

AGENDA



CABINET

MONDAY, 9 MARCH 2009

11.00 AM

**COUNCIL CHAMBER, COUNCIL OFFICES, ST PETERS HILL,
GRANTHAM NG31 6PZ**

Duncan Kerr, Chief Executive

MEMBERS: Councillor Mrs. Linda Neal (Leader/ Portfolio: Strategic Partnerships), Councillor Ray Auger (Portfolio: Access & Engagement), Councillor Paul Carpenter (Deputy Leader & Portfolio: Corporate Governance & Housing), Councillor Mrs Frances Cartwright (Portfolio: Economic Development), Councillor John Smith (Portfolio: Healthy Environment) and Councillor Mrs Maureen Spencer-Gregson O.B.E. (Portfolio: Resources & Assets)

Committee David Lambley 01476 406297
Support Officer: e-mail: d.lambley@southkesteven.gov.uk

Members of the public are entitled to attend the meeting of the Cabinet at which key decisions will be taken on the issues listed on the following pages. Key decisions are marked *.



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South Kesteven District Council

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- 1. APOLOGIES**
- 2. MINUTES**
Minutes of the meeting held on 9 February 2009.
(Enclosure)
- 3. DECLARATIONS OF INTEREST (IF ANY)**
- 4. *PEOPLE AND WORKFORCE STRATEGY**
Report SD27 by the Organisational Development & Housing Portfolio Holder
(Enclosure)
- 5. *PARTNERSHIP POLICY**
Report number LSP03 by the Leader.
(Enclosure)
- 6. *DRAFT ECONOMIC DEVELOPMENT STRATEGY 2009-2014**
Report number EDT0077 by the Economic Portfolio Holder.
(Enclosure)
- 7. REVISION TO BOURNE TOWN CENTRE REDEVELOPMENT SUPPLEMENTARY PLANNING GUIDANCE**
Report number PLA748 by the Economic Development Portfolio Holder.
(Enclosure)
- 8. FINANCIAL REPORT FOR 2008/09: MONITORING INFORMATION AND FORECAST OUTTURN**
Report number CHFCS32 by the Assets and Resources Portfolio Holder.
(Enclosure)
- 9. MATTERS REFERRED TO CABINET BY THE COUNCIL, SCRUTINY COMMITTEE OR THE POLICY DEVELOPMENT GROUPS**
- 10. ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.**
- 11. REPRESENTATIONS RECEIVED FROM MEMBERS OF THE PUBLIC ON MATTERS WITHIN THE FORWARD PLAN (IF ANY)**
- 12. REPRESENTATIONS RECEIVED FROM NON CABINET MEMBERS**

EXCLUSION OF THE PUBLIC

It is anticipated that, in accordance with Section 100A(4) of the Local Government Act 1972 (as amended) the public may be excluded from the meeting during consideration of the following item of business because of the likelihood that otherwise exempt information, as described in paragraph 3 of the Act (as amended) would be disclosed to the public.

- 13. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT**



MEETING OF THE CABINET
9 FEBRUARY 2009 - 11.00 AM - 11.44 AM

PRESENT:

Councillor Ray Auger
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor John Smith
Councillor Mrs Maureen Spencer-Gregson O.B.E.

Councillor Mrs. Linda Neal - Chairman

Strategic Directors (BA and IY)
Corporate Head, Finance and Customer Services
Corporate Head, Partnerships and Improvements
Principal Lawyer
Financial Management Team Leader
Cabinet Support Officer

Non-Cabinet Members : **Craft**
 Stokes

CO57. MINUTES

The minutes of the meeting held on 5th January 2009 were confirmed as a correct record of the meeting.

CO58. DECLARATIONS OF INTEREST (IF ANY)

No declarations of interest were made. *"Listening Learning Delivering"*

South Kesteven District Council

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CO59. *DETERMINATION OF BUDGET 2009/10 AND INDICATIVE BUDGET FOR 2010/11 AND 2011/12 AND APPROVAL OF PRIORITY PLANS

DECISION:

General Fund Revenue Estimate

The Cabinet recommends parts a. to n. to Council:

- a. to set a General Fund budget requirement of £16.171M for 2009/10 and an indicative target of £16.581M for 2010/11 and £16.592M for 2011/12 (inclusive of special expenses).**
- b. to set a Council Tax increase of 3.5% for 2009/10.**
- c. to approve the original base estimate for 2009/10: and indicative base estimates for 2010/11 and 2011/12 as detailed in the summary at Appendix A page 1;**
- d. to approve the Treasury Management Strategy provided at Appendix B;**
- e. to approve increases in Fees and Charges for 2009/10 (in accordance with the Council's Fees and Charges Strategy) as set out in Appendix C .**
- f. to approve the Revenue and Capital Reserves statement contained at Appendix A page 8.**
- g. to require the fundamental review of services where the projected income levels show a continued reduction to ensure the allocated resources are proportionally aligned.**
- h. To approve the setting of cash releasing efficiency targets for each corporate head area in order for the Council to achieve its overall efficiency target.**
- i. To approve the priority theme plans as detailed at Appendix D.**
- j. to approve the introduction of MOT testing for taxis, motorcycles and larger vehicles (up to 3.5 tonnes)**
- k. to approve the cessation of play schemes with effect from 1 April 2009.**
- l. to approve the use of the Housing and Planning Delivery Grant in respect of the works associated with the Local Development Framework.**
- m.to approve the creation of a Community Response Fund**
- n. to receive and consider at the meeting, the analysis of the outcome of Budget Consultation.**

Capital Programme

The Cabinet recommends parts o.to q. to Council:

- o. to approve the Capital Programme for 2009/10 and indicative programme for 2010/11 to 2011/12 detailed at Appendix A page 9-12.**
- p. to authorise the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Customer Services, in consultation with the Portfolio Holder, during the preparation of the Statement of Accounts to optimise the use of Council resources.**
- q. To approve the setting of cash releasing efficiency target in respect of the Capital programme.**

Housing Revenue Account (HRA)

The Cabinet recommends parts r. to x. to Council:

- r. to set dwelling rent increases in accordance with Government guideline rent, but with a cap on individual rent increases of no more than 7%, providing an average rent of £62.61 (and an average rental increase of 6.04%).**
- s. to set an increase in garage rents of 5.5%**
- t. to increase service charges by 5.0% (retail price index September 2008) .**
- u. approve a policy of a target HRA working balance of £5M.**
- v. to approve the policy of achieving a breakeven Housing Revenue Account by the financial year 2011/12 and to ensure all years, thereafter, achieve a breakeven position.**
- w. to approve the Housing Revenue Account for the year 2009/10 and indicative years 2010/11 and 2011/12 shown at Appendix A page 13.**
- x. to approve the setting of cash releasing efficiency target in respect of the Housing Revenue Account.**

Considerations/Reasons for budget related decisions:

- (1) Report number CHFCS15 by the Corporate Head, Finance and Customer Services in relation to:
 - Revenue and Capital Expenditure together with the potential use of reserves
 - Proposals regarding the setting of the Council Tax
 - The Treasury Management Strategy for the Council

- The level of fees and charges,
 - Providing advice to Councillors on the robustness of the Budget proposals and adequacy of balances and reserves as required by the Local Government Act 2003.
- (2) The proposals have regard to accounting requirements and external factors affecting the budget;
 - (3) The 2009/10 Budget and indicative budgets for 2010/11 to 2011/12 have been drawn up to take account of the Council's various strategies, policies and the financial context, in particular:
 - The Corporate Plan
 - The Council's priority themes
 - The Medium Term Financial Plan (MTFP)
 - Service Strategies and Plans
 - The economic downturn
 - The 2008/09 forecasting outturn
 - (4) A balanced budget has been achieved at a time when current and future resources are tight;
 - (5) Comments made at the meeting regarding the economic downturn, including the fall of interest rates to 1%;
 - (6) All service budgets include a workforce efficiency target for each service area (totalling £251K in 2009/10) in order to ensure the staffing resource is efficiently managed and ensure there is the opportunity to challenge vacancies that arise in services. This is now shown at service level rather than an overall target.
 - (7) Comments made by the Cabinet Members regarding the Concessionary Travel scheme; the difficulties in estimating the cost of the service and the possibility that the county council may take responsibility for the scheme in the future;
 - (8) Comments made by the Cabinet Members and the Corporate Head of Finance and Customer Services regarding the new proposed budget heading Community Response Fund and the delegation of proposals to the relevant Corporate Head and the Portfolio Holder;
 - (9) Noting the comments of the Resources PDG and acknowledgement of work undertaken by the PDG on fees and charges;
 - (10) The speech commending the budget proposals by the Resources & Assets Portfolio Holder.

CO60. *PROGRESS ON DEVELOPING A SUSTAINABLE COMMUNITY STRATEGY AND LOCAL AREA AGREEMENT

DECISION:

The Cabinet recommends the outline Lincolnshire Sustainable Community Strategy themes and outcomes and the South Kesteven chapter to Full Council for its approval at its meeting on 2 March.

Considerations/Reasons for budget related decisions:

- (1) Report POI32 by the Leader of the Council,
- (2) Noting an updated version of the Sustainable Communities Strategy circulated at the meeting, with an amendment to the Economy chapter, taking into account the economic downturn.
- (3) Recommendations made by the Communities PDG on the 29th January 2009.

Other options considered and assessed:-

- (1) Although the Lincolnshire County Council is the body that will adopt the Lincolnshire Sustainable Community Strategy, its success depends on the input from many organisations including South Kesteven District Council. Consequently it was felt inadvisable not to bring the outline content before members.

DATE DECISIONS ARE EFFECTIVE

All decisions as made on 9th February stand referred to full Council on the 2nd March 2009.

**South Kesteven District Council, Council Offices, St. Peter's Hill,
Grantham, Lincolnshire NG31 6PZ**

**Contact: Cabinet Support Officer - Jenni Gibson
Tel: 01476 40 61 52**

e-mail: j.gibson@southkesteven.gov.uk

REPORT TO CABINET

REPORT OF: The Portfolio Holder for Organisation,
Development and Housing

REPORT NO.: SD27

DATE: 9th March 2009

TITLE:	People and Workforce Strategy	
FORWARD PLAN ITEM:	Yes	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	1st December 2006	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key decision	
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Building Skills and Capacity Councillor Paul Carpenter	
CORPORATE PRIORITY:	Quality Organisation	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report:	Full impact assessment required:
Equality and Diversity	Yes	
Crime and Disorder	N/A	
Risk	N/A	
Climate Change	N/A	
Health and Safety	N/A	
Data Quality		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:		

1. INTRODUCTION

- 1.1 The attached People and Workforce Strategy outlines how we will seek to strengthen our approaches and practices regarding resourcing, recruitment, development, and reward to enable our people to reach their full potential and help ensure the Council realises its objectives.
- 1.2 One of the key elements to creating long-term prosperity in South Kesteven is to ensure that best value and continuous improvement are embedded in our culture. We need all our people to share the ambition and vision of what we can achieve in South Kesteven.
- 1.3 The Council needs to ensure that it can continue to improve by maximising the best use of its people. It is important that staff are clear about their role and objectives, that sound workforce planning is undertaken and that the right skills and capacity are in place to deliver key priorities.
- 1.4 In the current economic climate, and in the context of Comprehensive Spending review 2010 the challenges we may face as an organisation and the challenges faced by our residents means that our engagement with our communities must recognise these prevailing conditions and direct our resources to deliver what is important to our residents. What we therefore expect of the people who work for us and /or deliver our services is that they are empowered, are empowering and by necessity, innovative. We need to be flexible and responsive and able to readily adapt to change, working in innovative, new ways promoting a can – do culture to deliver the best possible outcomes within the resources available.
- 1.5 It is intended that this strategy is a living document aligned to the Council's Corporate Plan and the Sustainable Community Strategy and focuses on outputs for 2009 - 2012. It will continue to be reviewed and improved on an annual basis, and will be refreshed and updated to ensure it reflects and underpins the future organisational development and resourcing needs of the Council

2. RECOMMENDATION

- 2.1 The Cabinet are requested to consider the draft People and Workforce Strategy and approve the strategy for implementation and delivery of an appropriate action plan.

3. DETAILS OF REPORT

- 3.1 The Council created a People & Workforce Strategy in response to the Local Government Workforce Strategy. It is important to recognize that learning and development to properly support the delivery of objectives and the development of an effective range of people management practices are inextricably linked. Therefore a cohesive approach has been adopted by the development of a comprehensive, integrated document.
- 3.2 The People and Workforce Strategy outlines how we will seek to improve our approaches and practices regarding resourcing, recruitment, development, and reward to enable our people to reach their full potential and help ensure the Council realises its objectives
- 3.3 This Strategy is linked to and supports many other strategies and documents and as part of the service planning process, all teams consider the contribution that they will make to achievement of the Councils key priorities and identify any development requirements they will have to ensure that they are equipped to help deliver high quality services in the four priority areas:
- **CUSTOMER FIRST** – Ensuring the customer is at the heart of everything we do and that as far as possible we get it right first time.
 - **QUALITY LIVING** - To create an attractive and sustainable environment for the community to enjoy, with a street scene that is green, clean, safe and well maintained.
 - **GOOD FOR BUSINESS** – To work in partnership to promote the growth of local businesses and develop the district's economy
 - **QUALITY ORGANISATION** – To provide effective access to services and to improve the skills and capacity of the organisation to meet local priorities and deliver brilliant services.

4.0 IMPLICATIONS

4.1 Financial and Value for Money

A comprehensive action plan will be developed which identifies the actions that the Council will put in place to support the implementation of the strategy. Once identified some of these actions may have resource implications, (in terms of time and expertise). It is intended that the delivery of this strategy will be owned by, and championed by managers throughout the organisation. There are many actions within it that our managers will be involved in delivering to ensure success in terms of service delivery for the people of South Kesteven. Where possible, any actions that have been identified will be delivered by existing internal resources.

All actions will have clearly identified outcomes for example improved service delivery, increased motivation and morale, improving our capacity to attract and retain staff or the dissemination of skills and knowledge in a cost effective way.

4.2 Equalities

Promoting equality and celebrating diversity is key strand of the work that the Council does, and is therefore an integral element of this strategy.

4.3 Organisations with well trained well motivated knowledgeable staff will well developed people policies and practices achieve a competitive advantage, are high performing and are able to better respond to change.

4.4 Adopting a planned and coordinated approach to management of our people as outlined in the People and Workforce Strategy will help to ensure that well trained, developed and engaged staff, contribute more effectively to the provision of improved , high quality services to the public and community.

5. OTHER OPTIONS CONSIDERED AND ASSESSED

The further development of an overarching approach to the development of the skills, knowledge and capacity of the workforce is fundamental to achievement of key business objectives.

6. COMMENTS OF SECTION 151 OFFICER

The staff of the organisation is the most important resource for the Council and it is of vital important a comprehensive strategy is adopted that identifies how the staffing resource is recruited, developed, and rewarded in order to enable them people to reach their full potential and help ensure the Council realises its objectives.

7. COMMENTS OF MONITORING OFFICER

It is proposed the People and Workforce Strategy be adopted by Cabinet as a matter of local choice. As such the relevant Policy Development Group has been consulted. The recommendations of that Group should be taken into account when considering the draft strategy for approval. I understand members of staff of the Council, have been consulted on the content of the draft strategy .

8. CONCLUSION/SUMMARY

This strategy document maps out where we are now and where we need to be if we are to be well placed to deliver priorities for local people and contribute to the achievement of objectives outlined within the Lincolnshire Sustainable Communities Strategy. Both staff and the relevant policy development group have been consulted and their views and feedback incorporated .

The People and Workforce Strategy has also been informed by external factors around service delivery both current and future and around the Council's capability to deliver those services in a timely and cost-efficient way.

9. CONTACT OFFICER

Beverly Agass, Strategic Director
email: b.agass@southkesteven.gov.uk
Telephone: 01476 406104

Joyce Slater, Human Resources and Organisational Development Service Manager
email: j.slater@southkesteven.gov.uk
Telephone: 01476 406133

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: HR & OD	Names of those undertaking assessment: Beverly Agass, Joyce Slater, Paul Stokes	
Name of Policy to be assessed: People and Development Strategy	Date of Assessment: 26.1.2009	Is this a new or existing policy?: This strategy replaces the current people strategy
1. Briefly describe the aims, objectives and purpose of the policy: The strategy sets out the Council's approach, vision and values to all people development activities aligned to the corporate plan and the emerging sustainable community strategy.		
2. What are the key performance indicators? Staff feel good about working for South Kesteven District Council Reducing sickness absence levels Recognition as an investor in people Development needs of staff are addressed Equality standard		
3. Who will be affected by this policy? All current staff, all prospective staff , elected members		
4. Who is intended to benefit from this policy and in what way? All staff - present and future, elected members		
5. Are there any other organisations involved in the delivery of the service? This is a high level strategy so non are specified. It is likely that different partners may be involved in different aspects of the strategy and the delivery of the action plan.		
6. What outcomes are required from this policy and for whom? The action plan in appendix 1 summarizes the outcomes for staff.		
7. What factors/forces could contribute/detract from the outcomes? This is a high level strategy and the action plan will be wide ranging and ambitious. The factors that could contribute/ detract from the outcomes will depend on the details that will be revealed in the relevant project plans/ pieces of work		
8. Who are the main stakeholders in relation to the policy? Staff Partners Elected members		
9. Who implements the policy, and who is responsible for the policy? The action plan will designate specific responsibilities. The corporate management team will need to take ownership of driving an effective approach to the management of people across the organisation		
10. Are there concerns that the policy <u>could</u> have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? At this high level it is hard to tell		
11. Are there concerns that the policy <u>could</u> have a differential impact on men and		

<p>women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>15. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>16. Are there concerns that the policy <u>could</u> have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>At this high level it is hard to tell</p>
<p>17. Are there any obvious barriers to accessing the service eg language, physical access?</p> <p>At this high level it is hard to tell</p>
<p>18. Where do you think improvements could be made?</p> <p>Equalities considerations are an integral component of this strategy and will be considered at the project implementation level of each element of the action plan as detail is added.</p>
<p>19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.</p> <p>Do not know as this is a high level strategy</p>
<p>20. Is there a complaints system?</p> <p>The Council has a complaints procedure and a grievance procedure.</p>
<p>21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?</p> <p>Yes</p>
<p>22. Do we have feedback from managers or frontline staff?</p> <p>Yes all staff were consulted in the development of this strategy, via core brief in April and June 2008 and views were incorporated into appendix 1</p>
<p>23. Is there any feedback from voluntary/community organisations?</p>

No
<p>24. Is there any research or models of practice that may inform our view?</p> <p>Local Government Workforce Strategy 2007</p>
<p>25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?</p> <p>Cannot tell at this stage. Further work will be undertaken to identify any implications</p>
<p>26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?</p> <p>Cannot tell at this stage. Further work will be undertaken to identify any implications</p>
<p>27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?</p> <p>Cannot tell at this stage. Further work will be undertaken to identify any implications</p>
<p>28. Should the policy proceed to a full impact assessment?</p> <p>No</p> <p>The need is to do impact assessments on the different strands of the action plan as they are being developed. The detail required in delivering the action plan elements will then make it clearer as to any equalities issues.</p>
<p>29. Date on which Full assessment to be completed by</p> <p>N/A</p>
<p>Signed (Lead Officer): ...Joyce Slater</p> <p>Date:26.1.2009.....</p>

People and Workforce Strategy

South Kesteven District Council

South Kesteven District Council
Council Offices, St. Peter's Hill
Grantham, Lincolnshire, NG31 6PZ
Tel: 01476 40 60 80
DX27024-Grantham
www.southkesteven.gov.uk



Foreword

[to be completed]

[signatures: Chief Executive & Leader of Council]

Duncan Kerr

Cllr Linda Neal

Introduction

Welcome to South Kesteven District Council's People and Workforce Strategy which sets out our approach, vision and values to all people development activities. At South Kesteven District Council (SKDC) we want to adopt a proactive approach to developing our people. We believe that if we are really positive about developing our people, they in turn will be really positive when delivering the best service possible to the people of South Kesteven.

