in last year's budget and in comparison to this year so far.

It was reported that the 2020/21 out-turn had shown an overall balanced position and this had been partly assisted by a range of Central Government grants and the Council taking advantage of the national furlough scheme.

A Member asked what the financial impact of the empty office space above the Cinema was for the year.

It was confirmed that £75,000 was included in the budget to meet the ongoing operational costs of holding the asset and the vacant space (including the vacant units adjacent to the cinema) was being marketed by commercial agents. No income budgets had been included in the current year's budgets in respect of the empty units so there was no adverse financial impact on the Council.

The Committee noted that the social housing figures discrepancy looked significant and some of the figures may refer to adaptations rather than new builds. Further information would be provided to the Committee at its next meeting. The Disability Facility Grant was a demand led service and figures would continue to catch up with resources as the forecast changed.

A Member asked for an explanation of the 20% Building Control variant. It was clarified that a saving was made of this percentage, hence the variant.

A Member asked about the HRA capital forecast and welcomed the prospect of 15 new units. The Member asked if they would be subject to Right to Buy and how many properties were lost to this process in a year.

It was reported that they could not be excluded from Right to Buy but that tenants bore the cost, not the Council. It was confirmed that an average of 70 a year are sold but just 28 were sold last year.

**ACTION:**

**That further information be provided to set out the difference in building costs for social housing new builds in Stamford and Bourne, at £150,000 compared to £80,000 in Grantham.**

**It was AGREED:**

**That the Committee reviewed and noted the forecast 2021/22 outturn position for the General Fund and HRA Revenue and Capital budgets as at the end of July 2021.**

**The Committee noted the allocation criteria of the COVID recovery reserve, the use of which had been delegated to the Chief Executive and the S151 Officer in consultation with the Cabinet Member for Finance and Resources.**

**29. Review of Special Expense Areas**

The Assistant Director of Finance and Section 151 Officer presented a report which reviewed the costs that were currently being charged to the Special Expense Areas and examined the guiding principles that were adhered to when allocating costs to the Special Expense Areas.

A provision of the Local Government Act 1992 (section 34 and 35) allowed Councils to classify by resolution, certain expenditure and income as “special” rather than general, indicating that the related tax burden is chargeable against a part rather than the whole of the Council’s area.

A Special Expense Area (SEA) had a separate tax levy similar to a parish/town council precept. It relates to expenses that in other locations within the district are picked up by the parish/town council such as playing fields and cemeteries. SEA’s were created to avoid “double taxation” where a resident of South Kesteven would pay for facilities in their own parish (via their parish precept) and also pay towards another facility in another parish through the District Council precept. The District currently has four special expense areas following the cessation of the Deepings SEA with effect from 1 April 2021:

- a) Grantham SEA
- b) Stamford SEA
- c) Bourne SEA
- d) Langtoft SEA

The Assistant Director for Finance (Section 151 Officer) confirmed that conversations with Town and Parish Councils were ongoing with respect to the proposal of transferring the assets that were charged to each SEA being passed to the respective town or parish council.

A Member informed that there was support for this process and conversations had taken place with Bourne and Stamford Town Clerks with a meeting arranged for Langtoft in the near future.

A Member confirmed that Bourne Town Council supported the principle of the SEA, subject to a detailed cost survey and conversations which were ongoing.

A Member asked for confirmation of which recreation grounds within Stamford were included in the report.

It was confirmed that Empingham Road and Uffington Road are currently included within the SEA.

A Member queried the SEA drop in level of reserve for the Grantham Area.

It was reported that funds had been spent predominantly on Wyndham Park and Queen Elizabeth Park and both areas currently held green flag status.

A Member queried the costs of administration within these budgets. It was confirmed that charges were made and that further details would be made available to Members.

It was reported that the transfer meant that the Parish Councils would be liable. They would also need to consider the potential costs involved.

It was **AGREED** that the report be noted.

#### **RECOMMENDATION:**

**The Committee broadly supported the principle of transferring the assets to the respective town/parish councils in order to remove the ongoing Council management of the special expense areas.**

### **30. Progress on the New Customer Feedback Process**

The Cabinet Member for Corporate Governance presented an update on the new complaints procedure, including a draft new feedback policy along with a flowchart, based on previous comments from Members. It was aligned to the housing feedback policy and considered a two-step process rather than the current three-step process.

