

Minutes of a meeting of the **CABINET** held in the Council Chamber, Council Offices, Priors Road, Spalding, on Tuesday, 15 February 2022 at 10.00 am.

PRESENT

G A Porter (Leader)

P E Coupland (Deputy
Leader)
C N Worth (Deputy
Leader)
J R Astill

A Casson
R Gambba-Jones
R Grocock

C J Lawton
E J Sneath
G J Taylor

Executive Support Members: A C Beal and N H Pepper

The Deputy Chief Executive (Programme Delivery), the Assistant Director (Finance), the Democratic Services Manager and the Democratic Services Team Leader.

Apologies for absence were received from or on behalf of Councillors J L Reynolds, A R Woolf and T A Carter.

In Attendance: Councillor A M Newton (Independent Group Leader) and Councillor B Alcock (Chairman, Performance Monitoring Panel),

38. MINUTES

The minutes of the following meetings were agreed as a correct record, and signed by the Leader:

- Cabinet – 14 December 2021
- Special Cabinet meeting – 11 January 2022

39. DECLARATIONS OF INTEREST.

There were none.

40. SPECIAL MEETING OF THE CABINET

The minutes of the special meeting held on 11 January 2022 were signed by the Leader as a correct record.

41. TO CONSIDER ANY MATTERS WHICH HAVE BEEN SUBJECT TO CALL-IN.

There were none.

Action By

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42. TO CONSIDER MATTERS ARISING FROM THE POLICY DEVELOPMENT AND PERFORMANCE MONITORING PANELS

There were none.

43. FUEL CARD POLICY

Consideration was given to the report of the Portfolio Holder for Environmental Services and the Assistant Director – Neighbourhoods, which recommended approval and introduction of the fuel card policy.

DECISION:

That adoption of the proposed Fuel Card Policy be approved.

(Other options considered:

- *Do nothing. By not adopting the policy, SHDC does not support staff and provide them a policy which outlines their responsibilities. This lack of clarity risks misunderstanding and misuse.*

Reasons for decision:

- *Purchasing fuel is essential for delivery of our frontline services. Ensuring that our fuel is purchased in a convenient and financially safe way is crucial to keeping those services running and that council spend is transparent and appropriate.*
- *The policy clearly details the ways that a policy can mitigate potential risks and possible fraud opportunities).*

44. ANNUAL BUDGET REPORT 2022/23, MEDIUM TERM FINANCIAL STRATEGY, CAPITAL PROGRAMME AND CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY, ANNUAL DELIVERY PLAN AND APPROVAL OF COUNCIL TAX

Consideration was given to the report of the Deputy Chief Executive Corporate Development (S151) which sought approval of the General Fund and Housing Revenue Account Budget for 2022/23 including the use of reserves, Medium Term Financial Strategy, Capital Programme and Strategy, Treasury Management Strategy, MRP Policy and Annual Investment Strategy, Fees and Charges for 2022/23, the Annual Delivery Plan and approval of Council Tax for recommendation to Full Council.

Prior to presenting the report, the Portfolio Holder for Finance, Commercialisation and Partnerships advised that he had been made aware of a correction in the Fees and Charges schedule (detailed at page 94 of the agenda pack), which affected Market

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fees and the Purple Sack scheme. The correct fees for these areas were as detailed below, and these corrections would be included in the revised appendix when the budget papers were considered by Council:

Market Fees – At Cabinet on 14 December 2021, the fees were changed to £7 for all markets except Long Sutton, which as £8.50;

Purple Sacks – The Council report of 19 January 2022 had stated that purple sacks were no longer able to be purchased and this therefore needed to be reflected in the fee schedule.

The Portfolio Holder presented the 2022/23 Budget, Medium Term Financial Plan and Capital Programme for recommendation to the Council at its meeting on 3 March 2022.