The People and Workforce Strategy is aligned to the corporate plan and the emerging sustainable community strategy. It focuses on outputs for 2008 – 2012 and has in part been developed in recognition of the need for our people to continue to work effectively with a range of partners. It will continue to be reviewed and improved on an annual basis. It is a live document that will be refreshed and updated as the council evolves and faces new and emerging challenges.

This strategy will incorporate a three year development plan created in conjunction with our service managers to support the delivery of the corporate plan and sustainable community strategy objectives. The workforce development plan also aligns to the workforce strategy 2007 "The place to be, the place to work", a joint publication from LGA, I&DeA & LGE.

Links to other plans and strategies

The People and Workforce Strategy is linked to, and supports, many other documents created at South Kesteven District Council. You may want to refer to any number of documents listed below to gain a fuller picture of working life at our Council.

- Value for money strategy
- Community strategy
- Corporate plan
- Annual service plans
- Medium term financial strategy
- Flexible working and home working policies
- Equality plan
- Annual report
- Communications strategy
- Procurement strategy
- Risk management strategy
- Organisational learning plan
- Sustainable community strategy

Our vision and mission

The LSP and wider partners across the County are developing a sustainable community strategy based on the following themes:

- People are connected
- A strong and diverse economy
- Best use of our environment
- Opportunities for good health
- Strong communities
- Under-pinning these themes will be innovative, dynamic organisations working together

Our vision for South Kesteven District Council is to:

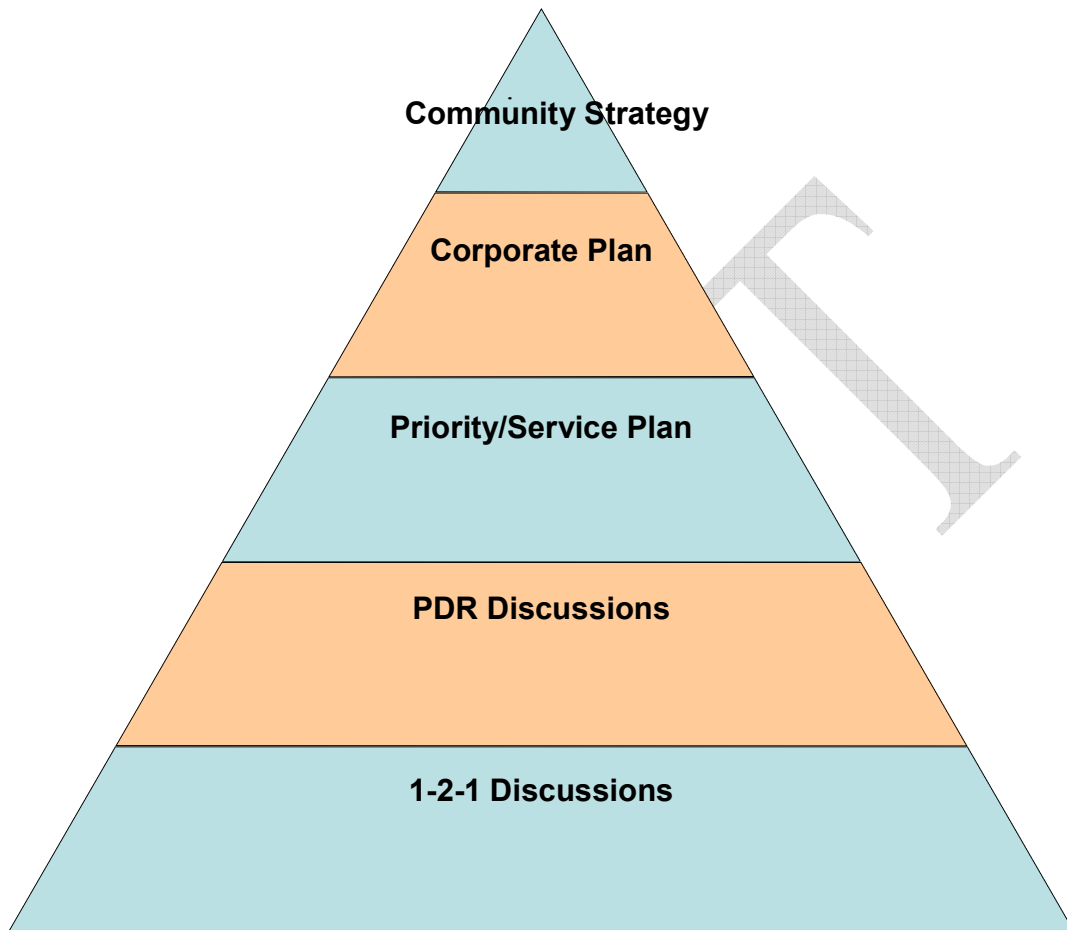
Provide brilliant services to our customers

Annual priority plans, service plans, staff work plans and development needs

These plans are internal management documents which link operational service delivery to the objectives, targets and projects set out in the Corporate Plan

The Priority and Service Plans outline resources available to deliver service actions. They are linked to the Council's annual budget.

Individual staff objectives and work plans link to Service Plans to ensure coordination and consistency of work. They are developed through the annual process of Performance and Development Review (PDR) in February to April of each year. The PDR process is also the key mechanism in ensuring that development needs of the individual (team and service) are captured. Throughout the year, regular 1:1's ensure that individuals continue to deliver to the Service Plan objectives.

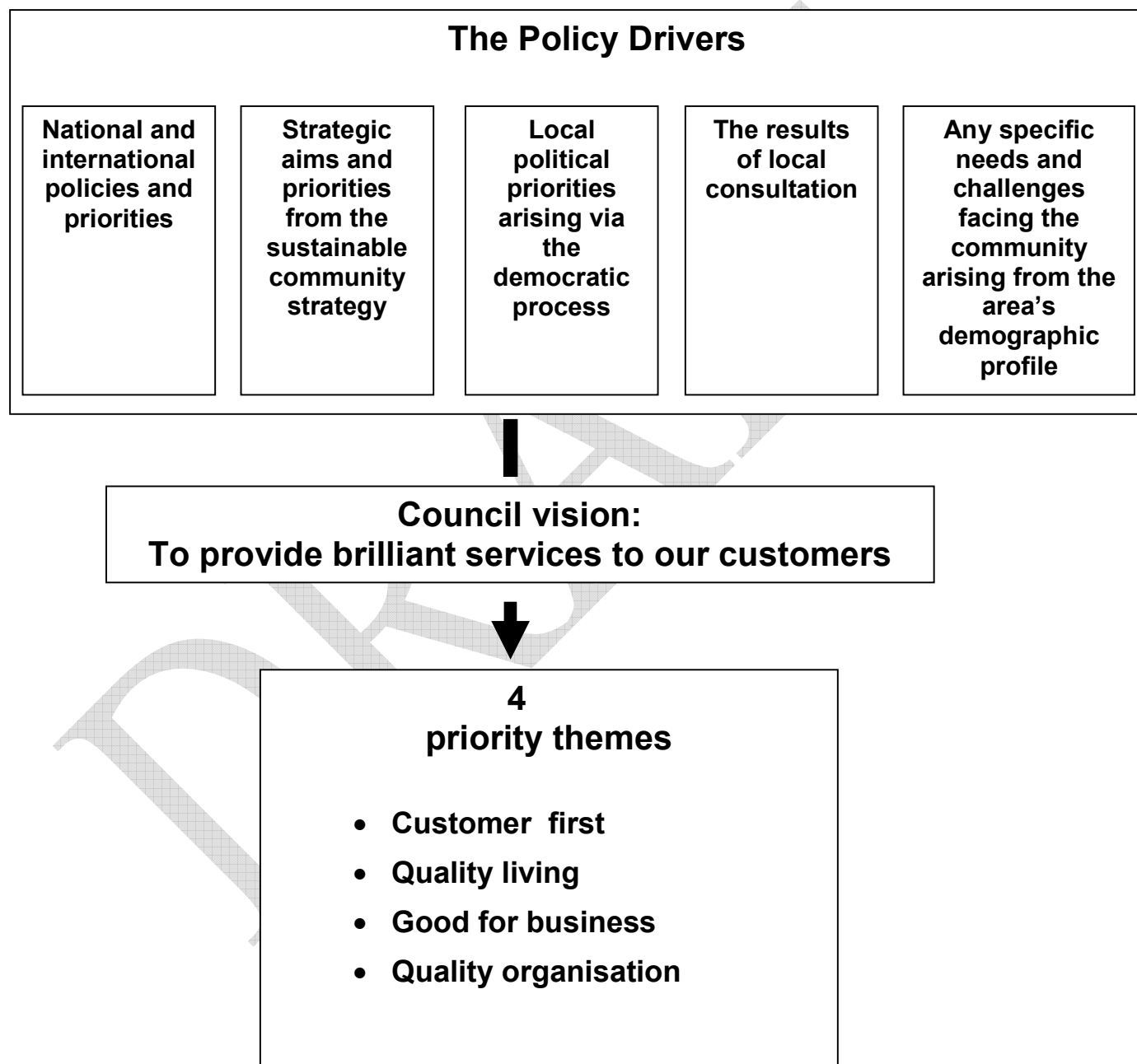


The diagram above shows the 'golden thread' that links the work an individual performs, as discussed at 1-2-1s, to the bigger picture, namely the Corporate Plan and Community Strategy.

The development of corporate objectives

The following diagram sets out the relationship between key policy drivers and the Council's corporate objectives:

Strategic planning structure



Our vision is broken down into 4 priority themes and the focus for 2008-11 will be to focus on developing brilliant services in these four priority areas.

Customer first – having a culture where the customer is at the heart of everything we do by understanding them and their needs, by getting it “right first time”, and making it easy and convenient for customers to access our services.

Quality living – to create an attractive and sustainable environment for the community to enjoy, with a street scene that is green, clean, safe and well maintained.

Good for business – to work in partnership to promote the growth of local businesses and develop the economy in South Kesteven

Quality organisation – to provide effective access to services and to improve the skills and capacity of the organisation to meet local priorities and deliver excellent services.

Our values

In support of our vision and mission we have developed organisational core values that underpin our approach to work we do. Our core values are:

- **Listening** – taking your views into account and demonstrating a real passion for customer service
- **Learning** – being open and honest and learning from things that go well and do not go so well
- **Delivering** – Innovating and making a difference

Taking these values and developing them into core competencies is the next step in our development. They will underpin the behaviours that we expect from everyone working for the council.

The SKDC management competencies have been updated and will be further developed to form an integral part of the annual performance and development system (PDRs) to ensure that not only are we 'doing the right things' (tasks and objectives) but we are 'doing them in the right way' (behaviours).

Our management competencies are;

- Effective leadership
- Getting the best from people
- Focus on customer service
- Managing performance
- Strategic awareness
- Building capacity
- Managing resources

Over time, we will further refine our competency framework to respond to the needs of the business and the community we serve.

Our People

We recognise that we will not achieve success without the full contribution of the people who work for us. We are committed to working in partnership with our people to achieve high levels of morale and staff satisfaction, ensuring that our staff feel motivated, valued and committed to doing their best, and to ensure that our workforce can help influence and drive the people requirements for the organisation.

We need to ensure that our people are equipped to meet the priorities and challenges the council faces. We want to focus on a framework for continual development and growth for individuals and people management practices. This is part of our ongoing commitment to informing and engaging our staff, representatives and other stakeholders.

To meet these challenges we rely on the dedication, skills and commitment of our employees. This people strategy and workforce development plan outlines how we will look to improve our approaches and practices regarding resourcing, recruitment, development, and reward to enable staff and members to reach their full potential and help ensure the council meets its objectives.

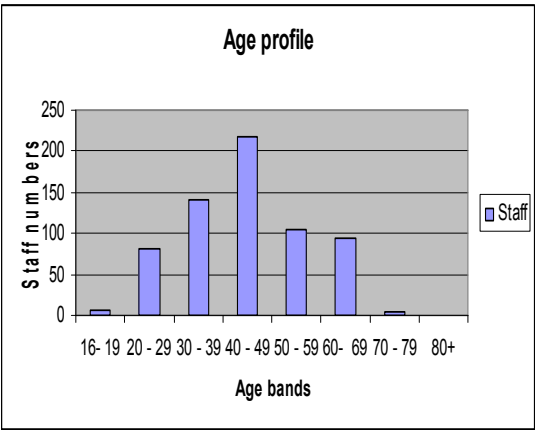
We want to continue to develop a 'One Team' culture and strong values that are supported by core competency and management competency frameworks, and want to drive forward improvements in behaviours and performance.

Delivery of this strategy will be owned by, and championed throughout the organisation. Our managers will be committed to delivering the actions within it to ensure success in service delivery for the people of South Kesteven.

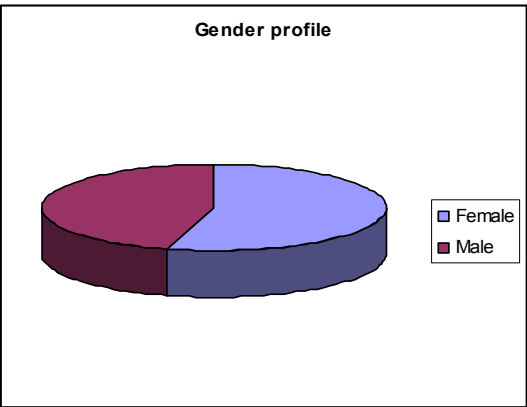
Promoting equality and celebrating diversity is a key strand of the work that the Council does and is integral to this strategy.

Workforce profile

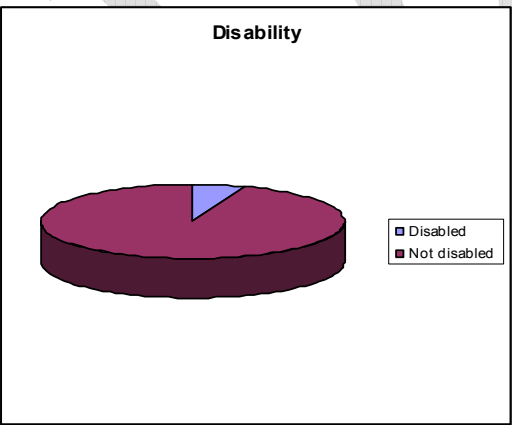
The Council employs approximately 730 people on permanent and temporary contracts in a wide range of roles. Specific characteristics of our staff are illustrated below.



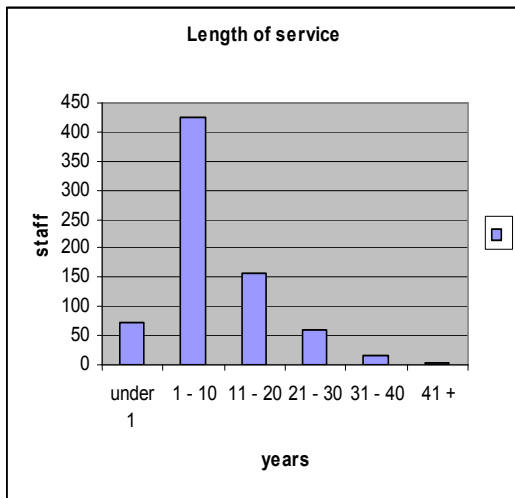
Unlike many Councils, SKDC does not have a strongly skewed age profile. The flexible working arrangements in place have retained many staff aged over 65 to minimise the impact of skill and knowledge loss. It is however noticeable how few young people aged 16 – 19 work for us.



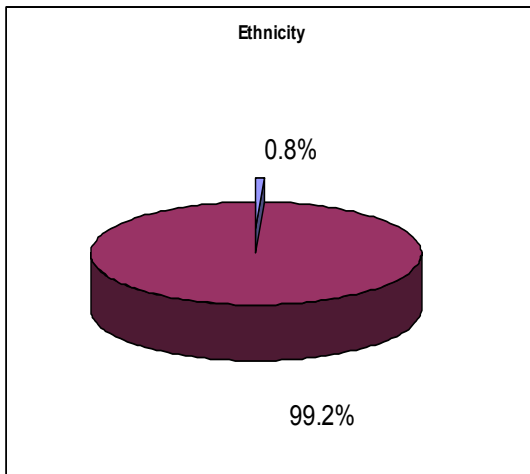
The Council workforce is typical of a District Council with 55% female staff and 45% male staff



Disabled people are supported in employment with the Council. Recruitment and employment processes ensure people with a disability get a fair chance of obtaining a job with the Council. 5.6% of the workforce class themselves as disabled.



The profile of the length of service of staff reflects the impact of career development schemes and trainee schemes that have been in place in recent years.



The ethnicity of our staff does not fully reflect the make up of the local population and the recruitment process encourages applicants from under represented groups to apply for posts.

Our vision and approach to developing this strategy

To be able to deliver its strategic vision for the future (identified through medium- and longer-term Service Plans), the council needs to have the appropriate culture, climate and workforce in place.

This strategy maps out where we are now and where we need to be if we want to deliver our future vision. It goes on to identify four issues or challenges which need to be addressed and the strategies for overcoming them;

Strategy 1	continue to embed culture consistently
Strategy 2	maintain and promote a learning organisation
Strategy 3	mainstream efficiency and effective ways of working that offer value for money
Strategy 4	continue to develop and improve the People Management infrastructure.

By successfully implementing these strategies, we will realise our vision for the authority as ‘an ‘excellent’ organisation with the people and infrastructure to continue to deliver the corporate vision in collaboration with a range of partners’.

Please see **Appendix 1** SKDC People and Workforce Strategy (overview) for a diagrammatic overview.

What we've achieved so far

We have made some progress in the last three years in terms of culture change, organisational fitness, capacity building and infrastructure improvements, although we remain committed to continual improvements.

Here are a few of our achievements mapped against the 4 strategies;

Strategy 1 – Culture

- We are developing a one team ethos, which is evidenced by successful cross-functional project teams. E.g. system thinking project team with team members drawn from across the Council.
- Share successes at individual and team level via team meetings and articles in Skoop
- Core values introduced and communicated throughout the organisation
- Development and implementation of management competency frameworks to support our values
- Annual Staff Satisfaction survey in place. Areas and actions for further improvement
- 77% of staff are “proud to work for SKDC” (*2008 Staff Survey*)
- Increasing the focus on equality and diversity issues, currently at Level 2 of the Local Government Equality Standard.

Strategy 2 - Create a learning organisation

- Learning needs identified at individual, team and organisational level. 67% of staff said that they had discussed their learning needs with their manager (*Jan 2008 Staff Survey*)
- Updated PDR and one-to-one review framework introduced
- Revised member induction programme created and delivered
- Post-entry trainee schemes have been actively promoted (especially in hard to recruit areas)
- On-line learning for customer services team being evaluated.

Strategy 3 - Organisational fitness- Mainstreaming efficiency and effective ways of working that offer value for money

- Ongoing consultation with stakeholders to define service delivery introduction of new customer service and call centre in Grantham with centres planned in Bourne and Stamford in partnership with LCC Your Service shops and call centre.
- 70% of customers said they were satisfied with the service they received at the last most recent point of contact with us (*Resident survey 2007/2008*).
- Revitalisation of Grantham securing growth point status
- Progress in area of partnership working – Development of the Sustainable Community Strategy and pathfinder project
- Improved internal and external communications. SKtoday runner-up in the Local Government Association's national communications awards

Strategy 4 – Infrastructure

- Improving application of performance and development review process (revised and streamlined)
- Internal communication review conducted and improvements made. 76% of staff said the Council had made a real effort to improve (*Jan 2008 Staff Survey*)
- Framework of integrated people policies in place
- Competency framework introduced being aligned with the PDR process.

Our response to the local government Development strategy

In this respect rather than begin with the five stated areas under the Local Government Development Strategy and state the actions we wanted to take, we took a more holistic approach.

Step 1

We considered, as an organisation, where we were and more importantly, where we wanted to be. Looking at the gap between these two states, we were able to articulate and capture the potential issues or challenges that might stand in our way. We found that we had 4 challenges;

- | | |
|-------------|--|
| Challenge 1 | Further refine culture across all our teams |
| Challenge 2 | Ensure we continue to up-skill and develop our workforce |
| Challenge 3 | Continue to deliver year on year efficiencies in collaboration with partners |
| Challenge 4 | Continue to support future change effectively |

Step 2

Each of these challenges needed to be addressed. This allowed us to consider our strategies for overcoming the challenges;

- | | |
|------------|---|
| Strategy 1 | Continue to embed culture consistently |
| Strategy 2 | Maintain and continue to promote a learning organisation |
| Strategy 3 | Organisational fitness - main stream efficiency and effective ways of working |
| Strategy 4 | Continue to develop and improve the infrastructure. |

Please see Appendix 1 for an overview and details of our approach and findings.

