

Minutes

Finance and Economic Overview and Scrutiny Committee



SOUTH
KESTEVEN
DISTRICT
COUNCIL

Tuesday, 17 September 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 Tim Harrison
Councillor Gloria Johnson
Councillor Max Sawyer
Councillor Lee Steptoe
Councillor Murray Turner
Councillor Mark Whittington
Councillor Matthew Bailey

Cabinet Members present

Councillor Ashley Baxter (Leader of the Council)
Councillor Richard Cleaver (Cabinet Member for Property and Public Engagement)

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)
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)
Amy Pryde (Democratic Services Officer)

29. Public Speaking

There were none.

30. Apologies for Absence

Apologies for absence were received from Councillors Ben Green and Philip Knowles.

Councillor Matt Bailey substituted for Councillor Ben Green.

31. Disclosure of Interests

There were none.

32. Minutes from the previous meeting

The minutes of the meeting held on 17 July 2024 were proposed, seconded, and **AGREED** as a correct record.

33. Updates from previous meeting

All actions were complete.

In relation to the Marketplace footfall action, feasibility and the costings study would be brought back to the Committee on 26 November 2024.

The Chairman queried whether the Leader of the Council had arranged a meeting with the public speaker who had attended the previous Committee meeting.

The Leader of the Council clarified that a meeting had not yet been set up, however, this would be completed, following the meeting.

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

The Chairman informed the Committee of a change in the order of the agenda.

The Leader of the Council informed the Committee that the local MP had sent a letter regarding the procurement of the solar panels for the Meres Leisure Centre. A response to the letter received was being drafted.

One Member referred to an email that he had sent to Councillors on the human rights and modern slavery in China on the production of solar panels. It was suggested that wherever possible, the Council should avoid any goods emanating from China.

Concern was raised that the solar panels in question were being produced in an area of province known for slave labour.

It was highlighted that most products supplied to the whole world were produced, manufactured and purchased from China.

It was emphasised that public bodies should be open and transparent in regard to projects whereby public money was being utilised.

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

The Cabinet Member for Property and Public Engagement presented the progress update report. The Committee were provided with a dashboard and risks that had been identified and mitigated at present.

A medium risk had been identified within the report due to elongated statewide construction period. The description included information that fees were based on the 36-week construction period, there was a risk that additional fees would be needed if the period of construction was extended. Furthermore, the report stated that Lindum were forecasting a 51-week construction period.

Clarification was sought around the timeframe of the construction period.

The Deputy Chief Executive outlined that the financial risk originally related to two bids. The first bid demonstrated a 36-week construction period and the accepted bid from Lindum's was a 51-week construction period. The consultants (Gleeds) had submitted their costs, which was based on the 36-week period.

In conjunction with the consultants, the Council were attempting to review the construction period of the other contractor in hope that Lindums may be able to match the timeframe. The 15-week difference would incur costs to Gleeds. The financial risk would pass if Lindum's confirmed that 51 weeks was the period they require.

Further clarity would be provided in due course in relation to the medium financial risk and would be reported back to the Committee.

One Member highlighted that the current waste depot had problems in regard to capacity and space rather than facilities. The new depot design included large hard standing portable buildings to provide offices, restrooms, toilets and shower facilities and a large area for vehicle maintenance, however, it was felt this was not required.

That the Committee:

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

36. Finance Update Report - April to July

The Leader of the Council presented the report, which provided the first monitoring report of the current financial year. Further updates would be provided throughout the year to monitor how the Council could proceed against the budget.

The report included a risk register which contained the biggest risks facing the Council in respect of future funding levels in the ongoing challenges of funding the backlog of maintenance.

It was hoped the multi-year financial settlement would be forthcoming with the new Government, in order for the Council to make credible and sensible long-term investment decisions.

The Leader of the Council had no specific concerns at present in relation to the rest of the financial year.

Cabinet had previously approved the acceptance of the Homelessness and New Burdens Grant of £268,000.

It was expected a government spending review would take place in March/April 2025 with an expectation to set a three-year budgets going forward. It was further expected a one-year settlement would be provided for the 2025/26 financial year.

Members urged the new Government to provide fairer funding for rural authorities. It was noted that social deprivation in rural areas seemed to be overlooked by Central Government.

A query was raised on whether the increase of energy costs would affect the Council and whether mitigations had been put into place.

Interest rates were forecast to come down in the short-medium. Assurance was sought on how the interest rate levels would affect investment income.

The Council had a conservative estimate of investment income not assuming that interest rates would reduce.

