

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



**SOUTH
KESTEVEN
DISTRICT
COUNCIL**

Tuesday, 27 September 2022, 2.00 pm

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

Committee Members present

Councillor Helen Crawford (Chairman)
Councillor Ben Green (Vice-Chairman)

Councillor John Dawson
Councillor Gloria Johnson
Councillor Philip Knowles
Councillor Susan Sandall
Councillor Ian Stokes
Councillor Paul Wood
Councillor Phil Dilks

Other Members in attendance

Councillor Ashley Baxter

Cabinet Members in attendance

Councillor Kelham Cooke (Leader of the Council)
Councillor Adam Stokes (Deputy Leader of the Council)

Officers in attendance

Alan Robinson (Deputy Chief Executive)
Nicola McCoy-Brown (Assistant Director of Growth and Culture)
Richard Wyles (Chief Finance Officer)
Alison Hall-Wright (Assistant Director of Finance)
Claire Moses (Head of Revenues, Benefits and Customer Service)
Gary Andrew (IT Services Manager)
Sarah Downs (Democratic Officer)

23. Public Speaking

There were no comments from members of the public.

24. Apologies for absence

Apologies were received from Councillor Rosemary Trollope-Bellew.

25. Disclosure of interests

There were none.

26. Minutes of the meeting held on 19 July 2022

A Member asked when the public consultation would start on the localised Council Tax Scheme for 2022/23. The Head of Revenues, Benefits and Customer Services confirmed that the consultation opened on 26 September 2022 and will close on 21 October 2022.

The minutes of the meeting held on 19 July 2022 were proposed, seconded and **AGREED** as a correct record.

27. Updates from previous meeting

The Committee noted the action notes from the meeting held on 19 July 2022.

The Chairman confirmed that some Members of the Committee took part in a tour of Grantham and found it most informative and exciting to think what the future could be like.

The Head of Revenues, Benefits and Customer Service confirmed that the call-handling information was being reviewed. Performance clinics were to meet on a weekly basis from next month. The Officer asked that when Members were notified of specific incidents of calls not being answered, that they forward the details to the Officer who will investigate.

A Member stated that a direct line should be answered by a staff member and not go to voicemail.

Recent data on the calls answered was requested and a specific incident was recalled where a Member tried to contact a department over a 40 minute period. This was confirmed to be on the day that there was a county-wide internet outage which the Council was powerless to rectify, although Councillors were able to contact Members Services for all their enquiries.

The Chief Finance Officer added that Members were soon to be notified of a direct method for contacting Officers.

The Leader of the Council added that the residents rightly expected a quality standard of service. It was requested that data information on calls be brought before the next meeting and should include the number of calls received and call failures logged.

ACTION 1:

That the Committee receive call data as requested at the 22 November meeting.

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

There were none.

29. Draft ICT Strategy 2022-2025

The Council's Corporate Plan (2020 – 2023) identified High Performing Council as a key priority. To support the achievement of this priority the Council produced an updated ICT Strategy which provided details regarding the strategic direction of ICT which sought to maximise functionality, value for money and quality customer experience.

The previous strategy covered the period 2017 to 2019 and set out a direction of travel towards cloud-based solutions which this strategy builds on. Presented by the Leader of the Council, the Strategy focused on two key principles which aimed to create an improved ICT experience for all users. The key principles were:

The ICT platform –aiming to ensure that end-to-end interactions are as simple and streamlined as possible to create an improved customer experience.

A digital workforce –focused on enabling our employees to have access to the right tools to do their job and be confident in maximising the use and benefits of technology in daily work.

The ICT platform and digital workforce principles complemented each other in the delivery of a successful, transformational ICT service. The ICT platform principle aimed to modernise our processes and systems and the digital workforce principle ensured employees have the relevant skills and tools to make the best use of the technologies available.