Step 3

From 2009 all service areas will complete their workforce development plan at the time of the annual service planning cycle. This embedded approach will mean that workforce development is not done in isolation of service delivery.

The local government workforce strategy was developed by the Employers organisation (now LGE), The Local Government Association (LGA) and I&DEA (the improvement and development agency) in partnership. Replacing the pay and workforce strategy in 2007, the main focus of that strategy document was to create a framework that would drive improvements in public service delivery and make the local council the place to be, the place to work. It highlighted five critical areas;

- **Organisational development**
effectively building workforce support for new structures and new ways of working to deliver citizen-focused and efficient services , in partnership
- **Leadership development**
building visionary and ambitious leadership which makes the best use of both the political and managerial role, operating in a partnership context
- **Skills development**
- with partners, developing employees' skills and knowledge, in an innovative, high performance, multi agency context
- **Recruitment and retention**
- with partners, taking action to address key future occupational skills shortages, promote jobs and careers, identify, develop and motivate talent and address diversity issues
- **Pay and reward** structures that attract, retain and develop a skilled and flexible workforce whilst achieving both value for money in service delivery and equal pay.

SKDC's people and development strategy is our continued response to the local government workforce strategy 2007 but mindful also of where we want to be as an organisation. Each service area, as part of the annual service planning process, will create its own workforce development plan. This plan identifies future workforce development needs in order to deliver the service in line with the corporate plan.

Success Indicators

Our high level markers for success in terms of people and development will include:

- Staff feel good about working for SKDC
- A reduction in sickness levels indicating improved well-being
- Development needs are addressed
- Further progress in embedding the equality framework

To show our commitment to making further improvements in these areas, the table below gives targets for each of the markers identified.

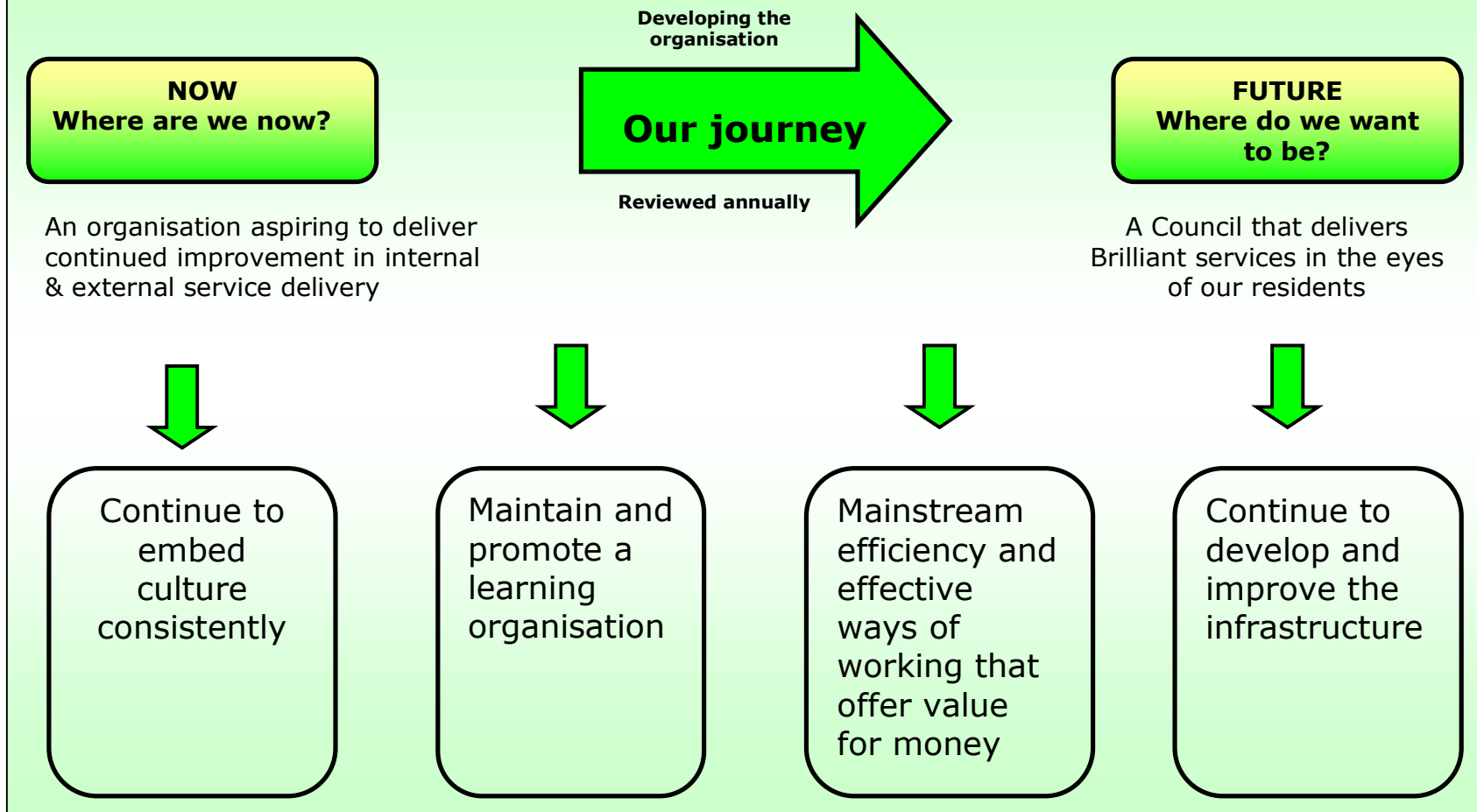
Marker	Target
• Staff feel good about working for SKDC – 77% in 2008	Increased to: 79% in 2009 80% in 2010
• Reduction in sickness levels - 10.85 days lost per employee 2007/8	Lost days per employee reduced to: 10 in 2008/9 9 in 2009/10
• Recognised as an Investor in People organisation against the new standard	Ensure the principles of best practice contained with IIP framework are incorporated throughout the organisation .
• The development needs of staff are being addressed – 67% in Jan 2008	Increased to: 75% in 2009 85% in 2010
• Equality standard – Level 2	Maintain Level 2 and work towards achieving level 3 (under revised framework emerging and working toward achieving)

We will evaluate the outcomes.

The People and Workforce Strategy has been informed by external factors around service delivery both current and future and our capability to deliver those services in a timely and cost-efficient way.

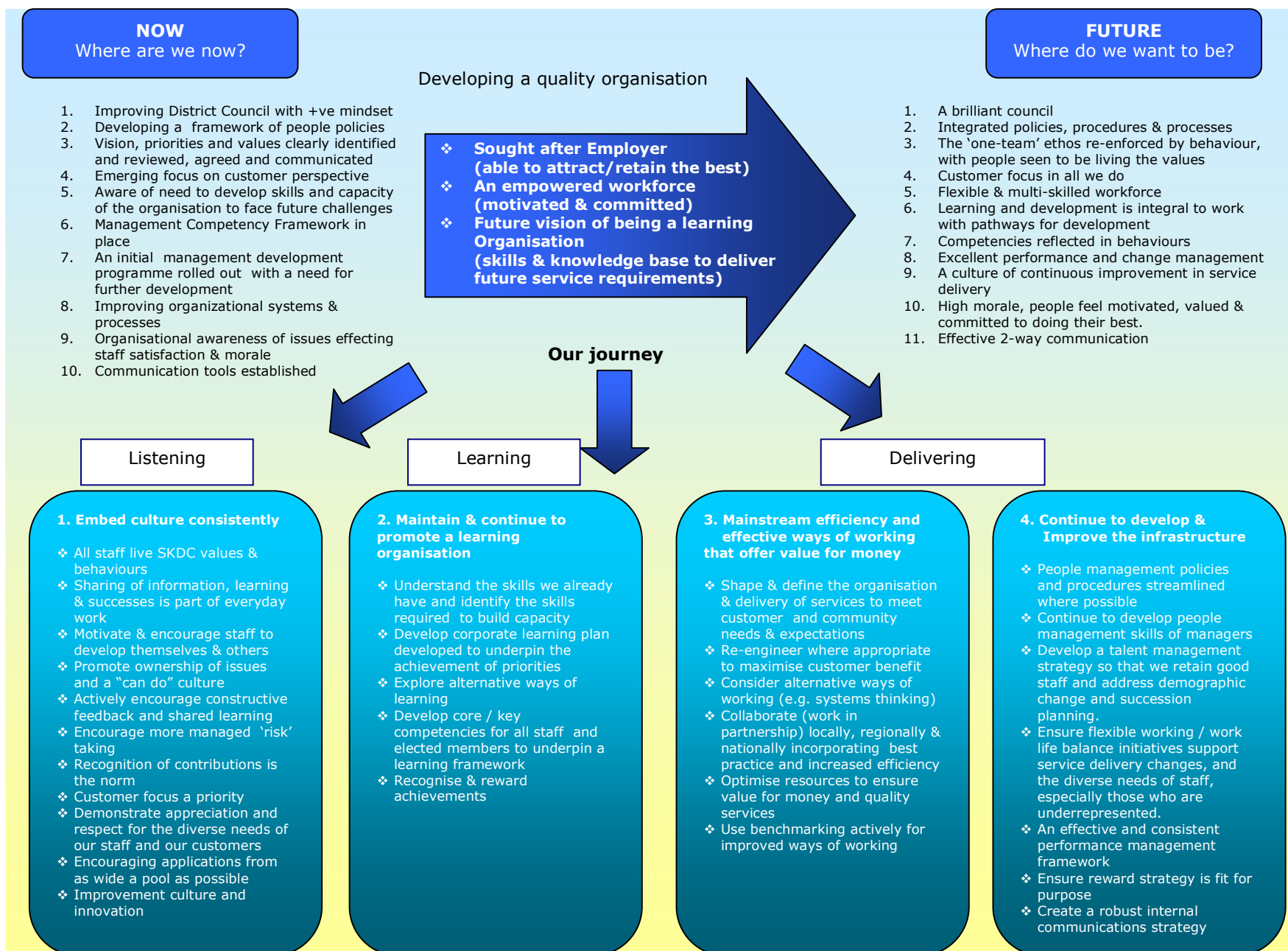
There has been consultation with staff, service managers, senior management and UNISON representatives to help establish the priorities for developing the council's workforce and associated processes.

PEOPLE & WORKFORCE STRATEGY (overview page 1)



Schematic - Page 1 of 2

PEOPLE & WORKFORCE STRATEGY (overview page 2)



REPORT TO CABINET

REPORT OF: The Leader

REPORT NO: LSP03

DATE: 09/03/09

TITLE:	Partnership Policy	
FORWARD PLAN ITEM:	Yes	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	December 2008	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Linda Neal Leader	
CORPORATE PRIORITY:	Quality Living Quality Organisation	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report:	Full impact assessment required:
Equality and Diversity	N/A	
Crime and Disorder	N/A	
Risk		
Climate Change	N/A	
Health and Safety	N/A	
Data Quality		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:	CEX390	

1. INTRODUCTION

The purpose of this report is to update cabinet on the development of a policy for governing the council's partnership activity. In April the Governance and Audit Committee considered a draft South Kesteven policy and agreed that officers consult more widely on the document. In consulting our neighbouring districts and the county council it was evident that they too wished to develop a similar policy and officers have worked with the county council and other council colleagues in producing a county-wide partnership policy. This is attached for your approval.

2. RECOMMENDATION

The Cabinet is asked to approve the Partnership Policy 2008.

3. DETAILS OF REPORT

The Council's Partnership work was audited in November 2007 by our internal auditors. A number of recommendations were made which are being addressed through the implementation of an action plan. One of the areas that the auditor's advised the council to focus on was in identifying significant partnerships which involved the council and to create a central register for such partnerships. For the purpose of the review a significant partnership was identified as one where we:

- Are required to have one by statute (e.g. Community Safety Partnership)
- Are the accountable body (manage budgets e.g. LSP, Town Centre Management Partnerships)
- Have a budget of more than £100K a year (e.g. Grantham Growth)

In developing the partnership register twelve such partnerships were identified across the authority – each having been set up in isolation. An audit-approved checklist was developed for existing and new partnerships to complete to ensure governance arrangements were in place and effective.

As a result of this work the need to have a policy for entering into partnerships was also identified.

Consultation with our district and county partners and with officers of South Kesteven District Council gave us the benefit of a wider viewpoint on such a policy and also showed that this authority was not alone in its aspiration to create a policy to ensure good governance amongst its significant partnerships. In order, therefore, to avoid duplication of effort and to standardise procedures a county-wide policy for partnerships has been drafted. Although the document is largely generic each partner organisation has completed specific local information or guidance to ensure that the policy is fit for purpose and a usable, working document.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

None.

5. COMMENTS OF SECTION 151 OFFICER

I welcome the production of a partnership policy to ensure robust governance arrangements are in place. Members are asked to ensure the draft policy covers all the key areas in order to fulfil the governance issues.

6. COMMENTS OF MONITORING OFFICER

Many partnerships to which this Council is committed involve district and county wide organisations. It is important this policy has been drafted in consultation with those current partners and that a generic policy has been created. This will assist the partnership process and help achieve a consistent approach to the governance of partnerships.

The policy should be introduced with suitable training for all appropriate staff and members of the council.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

This document is a welcome and relevant policy which can be utilised by all service managers and colleagues to ensure good practice when setting up partnerships on behalf of the authority. It will also assist in ensuring robust governance arrangements are in place.

Mark Jones – Head of Service – Partnerships and Community Safety

8. CONCLUSION/SUMMARY

The Partnership Policy was reviewed by Lincolnshire Assistant Chief Executives group in December 08 to ensure local relevance. It is now presented to the Cabinet for approval prior to it being presented to Council.

9. CONTACT OFFICER

Carol Drury

Local Strategic Partnership Co-ordinator



Partnership Policy

2008

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Introduction

Partnerships are playing an increasingly important role in central government's policy development. Local Authorities are being encouraged to work in partnership with other public bodies, private sector and the community and voluntary sector.

Central government is also emphasising the need to work in partnership by including measures in the use of resources as part of the CAA.

This policy aims to ensure that South Kesteven District Council adopts a structured approach to entering into new partnerships and to ensure governance of existing partnerships.

Objectives

- ❖ To provide guidance on the term 'Partnerships' and what is in scope and out of scope.
- ❖ To provide guidelines on entering into new partnerships
- ❖ To provide guidelines on ensuring appropriate governance on existing partnerships
- ❖ To provide guidelines on exiting partnerships
- ❖ To provide support to the Bridge Toolkit practitioners in assessing the health of partnerships.

Partnership Definition

There are various partnership definitions available from the Audit Commission, The Institute of Public Policy Research and other government bodies which provide the same intention. For this policy the definition has been taken from the partnership toolkit framework adopted by the county.

The definition from the Bridge Toolkit is:

‘A relationship where two, or more, organisations work together with trust, openness and honesty to deliver mutually beneficial outcomes they cannot achieve alone’

Within this policy there are varying levels of engagement and for this purpose these have been defined as:

- ❖ Strategic
- ❖ Local
- ❖ Networking
- ❖ Other

Strategic is used to describe partnerships across more than one public organisation and pertinent to all of (insert organisation). These partnerships will be engaged in the commissioning or delivery of outcomes.

Local is used to describe partnerships formed within one or more service areas and other partners engaged in the delivery of outcomes.

Networking refers to those groups that meet to share knowledge amongst the partners.

Other includes groups with service level agreements, ad hoc meeting arrangements or groups coming together for a short term common purpose.

This policy does not apply to commercial contracts and partnerships formed out of procurement of services. These will remain out of scope in this context as they have specific governance arrangements.

For this reason the term ‘Partnership’ relates only to those groups without formal contractual arrangements in place.

This document is primarily aimed at the Strategic and Local level partnerships however the best practice guidelines can be used for the others.

For example – South Kesteven District Council’s definition of a ‘significant partnership’, from which its partnerships register has been created, was determined by whether:

- we are required to have one by statute (e.g. Community Safety Partnership)
- we are the accountable body (manage budgets e.g. LSP, Town Centre Management Partnerships)
- the partnership has a budget of more than £100K a year (e.g. Grantham Growth)

Target Audience

- ❖ Elected Members
- ❖ Partnership Lead Officers for ensuring appropriate governance arrangements are in place
- ❖ Bridge Toolkit Practitioners for programme of review.
- ❖ South Kesteven District Council employees looking to establish new partnerships

South Kesteven District Council Policy for Partnerships

South Kesteven District Council is committed to working in partnership and relies on many partnerships to deliver wider outcomes reaching the communities we serve.

South Kesteven District Council needs to have a clear and consistent approach to partnership working in order to ensure that:-

- ❖ South Kesteven District Council achieves best value in the provision of its services
- ❖ South Kesteven District Council can plan to use resources effectively
- ❖ It can provide innovative working and positive outcomes
- ❖ Community leadership and engagement is promoted effectively
- ❖ Partnership risks are mitigated
- ❖ South Kesteven District Council can meet its statutory responsibilities where partnerships involve the delivery of statutory services which are the responsibility of the authority

In addition to this as part of the Audit Commission key lines of enquiry, the authority must be able to demonstrate that:

- ❖ South Kesteven District Council has identified its significant partnerships and has appropriate governance arrangements in place for each of them.
- ❖ The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon

- ❖ The risk management process specifically considers risks in relation to significant partnerships and provides assurances to be obtained about the management of those risks.
- ❖ The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships
- ❖ Governance arrangements with respect to partnerships are subject to regular review and updating

South Kesteven District Council policy in relation to partnerships is to ensure its formal partnership arrangements:

- ❖ will promote at least one of the authority's priority themes and thereby also deliver the South Kesteven District Council Vision
- ❖ reflect the authority's core values
- ❖ will include the requirement of agreed SMART objectives for each partnership
- ❖ will provide mutual benefits for each partner in proportion to the contribution
- ❖ satisfy the authority's obligations to deliver value for money
- ❖ be consistent with the Local Area Agreement and the Sustainable Community Strategy
- ❖ provide accountability where decisions are being made about expenditure of public money
- ❖ promote the authority's duties in respect of equality and diversity and the Duty to Involve
- ❖ comply with the authority's requirements for governance, risk management and probity

Delivery

To achieve this, the following delivery actions have been identified:

- ❖ Training of Bridge Practitioners within the authority
- ❖ Establishment of a partnership register, incorporating financial, risk, performance and health of the partnership.
- ❖ Methodology to determine the authority's significant partnerships
- ❖ Annual programme of review for Bridge health checking the significant partnerships
- ❖ Checklist of governance arrangements for partnerships to complete
- ❖ Evidence collection for the key lines of enquiry/CAA
- ❖ Officer support (Lead Officers) to the development of the partnership

The **partnership register** has been compiled using evidence provided by individual lead officers by means of an audit approved checklist. The register is held centrally on the shared area of the authority's intranet under Partnerships and Community Safety.

To provide robust evidence in support of the checklist the preferred **method** for South Kesteven District Council to identify its significant partnerships will be to use Strategic Risk Management (see Corporate Risk Management Strategy). This will take into consideration the risk to the authority across 4 key areas, Service Delivery, Finance, Reputation and People. The resulting score will determine the priority of the partnership in the programme of review.

An annual **programme of review** will be presented to Management Team and Cabinet by the Corporate Head for Partnerships and Organisational Improvements (or his deputy) for endorsement with the expectation that members of the partnership will arrange for the necessary resources to be available to the Bridge Practitioner.

The Lead Officer for each partnership will present the findings of the review back to their partnership and work with the partnership on a **development plan**. It is important to note that this should be an ongoing process for the partnership.

A further health check of development implementation will form part of the evidence chest.

Entering into New Partnerships (where South Kesteven District Council is not the lead body)

When approached to enter into a partnership where South Kesteven District Council is not the lead organisation the individual should consider the following:

- ❖ Does it meet at least one of the authority's aims and objectives?
- ❖ Does it have the appropriate governance?
- ❖ What resources will you be required to input (time, money, stationery)?
- ❖ Does the withdrawal of a partner increase the financial risk?
- ❖ Will it be able to add value?

