

Cabinet

Tuesday, 28 June 2021

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr Lee Croxton (Vice-Chair)

Councillors: Shane Mochrie-Cox
 Lenny Rolles
 Lauren Sullivan
 Narinderjit Singh Thandi
 Jenny Wallace

Sarah Parfitt Director (Corporate Services)
Daniel Killian Director (Housing)
Wendy Lane Assistant Director (Planning)
Lisa Nyon Assistant Director (Corporate Services)
Ben Clarke Committee Services Officer (Minutes)

10. Apologies for absence

Apologies for absence were received from the Chief Executive, the Director (Environment) & Deputy Chief Executive and the Director (Communities).

11. To sign the minutes of the previous meeting

The minutes of the meeting of Cabinet held on Monday, 22 March 2021 were signed by the Chair.

12. To declare any interest members may have in the items contained on this agenda. When declaring an interest a member must state what their interest is.

Cllr Lenny Rolles declared a non- prejudicial interest for agenda item 7 and 8 as they made reference to the Rosherville Limited Board and Cllr Rolles was the Chair of that Board.

Cllr Shane Mochrie-Cox declared a non-prejudicial interest in item 7 as he was a Council appointed member of the GCLL Management Board.

13. Delegated Decisions - Cabinet Members

There were no further decisions for Cabinet to be updated on.

14. Corporate Debt Strategy

The Cabinet were informed that a review of the Corporate Debt Strategy had taken place and it was reported that no fundamental changes had been made to the document.

The Assistant Director (Corporate Services) guided Members through the report and highlighted key points regarding the:

- Impact of Covid-19 on recovery action
- Wider Considerations
- Principles of the Corporate Debt Strategy

The Assistant Director (Corporate Services) advised that fair, efficient and effective debt recovery was essential to maintaining high collection rates and to drive debt levels down, however it was simultaneously important to treat customers fairly and consistently across all Council functions. The principles of the Corporate Debt Strategy aimed to achieve that. It was therefore recommended that Cabinet noted the report and supported the principles of the Corporate Debt Strategy as set out in appendix 2 and note the wider information on Vulnerable Persons as set out in appendices 3 & 4.

The Chair noted that the most important part of the report was the principles of the Corporate Debt Strategy as it outlined that those residents that were struggling to pay would receive the support they needed from the Council and those who actively refused to pay their debt would be pursued by the Council. The Chair explained to Cabinet the difference between a resident who could not pay and resident who refused to pay; some residents may not be claiming all the benefits they were entitled to which the Council would inform them of and signpost to other agencies for support. Those who refused to pay, Council officers would pursue to recover all of their debt.

In response to Member questions, the Director (Corporate Services) and the Assistant Director (Corporate Services) explained that:

- The total sum of outstanding debt stood at roughly £17.5 million but it was difficult to give a firm answer on what debts would be recovered in the short/long term due to the different natures of income streams that the Council managed e.g., Housing, Parking, Sundry debt etc. The Council's collection rates had been negatively impacted by Covid-19; the collection rate for Council Tax was down 2% compared to the previous financial year and a similar level was seen in the Business Rates collection as well. Collection for Housing Rents was slightly lower than in the previous financial year, but the Income Team had worked hard to communicate with tenants and made sure they made payments where they were able to. An important aspect was ensuring that all persons who were entitled to benefits were claiming them so that the debt they owed the Council could be reduced; repayment of all residents' debts to the Council would be expected to take longer to pay due to Covid-19 but payments were still being made
- Over the course of the next year, the recovery of debts and the budget would be monitored closely; there were a number of Government support structures that were currently in place and the Council had made a decision to actively assist working age residents on low incomes with additional Council Tax support. Those Government support structures would soon be stopping with the furlough scheme ending at the end of September and the business rates support scheme ending in the second or third quarter of the year. Following the ending of those support schemes, the Council would likely need to have more conversations with residents and business owners concerning the financial positions they were in, the level of outstanding debt they owed and how much longer it would take the Council to recover that debt

- Business debts would be assessed on a case-by-case basis to determine if there was a need for an extension or write off of existing debts; the Finance Team would monitor trends all year-round regarding debt write offs as part of the quarterly reports received from the Income Manager
- The Assistant Director (Corporate Services) was unaware of any additional support being given by the Government with regards to assisting with debts from residents and businesses. The Director (Corporate Services) confirmed that Government support schemes such as the Test & Trace Payment and the Sales, Fees and Charges Compensation Scheme were coming to an end on Wednesday 30 June 2021, and nothing further had been announced
- It was difficult to estimate that impact of the furlough scheme ending as the Council were unaware of what employers plans were; some of the furlough employees may be able to return to their jobs whilst others may find themselves made redundant or have their contract adjusted or terminated. The Council were working with a number of agencies through debt recovery arrangements such as Citizens Advice and other services which the Council would be able to signpost people to who were struggling financially. Additionally, from a Council Tax and Benefits perspective, the team were analysing data that been received to identify households that may be on the edge of financial crisis in order for the Council to intervene and offer support before a resident fell into a difficult situation. This analytical tool had been presented and considered at a previous meeting of P&A Committee.. The report would be updated and taken back to the Committee throughout the course of the year

Building upon the points made regarding recovery of debt, the Chair advised that the average rolling debt for the Council was £14.5/£15 million but it had increased to £17 million during this financial year. A large part of that increase was due to Council Tax collection (of which the Council only actually received 20% of the Council Tax payments) as the Council had a duty to collect the money but it did not affect the Council in revenue terms. Covid-19 had delayed collecting the payments, but the Council would seek to recover the debt over a longer period; the Government had agreed that local authorities could put the loss over a two/three-year period in a medium-term plan which the Council had done allowing the debt to be collected over a longer time frame.