During discussion, Members raised the following points:

- Had the Council placed enough emphasis on cyber security, stability, back-up facilities and resilience?
- There was no mention of telephony in the report. Why was this?
- A query was raised within the 'strategic principles' part of the report in reference to the use of 'modular common components'.

The Assistant Director of Finance confirmed that Members had received £150,000 in government funding and an action plan to show the improvements to the Council's security due to be made was put together which can be brought to the November meeting.

The Assistant Director of Finance explained that the telephony system was part of the Customer Experience strategy not ICT.

The IT Services Manager informed the Committee that the Council was using a software platform also used by over 30 other Councils to share applications and ideas – an open culture, whereas expensive 'off-the-shelf' software may have been relied upon in the past. The Officer also informed Members that cloud contracts were Government-approved and had to be run from within the United Kingdom by law. There were back-up plans that were built into the contract.

ACTION 2:

The Committee was to receive details of the action plan for the ICT Strategy when it was developed.

It was proposed, seconded, and **AGREED:**

That the Finance, Economic Development and Corporate Services Committee:

- a) **Had reviewed and provided feedback on the draft ICT Strategy prior to its formal approval.**

30. Update on St Martin's Park Demolition Works

The Leader of the Council presented the report on St Martin's Park Demolition Works.

In March 2019 the Council purchased land at Barnack Road, Stamford, which was purchased by the Council as being strategically important to the Council's growth ambitions in Stamford. The development was also included in the Corporate Plan 2020-2023 with a key action for its delivery under the corporate priority of 'Growth and Our Economy'. The land holdings, known as St Martin's Park, extend to approximately 14 hectares (36 acres).

The sites had been marketed for a mixed-use development including commercial, residential and retirement units along with associated public open space, car parking, retail and infrastructure. These uses were subject to an outline planning consent, approved by the Local Planning Authority with a completed Section 106 agreement which included demolition of the Cummins factory and associated buildings.

At full Council on 27 January 2022 the Council approved the budget of £1.303m in order to provide funding for the demolition of the buildings at St.Martin's Park Stamford and the demolition of the buildings and delegated authority to the Chief Executive, in consultation with the Leader of the Council and S151 Officer to enter into a contract with GF Tomlinson to undertake the works within the allocated budget.

It was noted that at a future Council meeting further approval would be required for the remediation costs for the land and approval for the disposal of the asset for a capital receipt. Council was asked to approve a reserve movement of £500k from the Local Priorities Reserve to the Regeneration Reserve in order to ensure there was sufficient funding in the Regeneration Reserve to finance the demolition works of £1.303m. A contract with GF Tomlinson Ltd was entered into on 18 March 2022 for the sum of £1,303,981.92 and contractors were mobilised on the 18 April 2022 after obtaining discharge of the relevant planning conditions required before commencement. There were numerous buildings on site requiring demolition.

Demolition works were anticipated to take 36 weeks to complete. To monitor this programme, the contract sum and progress on site monthly client meetings have taken place. A Quantity Surveyor from GF Tomlinson is also present to discuss the finances and any additional instructions are formally issued.

Members raised the following points during discussion:

- It was welcomed that good progress appeared to have been made.
- Had the Council employed a Quantity Surveyor?
- Was a survey completed when the land, including the 1904 building was bought and can a copy of the survey be obtained?
- Who bears the costs of the demolition and rebuild of the 1904 building? Will Burghley Land Ltd contribute to this cost?
- The site is close to a well-established residential site. Have any complaints been received about the work being carried out?

The Head of Projects, Policy and Performance confirmed to the Committee that they acted as the client on behalf of the Council for the development with the assistance of a project manager who is also a qualified quantity surveyor that reported to them. The Officer further clarified that two complaints had been received due to the dust that was problematic during the very hot weather in July. The site was dampened down to reduce the dust. Members were informed that Burghley Land Ltd had already agreed to pay £250,000 toward Demolition works but the full cost for demolition of the 1904 building had yet to be confirmed.

The Leader of the Council confirmed that a survey was completed upon the purchase of the land but that since the sale, further information had come to light.