If you are able to answer all of the above then the process outlined in appendix A should be followed and a partnership checklist should be completed. If there is some doubt surrounding any of the above it should be referred to senior management.

Setting up New Partnerships (where South Kesteven District Council is the lead body)

Developing a firm foundation is essential in ensuring that an organisation is ready to partner and doesn't develop the wrong partnerships or fails to achieve what they set out to.

When developing a new partnership you should be clear as to how the partnership can achieve your organisation's goals. It includes detailing:

- ❖ How many partnerships you need and the type of organisations you will partner with
- ❖ What each partnership needs to deliver for you, your partners and the people of South Kesteven in line with the Sustainable Communities Strategy.

- ❖ What resources you and your partners will need to bring to bear to achieve those aims
- ❖ The criteria to enable you to select and understand how to work with partners
- ❖ The activities can be focused on a single business area or across a whole organisation. In deciding the scale it is important to consider who will be working through these steps, their authority and the level of sponsorship
- ❖ How the partnership will add value to existing arrangements
- ❖ Making sure the appropriate monitoring body is aware of the partnership

Organisations that approach partners without thorough completion of these measures risk the following outcomes:

- ❖ Partnership Overload
 - Without a clear partnership policy duplicate partnerships will be developed and activity will not be co-ordinated across a number of business areas
- ❖ High failure rate during Partnership Development
 - Without clarity of why partnerships are being developed and what's in it for partners, negotiation can become difficult and often fail
- ❖ Over promising under delivering
 - Failing to recognise if the resources needed to deliver the partnership exist, and can be accessed within your own organisation can lead to expectations being set which cannot be met
- ❖ Partnership Fatigue
 - The true power of developing partnership which create something you couldn't do alone is lost and they become a by-word for a range of relationships

The partnership must understand clearly what each partnership must deliver for itself and its partners, the resources that are needed to deliver the proposition and the actions to progress each partnership to launch.

Included in this should be:

- ❖ SMART objectives linked to strategic aims and objectives

- ❖ A description of the proposition the partnership will deliver and its benefit for the organisation, each of the partners and the people of South Kesteven
- ❖ The detailed information that will enable stakeholders to understand the resources they will provide and those needed from partners
- ❖ A high level action plan through to the partnership's launch including structure, governance and terms of reference
- ❖ Legal & financial regulations
- ❖ Associated risks and issues

The Bridge toolkit aims to cover the stages in preparation and development of a partnership and advice can be sought from Bridge toolkit practitioners (appendix A)

When developing a partnership the flow chart in appendix C should be followed.

Nominated Officers

All partnerships must have a nominated (lead) officer who is responsible for the day- to-day relationship with any partner organisation.

The responsibilities of the nominated officer are:-

- ❖ To ensure that the partnership is registered with Service Manager - Partnerships and Community Safety (or his deputy)
- ❖ To ensure that the Bridge Partnership Framework on governance and accountability is followed
- ❖ To report on the progress of the partnership as required and in the case of strategic partnerships to implement a bridge health check.
- ❖ To assess and report on any new risks arising
- ❖ To comply with the equality and diversity agenda
- ❖ To report on any breach of standards on governance and accountability.

Recording Partnerships

The partnership register of South Kesteven District Council services three main functions

- ❖ To provide an overview of the partnerships that South Kesteven District Council has
- ❖ To provide a framework to allow a robust challenge and scrutiny of the partnerships to take place
- ❖ To identify the top strategic partnerships
- ❖ This register will be maintained by Service Manager - Partnerships and Community Safety (or his deputy) and available on the intranet under the shared area of Partnerships and Community Safety

Risk Methodology

Not all partnerships carry the same degree of risk. A level of pragmatism has to be built into any arrangements in that smaller or innovative partnerships are not burdened by process.

To achieve this, a risk grading system has been agreed. It is a simple mechanism to allow officers and members to gauge in rough terms the level of risk associated with each partnership.

This will allow greater focus to be placed on higher risk partnerships and less focus on lower risk partnerships.

The simple risk scoring examines the impact of failure across four categories

- Service delivery (score 1 low to 4 high)
- Finance (score 1 to 4)
- Reputation (score 1 to 4)
- People (score 1 to 4)

RED - Partnerships	Those considered the most critical and receiving the highest level of focus and requiring the greatest degree of governance.	Score > 81 (scoring four “3’s” or above)
	Those considered the critical and receiving	Score 36 to 81

AMBER - Partnerships	the appropriate level of focus and require the greatest degree of governance.	
GREEN - Partnerships	Those considered the least critical and receiving the lowest level of focus and lightest touch in terms of governance.	Scoring less than 36

It is intended that partnerships will be managed at the directorate level but with an overview and challenge at the corporate level for those partnerships defined as presenting the greatest level of risk. These partnerships are termed as either “amber” or “red” partnerships.

Setting Priorities

- ❖ Partnerships must be aware that they must manage all the different priorities of the individual partner organisations
- ❖ Partners must work together to integrate their respective priorities to ensure added value and avoid duplication of effort
- ❖ To improve effectiveness partners should develop a shared evidence base to determine priorities and collect data relating to outcomes
- ❖ Priority setting needs to link to partners internal strategic planning to promote buy in to the partnership.

Risk Management

A risk register must be compiled for each identified significant partnership with assistance from the authority’s Risk Management team. Recommendations for ownership of risk and mitigation must be included in the register and it must be reviewed at each formal meeting of the partnership.

Information Sharing

Where partnership arrangements involve sharing, storing or collecting of information, responsibility needs to be assigned and appropriate controls put in place.

The following need to be considered:

- ❖ Legal Compliance - Data Protection Act, Freedom of Information Act (disclosure), Copyright - software licensing, databases, confidentiality etc
- ❖ Information Standards - to facilitate sharing
- ❖ Records Management - creating an inventory, managing the lifecycle of records from creation to disposal
- ❖ Security - classification of information including risk management, business continuity
- ❖ The Council's Corporate Policies and Procedures with regards to Information Governance.

Performance Management

Monitoring and reporting should take place within the partnership to understand how it is progressing.

This should include regular review of

- ❖ Progress against milestones
- ❖ Performance against key indicators
- ❖ Progress against budgets
- ❖ Progress against key actions
- ❖ Governance arrangements
- ❖ Actions from Bridge Healthchecks

Slippage or deviation in these areas must be reported back to the partnership.

'Regular' may vary from partnership to partnership depending on statutory requirements, size and accountability.

Financial Management

The financial arrangements in partnerships must seek to encapsulate the organisations financial management procedures.

There are a range of financial issues to consider when setting up or entering into a partnership and a number of these are covered below.

On occasion the partnership may not have any financial accountability.

If in doubt the **general rule is to seek advice.**

The arrangements must set out

- ❖ the accountable organisation
- ❖ frequency of reporting
- ❖ level of reporting
- ❖ procedures for expenditure decisions
- ❖ procedures for authorisation of expenditure

“Partnerships” are often set up as a result of Government initiatives, and funding is usually by way of a grant for say 3 or 4 years. Upon cessation of the grant Central Government often expects local authorities to mainstream these projects (if evaluation indicates successful outcomes) into its normal day to day business and the Council must be fully aware, therefore, of any potential funding shortfalls, loss of assets etc. Furthermore, a clear exit strategy needs to be in place for both the planned and unplanned cessation of a partnership arrangement. Seek appropriate advice from the Monitoring Officer.

Document Retention

It will need to be established who is going to be responsible for holding documents and for that party to be aware of the legal requirements of retaining documents for various statutory and grant body requirement periods.

Value for Money

To assess whether Partnerships deliver services as economically, efficiently and effectively as possible, it is important to assess the costs and benefits associated with this model of service delivery. Such an assessment is challenging as Partnerships are multi-functional, long-term arrangements. It may not be possible to make definitive statements about the value for money of all Partnerships. This is because each Partnership is unique, and an overall statement on value for money would not account for the variation in experience between those Partnerships with successful outcomes and those that have terminated.

For South Kesteven District Council, it is important that members as well as officers understand the basics of the value for money assessment of their partnerships. Although aspects of the evaluation are very technical, members should, at least, be aware on what basis it is being made.

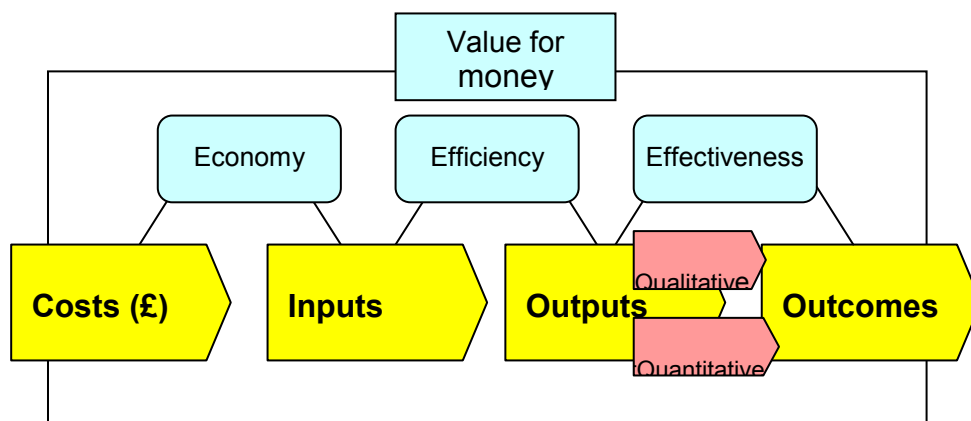
The value for money case for Partnerships is heavily subjective, can be subject to adjustment to meet the necessary criteria, and has to be seen in the context of the public sector client being faced with no viable alternative.

Principles of VFM

The key principles that underpin the Audit Commission's approach to VFM are, where possible, to:

- ❖ take a community-wide perspective rather than that of individual service users
- ❖ take account of local context and quality of service
- ❖ take account of long-term costs and benefits and the wider social and environmental impact
- ❖ consider arrangements to ensure equity of access to services
- ❖ use data on costs and performance to provide a starting point for questions
- ❖ allow for local policy choices (alongside a national policy context) about priorities and standards of service
- ❖ review current performance in achieving VFM and how VFM has improved over time, for example, using trend analysis; and rely on evidence of outcomes achieved and the effectiveness of activity to improve VFM.

Value for money has long been defined as the relationship between economy, efficiency and effectiveness. It is sometimes known as the 'value chain' and is illustrated by the following diagram.



- ❖ 'Economy' is the price paid for what goes into providing a service
- ❖ 'Efficiency' is a measure of productivity – how much you get out in relation to what is put in.
- ❖ 'Effectiveness' is a measure of the impact achieved and can be quantitative or qualitative.

Value for money or best value is high when there is an optimum balance between all three – relatively low costs, high productivity and successful outcomes. The Improvement and Development Agency in its guidance has defined value for money as the '*optimum combination of whole life costs and benefits to meet the customer's requirement*'.

Monitoring and Evaluation

Monitoring and evaluation takes place in two areas, within the partnership (see performance management) and reporting back to the individual bodies who need to understand how the partnership is progressing.

The partnership must have clearly defined reporting arrangements setting out:

- ❖ Date
- ❖ Period covered
- ❖ Links to NI's, Service Plans, Community Strategy etc
- ❖ Status of key (SMART) objectives
- ❖ Where added value is being achieved

In addition to this, partnerships in the RED category of risk methodology will be subject to annual Bridge Healthchecks by the lead officer from within the authority responsible for the partnership with support from the Bridge Toolkit Practitioner

Exiting Partnerships

All partnering arrangements have a life span and an important consideration in managing them is to identify when they no longer meet the needs of the partners.

When it is clear that the arrangement is no longer effective the partnership should meet to discuss:

- ❖ The circumstances under which a partnership may be dissolved
- ❖ The legalities
- ❖ Financial implications/final account
- ❖ Any outstanding work or business
- ❖ End of partnership report
- ❖ Communication to stakeholders not directly involved in the management of the partnership.

- ❖ Communication to the Service Manager for Partnerships and Community Safety for removal from the partnership register

Implementation Risks

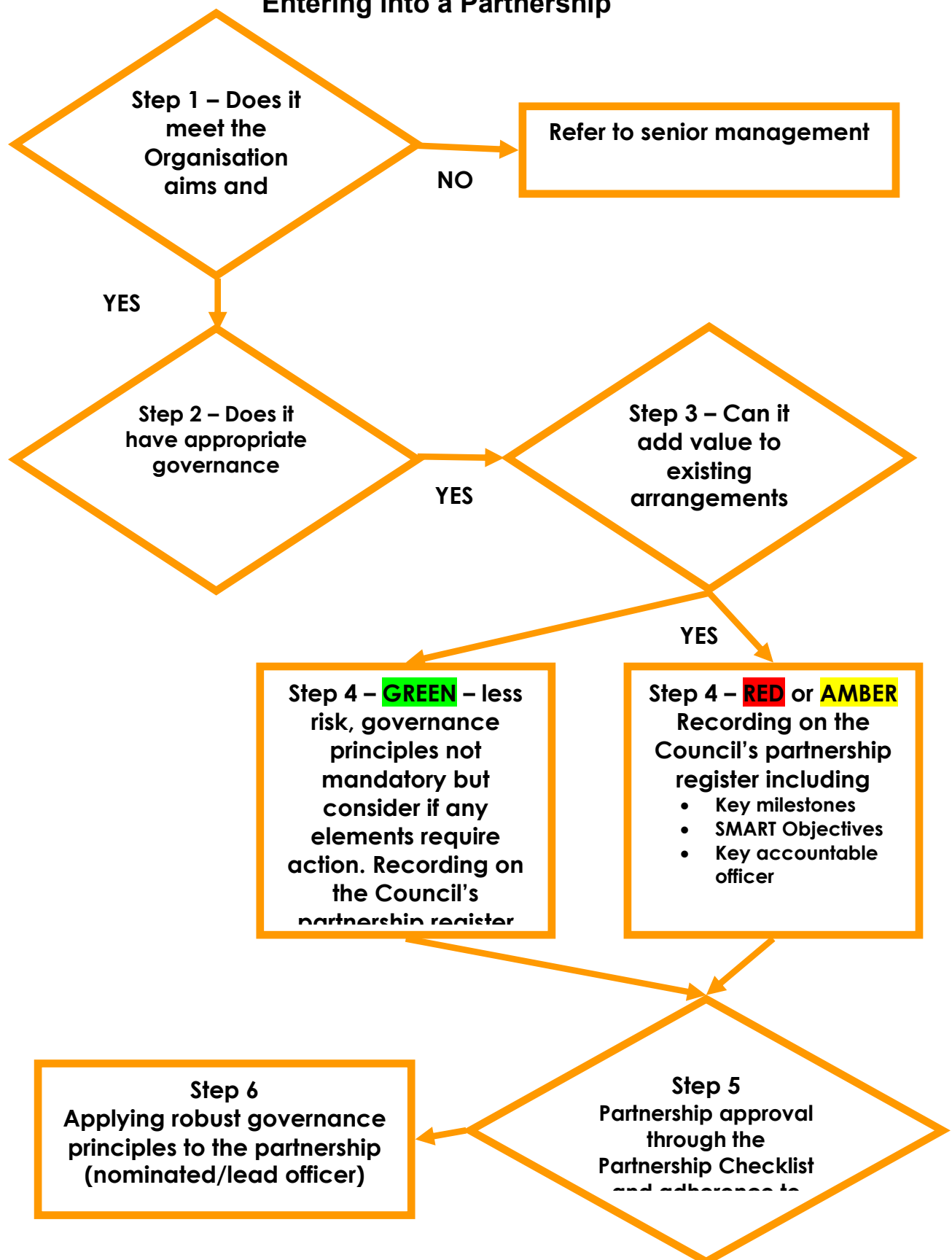
The risks of not implementing this policy could result in a negative review under CAA.

Immediate risks include embedding the Bridge Toolkit across the authority, having the resources available to deliver the review programme, using appropriate methodology to determine the top strategic partnerships and having this endorsed by Lincolnshire Assembly.

Timescale

Timescales can be seen in the partnership development action plan. These will be reviewed annually.

Entering into a Partnership



PARTNERSHIP TITLE:

DATE ESTABLISHED:

STRATEGIC LEAD:

CORPORATE LEAD:

SERVICE HEAD:

PURPOSE:

MEMBERSHIP:

Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
1	Entering into Partnership			
1.a	Have SMART aims and objectives of the partnership been agreed up front?			
1.b	Has a lead partner/accountable body been agreed?			
1.c	If the other partners opt to terminate the partnership agreement, have the financial liabilities of the Council been considered?			
1.d	Have the annual costs to the Council of entering into this partnership been estimated?			
1.e	Is it a statutory requirement to form the Partnership?			
2	Legal Responsibilities			
2.a	Will arrangements be in place to ensure compliance with the law, e.g. health and safety, freedom of information, data protection and service specific legislation?			

2.b	Have required records been specified to ensure that all legal obligations have been met?			

Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
3	Risk Assessment			
3.a	Does the risk assessment process link into the Council's overall risk management framework?			
4	Written Agreement			
4.a	<p>Is there a written partnership agreement that includes the following: (please attach a copy) answer yes/no for each point below</p> <p>A partnership plan has recently been developed but has yet to be signed up to.</p> <ul style="list-style-type: none"> • constitution; • common aims, objectives & statement of intent; • structures and procedures; • legal, financial and personnel responsibilities; • exit strategy; • resources (core resources & project resources); • budgetary and accounting arrangements; • audit and review arrangements; and • monitoring of service delivery? 			
5	Financial Responsibilities			
5.a	Have insurance requirements been considered, e.g. personal indemnity, third party, etc.?			
5.b	Has responsibility been delegated for maintaining financial records?			

5.c	Has advice been sought on the VAT arrangements applying to the partnership?			