Members praised the Vulnerable Persons Policy attached at appendix three to the report as it explained how vulnerable people would be supported through difficult times in their lives, how the Council would do everything possible to provide all necessary means of support and finally how the Council would deal with those residents who were capable but refused to pay their debts. It was recognised as a crucial part of the Corporate Debt Strategy.

The Cabinet noted the information contained within the report.

15. General Fund Provisional Outturn Report 2020/21

The Cabinet were presented with:

- The 2020/21 provisional General Fund Outturn Report, including movements in the General Fund working balances and earmarked reserves
- The 2020/21 provisional General Fund Capital Outturn

The Assistant Director (Corporate Services) advised that there was an executive summary of the report on page 24.

The Assistant Director (Corporate Services) updated Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP), or Financial Statements.

The Chair reminded Cabinet that the report would be submitted to the next meeting of the F&A Committee for discussion and scrutiny.

In response to Member questions, the Director (Corporate Services) and the Assistant Director (Corporate Services) advised that:

- The Governments Sales, Fees and Charges Compensation Scheme was due to end on 30 June 2021 and no further information had been released on what support would be available after that scheme
- With regards to Parking Services there was a £181K net adverse variance as the Council had only be able to recover 75% of the losses incurred however the Government also allowed a 5% deduction in income prior to the 75% recovery of losses. Effectively the Council had already lost an extra 5% before the 75% recovery was applied. In terms of income the Council had recovered roughly £1 million against a budget of £1.3 million
- There would be longer term impacts to the Council finances from the decreased amount of debt recovered but they would be monitored and managed going forward

The Chair thanked the Cabinet for their questions and explained that members of the Cabinet would have had more detailed discussions regarding their portfolios finances with their respective Directors prior to this meeting.

The Cabinet noted the information contained within the report.

16. Housing Revenue Account Provisional Outturn Report 2020/21

The Cabinet were presented with:

- The 2020/21 provisional Housing Revenue Account Outturn and movements in the Housing Revenue Account working balances and earmarked reserves
- The 2020/21 provisional Housing Revenue Account Capital Outturn

The Assistant Director (Corporate Services) advised that there was an executive summary of the report on page 48.

The Assistant Director (Corporate Services) updated Members on other key areas of financial performance that may impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP), or Financial Statements.

Cllr Wallace informed the Cabinet of some updates within her Portfolio:

- Repairs & Maintenance had continued to make savings through efficiency; a number of new staff member had joined the staff and they each brought their own set of different skills to their respective teams

- Due to the introduction of MOT style gas servicing, efficiency savings had been realised as a direct result whilst also providing a much better service to our tenants
- The Housing Income Team had performance excellently over the last financial year and their performance earned them a regional award

In response to Member questions, the Director (Housing) and the Director (Corporate Services) explained that:

- It was difficult to quantify what may happen in the future with regards to recovery of housing income debt due to the end of support from the Government in the near future, the likelihood of no further support schemes being announced and each tenant's individual situation. The Income Team followed the Corporate Debt Strategy of 'can't pay, won't pay' but the majority of the Council's tenants worked alongside the Council and were signposted to agencies that may be able to also provide support, including any benefits they may have been entitled to.
- A definitive answer could not be given regarding if there would be a significant financial problem for tenants within the next twelve months as the Council were unaware if any further Government support would be released after the current support schemes came to an end
- The Director (Housing) assured the Cabinet that the Council would continue its work with the Council's tenants, provide as much support as was possible and signpost them to agencies if they required further assistance

The Chair reiterated that the Council's Housing Team provided as much support to the Council's tenants as possible and worked to ensure that all of the Council's tenants claimed all the benefits that they were entitled to so that they could reduce their debts rather than see them build up. Over lockdown, the Council worked hard to distribute grants and support to those in need and it helped a lot of Gravesham residents. The Chair concluded that debts owed to the Council would be recovered sympathetically from those who were struggling to pay and in accordance with the Corporate Debt Strategy.

The Chair reminded Cabinet that the report would be submitted to the next meeting of the F&A Committee for discussion and scrutiny.

The Cabinet noted the information contained within the report.

17. Minutes of meeting of Gravesham Joint Transportation Board held on 25 May 2021

The Cabinet were provided with the minutes of the meeting of Gravesham Joint Transportation Board on Tuesday, 25 May 2021.

The Chair voiced his disappointment that no KCC officers attended the Board meeting as it was supposed to be a joint working arrangement between Gravesham Borough Council and Kent County Council. The Chair explained the importance of all relevant KCC officers and KCC Members for Gravesham attending the Board meeting and asked that a letter be written to KCC reminding them of their duties to the Board.

The Cabinet noted the minutes.

Close of meeting

The meeting ended at 20:19pm.