The Leader confirmed the findings that the 1904 building was no longer structurally sound were disappointing but that it was financially unviable to continue to maintain it. It was clarified that the survey would be sent by email to all Members of the Committee as soon as possible.

ACTION 3:

The Committee will receive a copy of the Survey report by email following the meeting.

AGREED:

That the Finance Economic Development and Corporate Services Overview and Scrutiny Committee:

a) **Noted the update regarding the project**

31. Finance Update Report: April - August 2022

The Chief Finance Officer presented the Finance Update Report to the Committee.

During the current financial year, the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee was to be provided with regular finance reports that monitor and forecast the budget against the current economic conditions that are facing the Council.

The Officer informed the Members that external influences continued to impact the budgetary framework set by the Council in March 2022. The overall projected deficit was approximately £817,000, partly mitigated by investment income having been budgeted at an assumed interest rate of 0.5%. With rates currently at 4%, this income was a major contributory factor in reducing the deficit.

The Officer clarified that continuing pressures on the Council finances included fuel and utilities costs. Fuel costs had been budgeted at £1.10 per litre and currently the cost was £1.35 to £1.40 per litre. Further increase in price for utilities was expected from October 2022. As yet there was no information on funding settlements from the Government and therefore the financial climate continued to be difficult and uncertain. An inflationary reserve fund was created to mitigate some of these pressures. Fees and charges were reduced in some areas such as Arts and live events and overall income levels remain uncertain.

Contractual arrangements continued to challenge the Council with projected underspends. This was largely due to contractors having difficulties with labour and supply chains. Some planned schemes had been reduced as a result and reprofiling of housing growth has been considered on newbuilds for Swinegate, Grantham and Elizabeth Road in Stamford.

Other considerations were that there continued to be a limited opportunity for external borrowing and an as yet unresolved pay award pending.

During discussion, Members raised the following points:

- The financial climate remained challenging and could get worse, therefore being the worst time to borrow money.
- The Pay Award remained unresolved and could be more than planned for.
- Was the Council still committed to the funding programme for the Deepings Leisure Centre?
- Could the Government change its position on awarding the High Street funding?
- Was there still a 'levelling up' agenda?
- Was the investment income received referring to cash?
- Could the information regarding the actions put forward at a working group be presented at the next Committee meeting?
- Inflation rates could translate into real-term pay-cuts and influence staffing turnover and vacancies.
- Why were salary costs higher when vacancies had increased in numbers?
- Maintenance costs of vehicles should have been reasonably foreseen to reduce end-of-life costs.
- Quality targets for council housing were consistently missed or programmes delayed.
- Some risk factors were nearing red, an area for concern.
- At what stage would the Council take radical action such as borrowing more money or spending reserve funds?
- Will the Food Waste Scheme be taken up again in the future?
- Were the Council progressing with the acquisition of properties on the open market?

The Chief Finance Officer informed the Committee that Local Authorities all over the country were feeling the impact of the economic crisis. It would be expected

that the Government would provide some level of financial support in order to enable authorities to maintain services.

The Leader of the Council informed the Committee that as the Council is at tier 3 level of Local Government, the Authority is unable to benefit from the 'levelling-up' scheme. However, the Council had legal agreements with the Government securing existing schemes such as the UK Shared Prosperity Fund that would contribute to updating High Streets. As a Member of the District Councils Network, the Authority is pushing for more than a one-year settlement but were not expecting this to be granted.

The Assistant Director of Finance confirmed that the investment income referred to cash balances that were currently earning 4% and it was anticipated that these rates would continue to rise.

The Chief Finance Officer informed Members that the working group would continue to monitor the financial situation and look at cost-reduction strategies. It was agreed that an overview of actions agreed would be brought to the Finance Economic Development and Corporate Services Overview and Scrutiny Committee in November 2022. Members were also informed that tough choices had to be made and housing maintenance programmes were having to be delayed in some cases. The Stock Condition survey was not yet complete but the results would be informative. The current market could not sustain work at a quick speed due to labour shortages and suppliers issues. The Officer explained that the Council budgeted for a 3% staff turnover rate and that many vacancies may temporarily be filled by agency staff who are charged at a premium rate.