General Fund

The compilation of the Budget and Medium Term Financial Strategy was never easy and with this in mind, the Portfolio Holder wished to recognise the dedication and expertise of the Finance Team in delivering the report, together with the assistance of Service Area teams and Portfolio Holders in the context of the Budget Challenge process.

- The provisions of the Government Settlement were known. Based on this knowledge, together with input from the Budget Challenge process, the 2022/23 Budget was balanced and retained current baseline service levels.
- The requirement for efficiency savings of £397k had been identified. This efficiency saving requirement was being linked to partnership delivery plans, which were included in the budget papers.

The budget was based on the assumption known at the time of writing the report including any impact Covid-19 would have on next years or future years' budgets.

Since the draft budget was presented to Cabinet on 11 January 2022, officers have been working to finalise the estimates, including the savings proposals, and considering feedback from the budget consultation and scrutiny. As a result of this this there had been some changes to the budget, which included:

- Revision to Business Rates and Council Tax income projections
- Revision to investment income and other income projections

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There continued to be unprecedented uncertainty around business rates and the Fair Funding Review, and a prudent position had been taken on estimates going forward. After having taken all factors into consideration, the proposal was for a Council Tax increase of £4.95 (10p per week) for a Band D property.

HRA

The HRA was forecasting a surplus budget of £1.9m - surplus funds were retained for the HRA and used to fund future capital expenditure on the HRA assets. The HRA was developing an asset management strategy to support the implementation of the Capital Programme.

The key assumptions for the HRA budget were:

- Maintaining and repairing HRA stock (3,765 as at 1 April 2021)
- Rent Increases – CPI + 1%
- Increased operating cost due to labour market pressures
- Investment to continuing being a “Landlord of Choice”

Capital

General Fund – Current forecast programme for 2022/23 was £8.8m, the main schemes being:

- Assets and Property £1.0m
- Commercialisation £3.1m
- Economic Development £1.5m
- Housing (including Welland Homes) £2.3m

HRA – Current forecast programme for 2022/23 was £8.4m, the main schemes being:

- Decent Homes £3.4m
- Affordable Housing £3.7m

Reserves

General Fund reserves were forecast to be £8.48m at 31 March 2023, after net transfers of £5.03m, which in the main were used to fund the Capital Programme.

HRA Reserves were forecast to be £21.4m at 31 March 2023, after net transfers of £0.5m.

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The following issues were raised:

It was noted that the Annual Delivery Plan was appended to the report – would this need amending in line with any forthcoming/future Levelling-Up announcements? It was advised that details on Levelling Up were not yet known, and would always change, but that the Plan would be updated as required.

The Leader commented that, following his update regarding Drainage Boards at the last Council meeting, Government ministers had understood the issues that had been raised. However, there was to be no change in the current financial year and the opportunity to bid for monies this this year was no longer available. He did state however that he was still optimistic for the future and reiterated that in his view, it was not fair that residents paid twice as much as others for issue not of the Council's making.

DECISION:

That the Cabinet recommends to Full Council:

1. That the Revenue Estimates for the General Fund, Housing Revenue Account and Spalding Special Expenses for 2022/23 (Appendices A and C) be approved.
2. That the use of Reserves detailed at Appendix D be approved.
3. That the Council Tax for a Band A property in 2022/23 be set at £126.42 (£3.30 per annum increase on 2021/22 levels) and Band D £189.63 for 2022/23 (a £4.95 per annum increase on 2021/22 levels).
4. That the Spalding special expenses for a Band A property be set at £16.38 for 2022/23, (previously £16.12 in 2021/22) and Band D £24.57 for 2022/23, (previously £24.18 in 2021/22).
5. That the Medium Term Financial Strategy (at Appendix B) be approved.
6. That the Capital Strategy and Capital Programme (Appendices E and F) be approved.
7. That the Fees and Charges for 2022/23 (at Appendix G) be approved.
8. That the Treasury Management Statement and Strategy, including the Minimum Revenue Provision Policy and Investment Strategy be approved. (Appendices H and I)
9. That the South and East Lincolnshire Council's Annual