The increase in energy prices and energy caps was aimed at domestic energy users rather than commercial energy use. The Council were part of the ESPO framework for energy purchases, therefore, the Council were in a 6-month stability period for energy costs for the Council and Leisure SK Ltd.

The Council were actively securing medium term investments in line with the possible decrease in interest rates.

The Deputy Chief Executive outlined costs of incurred from the Drainage Board levy, which saw a £29,000 increase in the levy charges received when compared with the budgets prepared for 2025/26. A windfall payment from Government of £50,000 had been received in order to assist those Council's which were faced with Drainage Board levies.

Collection rates for the first four months of 2024 had been included within the report. Members were assured collection rates were being maintained within targets for business rates, council tax and housing rents.

It was noted Government may divert funds from wealthier to less wealthy local authorities, it was queried how the Council would rate in terms of perceived wealth by the Government.

The Government would use their specific metrics to make an assessment on perceived wealth of a local authority.

That the Committee:

1. Reviews and notes the forecast 2024/25 outturn position for the General Fund and HRA Revenue and Capital budgets and identifies any variances that might require action or further investigation.

2. Notes the increase of the Homelessness expenditure and income budgets to reflect the receipt of additional grant income totalling £268k.

37. Update on St. Martin's Park, Stamford

The Cabinet Member for Property and Public Engagement presented the report, which provided a further update on the redevelopment of St. Martin's Park, following on from the decisions taken at Full Council in February 2024.

A presentation would be provided to the Committee in exempt session due to commercial and confidential information that it included.

One Member noted that the monthly cost of St. Martin's Park to the Council was £21,000 and not £14,000. An explanation was requested.

The Head of Corporate Projects, Performance and Climate Change clarified the increase in cost was due to increasing electricity prices, meaning the standing charge for the year had raised. The costs were from the Council's revenue for the project.

It was proposed, seconded and **AGREED** to go into closed 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.

(The Committee had a break from 11:40-11:50)

(Councillor Lee Steptoe left the meeting at 11:50)

That the Committee:

Notes the progress made regarding the delivery of the St Martin's Park re-development project in Stamford.

38. South Kesteven Economic Development Strategy 2024 / 2028 - Final Draft

The Leader of the Council presented the report with the final draft of the Economic Development Strategy.

On 26 June the 2024 Officers updated the Finance and Economic Overview and Scrutiny Committee on comments received during a period of consultation with stakeholders in respect to a draft South Kesteven Economic Development Strategy 2024 – 2028.

The consultation period between May and June 2024 resulted in over fifty responses, which were provided in Appendix 1. Whilst extensive, they were categorised into four main themes: Connectivity, Commercial Premises, Key Sectors, Productivity.

At the previous meeting, the Committee noted the contents of an update report and agreed to hold a workshop to provide further input into the final Strategy. During the Workshop a presentation was given by the Head of Economic Development and Inward Investment that identified the main points received through the consultation period.

Each point was debated and the meeting concluded with further recommendations from Committee Members to strengthen the 'Vision'; to include reference to retaining, growing and attracting businesses and to include the Council's Corporate Plan Objectives as Key Performance Indicators (KPI) within the strategy; ensuring a clear relationship between the documents.

Appendix 3 identified the necessary changes which were made to the final strategy following stakeholder consultation and the additional Member Workshop.

Appendix 4 identified the final draft of the Strategy, which would be taken to Cabinet on the 8 October 2024 to seek approval for its adoption as the South Kesteven Economic Development Strategy 2024 – 2028.

The readability of the report was raised; however, it was outlined that the language could not be simplified any further.

One Member queried the journey of the Strategy following Cabinet approval and how the action plan would be incorporated.

Clarification was sought on why certain actions due to take place within the action plan had no update or timescale addressed to them. It was further queried whether individual elements of the action would be broken down into who was responsible for the action (Officer, Cabinet Member or an Overview and Scrutiny Committee).

The Leader of the Council suggested that an annual review of the document be brought back to the Committee. It was emphasised that Officers and Cabinet Members should refer to the document to ensure actions be met.

The Head of Economic Development and Inward Investment noted a performance appraisal for Officers would take place on an annual basis in order to monitor the actions outlined in the action plan.

One Member sought clarification around the timescale periods within the table and whether the figures (1 and 3) referred to years.

It was further suggested that the Strategy be brought back to the Committee every 6 months, rather than annually.

The Head of Economic Development and Inward confirmed the timescale as set out in appendix 3 referred to the number of years.

ACTION: For an update on the South Kesteven Economic Development Strategy 2024/28 be brought back to Committee in 6 months' time and be added to the Work Programme.