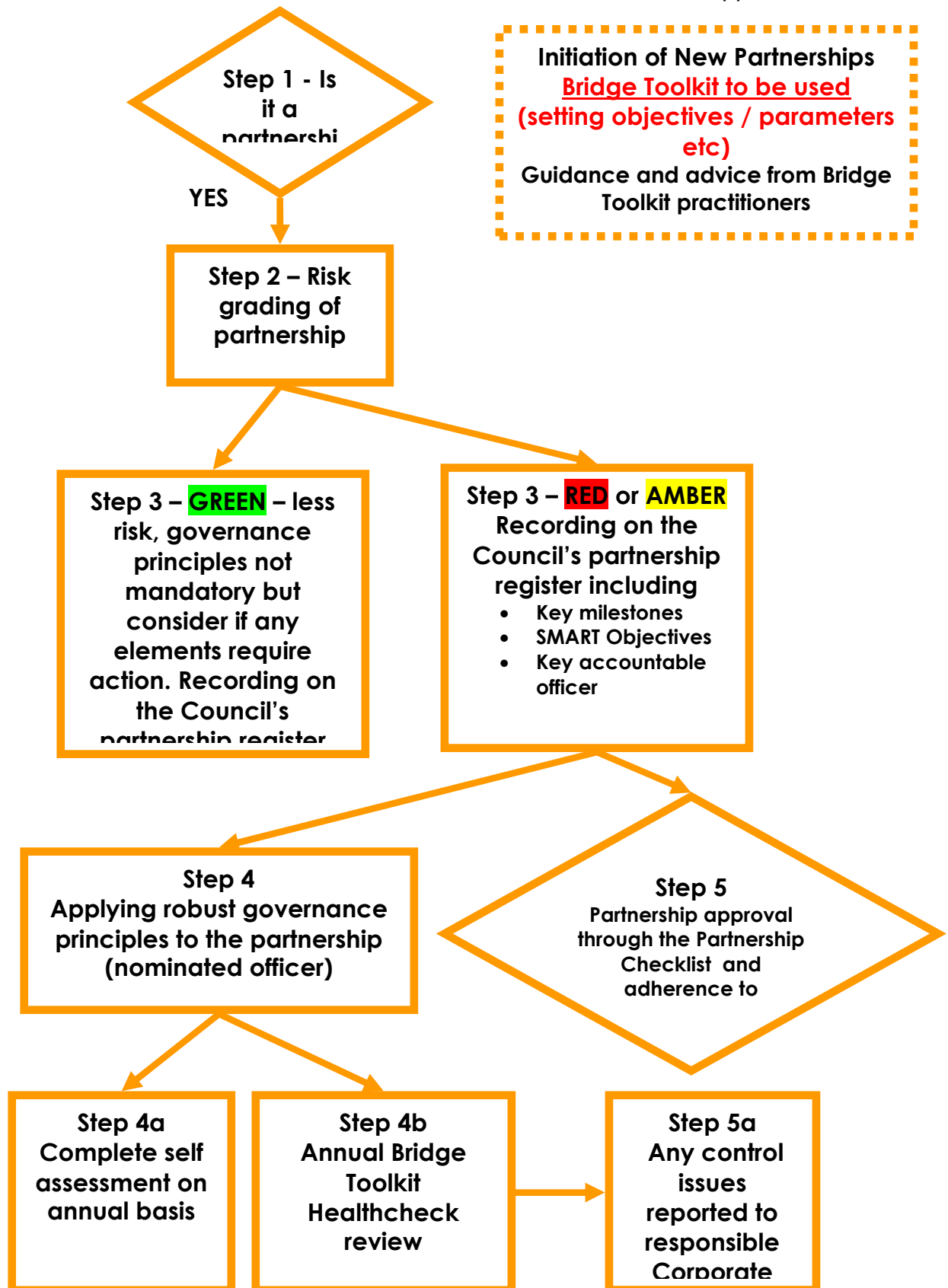
Suggested Control / Consideration		Yes/No	Assessment to be performed & person responsible	Sign-Off
6	Consultation			
6.a	Does the governance structure encourage open and active decision-making?			
6.b	Does the governance structure include effective information exchange and communication within and outside the partnership?			
7	Performance Management			
7.a	Have mechanisms been introduced to allow the partnership to measure the impact of its work?			
7.b	Is there a service plan including a profiled budget and performance indicators?			
7.c	Has consideration been given to how service delivery will be reported?			
7.d	Is there a mechanism in place to report the performance of the Partnership to Cabinet?			
8	Audit Arrangements			
8.a	Have arrangements been made for internal audit, including the following?: <ul style="list-style-type: none"> an internal audit programme resulting from an objective risk assessment; and appropriate reporting structures for internal audits? 			
8.b	Will the partnership arrangements be			

	reviewed on a periodic basis?			
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9	Staff Responsibilities			
9.a	Are staff aware about their roles, responsibilities and the governance framework?			
9.b	Have staff made any declarations regarding conflicts of interest?			
10	Budgeting Arrangements			
10.a	Have arrangements been agreed for approving budgets and monitoring expenditure?			
10.b	Have arrangements been agreed for making payments to the lead authority?			
10.c	Where the partnership will recover grant income, is there an agreement that ensures all partners will comply with the requirements specified?			
	Final Sign-Off	Person Responsible		Date of Sign-Off

We would advise that the checklist be signed off by an appropriate senior officer prior to entering into any partnership agreement. The assessment results should then be presented to Members.

This checklist is based on an audit checklist published by the Chartered Institute of Public Finance and Accountancy (CIPFA).



Bridge Toolkit Practitioners

Sarah Jelley Alice Hammond Haley Diane Hansen Alison Christie Alina Hackney Julie Westerman Peter Bright Vicki Walls Lisa Holmes Sue North Vanessa Strange Mike Carroll Elaine Turner Debbie Lloyd	}	Lincolnshire County Council
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Graham Scorthorne - SHDC
Helen Scutt – SHDC

Jasmine Curtis –Lincoln City
Jennie Chapman – Lincoln City

Carol Drury - SKDC
Mark Jones – SKDC

Roy Ormsby – ELDC
Semantha Neal – ELDC

David Lambert – WLDC
Ellen King - WLDC
Helen Reek – WLDC

Bev Smith – BBC
Ian Farmer – BBC

REPORT TO CABINET

REPORT OF: Portfolio Holder for Economic Development

REPORT NO: EDTC0077

DATE: 9th March 2009

TITLE:	Economic Development Strategy 2009-2014	
FORWARD PLAN ITEM:	Yes	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	March 2008	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision	
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Economic Development Portfolio Holder – Councillor Frances Cartwright	
CORPORATE PRIORITY:	Good for Business Quality Living Customer First Quality Organization	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report:	Full impact assessment required:
Equality and Diversity	Yes	No
Crime and Disorder	Yes	No
Risk	Yes	No
Climate Change	Yes	No
Health and Safety	Yes	No
Data Quality	Yes	No
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:	East Midlands Development Agency – Regional Economic Strategy Lincolnshire Assembly – Lincolnshire Local Area Agreement Lincolnshire Economic Strategy Cabinet Paper – Draft Economic Development Strategy 2009-2014; 1 st December 2008	

1. INTRODUCTION

This report presents the Economic Development Strategy 2009-2014 for South Kesteven District Council. The Strategy includes a basic evaluation of the 2005-2008 Economic Development Strategy. An Action Plan will follow that will be agreed by Cabinet.

2. RECOMMENDATION

This report recommends that Cabinet: -

1. Notes and considers the consultee responses to the Draft Economic Development Strategy 2009-2014 and the responses made by the Service Manager (Economic Development) to these submissions.
2. Approves the Economic Development Strategy 2009-2014 for South Kesteven District Council subject to changes to be made as a result of the responses made to the consultation
3. Instructs the Service Manager for Economic Development to make any final changes in consultation with the Portfolio Holder for Economic Development before distributing to partners.

3. DETAILS OF REPORT

The Economic Development Strategy 2009-2014 has been developed with the Economic development working group and presented to the Communities Policy Development Group. The strategy has been worked on with Lincolnshire County Council Head of Policy and aligns with the Local Area Agreements, the Community Strategy, the Local Development Framework, the Sub National Review, and the Lincolnshire Economic Strategy.

The Strategy evaluates the 2005-2008 Economic Development Strategy and shows what South Kesteven District Council did well, and what we learnt from. The focused priorities required from this strategy are: -

- The inward investment challenge "attracting inward investment"
- The productivity challenge "improving our local output"
- The entrepreneurship challenge "growing our own business"
- The knowledge and technology challenge "increasing our knowledge economy"
- The skills challenge "diversifying our skills"

The strategy draws synergies with other local, regional strategies and will provide an action plan that informs of projects and initiatives that South Kesteven District Council can undertake with partners to improve our local economy. Measuring the impact is also included comparing against previous years on indicators and proposing indicators and outcomes for the next five years.

On the 1st December 2008 Cabinet instructed the Service Manager (Economic Development) to progress to consultation with Stakeholders. Those sent the

Draft Economic Development Strategy 2009-2014 included:

- All South Kesteven District Council Members
- All Service Managers and Corporate Heads at South Kesteven District Council
- Lincolnshire County Council Economic Development Team The East Midlands Development Agency (EMDA) Policy Unit
- The Welland SSP
- Lincolnshire Enterprise
- Primary Care Trust
- Police
- Local Strategic Partnership
- Town Councils
- Grantham Business Club
- Federation of Small Businesses
- British Waterways
- English Partnerships
- Grantham College
- Stamford College
- Lincolnshire County Council Education Team
- Stamford Chamber of Trade & Commerce
- Bourne Business Club
- Deepings Business Club
- Chairs of Town Centre Management Partnerships (Grantham, Stamford, Bourne & the Deepings)
- Welland Enterprise Agency
- Total Networking
- Logic
- Business Link East Midlands
- All Neighbouring Local Authority Economic Development Managers & Portfolio Holders for Economic Development (Rutland, South Holland, North Kesteven, Lincoln City, Boston, East Lindsey and West Lindsey)

A summary of responses is attached as appendix 1 with a response to each by the Service Manager (Economic Development).

The Communities Policy Development Group and the sub working group for Economic Development Policy have reviewed the document and subsequent 'consultee responses' and would recommend with the proposed changes. The PDG also made the following recommendation as a point of clarification: -

That the overall employment rates (as on page 15 of the report) be recorded as a percentage of the employable population (16 – 65 year olds) instead of as a percentage of the whole population.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

South Kesteven District Council requires an Economic Development Strategy, there are no other options to consider.

5. COMMENTS OF SECTION 151 OFFICER

There are potential significant capital and revenue implications for the Authority should the strategy action plan be adopted in its entirety. If approved careful consideration will need to be given to any proposed schemes under the strategy and each capital scheme will need to be scored in accordance with the capital scoring process. The timing of the proposals will also need to be carefully considered in order to ensure the delivery of the schemes from both a financial and capacity perspective.

6. COMMENTS OF MONITORING OFFICER

The draft strategy was presented to Cabinet at its meeting on the 1st December 2008 to approve the draft for consultation. Consultation has now taken place as detailed in the report. Amendments to the draft have not been made following consultation. Cabinet are being asked to note the responses and give delegated authority to the service manager to make the amendments proposed arising from the consultation in consultation with the portfolio holder.

Cabinet is required to approve the strategy as a matter of local choice.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

No comments

8. CONCLUSION/SUMMARY

Following the formal consultation process the following changes to the Strategy are proposed as points of clarification (these are noted as such in the consultation response document):

- 1) That the text on 'state of the economy' be removed and bullet points be added in giving key headlines, this would allow annual updates reducing the likelihood that the strategy will be time banked for five years.
- 2) That the text on the Welland SSP be removed due to their closure in April 2009.
- 3) That the Strategy does not focus on any one specific standard industry classification of business.
- 4) That further demographic data be added in on demographic, deprivation and changing patterns of employment are added in to the strategy

Other elements of the consultation responses are subject to discussion and approval of Cabinet. The Service Manager will distribute the Economic Development Strategy 2009-2014 when completed and agreed with the Portfolio Holder. A further Action Plan will be developed over the next 6-8 weeks for the Portfolio Holder/Cabinet to endorse in May 2009.

9. CONTACT OFFICER

Mr Neil Cuttall
Service Manager (Economic Development & Town Centre Management)
n.cuttell@southkesteven.gov.uk

INITIAL IMPACT ASSESSMENTS

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: Economic Development & Town Centre Management Services		Names of those undertaking assessment: Neil Cuttall Paul Stokes Susie McCohan
Name of Policy to be assessed: Economic Development Strategy 2009-2014	Date of Assessment: 17/11/2008	Is this a new or existing policy?: Existing Policy
<p>1. Briefly describe the aims, objectives and purpose of the policy: As per page 13 of the Strategy, there are five key priority aims of</p> <ul style="list-style-type: none"> a) The Productivity Challenge 'improving our local outputs' b) The Entrepreneurship Challenge 'growing our local businesses' c) The Knowledge and Technology Challenge 'increasing our knowledge economy' d) The Skills Challenge 'diversifying our skills' e) The Inward Investment Challenge 'attracting inward investment' 		
<p>2. What are the key performance indicators? The key indicators are identified on page 16 of the strategy</p>		
<p>3. Who will be affected by this policy? This policy will affect anyone that works, lives or visits the district. It will affect the work of key partners that South Kesteven partners with as well as other internal sections and departments at South Kesteven District Council. Specifically the policy will work with Town Centre Management Partnerships, Businesses, and Business Clubs and Organizations.</p>		
<p>4. Who is intended to benefit from this policy and in what way? This policy will affect anyone that works, lives or visits the district. More specifically it works with growing businesses, inward investors, developers, the deprived according to the Index of Multiple Deprivation, and the employed and unemployed.</p>		
<p>5. Are there any other organisations involved in the delivery of the service? The strategy highlights all of the partners involved with the delivery of the strategy. These include Lincolnshire County Council, the East Midlands Development Agency and local enterprise agencies and business clubs.</p>		
<p>6. What outcomes are required from this policy and for whom? The outcomes of the policy are set out on page 17 of the strategy.</p>		
<p>7. What factors/forces could contribute/detract from the outcomes?</p> <ul style="list-style-type: none"> a) International, National and Regional economies could change priorities b) Provision of services / Priority setting within SKDC c) Resource delivery (deficiency / efficiency) d) The Economic Development audit / and improvement plan 2009 		
<p>8. Who are the main stakeholders in relation to the policy? Residents, Town Centre Management Partnerships, Visitors, Local Businesses, inward investors</p>		
<p>9. Who implements the policy, and who is responsible for the policy? South Kesteven District Council implements the policy. However this policy can only be achieved by working with the identified stakeholders as set out in the Strategy.</p>		

<p>10. Are there concerns that the policy <u>could</u> have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on any racial group</p>
<p>11. Are there concerns that the policy <u>could</u> have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on men or women</p>
<p>12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on disabled people</p>
<p>13. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on any grounds of sexual orientation</p>
<p>14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on grounds of age</p>
<p>15. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on grounds for religious belief</p>
<p>16. Are there concerns that the policy <u>could</u> have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No the policy does not differentially impact on any other groups of people.</p>
<p>17. Are there any obvious barriers to accessing the service eg language, physical access?</p> <p>The policy document itself could be made available in other languages, through language line.</p>
<p>18. Where do you think improvements could be made?</p> <p>The policy document could be made available in brail, large print, different languages or spoken word.</p>
<p>19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.</p> <p>The rural population was identified; however on reviewing many of the projects and initiatives they are not excluded and many projects are of positive impact to the rural areas.</p>
<p>20. Is there a complaints system?</p>

The policy does not have a complaints procedure, however South Kesteven District Council has a corporate complaints procedure
<p>21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?</p> <p>The corporate complaints system can monitor to this level.</p>
<p>22. Do we have feedback from managers or frontline staff?</p> <p>As part of the consultation phase the strategy was sent to Service Managers and Corporate Heads. The Economic Development Service Manager also attended some other services team meetings to discuss the strategy.</p>
<p>23. Is there any feedback from voluntary/community organisations?</p> <p>As part of the consultation phase the strategy was sent out to other community organizations including Town Centre Management Partnerships for comment.</p>
<p>24. Is there any research or models of practice that may inform our view?</p> <p>The Strategy was completed after reviewing other neighbouring authorities economic development strategies and KPIs. The KPIs were developed alongside the Chief Economic Development Officers Society KPI framework and Local Area Agreement Framework. The Service Plans for financial years 2006/7 and 2007/8 highlight the cost per head for the service against neighbouring authorities and authorities of similar size, for which SKDC come out in the median range.</p>
<p>25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?</p> <p>No</p>
<p>26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?</p> <p>No</p>
<p>27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?</p> <p>Not applicable</p>
<p>28. Should the policy proceed to a full impact assessment?</p> <p>No</p>
<p>29. Date on which Full assessment to be completed by</p> <p>Not applicable</p>
<p>Signed (Lead Officer):</p> <p style="text-align: center;">Date: ...17.11.2008.....</p>

Crime and Disorder

There are a number of impacts under the section 17, and the Crime and Disorder act regarding certain identified project within the Economic Development Strategy and Action Plan. These will have to be considered when initiating each individual project as part of the project planning processes.

Risk

A risk assessment will be completed for each individual project identified within the Economic Development Action Plan.

Climate Change

There are limited environmental and climate change impacts within the strategy, however certain projects could identify opportunities within their design or construction that will be beneficial to reduce their carbon footprint or have environmental benefits for the communities within South Kesteven.

Health & Safety

There are no Health and Safety impacts with regard to the strategy, however certain projects within the strategy will require a health and safety assessment before commencement.

Data Quality

This report contains statistics that have been gathered from a number of areas. Principally the National Office of Statistics, but also from the BERR and CACI data sets. The evidence gathered also includes information from the Lincolnshire Research Organization.

Economic Development Strategy 2009-2014 Consultation Responses – February 2009

Consultee	Consultee Response	SKDC Officer Response
Lincolnshire Heritage	Please add under the Economic Development Action Plan – last bullet point could include ‘a high quality of life and an outstanding protected natural and historic environment that will set South Kesteven apart from other districts within the Region’	This statement can be put into the strategy if members wish.
Service Manager SKDC	The goals for 2020 stated on page 2 ‘exemplar of best practise’ I felt a really strong statement, and whilst I am a fan of stretch goals, I am not sure how we would prove / measure that. The second point is a general comment about retail, in Grantham in particular – I imagine that this gets covered in great detail in the growth point strategy, but it felt we might say more in this document.	This statement has been removed The local retail study provides more detail on this type of information and is helping to form the LDF
Stamford Chamber of Trade	A small matter of fact: on page 10 you note that “there is an increase in 2007 of nearly 100 businesses turning over more than £65,000 per annum”. This is a false assumption, because any business can apply for registration, no matter how low its turnover. It is only obligatory if turnover exceeds £65,000. Many of those applying for registration could be turning over less than £65k	This response is accurate; however there is currently no measurement of businesses starting up with turnover under £65,000 so therefore cannot be stated. It is recommended this information remains within the Strategy and a further sentence stating the above is put in.
Stamford Chamber of Trade	We are concerned that this document does not reflect the current parlous state of the local and national economy, being mainly a forward and continuous projection of previous policies and objectives. We cannot stress strongly enough that the world has changed in the last year – nothing is now as it was and new thinking and focus is required. At national level, the Government is continuously launching initiatives and taking steps that would have been unthinkable only a few months ago, yet at regional and sub-regional level, having read this document, you would assume that the current recession, possibly depression, doesn’t exist	The document is aiming at over 5 years not at the current 6 months or year. Therefore it is important to state the objectives that South Kesteven District Council wishes to aim for. Further detail on the current state of the economy can be added in, however in doing so the document becomes ‘time-banked’ in 2009 and may not accurately portray the economy in 2010+. The EDM suggests that the information is removed and shortened bullet points reinstated that can be amended annually with the Action Plan
Stamford Chamber of Trade	In particular, the almost blinkered focus on the creation of new businesses, no matter what their chances of survival, is both wasteful and unrealistic. What is needed is a far more focused approach on existing businesses supported by programmes and resources that will help them to survive.	The Economic Development Team recognises this model, however to create a vibrant and prosperous economy new technologies and businesses must be grown and encouraged at the same time that support for existing businesses are given. A dual approach should be given, meaning that this response should not be further considered.
Stamford Chamber of Trade	Finally, we note that the Lincolnshire E D Strategy has a section entitled “Supporting the growth of Lincolnshire’s most important employment sectors”, listing tourism as one of these and stating that capacity-building programmes will be established. In SKDC’s strategy there is no mention of this, indeed any mention of tourism is conspicuous by its absence. We stress once again that it is more sensible in these times to concentrate on industries that have known potential rather than wasting resources on	The ED strategy does not focus on any one particular sector. The Lincolnshire ED Strategy is somewhat subjective in the wording of “important” and does not define this. The RES states that Tourism only accounts for 3% of GVA where as Manufacturing is around 23% GVA as a SIC. Therefore to make a more profitable local economy the focus should be on increasing added value

	risky and inappropriate new business ventures, if indeed there are now many people who are prepared to launch themselves into such an unpromising economic environment.	sectors. This does not discount Tourism as an industry, especially in some towns (Stamford) where its importance is high. The Strategy does not focus on any one particular SIC, and to do so may discount us from growing sectors.
Stamford Town Council	The 'Vision' is a very general mission statement. It identifies SKDC as a rural district which is essentially true but it fails to take into account the variable nature of the urban/rural areas in terms of population or economics.	No further proposal or suggestion was given for an alternative Vision. If a further vision is proposed or amendment – members may wish to consider it.
Stamford Town Council	Bullet point 3: We would suggest that the words 'Welland Quarter', in its current state, be removed. This relates to an outdated plan which never went out to full public consultation and which more recent studies have shown to be no longer valid for Stamford given that plans have already been approved for additional supermarkets/retail parks to the east of the town. We must also take into account the unexpected depth of recession which is being experienced locally, nationally and globally. Stamford Town Council will be submitting their own local plan but also responses to the Welland Quarter Development. We would strongly suggest that the words 'Welland Quarter Development' will be both confusing and have negative connotations if it continues to be used. We suggest that the finished proposal be called the Stamford Development Plan.	EDM suggests that the Welland Quarter project is removed, and that the project be renamed 'Stamford Priory Development' and is considered within the Economic Development Action Plan in due course. Members may wish to consider supporting the Stamford Development Plan formally within the ED Strategy or future action plan. Consideration is been given as part of the revision to the Local Development Scheme, to reintroduce the preparation of a Stamford Area Action Plan as part of the LDF. If so, the AAP could pick up on proposals for the Welland Quarter, hotel/conference development, issues coming out of the Stamford Town Plan.
Stamford Town Council	Bullet points 3 and 10: These point to the culture and heritage of the District yet neither indicate that Stamford is the main attraction for both heritage and tourism. It should be included by name and in particular there should be a positive attempt to promote Stamford within the District for it's tourism potential	EDM suggests that the point stated be included subject to evidence being provided confirming that Stamford is the main attraction for both heritage and tourism.
Stamford Town Council	Bullet point 4: We would like to encourage the sale of locally sourced goods and it would seem appropriate to include it under this point.	This can be included as a generic statement, however the District Council would still have to adhere to its contract procedure policy and rules when buying.
Stamford Town Council	Page 2 – State of the Economy Global: We would suggest that these paragraphs need to be reworked given the rapidly changing global economic conditions and the knock-on effect these are having at both national, regional and local levels. European Comments as above apply.	Agreed – as stated members may wish to consider in doing so if the document will then be 'time – banked' and the EDM suggests that this section be significantly reduced to state a more general overview given the quick changing situation. This can then be updated annually with the action plan.
Stamford Town Council	Page 4 – Local Economy We strongly support the contention made in paragraph 2 that Lincolnshire will lag behind without significant intervention. The current District priorities are confined to the Grantham and Bourne growth bids.	Members may wish to consider this suggestion in setting the priorities and priority plans each year. The Stamford College suggestion is a very good one and could be included.