There were still many ways to make contact with staff to make a complaint, including telephone, online, face to face and email. A new complaints software package could ensure any officer could input a complaint that was relevant to their department and ensure the Council's obligations were met through extensive training.

During discussion, Members raised the following points:

Concerns were raised that a complaint could not be raised by someone who was not directly impacted by the situation. Comments were added that a complainant who may not have full capacity may require a representative to assist. It was agreed that this element would be removed from the scheme.

Concern was noted that a three month expiry on submitting a complaint may not be long enough and an example was given of an unresolved complaint raised a year ago with no satisfactory resolution having yet been reached.

It was reported that reference to three months was the time enabling a complaint to be raised, not dealt with and that an unresolved ongoing situation could be escalated as appropriate.

Concerns were raised by a Member about how to deal with vexatious complaints, considering staff welfare and potential threats from the public. It was noted that staff needed to be protected. Although the need for anonymous complaints were acknowledged, concern was raised about dealing with a deliberate intention to cause problems.

It was agreed that all staff deserved to be looked after and a policy would be introduced to consider this. Officers needed to be empowered to conduct their work and it was noted that anonymous complaints hindered dialogue.

A Member asked what was within the scope of the complaints procedure, for example, complaints against Councillors and complaints in relation to the Council's companies such as LeisureSK Ltd.

It was informed that Member conduct was not within the scope of this process and came under the responsibility of the Council's Monitoring Officer. Housing complaints were dealt with as a separate process. All Council companies were monitored as the Council was legally responsible for delivering the services, sometimes as a shareholder through a service level agreement.

A Member stated that unreasonable complaints should be overseen politically and should not be left solely to an officer.

It was agreed that some complaints were too significant for an individual officer to resolve.

A Member asked that contractors be included within the process, with a review of out of hours complaints in particular to be added.

**It was AGREED that:**

- a) The Committee noted the update regarding a new customer feedback process and software system.**



## **RECOMMENDATIONS:**

- b) The Committee endorsed the new draft customer feedback policy and provided comments prior to recommending to Cabinet that the new process is adopted**
- c) The Committee delegated to the Deputy Chief Executive in consultation with the Cabinet Member for Corporate Governance to continue exploring costs for a new software system for complaints and provide regular updates on progress to the Committee.**

### **31. Update on Local Authority Searches**

The Cabinet Member for Corporate Governance present a report which provided the Committee with an update on the Local Authority Searches.

The Governance and Audit Committee at its previous meetings had received information regarding the performance relating to Local Authority searches. The Committee considered a report on the service area's performance and referred the matter to this Committee in order that it could review performance through key performance indicators.

By implementing the immediate measures there was now no backlog with processing and Officers were turning around requests in 4 days with the service area's target being 10 days. There were many reasons for the original delays and due to the interventions that had been put in place performance was improving together with the Council's reputation.

During discussion, Members raised the following points:

It was acknowledged that the delay may have cost residents money in relation to stamp duty so the time reduction in processing searches was welcomed.

A query was raised about the GIS mapping system and what impact this had on the process as a whole.

It was confirmed that the GIS mapping system was adequate but more staff training was required to ensure efficiency and confidence from staff. This was being worked upon. It was stressed that the data was accurate and there was no risk of incorrect or inadequate information being provided.

It was confirmed that processes were being reviewed to provide a longer term solution for resilience as processing searches is relatively labour intensive. These processes needed to be simplified. The Committee acknowledged the efforts and hard work of the staff to achieve this improvement.

A query was raised as to how recent the current performance of four days completion was further to a member having received recent complaints regarding the time associated with an active search.

It was confirmed that the completion time would be monitored on an ongoing basis. Private search companies may contribute to the delay along with Solicitors and it was very common that the Council unfairly received the blame for any delays in searches being completed, in some instances not having actually received searches from Solicitors when complaints had been received from customers.

It was emphasised that the target for completion was ten days, so achieving a performance of a four day turnaround was a significant overachievement of the target.

**It was AGREED that:**

- a) The Committee noted the update regarding Local Authority searches and that there was no longer a backlog and at the time of the meeting the average turnaround for searches was four days.**
- b) The Committee would review and monitor the Key Performance Indicators around Local Authority searches as part of it's work programme, as delegated by Governance and Audit Committee.**

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

The Committee received the Work Programme for 2021 – 2022.

It was noted that the Chairman and Vice-Chairman would meet outside of the meeting to consider this in greater detail.

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

There were none.

### **34. Close of meeting**

The Chairman closed the meeting at 12.50.