The Leader of the Council confirmed it was hoped Cabinet would approve the Strategy in October 2024, it would then become a living document which Officer's would follow.

Members were pleased with the document and highlighted that updating the document would be useful for future updates.

It was proposed, seconded and **AGREED** that the Committee:

1. Reviews the draft Economic Development Strategy 2024-2025 following amendments as a result of the public consultation and further workshop with the Committee.

2. Recommends the draft South Kesteven Economic Development Strategy 2024 – 2028 to Cabinet for approval.

39. UKSPF Programme Update

The Leader of the Council presented the report on behalf of the Cabinet Member for Corporate Governance and Licensing.

The Council received £3.9m from UK Shared Prosperity Fund, and a further £540,460 in funding from the Rural England Prosperity Fund for capital projects which are required to be delivered by the end of the UKSPF programme, 31 March 2025.

- Year 2: £135,115 was awarded in the financial year 2023 / 2024

- Year 3: £405,345 was awarded in the financial year 2024/ 2025

The Year 2 allocation within the REPF (1st April 2023 – 31st March 2024) was as follows:

Supporting Rural Business:

- Intervention 1.1 - £60,115 (capital grant funding for small scale investment in micro & small enterprises in rural area.)
- Intervention 1.3 - £25,000 (capital grant funding for developing and promoting the visitor economy)

Supporting Rural Communities:

- Intervention 2.4 - £50,000 (capital grant funding for existing cultural, historic and heritage institutions that make up the local cultural heritage offers) 2.6

The Year 3 allocation within the REPF (1st April 2024 – 31st March 2025) was as follows:

Supporting Rural Business:

- Intervention 1.1 - £180,345 (capital grant funding for small scale investment in micro & small enterprises in rural area.)
- Intervention 1.3 - £75,000 (capital grant funding for developing and promoting the visitor economy)

Supporting Rural Communities:

- Intervention 2.1 - £100,000 (capital grant funding for investment and support for digital infrastructure for local community facilities.) 107
- Intervention 2.4 - £50,000 (capital grant funding for existing cultural, historic and heritage institutions which make up the local cultural heritage offer).

The Council would need to allocate and spend the remainder of the funding before March 2025, which had resulted in more board meetings being arranged.

It was noted certain criteria would be followed on how money was distributed, however, this was a good example of Government providing flexibility to local authorities to deliver fantastic projects and support the needs of communities.

A suggestion was made that both funds be publicised as much as possible, to reach out to communities and providing awareness of the funding which may be available to them.

One Member queried whether the funding could be utilised to promote a building and whether there was a minimum or maximum amount of funding that could be requested.

The average time of an application being received to being processed and funded was queried.

There was not an average time of an application being received to being complete. Once someone had applied, a sub-group would evaluate the application, the application would then move into the local economic forum and who would recommend approval/refusal to the UKSPF Board. Following a decision from the UKSPF Board, a payment would then be made based on whether all financial information required had been submitted. At an estimate, the process from start to finish would take a month.

The Leader of the Council urged Members to publicise this funding within their own Wards.

The Cabinet Member for Property and Public Engagement emphasised the raising awareness and Members hold a responsibility on assisting their communities in accessing the fund, which could be provided at Parish Council meetings.

Members shared successes where community groups had received the funding, as a result of useful support from Officers.

Concern was raised some Members may not know any details of the funding, how to apply, how to assist applicants in filling out the forms and which groups within the community to whom the fund may apply to. Further awareness of the funding was requested.

The Chairman highlighted the Council had applied as an applicant to request UKSPF funding for certain projects.

ACTION: 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.

Clarification was sought around the timeframe of the scheme ending in March 2025. It was queried whether the funds had to be transferred by the Council, to a community group by March 2025 or whether the community group had to spend their funding by March 2025.

It was clarified that community groups would need to spend their funding by March 2025. This meant the Council urged any groups wishing to request funding for a significant or timely project complete an application with urgency.

That the Committee:

Notes the progress made with the UK Shared and Rural England Prosperity Fund Programme(s) and endorse the opportunities identified to expedite the distribution of the funding.

40. Grantham Town Centre Footfall Report

The Leader of the Council presented the report which outlined an update on marketplace footfall and options to support the Grantham Town Centre.

The feasibility study and costings of the works to support long-term suggestions to support Grantham Town Centre would be brought to the Committee in November 2024.

Progress had been made with a loyalty card scheme, which was due to be launched on the 1 October 2024.

It was highlighted that works on Grantham marketplace had been completed. The first day of marketplace events would take place on 1 October 2024, to celebrate Lincolnshire Day. Events would take place at St Wulfram's Church, events from schools and traders.