	<p>Intervention and attention needs to be addressed across the district. Stamford is traditionally seen as a business, commercial and tourism centre with a high level of skilled population and this needs to be capitalised upon.</p> <p>The future of Stamford New College, and the proposed change in status from College to University in 2010 will further add to this skill's pool and this needs to be capitalised upon. This should be included in the Local Economy element.</p>	
Stamford Town Council	<p>Page 11 - East Midlands Development Agency The Regional Economic Strategy targets for SKDC included in bullet points RES1-RES5 we would agree with if these were to be worked for and achieved equally across the District.</p> <p>Page 13 – Welland SSP We would like to see the 'partnership' between SKDC and the Welland SSP devolved down to Town/Parish level as we believe these are more able to target specific local projects. The local expertise and knowledge is both available and relevant</p>	<p>This suggestion is recognised, South Kesteven District Council has created priority plans one of which is titled 'good for business' this priority will focus on key specific towns, namely Grantham and Bourne</p> <p>The Welland SSP information should be removed in its entirety due to the dissolving of the partnership in April 2009.</p>
Stamford Town Council	<p>Page 13 – Local Strategic Partnership – Sustainable Community Strategy We are concerned about the sentence which reads: <i>'Extensive consultation has been collected through the member organisations of the Local Strategic Partnership to establish relevant priorities which address the needs of our partners and the communities we serve.'</i> We believe that the Local Strategic Partnership is formed of the Lincs Assembly and the District LSP. Neither of these have consulted with the Stamford Town Council about what they believe to be priorities. If they refer to the Local Area Forums then we do not believe that these can be classed as 'extensive consultation' models. The pattern prior to the last meeting of the Stamford Local Area Forum was one whereby the meeting was made up entirely of presentations by SKDC officers but they could not be described as consultation exercises. If they refer to the local TCMPs, then again we do not believe that these represent models of consultation.</p> <p>We do not believe that the priorities identified by the Council do necessarily reflect true public opinion and we would welcome a more transparent, model of public consultation. We note that the 'extensive consultation' have identified Grantham and Bourne as the priority areas. We would like to see active consultation being undertaken more closely through elected councils / open public forums / newspaper adverts.</p>	<p>Members may wish to note this response – but the EDM suggests no further amendments to the Strategy as no further suggestions are made.</p>
Stamford Town Council	<p>Page 14 – Local Development Framework We accept the need for this document to identify sufficient employment land within SKDC as a major priority. It appears from the recent survey</p>	<p>The Submission Core Strategy recognises that housing and economic growth should go hand in hand and has</p>

	<p>of economic land availability within SKDC. Identified through the Brownfield Land Action Plan 2008, that the drive for more housing has been undertaken without giving due thought to providing economic generation/employment land within the district. This could have, and indeed should, be achieved by declassifying available lands from residential to commercial status. This is essential at this time of recession.</p>	<p>identified the provision of approximately 24 hectares of new employment land at Stamford. These sites will be identified in the Site Specific Allocations and Policies DPD, which is currently under preparation. All of the housing allocations from the SK Local Plan have now either been built out or have planning permission and it is not, therefore, possible to reassess their suitability for other uses.</p>
Stamford Town Council	<p>Page 14 – ED Objective 1: - The Inward Investment Challenge “Attracting Inward Investment”</p> <p>We concur with this entirely. Not enough have been done to attract inward investment to South Kesteven. There is also the problem of ‘leeching’ of highly skilled workers out of the four towns. We believe that this could certainly be done around Stamford which has one of the highest level of skilled/professional workers within the District, and with more due to come online via Stamford New College/University. However, we believe that SKDC need to look at major schemes, rather than public realm improvements in order to improve this situation. This would include such schemes as a national conference centre for Stamford which would be ideally placed given the wealth of culture/heritage/tourism interests which would act as a magnet not only for delegates but for their families to come to the town and would greatly increase the opportunities for providing added employment and inward investment. We believe that SKDC needs to be much more pro-active throughout the District. Coupled with this, there needs to be serious attention given to communications within the District if we are to ensure inward investment and a serious analysis of inter-county communication via adequate highways/bypasses etc.</p>	<p>Members may wish to note this response – but the EDM suggests no further amendments to the Strategy.</p>
Stamford Town Council	<p>Page 15 – ED Objective 2: - The Skills Challenge “Diversifying our skills”</p> <p>We do not believe that bullet point 3 <i>‘Delivered in partnership with Stamford Town Partnership and Lincolnshire County Council the Stamford Gateway project’</i> is in any way relevant to this objective and cannot understand its’ inclusion here along with the other schemes which are all relevant to the skills question. The statement ‘We have learnt to consult and communicate more with local stakeholders.....’ needs to be demonstrated in future developments.</p> <p>We can only stop our younger, more skilled workforce finding employment wider afield if we are able to achieve adequate inward investment and job opportunities.</p>	<p>Within the Skills Challenge text there is no reference to the Gateway project. However a page down in the document the strategy does refer to the Gateway Project under ‘where we are now/what we did well’.</p> <p>Therefore no amendment is suggested.</p>
Stamford Town Council	<p>Page 16 – ED Objective 3: - The productivity challenge “Improving our local output”</p> <p>We agree that Grantham and Stamford have major infrastructure advantages over Lincolnshire because of their geographical location in the</p>	<p>No suggestions to the ‘more needs to be done’ therefore no amendments or additions should be added to the Strategy.</p>

	<p>centre of the country and their transport links. However, much more needs to be done here to build upon these advantages which is not being done.</p> <p>Page 16 – ED Objective 4:- The Entrepreneurship Challenge “Growing our local businesses” We fully agree with this.</p> <p>Page 16 – ED Objective 5:- The Knowledge and Technology Challenge “Increasing our knowledge economy” Fully agree and support this. Without this approach we will continue to decline. Can we see how this will be achieved?</p>	<p>Members may wish to note this response – but the EDM suggests no further amendments to the Strategy as no further suggestions are made</p>
Stamford Town Council	<p>Page 17 – Measuring the Impact We have strong reservations about the Stamford Welland Quarter and would refer you to our comments under ‘Vision’ bullet point 3. In its current state it is unacceptable and needs to be brought up to date with another name, new plans which reflect changes since this document was produced and under the ownership of Stamford Town Council.</p> <p>Page 18 – Outcomes a. Where are we now in 2008 We see the lack of skills at level 3 NVQ or above at 26% to be one of the most worrying statistics and believe emphasis should be placed on increasing this to above the 28% you see as feasible in ‘Where we want to be in 2014’. This is an area which requires close monitoring and co-operation between councils and the providers of education within SKDC.</p>	<p>This should be removed, and Stamford Priory Development put in as suggested.</p> <p>EDM agrees, but requires this to be in partnership with LCC rather than being a lead, but rather a support partner.</p>
Stamford Town Council	<p>Conclusions: In response to the points you raise at the beginning:</p> <ol style="list-style-type: none"> 1. Is the Vision realistic? <ol style="list-style-type: none"> a. We believe that it should be achievable but with more difficulty given the current economic climate. b. We also believe that it should be more robust and less vague. c. It is limited in the schemes which it illustrates to achieve the vision ie Grantham and Bourne. It takes no account of Stamford or the Deepings which are central to District. d. Neither does it give emphasis to the rural areas in terms of transport, infrastructure etc. 2. Could the Profile for South Kesteven include further statistics or data? <p>Yes. We would like to see:-</p> <ol style="list-style-type: none"> a. More demographic data; eg population working or retired 	<p>No further vision has been proposed. Some further demographic data can be put into the strategy including as suggested (a, c & e)</p>

	<p>etc.</p> <ul style="list-style-type: none"> b. A breakdown of educational attainment per major town. Also the percentage of young people who return to Stamford after graduating. c. A breakdown of deprivation indices by town/rural area so that we can prioritise assistance/projects. d. We would like to see the percentages of workers who work outside the District and where they travel to (this will help us to assess both employment and transportation needs). e. Changing patterns of employment. f. Breakdown of tourism income / numbers. <p>3. Have we included all the necessary partners for the economic development of the District within the "How we fit in" No. No emphasis is laid on the local town/parish councils. We do hope that the LDF is going to take account of individual town plans.</p> <p>4. Chapter 7: Are the "Priorities" identified the most appropriate for the District? See our notes.</p> <p>5. Can we measure our "impacts and outcomes" in another or different way? Do not feel able to answer this at the current time.</p>	<p>The preparation of LDF documents will take account of town and parish plans.</p>
District Councillor & Town Councillor	<p>SKDC should consider the implications of the following:-</p> <ul style="list-style-type: none"> • Stamford New College applying for University status in 2010 • The potential for a National Conference Centre in Stamford • Tourism is an important industry to Stamford and we should capitalize on that. 	<p>Members may wish to consider the following when developing the Annual Action Plan over the next five years.</p>

South Kesteven District Council

DRAFT Economic Development Strategy 2009-2014

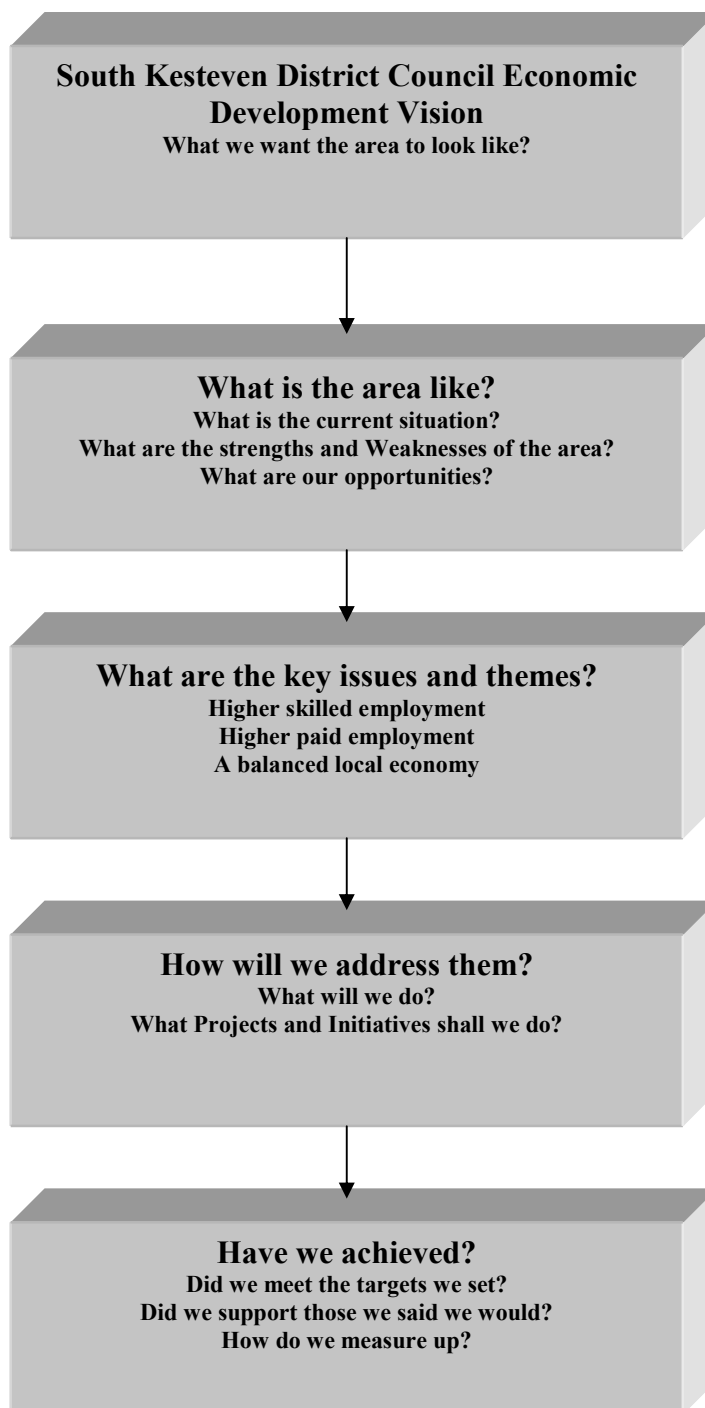
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- 9. Local Consultation (Page 18)**
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- 10. Measuring the impact (Pages 18-21)**
 - i. Performance Indicators
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 - iv. Acronyms
- 11. The Annual Economic Development Action Plan (not attached)**

"Our vision is to develop South Kesteven as an economically prosperous place that attracts and supports business and enables local enterprise to flourish. South Kesteven will be a prime business location and we will manage our continuing economic success to ensure that we also enhance the quality of life and extend opportunities to local people of all backgrounds, including the socially disadvantaged."

The vision builds on the distinctiveness and advantage of being a rural district, where quality of life and well being are wedded to increased productivity and competitiveness. The vision is also aligned with the priorities of the Council these being 'Good for Business, Customer First, Quality Living and Quality Organisation.' The long term ambition is that by 2020 South Kesteven will be an exciting place to live and work, offering its residents and business communities, education, leisure and business opportunities. By 2020 South Kesteven will feature:

- Incomes that are higher than the regional average across the District
- New life in the market towns through successful strengthening of business infrastructure along with targeted provision of affordable housing
- Town Centre improvements; including the development of Bourne Core Area, Grantham Station Point, Grantham Greyfriars, Grantham Canal Basin and Stamford Welland Quarter, and the enhancement of the public realm, together with better use of heritage assets, which make South Kesteven a genuinely attractive destination
- Business support organisations will have an unrivalled track record in sustainable practices that have created a distinctive business location brand for the District
- A business support infrastructure attracting high quality employers and high quality jobs that are well paid and knowledge driven
- The District will be an exemplar of best practice in sustainable development and a model for sustainable land use
- A balanced, steady stream of companies from the knowledge, technology and creative sectors located in the District creating a diverse economy and increased opportunities for the workforce
- Quality schools and accessible lifelong learning that allows for a diversity of skills and a proactive approach to skills requirements and changes
- A completed south east relief road, and Pennine Way in Grantham and associated parking provisions, which will attract more tourists and shoppers to the centre.
- Unique cultural and tourism appeal developed to national significance supported by the diversity of quality accommodation
- A high quality of life and an outstanding protected natural environment that will set South Kesteven apart from other Districts in the region



STATE OF THE ECONOMY

Global

The past few years of very strong growth have generated global tensions in commodity and asset prices (notably oil & metals and a build up of inflationary pressures). Higher interest rates and capacity constraints are slowing the world economy, which will nevertheless continue to expand though less rapidly. Slower growth should help ease inflationary pressures, contribute to lower commodity prices and a gradual resolution of global imbalances.

Globally the economy is experiencing distinctly mixed fortunes. Growth (expected 6%) and optimism is high in developing countries particularly in China (5% growth on 2008) and India (9.2% growth on 2006). China is expected to overtake the US as the world's leading economy in the next 10 years based on current growth rates. The future of the existing established, dominant markets of the US, Near East and financial markets is uncertain. As an overview, the "Global Economic Prospects" central scenario predicts a global economy expanding from \$35trillion in 2005 to \$72trillion in 2030 – a small acceleration in growth compared to the previous 25 years but driven predominantly by strong performance in developing countries – (ref. World Bank).

European

At a European level, the new European member states are experiencing significant growth. Gross Domestic Product (GDP) in the Europe and Central Asia region is estimated to have increased 6.8% in 2006, up from 6.0 percent growth the year before. An acceleration of growth in high-income Europe, still-low real interest rates, and further increases in the incomes of regional oil exporters helped to generate an acceleration in output among many countries in the region (notably in Bulgaria, Estonia, Latvia, Poland, Romania, Russia and other oil exporters, the Slovak Republic, and Ukraine).

Strong capital inflows, including significant levels of Foreign Direct Investment (FDI), into countries that recently joined or expect to join the EU, coupled with extremely rapid domestic credit expansion and in some cases loose fiscal policy (such as Hungary and the Slovak Republic) are at the root of excess demand in several countries (including the Baltic countries, Bulgaria, Hungary, Romania, the Slovak Republic, and Turkey).

Among the region's larger economies, GDP in Russia increased 6.7%, boosted by rising oil revenues (oil prices were up 20% for the year as a whole) that fed into increased government spending, private consumption, and investment.

In Poland, a welcome expansion in consumption, thanks to rising wages and employment and double-digit increases in investment volumes, helped to propel growth to 6.1 percent after a relatively modest and mainly export-led 3.5 percent expansion in 2005. The European recovery, coupled with rapidly growing demand from large regional oil exporters, notably Russia, bolstered exports among oil importers, whose economies grew 6.3 percent.

Several years of fast growth, a rapid expansion of credit (often fueled by capital inflows), and the rise in fuel prices have exacerbated inflationary pressures in a number of countries. For some EU member countries, achieving inflation rates in line with the Maastricht criteria (2.8 percent in 2006) remains a challenge, especially for those seeking to adopt the euro at an early date.

National

Growth in Britain has dropped from an expected 3% in 2008 to an actual of 0.2%. Forecasting has shown that the Country will be formally in a recession in mid January 2009, shown as three consecutive months of no growth (September – December 2008). The quarter previous to this had minimal growth of 0.2%. The recent liquidity gap is creating a situation where banks and lenders are not lending money to consumers or investors due to the level of risk being higher than some five years ago. The current situation in November 2008 shows that: -

- there is a significant slow down in available finance which is affecting the housing market
- Investment intentions declined
- Growth in the demand for exports was broadly stable
- Demand for consumer services continued to shrink, and retail sales values were broadly unchanged relative to 2007.
- Growth in domestically orientated manufacturing output was steady, but there was a further pronounced deceleration in construction and services output
- Employment intentions were scaled back across all sectors
- The Bank of England lowered interest rates 1.5% in November 2008
- The government lowered VAT rates by 2.5% in November 2008 effective from the 1st December 2008
- Annual consumer price inflation continued to rise

Regional

The East Midlands is an area that has most notably seen a significant proportion of migrant labour workforce. Migrant workers make up 7% of the total UK population or almost 10% of the total working population. Migrant workers raise national economic output by expanding the supply of labour and by filling gaps in the job market. Of that total, 427,095 were people registering to work from the eight former Eastern Block countries which joined the EU in 2004 with a majority coming from Poland. Peak demand for casual and temporary labour in South Lincolnshire might reach up to 15,000 per day. For many producers, the peak seasons are the time when the best prices and the biggest profits can be achieved. The need for migrant workers and the continual supply of migrant workers in many sectors of the economy is evident.

- House builders have slowed down building, or moved to a 'build to order' approach across the East Midlands.
- Utilities providers are undertaking consultation schemes during late 2008 and early 2009 on the infrastructure priorities for 2010-2015.
- Unemployment figures are marginally up on 2007 figures.