The Deputy Chief Executive confirmed that further checks on vehicles were to be carried out. Currently the Council owns the fleet of vehicles outright and perhaps this may change following a review. Refuse lorries were amongst the largest of costs and each vehicle currently was kept for 8 years. It was important to find the most efficient solutions in an ever-changing climate.

The Leader of the Council added that the existing housing stock needed to be maintained as a priority before the acquisition of properties on the open market. The stock condition survey would inform the focus of resources.

It was proposed, seconded, and **AGREED**:

That the Finance Economic Development and Corporate Services Overview and Scrutiny Committee:

- a) **Reviewed and noted the forecast 2022/23 outturn position for the General Fund and HRA Revenue and Capital budgets as at the end of August 2022 and identified any variances that require action or investigation.**

- b) **Recommended any specific actions or interventions that should be considered in order to reduce the General Fund forecast deficit.**

32. Work Programme 2022 - 2023

The Committee noted the contents of the Work Programme 2022 – 2023.

Members agreed to add the following items to the agenda for the Committee meeting on 22 November 2022:

- An update on the 'Changing Places' scheme
- Finance Update Report including Inflationary pressures
- Housing Stock update
- Call-handling data from the telephony system

33. Exclusion of Press and Public

The Chairman informed the Committee that while the report on the Grantham High Street Shop Front Scheme was not exempt, some of the information within the appendix was and the Committee could vote to exclude the press and public if they wanted to discuss this information.

34. Update on the Grantham High Street Heritage Action Zone Shop Front and Building Regeneration Programme

The South Kesteven District Council Corporate Plan (2020-2023) identifies delivering growth as fundamental to the success of the District, its businesses and residents. Developing the centres and high streets of South Kesteven's four towns is a priority. A key action is the regeneration of Grantham town centre, supported by the Future High Street Programme and delivery of the Heritage Action Zone project.

The Grantham High Street Heritage Action Zone (HSHAZ), administered by Historic England, was an England-wide funding programme which sits alongside the Future High Street Fund (FHSF) to support the regeneration of town centres. Members of Finance, Economic Development and Corporate Services Overview and Scrutiny Committee received a progress update on the £5.56 million FHSF projects in Grantham on 3 May 2022.

The Leader of the Council presented the report and informed Members that the funding grants up to 80% of design and build costs to reinstate historic features of buildings such as a timber shopfront and slate roof. £1,250,000 was approved at full Council on 2 March 2020. In recent years, poor quality alterations have destroyed the character of some of the buildings within the town's centre.

To be eligible, properties must pre-date 1939 and be located within the High Street, Westgate or Market Place, Grantham. Project Officers are to work closely with shop owners and Historic England to see which projects may be taken forward.

During discussion, Members raised the following points:

- The Scheme was welcomed by Members and was expected to attract tourists from far and wide
- The impact of traffic was a challenge
- The uplift should be valid for the needs of today, such as the alfresco area in Westgate
- Were the upstairs areas to be considered too?

The Leader of the Council stated that the Grantham Southern Relief Road was to take a lot of traffic, especially lorries from the town centre. 22 apartments above shops had also been identified as eligible. Any shop owners that were unwilling to contribute would be reached out to in an attempt to gain support.

The Chairman added that they were energised and felt positive about the future of Grantham.

It was proposed, seconded, and **AGREED**:

That Finance, Economic Development and Corporate Services Overview and Scrutiny Committee:

- a) Celebrated the progress made on the capital elements of the shopfront and building regeneration schemes within the Grantham High Street Heritage Action Zone Programme.**

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

There were none.

36. Close of Meeting

The Chairman closed the meeting at 16:00.