The official launch event would take place on 19 October 2024, where the festival of community would be held with local businesses, community groups and artists. An extended programme of events was being devised which would consist of at least one monthly event in the marketplace in conjunction with the market diary except for January and February.

The first Town Team meeting would be held on 19 September 2024, where terms of reference for the group would be agreed and more detailed proposals would be developed to form part of an action plan for the town. An update would be provided on the first meeting at the Committee's next meeting.

The Town Team would be made up of key stakeholders from the Town, with the option to co-opt other team members as the group progressed.

The indicative timetable for delivery of the strategy had been adjusted appropriately, which was set out within the report.

The footfall data provided was positive. It was noted the market had increased its traders from 15 to 35, which would increase the footfall for the town.

ACTION: For the feasibility study and costings of the works to support long-term suggestions to support Grantham Town Centre be added to the Work Programme for November 2024.

One Member highlighted the great success of the marketplace for the Council, and everyone involved. It was hoped the Council could encourage drive for this to take place in other Towns.

One Member requested who was on the membership for Grantham Town Team and how a Councillor's role would impact the decisions made in the Town Team.

An update was requested on when the Grantham marketplace was due to be pedestrianised.

The Cabinet and Officers were unaware of any current plans to pedestrianise Grantham town centre.

The Leader of the Council confirmed the invitees for Members of the Town Team attending the meeting on 19 September 2024:

- The Leader of the Council
- Deputy Leader of the Council
- Cabinet Member for Property and Public Engagement
- Councillor Tim Harrison (Chairman of Grantham Town Council)

It was suggested that the District Councillor's for Grantham be included within the Town Team.

The Chairman clarified that the Committee could not make a decision on the membership of the Grantham Town Team.

The Leader of the Council welcomed the thoughts of the Committee on the membership of the Town Team and would address this concern following the meeting.

One Member highlighted the essentiality that Grantham District and County Councillors who cover the area of the town centre be included within the membership of the Grantham Town Team.

Other Members of the Committee had no concerns of Grantham District and County Councillor's becoming part of the membership of the Town Team; however, this was not the Committee's decision.

The Monitoring Officer confirmed the membership of the Town Team would be an issue for the Future High Street Board. The Board had a term of reference, membership included and had recently undertaken a review of its terms of reference.

The Finance and Economic Overview and Scrutiny Committee had no decision-making powers, therefore, a recommendation would need to be agreed by the Programme Board, for a decision to be made on the membership of the Town Team.

One Member did not see the need for a Town Team and felt that no direct democratic accountability could be taken. It was further noted that some Members on the Town Team were not Grantham Councillor's.

Further concern was raised of a democratic deficit within the Town Team and felt the process was anti-democratic.

Members welcomed the voucher scheme.

Clarification was sought around the parameters of the 'vicinity of the marketplace'.

The Leader of the Council clarified the purpose of the loyalty scheme, and the Town Team was to drive footfall in the town centre. The scheme would concentrate on the areas in the vicinity of the Future High Street Fund works and it would be monitored, improved and considered for expansion across the town centre.

Members commented on the charming architecture within the marketplace and the town.

It was noted that Buckminster could assist and support in the re-development of shops fronts owned by them within Grantham town centre.

One Member highlighted that charities could request to pitch a free stall in Stamford on Stamford Market, it was requested improved communications be provided.

That the Committee:

Notes the update on the action plan to increase footfall to Grantham Market place as part of the Future High Street programme.

41. Work Programme

The Committee noted the Work Programme 2024-25.

Clarification was sought on which remit Leisure Centre Maintenance fell under.

It was noted that Leisure Centre Maintenance required funding, and therefore had been added to the Work Programme for this Committee.

Following changes to Local Government, Members requested a briefing on the budget which was due to be produced in October 2024 by Local Government.

ACTION: For a budget briefing prior to the next Committee meeting be arranged.

The Democratic Services Officer clarified this Committee had responsibility for Council-owned property, assets, and maintenance (non-council house). Maintenance plans and breakdowns appeared to be more financially related to this Committee.

Culture and Leisure Overview and Scrutiny Committee were however responsible for Leisure SK Ltd, therefore it was suggested that this item also be added to the Work Programme for Culture and Leisure Overview and Scrutiny Committee.

ACTION: For the Economic Development Strategy Action Plan to be added to the Work Programme for May 2025.

One Member wished to discuss loss of income in relation to Voids.

The Chairman clarified a HRA workshop was taking place on 19 September 2024 where this would be discussed.

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

There were none.

43. Close of meeting

The Chairman closed the meeting at 13:12.

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