Local Economy

Lincolnshire sector analysis identifies our dynamic sectors (i.e. those growing by number and employee) as wholesale trade, construction, land transport, recreational and business to business services (including lifestyle services). The projected growth sectors by 2020 are business services, construction, retailing, health & other distribution. South Kesteven needs to maximise on its connectivity and growth opportunities to increase its GVA particularly in these areas.

Historical evidence would show that Lincolnshire will continue to lag behind the regional and national averages unless there is significant intervention. This would have to be in the form of a package of measures including a skills uplift, investment in further education, attracting significant major national employers to the area and the creation of science and business parks.

South Kesteven has high employment but predominantly in the lower wage brackets. Skill levels are low presenting employers with labour constraints and the county with a significant challenge in addressing.

In September 2008 a major employer in South Kesteven mothballed its operation leaving just under 700 employees redundant. Of these 198 people signed on to job seekers allowance in October 2008. An employment advice day in Grantham in mid October 2008 yielded over 350 people seeking advice, support and further employment.

South Kesteven currently has limited employment land availability, extremely low freehold site availability which constrains the market for development. However the Planning Policy Team is identifying sites for commercial development through site allocations and the Area Action Plans. The Council is also working with partners to bring forward infrastructure development to encourage commercial development within the District.

The South Kesteven Economic Development Strategy 2005-2008 had a particular focus on business development. "A successful economy must have a competitive, well-balanced business environment, offering a range of sustainable employment opportunities, has a balance of employment opportunities, and offers businesses the opportunity to grow and prosper within the locality. The business environment must be complemented by a competitive modern workforce, which is willing to learn and to develop new skills. We must aim to have a workforce with a breadth of skills, flexible skills and adaptive to the changing economic environment. Barriers to employment must be broken down and employment opportunities must be made accessible and sustainable for the local employment market."

A Profile for South Kesteven

South Kesteven has some very different local areas and micro-economies. The main towns within the District are Grantham, Stamford, Bourne and Market Deeping. There are also strong rural communities in villages and hamlets that feed into the main towns as local centres, these rural areas also require support through economic development activity and offer an opportunity for some development and support. However the localities are very different; Grantham has lower incomes and lower skills than the other three towns, whilst Stamford has on average more people with higher qualifications and higher incomes.

Grantham has been designated a growth point area and was successful in receiving £5m of government funding in 2007/8-10/11 for its growth potential. Grantham also has significant out commuting for London and the South East, as a result of being on the east coast rail line whilst offering more affordable housing for a decent standard of living, which has meant that the area has seen significant increases in young and flourishing families.

Stamford was the first conservation town in the country and this combined with its geographical position at the edge of the County means that it is more limited on what developments, commercial or otherwise, are able to take place. Stamford has benefited from some public realm improvements within the town centre, and is highly sought after for office and commercial premises. Stamford has a high proportion of residents who commute out for employment and often earn large salaries in major cities south of the town. Bourne is a rapidly growing market town where significant housing development has occurred over the last ten years; this is complemented by some commercial development and the proposed future re-development of Bourne Town Centre. Market Deeping is again different from the other towns, in that its proximity to Peterborough makes it attractive for commuters and potential business relocations. There has been some commercial development in the Deepings, and office space is highly sought after. All of the areas in South Kesteven District have suffered from lack of employment land for commercial development. Local market conditions during 2003-2008 have favoured residential development, which has reduced the availability of previously developed employment land to inward investors. This has been identified through the Brownfield Land Action Plan 2008 and is a key factor going forward in the Local Development Framework to ensure that there is sufficient employment land within the District.

VOX POP – *"We moved from London to the area as there was a lot more value for money in terms of house prices. The area also has good commuter links which were vital to our decision making process"* (Dinos Patrinos, local resident and daily commuter to London)

- South Kesteven's Population 131,100 (est. 2007) Higher percentage against Lincolnshire in the 0-14, 15-24, 25-49 ages, and lower in 50-64 and 65+
- There have been 4,882 housing completions in the South Kesteven area between 2001-2008, with average household size of 2.4
- There are 58,033 dwellings as at the census of 2001.
- South Kesteven has seen a 4.6% decrease in property values between Jan-March 2008 year on year
- Unemployment stands at 1.9% in South Kesteven against 2.9% in the East Midlands
- The Economic Activity rate stands at 67% employed, 14% retired, 6% looking after family, 5% permanently sick or disabled, 3.2% students (inactive), 2% other economically inactive

Employment Profile

- South Kesteven has 85.8% of workplaces with between 1-10 employees, which is higher than the Lincolnshire, East Midlands or England average, this represents 26.2% of all employees within the area
- South Kesteven does have 0.6% of workplaces with more than 200 employees, representing 24.5% of all employees within the area. This is lower than the East Midlands and England average, and on par with Lincolnshire
- South Kesteven has 19% of employment in Manufacturing against 16.8% in Lincolnshire, 17.4% in East Midlands and 12.1% in England
- South Kesteven has 28% of employment in Distribution, Hotels & Restaurants, and 22% in Public Administration, Education and Health, which is higher than the England average
- Banking, Finance, Insurance and other Business to Business Services are lower than the Lincolnshire, East Midlands and England average.

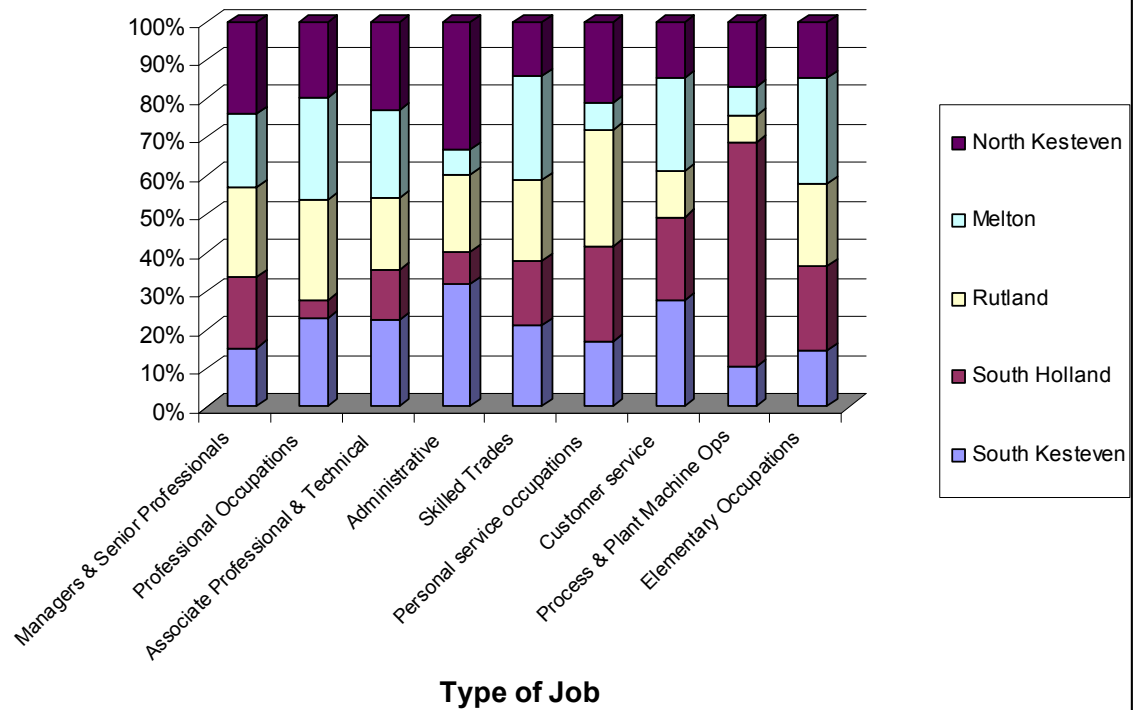
- Within South Kesteven 15.5% of all employees are deemed Manager and senior officials – however this has not been extrapolated to town basis, subjectively and based on average earnings per town, the majority of these people live in the south of South Kesteven
- Sales and Customer Services jobs are higher in South Kesteven than Lincolnshire, East Midlands or England
- Skilled trades are lower in South Kesteven than in Lincolnshire and the East Midlands at 11.8% but higher than England
- South Kesteven has had just under 900 new business start ups per year since 1994, but has seen over 700 business closures per year in the same time
- In 2004 the start ups per 1,000 population was 7.7 this is significantly higher than any of the other Lincolnshire areas which range from 4.4 in Lincoln to 6.0 in Boston
- The wards with the highest Business Start ups are Earlsfield, Harrowby and St Annes
- Joseph Rowntree Foundation Report July 2008 – basic cost of living is £13,000 income for single person = £250 per week
- National basic cost for two adults and two children is £25,500 = £490.38 per week
- The average gross weekly earnings for South Kesteven by workplace is £379.20, against £386 in Lincolnshire and £420.20 in the East Midlands
- The average gross weekly earnings for South Kesteven by residence is £441.10, against £405.90 in Lincolnshire and £353.60 in the East Midlands
- The percentage of people aged 16-74 in South Kesteven with no qualifications stands at 12.7% - the average for Lincolnshire is 14.5% and the East Midlands is 16.6%.
- The percentage of people aged 16-74 in South Kesteven with NVQ level three (equivalent 2.5 A Levels) is 26.5% - the average for Lincolnshire is 21.0% and the East Midlands is 23.3%, England is 29.1%
- The percentage of people aged 16-74 in South Kesteven with degree level qualifications is 17% - the average for Lincolnshire is 14.2%, the East Midlands is 16.6% and England is 19.8%

Type of Occupation

Employment by occupation 2007

Group/Area	South Kesteven	South Holland	Rutland	Melton	North Kesteven
Managers & Senior Professionals	12.2	14.6	18.7	15.3	18.9
Professional Occupations	11.4	2.2	13.0	13.1	9.7
Associate Professional & Technical	16.5	9.4	13.7	16.5	16.9
Administrative	13.9	3.8	8.6	3.0	14.5
Skilled Trades	14.8	11.6	14.8	18.8	9.9
Personal service occupations	5.4	7.8	9.5	2.2	6.7
Customer service	11.9	9.2	5.1	10.4	6.2
Process & Plant Machine Ops	4.9	27.7	3.4	3.6	8.0
Elementary Occupations	9.0	13.7	13.2	17.1	9.2

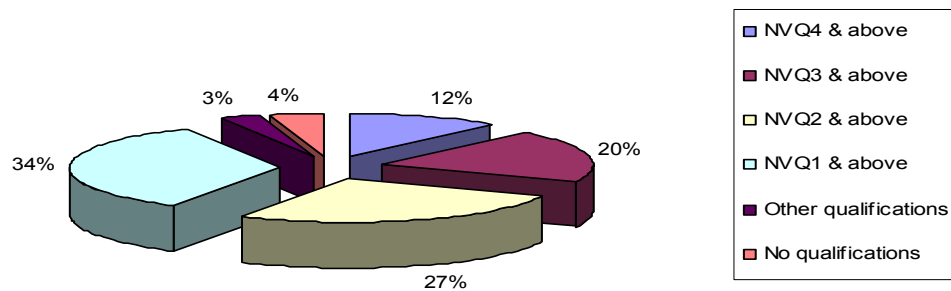
Employment by Occupation 2007

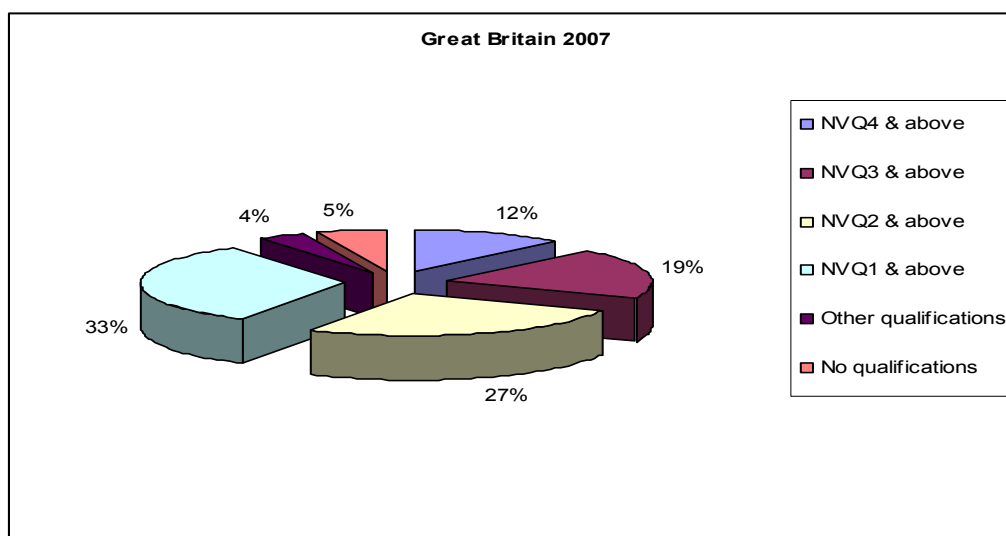
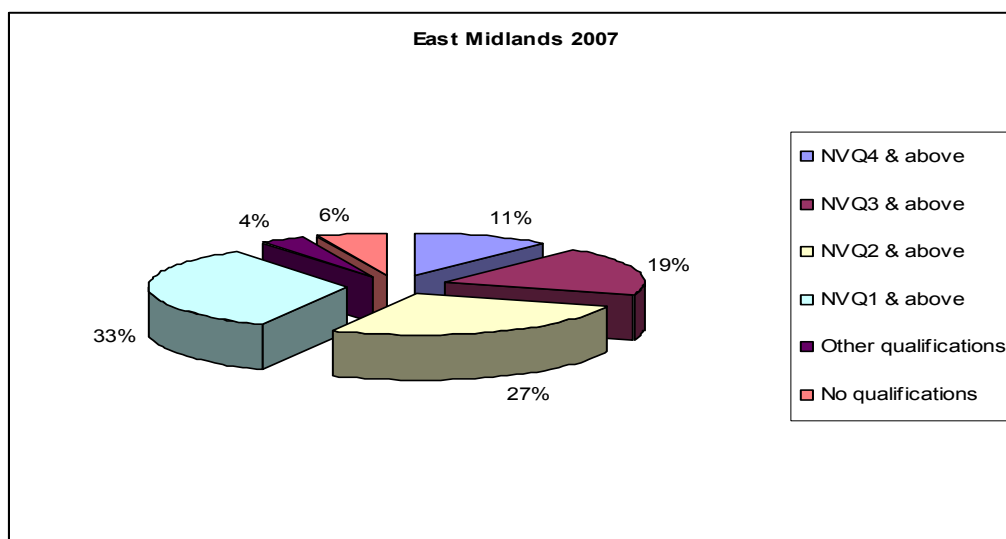


Qualifications

Standard/Area	South Kesteven	East Midlands	Great Britain
NVQ4 & above	27.9	25.5	28.6
NVQ3 & above	47.5	44.1	46.4
NVQ2 & above	64.5	62.6	64.5
NVQ1 & above	82.6	78.2	78.1
Other qualifications	7.7	8.4	8.8
No qualifications	9.7	13.5	13.1

South Kesteven Qualifications 2007

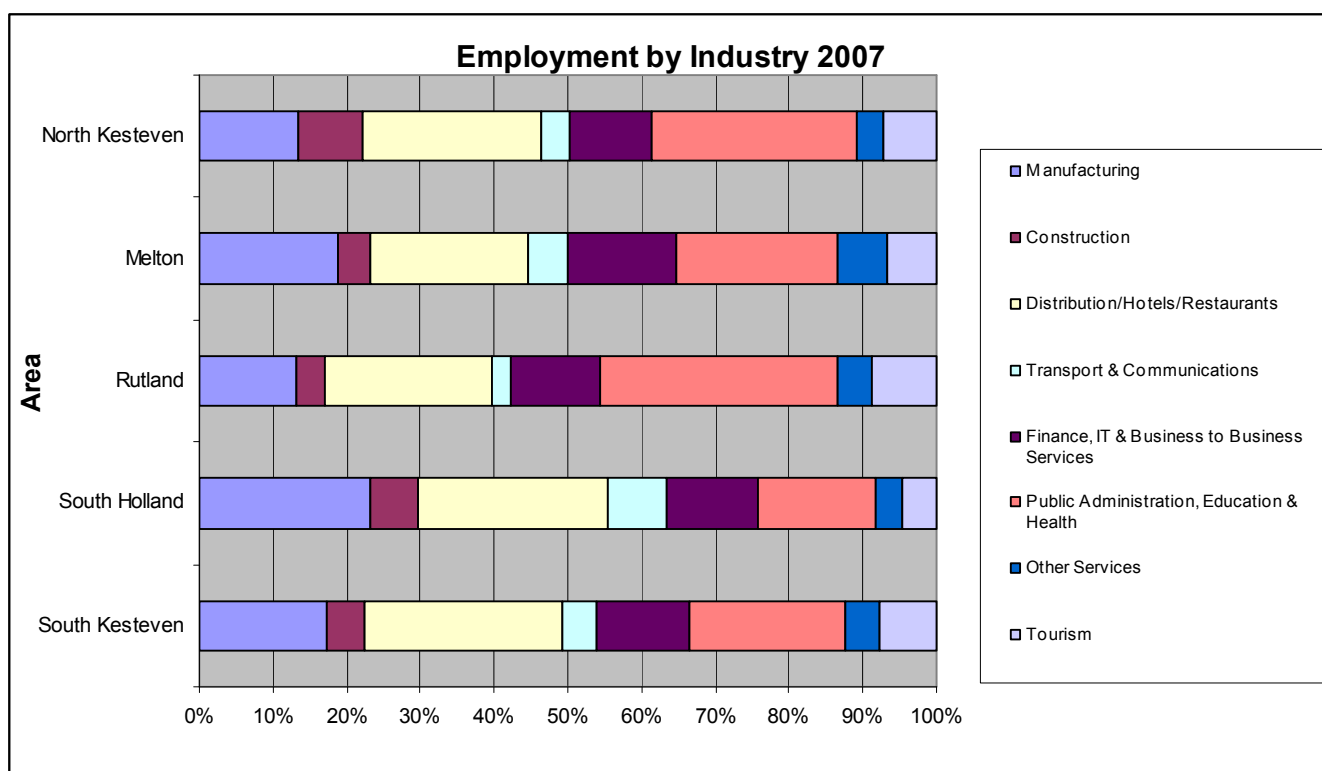




Employment by Industry

Employee jobs by industry – percentage of total employee jobs f/t and p/t in SKDC in 2007 (49,900 total).

Group/Area	South Kesteven	South Holland	Rutland	Melton	North Kesteven
Manufacturing	18.4	22.2	14.1	19.7	13.5
Construction	5.3	6.2	4	4.6	8.9
Distribution/Hotels/Restaurants	28.6	24.8	24.4	22.3	24.6
Transport & Communications	5	7.5	2.7	5.6	4
Finance, IT & Business to Business Services	13.4	12	13.1	15.6	11.2
Public Administration, Education & Health	22.3	15.3	34.5	22.9	28.1
Other Services	4.9	3.4	4.9	6.8	3.6
Tourism	8.3	4.5	9.5	7.1	7.4



VOX POP -

'Welland Enterprise Agency would like to thank South Kesteven District Council for all the support, help and guidance during the last 4 years. They have been instrumental in supporting and developing the South Lincolnshire Enterprise Advice Centre and various business support programmes for start up and existing enterprises.

This support has helped to inspire and inform emerging and potential entrepreneurs and raise awareness of the opportunities available to existing businesses looking for growth.

Welland Enterprise Agency is looking forward to this continued success and valuable contribution SKDC makes to the economic wellbeing of the District.'

VAT Registrations

Threshold for registering for VAT is £64,000 as from 1st April 2007 to 31st March 2008

VAT registrations and De-registrations 2007/8

This shows that South Kesteven has seen significant increases in the number of business registrations for VAT, meaning that there is an increase in 2007 of nearly 100 businesses turning over more than £65,000 per annum. This is higher than any other area in Lincolnshire.