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Delivery Plan 2022/23 (Appendix J) be approved; and

10. That delegated authority be given to the Deputy Chief Executive Corporate Development (S151), in consultation with the Portfolio Holder for Finance, Strategy and Partnerships, to make any necessary amendments to the budget prior to Council due to late notifications

(Other options considered:

- *No other options were put forward.*

Reasons for decision:

- *To comply with the budgetary and policy framework).*

45. DEBT WRITE OFF

Consideration was given to the report of the Portfolio Holder for Finance, Commercialisation and Partnerships which sought approval for the write-off of uncollectable debt.

The Portfolio Holder for Finance, Commercialisation and Partnerships provided the following updates:

Impacts of Covid on recovery and enforcement

- Large numbers of households and businesses were affected by COVID-19, and there had been a significant increase in Universal Credit claims, and, in turn, local Council Tax Support;
- Since the last report to Cabinet in May, the furlough scheme has ended and the additional £20 per week paid to UC claimants had been removed. Along with the cost-of-living increase, the climate remained uncertain;
- Debt recovery processes were severely disrupted in the last financial year, and this year officers were catching up on recovery and enforcement action for last year's arrears as well as 2021/22 new debt;
- As a result, in-year collection rates had not returned to pre-Covid levels, and the effect was likely to be carried forward into future financial years.

Number of cases entering **breathing space** following its introduction in May 2021

Legislation provided for two types of breathing space – 'standard' and 'mental health crisis':

- 'Standard' provided a 60-day moratorium to give debtors time

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to get debt advice and set up debt solutions;

- 'Mental Health Crisis' applied for the period of treatment, plus 30 days;
- Access to breathing space was through a qualified debt advisor, and for Mental Health Crisis a declaration was also needed from an Approved Mental Health Professional;
- So far, 35 debtors, with amounts totalling £66,665 had entered breathing space – many of these had expired the 60 days, leaving 6 currently in breathing space with just under £9k of debt;
- All cases to date were 'standard' breathing space. The table shown at 3.5 in the report provided a breakdown of the debt by type, with the vast majority relating to Council Tax.

The debts detailed within the report were presented in line with the Debt Management, and Operational Debt Write Off policies adopted by Cabinet in July 2017.

- Efficient and well administered debt management was crucial to the Council, and Cabinet members would recall the presentation where Officers had provided an overview of the statutory requirements and processes relating to recovery and enforcement;
- However, by the very nature, volume and value of annual revenues to the Council, there would always be uncollectable amounts which would be recommended for write off;
- The debts presented to Cabinet totalled £55,572, of which, £17,036 was borne by this Council;
- Almost 73% (£41k) of the total presented for write off was due to insolvency;
- All recovery and enforcement options had been considered and exhausted;
- The Council had provision for bad debt, and this amount would be offset against that provision;
- In respect of any amount written off, if any information came to light at a later date, the amount could be resurrected in part or in full.

DECISION:

- a) That updates on the Covid impact and Breathing Space be noted; and

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- b) That the amounts identified in the report, as detailed below, be approved for write off:

Council Tax	£23,957.39
Business Rates	£21,880.41
Housing Benefit Overpayment	£ 9,734.08
Total	£55,571,88

((Other options considered:

- *Not to approve the write off of the debts shown within the report.*

Reasons for decision:

- *All recovery methods have been considered and where appropriate pursued, before making the decision to write off.*
- *Officer time can be maximised on greatest returns, at the same time as ensuring robust procedures for debt management are in place across all revenue streams.)*

46. ANY OTHER ITEMS WHICH THE LEADER DECIDES ARE URGENT.

There were none.

(The meeting ended at 10.33 am)

(End of minutes)

Any RECOMMENDATIONS TO COUNCIL detailed above will be submitted for consideration to the meeting of the full Council on **3 March 2022**.