	Registrations	De-registrations	Increase/Decrease
South Kesteven	415	315	+100
South Holland	230	170	+60
North Kesteven	265	185	+80
Rutland	155	130	+25
Melton	160	130	+30
East Midlands	12,320	9,180	+3140
Great Britain	177,765	139,205	+38,560

Indices of Deprivation

The Indices of Deprivation 2007 shows that only one lower level Super Output Area (Earlsfield) of 1,397 people or 1.1% of the district's population falls into the bottom 10% of the most deprived areas in the Country. By contrast there are 18 lower level Super Output areas in the top 10% least deprived.

Why a Strategy for Economic Development?

The purpose of the strategy is to identify the key economic challenges facing South Kesteven and set a course to improve economic performance, specifically in achieving higher incomes and addressing social exclusion. The strategy assesses current trends affecting the economic performance of the District and the challenges that will need to be faced to ensure a vibrant and productive economy for 2020. It also outlines priorities for how the vision can be achieved through a set of themes, with a number of performance measures that will be used to track progress. The strategy also includes a number of case studies and stories that give flavour of progress already achieved that have made a difference to people's lives and the development of business. South Kesteven District Council new corporate priorities for 2009 are: -

- Corporate Priority 1 (CP1) - Good for Business
- Corporate Priority 2 (CP2) - Customer First
- Corporate Priority 3 (CP3) - Quality Organisation
- Corporate Priority 4 (CP4) - Quality Living

What about Regeneration?

Regeneration and Economic Development have always been closely related and are often confused. Not all activity that promotes economic development is regeneration, and evidence from the last thirty years shows that economic inclusion does not necessarily follow from wider economic growth. Targeting deprived areas for regeneration work has been a commonly used model that has had mixed responses to narrowing the gap identified through the Index of Multiple Deprivation. South Kesteven District Council has undertaken a model basing economic development policies together with wider spatial planning around land use, housing, and community planning around the wider community and growth or opportunity areas to raise the gap across the overall area, this is articulated and recognised as 'place shaping'. This is not to say that more deprived areas are ignored, and targeted work by public sector agencies in the more deprived areas of South Kesteven have occurred and will continue to occur in future. In recent years, children's centres, employment initiatives, and relocation of public facilities have all played a part in the development of the more deprived areas of South Kesteven. The Grantham Growth Point Programme of Development places emphasis on the importance of ensuring that the benefits of growth in target areas is also felt in the more deprived areas of the town.

For much of the second half of the 20th Century, Regeneration policy concentrated on addressing concentrated problems in parts of town and cities. Immediately post war emphasis was on housing renewal within cities and through the development of new towns. By the mid 1960s there was growing emphasis on the regeneration of those parts of towns and cities and their communities that were in decline. In the 1960s and 1970s it had a strong public sector partnership focus, for example through the Urban Programme and Inner Area Partnerships. In the 1980s, the role of the private sector was brought out in new partnership arrangements. In the 1990s, a range of local initiatives built on this approach through the Single Regeneration Budget.

Government published the National Strategy for Neighbourhood Renewal in 2001 to focus on deprived neighbourhoods, to ensure that within ten to twenty years no one would be seriously disadvantaged by where they live. It was based on a holistic approach covering physical environment, public services and partnership working.

Within the 2008 policy document 'Transforming Places; Changing Lives - a Framework for Regeneration' the Government proposes three priority outcomes for regeneration: -

- TP1 - Improving economic performance in deprived areas
- TP2 - Improving rates of work and enterprise in deprived areas

- TP3 - Creating sustainable places where people want to live and can work, and businesses want to invest.

This Economic Development Strategy aims to play a part in assisting the achievement of this objective, but will aim to align investment behind local and regional priorities, making programmes fit places, not places fit programmes.

How we at South Kesteven District Council fit in?

Sub National Review – Local Economic Assessment

Under the Sub National Review, the statutory responsibility for strategic assessment of the local economy falls to the County Council. Lincolnshire County Council has been proactive in ensuring the District Councils in Lincolnshire have been involved and consulted regarding the initial discussions for the development of the Local Economic Assessment started in Autumn 2008. The Sub National Review can be viewed at [004. Sub National Review of Economic Development](#)

East Midlands Development Agency

East Midlands Development Agency (EMDA) is one of nine Regional Development Agencies in England, set up in 1999 to bring a regional focus to economic development. The primary goal that EMDA has is “to increase the economic growth of the region while reducing disparities between the East Midlands and other English regions”. The key role is to be the strategic driver of sustainable economic development. EMDA works in partnership with public, private and voluntary organisations to deliver the goals of the Regional Economic Strategy (RES) which they produce on behalf of the region. The shared vision is *“That by 2020 the East Midlands will be a flourishing region. A region made up of growing and innovative businesses. A region where skilled people are employed in good quality jobs. A region where we all feel part of healthy, inclusive communities and live in thriving, attractive places.”*

The Regional Economic Strategy has targets that South Kesteven District Council can work towards locally and these include: -

- RES 1 - To achieve an employment rate above 76% of the working age population by 2009 and to remain at least 1% above the UK average
- RES 2 - To increase the proportion of economically active adults qualified to level 4 or above to 30%
- RES 3 - Increase the rate of VAT registrations to 40 per 10,000 population head and be at least level with the UK average
- RES 4- To increase the proportion of the East Midlands workforce travelling to work by public transport, walking or cycling to 23%
- RES 5- To maintain an average annual growth rate over a five year period of 1.5% in employment floor space

The Regional Economic Strategy can be viewed at [003. Regional Economic Strategy 2009](#) and the Business Support Strategy can be viewed at [008. EMDA Business Support Strategy 2008.2011](#)

Lincolnshire Enterprise

Lincolnshire Enterprise is a business led partnership between the private sector, local authorities, public bodies and community and voluntary groups. Lincolnshire Enterprise is one of seven Sub Regional Strategic Partnerships (SSPs) in the East Midlands and champion economic development and regeneration. Lincolnshire Enterprise is part funded by the East Midlands Development Agency and part funded by the Local Authorities that are covered by its geographical boundaries. Lincolnshire Enterprise is aligned to the overall objective of the East Midlands becoming one of the top twenty regions in Europe by 2010.

Lincolnshire Enterprise has a significant capital budget of £6.5m per annum to deliver projects and initiative that achieve aims and objectives within the Lincolnshire Economic Strategy, the sub regional strategy for Lincolnshire. The Lincolnshire Economic Strategy can be found at [005. Lincolnshire Economic Strategy](#)

Lincolnshire Enterprise has also developed a Sub Regional Investment Plan (SRIP) with an objective to raise Lincolnshire GVA to 85% of the UK average by 2015. In 2004 GVA was 77% of the UK average, an improvement from the low point of 75% in 2000. Lincolnshire Enterprises priorities for 2008-2011 SRIP address these issues and build on the opportunities. The investment will be concentrated in six priority areas where intervention will make the greatest contribution to achieving the objective of increased GVA. The demand side, through stimulating innovation, encouraging enterprise and inward investment, and on the supply side the priority is facilitating the provision of land property and development, addressing the skills gap and tackling deprivation and inequalities by removing the barriers which prevent or inhibit individuals and communities from fully participating in the economy. The SRIP can be viewed at www.lincse.org.uk. Lincolnshire Enterprise are being aligned with the Lincolnshire County Council Economic Development Team known as Lincolnshire Development as of April 1st 2009. The East Midlands Development Agency have concluded that in implementing the Sub National Review the Sub Regional Strategic Partnerships should be reviewed and where possible link in with the County boundaries to ensure that collaborative working and place shaping are implemented.

Lincolnshire Development – Economic Regeneration

The Economic Regeneration section of Lincolnshire County Council delivers a range of economic, social and health services addressing the needs of Lincolnshire people. Over the last few years, Lincolnshire County Council has led on projects that have created 2000 jobs, assisted 900 businesses, supported 700 community groups and provided 11,500 sq metres of business premises. Through the County Economic Development Strategy the economic regeneration section will engage partners and activities that will consolidate on previous successes and move forward on projects that will develop infrastructure, stimulate business expansions and inward investment, encourage enterprise, facilitate development of commercial properties, support communities and develop people, and attract funding from external sources. The overall aim and objectives of the County Council are to improve the productivity, competitiveness, standard of living and quality of life for the people and businesses of Lincolnshire. The County Council Economic Development Strategy can be found at [006. LCC Economic Development Strategy 2010](#)

Lincolnshire Local Area Agreement Block Four

Lincolnshire's Local Area Agreement addresses ten priorities linked to the County Community Strategy. These priorities are: -

- Children & Young People – raise attainment
- Improve Health
- Improve skills and conditions for economy
- Reduce alcohol harm and improve community safety
- Create better communities through growth and improved housing provision
- Promote social cohesion
- Tackle the causes and effects of climate change
- Improved quality of life for vulnerable people
- Get connected Improved services providing value for money

This strategy is best linked with the priority of 'Improve skills and conditions for economy' – The core objectives and targets within this priority are: -

- LAA4 Objective 1: - Increase participation of 17 year olds in education and training

- LAA4 Objective 2: - Increase the proportion of the working age population qualified to level 3 or higher
- LAA4 Objective 3: - Increase participation of 16-18 year olds in education or training
- LAA4 Objective 4: - Increase the number of successful businesses trading in Lincolnshire
- LAA4 Objective 5: - To reduce by 1% the number of working age people claiming a working age benefit and others on income related benefits
- LAA4 Objective 6: - Encourage employers to take action to identify skills gaps in their workforce and then take steps to address those gaps

The Local Area Agreement can be viewed at [002. LAA Delivery Plan 2008.2011](#)

Welland SSP

The Welland Sub Regional Strategic Partnership (Welland SSP) is one of seven sub regional strategic partners funded by the East Midlands Development Agency to tackle across the board economic regeneration issues. Welland is the region's only exclusively rural SSP, with an agenda focused on 12 market towns and rural communities across four counties covering 1,000 square miles of Harborough, Melton, East Northamptonshire, Rutland and South Kesteven.

Working through key partnerships, the executive team develops and manages an economic programme covering enterprise and business development, innovation, tourism, community development, employment and skills, rural development and diversification, boosted by high leverage of public and private sector funds and contributing to a significant number of key regional outputs. The Welland have an annual capital budget for project at £2.6m and deliver projects to the sub regional economic development business plan that can be viewed at www.thewellandssp.co.uk

Grantham Growth Point

Grantham received a major boost in late 2006 when it was confirmed as a new Growth Point area with the potential to deliver new homes and many more jobs over the next twenty years. The aim is to build upon Grantham's principal assets namely its location, excellent transport links, environment and its people. Growth Point status will allow major housing expansion and the chance to enhance the town centre, but will also allow the population to expand from 38,000 in 15,000 households to 50,000 in 21,000 households. This will be delivered together with significant local infrastructure improvements including more shopping facilities, better roads, local transport, new green linkages and public realm projects.

The strategic partnership which has been created to oversee the programme includes the District and County Councils, EMDA, the Homes and Communities Agency, and the Government Office for the East Midlands.

The vision for Grantham Growth is *"To promote ambitious but balanced growth within Grantham, making it one of the region's most aspirational locations to live, to work, and to visit."* The Grantham Growth Point website can be viewed at www.granthamforgrowth.co.uk

Local Strategic Partnership – Sustainable Community Strategy

The Sustainable Community Strategy for South Kesteven is currently being refreshed and will be available from October 2008. Extensive consultation has been collected through the member organisations of the Local Strategic Partnership to establish relevant priorities which address the needs of our partners and the communities we serve. This approach to adopting priorities means that we can make certain we are delivering exactly what our communities want in a 'joined-up' fashion, adding value to existing initiatives and avoiding duplication of effort. These priorities are: **Community Cohesion** – through which we will work to develop community pride, celebrate cultural diversity, improve local neighbourhoods by recognising that its one thing to build housing developments but we must strive to build the communities within them which in turn will help in developing safer communities. **Healthy Living** - working across the district to help reduce obesity, address alcohol misuse, maximise use of Leisure facilities to help prevent ill health and enhancing and maintaining our health services in line with the growing population. **Sustainable Growth** – whilst embracing environmental and heritage issues within our district we will support Grantham Growth and its plans for a new Southern Link Road, new employment and retail development, new homes, the development of the Canal

Basin and visitor economy; we will support the work being carried out as part of the Bourne Core Area improving retail offer, business development and new homes and in our other towns villages and rural economies we will again look at opportunities for housing development and employment. Our vision: *to shape the future of South Kesteven together with our partners and residents to develop a place where people really matter by maintaining and improving the towns, villages and countryside of the district to create self-supporting, inclusive, sustainable communities which are safe, healthy and desirable places in which to live and work* is shared with the Local Development Framework.

Local Development Framework

The Local Development Framework (LDF) will provide the spatial policy framework for the Economic Development Strategy and the objectives of the emerging Core Strategy Development Plan Document (DPD), which is expected to be adopted in late 2009, reflect those of the Economic Development Strategy in seeking to sustain and strengthen the local economy and encourage economic diversification.

Perhaps the most important economic driver for the LDF is to ensure that sufficient employment land is available in the right locations in order to support local businesses, encourage expansion and attract inward investment. The allocation of specific sites will be brought forward through the Site Allocations and Policies DPD, which is programmed for adoption in summer 2011 and this will support the Economic Development Strategy in achieving economic prosperity.

The South Kesteven District Council Economic Development Priorities

The Economic Development Priorities for the South Kesteven District Council Economic Development Strategy are listed below; these have been developed to create synergy with the Regional Economic Strategy, the Local Area Agreement, the Council Corporate Priorities and an interpretation of the key statistics for the area: -

- **ED Objective 1: - The Inward Investment Challenge "Attracting inward investment"**

The East Midlands performance in attracting inward investment has been relatively poor compared to the other regions in the UK. It has attracted 6% of all foreign inward investment projects into the UK compared to London which attracted 25% and the South East which attracted 17%. In terms of jobs the performance is similar with 5% of the new or safeguarded jobs being in the East Midlands compared to the West Midlands with 12% and the North West with 11% which are the leading regions in the number of jobs created and safeguarded.

A sectoral analysis of the foreign direct investments in 2006/7 shows that software and computer services B2B, business services and financial services are the top three sectors. The food and drink sector follows on sixth position and mechanical process and electrics follows on tenth position of 34 sectors. Of the 22 project successes in Lincolnshire between 2002/3 and 2006/7 the majority were in the food and drink sector. The other sectors that FDI projects originated from were agriculture and the electronic sector.

South Kesteven District offers good opportunities for further inward investment and growth. The area has seen investment over the last ten years from a number of employers and its attraction as a growth area has been highlighted through the Growth Point Award in December 2007. South Kesteven is well connected by road and rail connections which only accentuate its location to potential inward investors. The area possesses a number of key assets as a location for business. It has a strong manufacturing sector and a workforce that can support future growth. There is a good supply of labour, however there is a lack of highly skilled labour to fill higher value jobs. The higher skilled labour that South Kesteven does have tends to commute to employment in London, Nottingham, Peterborough, Cambridge, Leicester, Birmingham and Lincoln. The challenge for South Kesteven District Council and Partners is to attract, sustain and grow businesses within the area. The action plan below complements the 2008 Investment Strategy and Plan commissioned by Lincolnshire Enterprise to attract further inward investment creating new jobs and businesses for a prosperous District.

- **ED Objective 2: - The Skills Challenge "Diversifying our skills"**

Higher skilled workers are essential to both introducing and operating advanced production techniques. They also adapt more quickly to new innovations, are more flexible generally, play a key role in knowledge creation and are more able and likely to receive additional training at work. Analysis show that, despite a strong performance at GCSE and A Level, South Kesteven has a lower share of people employed in higher level occupations than the regional average, and many high skilled South Kesteven residents work outside the District. The challenge is to create a step change in the current levels of workforce skills and create a labour market that will retain more of the young people that perform well at school and in post 16 further education.

- **ED Objective 3: - The productivity challenge “Improving our local output”**

Productivity is measured through Gross Value added (GVA) as it captures the value added through production, which in turn is raised through high levels of economic activity, high skills levels and a competitive business environment. Lincolnshire GVA is below the regional and national averages and its GVA performance in the business to business sector is particularly weak. The challenge therefore is not only to raise Lincolnshire’s overall GVA, but also to strengthen efforts to attract and grow higher value businesses within the local economy. Grantham & Stamford have major infrastructure advantages over Lincolnshire and need to build upon these to attract higher value added businesses.

- **ED Objective 4: - The Entrepreneurship Challenge “Growing our local businesses”**

Entrepreneurship is a key driver of productivity growth in the economy. The challenge is to increase the number of new businesses in the District, but also to encourage the development of small/micro businesses and social enterprises that could play a key role in a ‘sustainable business development’ approach and diversification of the economy.

- **ED Objective 5: - The Knowledge and Technology Challenge “Increasing our knowledge economy”**

An indicator of the ability of the Lincolnshire economy to adopt new technologies is the share of jobs in high technology sectors. Currently the share is significantly lower than regional and national averages. Knowledge rich locations are more productive, more innovative and can continue to draw in higher levels of investment. The challenge therefore, is to increase the proportion of jobs within the South Kesteven economy in high tech and knowledge based sectors, which included finance, business to business services, software engineering and green technologies.

Where are we now?

The 2005-2008 Economic Development Strategy for South Kesteven highlighted a number of projects and initiatives designed to further the economic prosperity of South Kesteven. The key priorities to this strategy were Town Centre Regeneration, Business Development, and Encouraging Communities to become Sustainable.

What we did well...

- Successfully implemented a series of business start up workshops during 2006, 2007, & 2008
- Successfully implemented a series of business development workshops during 2006, 2007, & 2008
- Successfully extended the Northfields Industrial Estate with the creation of 200 new jobs and more employment land in partnership with Lincolnshire County Council

- Successfully worked with Welland Enterprise Agency in the delivery of a rural enterprise centre in Stoke Rochford supporting the creation of over 20 new businesses per year and creating new jobs
- Started a process for consultation and engagement of local retailers in the Business Improvement District scheme
- Delivered in partnership with Stamford Vision and Lincolnshire County Council the Stamford Gateway project
- Supported and assisted over 80 (subject to evaluation) people in accessing new jobs following the Fenland Foods Closure
- Built a new car park in Welham Street, Grantham, increasing footfall on the east side of town
- Completed the Grantham Masterplan & Grantham Canal Basin Socio-Economic Baseline
- Delivered the Mid Lent Fairs in Stamford & Grantham as the biggest street fairs in England.
- Successfully achieved £5m central government funding for Grantham through the Growth Point Bid

VOX POP - *"The Local Authorities were very proactive in working with us to develop our new business premises, resulting in additional jobs and growth for Ampy. We look forward to working in Market Deeping and South Kesteven in the future."* (Peter Bradley: Finance Director of Ampy Metering)

What we are still working on / what we have learnt...

- We have seen a marked fall in number of employment sites readily accessible for commercial development
- We have not developed the Bourne South Road Project original timetable due to ensuring best use of public monies within the development scheme
- We have been delayed in undertaking the Bourne Core Area Project because of the need to ensure best use of public monies within the development scheme. We have been consulting the people of Bourne and listening to them regarding this project.
- We have learnt to consult and communicate more with local stakeholders when undertaking construction projects such as Stamford Gateway Project
- We have not developed an action plan for the most deprived areas in South Kesteven due to capacity and prioritisation. The Council Economic Development Team has focused primarily on town based and wider initiatives that would benefit the whole area through job opportunities, skills and infrastructure.

Performance against 2005-2008

PI Description / Year	2004/5	2005/6	2006/7	2007/8	2008/9
Number of Businesses assisted and supported	76	299	449*	402	469 to date
New Business registration rate per 10,000 head	+95	+85	+100	TBC	Target +110
Overall employment rate	78.8%	78.4%	75.1%	76%	76.3%
Average earnings within the District per week	£393	£427	£443	£449	£455
Percentage satisfied with the area as a business location	72%	73%	74%	75%	76%

* The economic development team took over responsibility for the markets and the KPIs did not accurately match with the market KPIs. A new system to reflect this took place allocating 1/20th value in 2008 for market traders assisted.

Employers Survey

In summer of 2007, an employers' survey was undertaken with local businesses. This gives an evidence base for policy formation within this economic development strategy. Key results include:

- 75% of businesses are satisfied with the District as a business location
- 87% of businesses are expecting similar or improved turnover for the coming year.
- 75% of businesses experience problems in recruiting staff with the appropriate skills.
- There has been an increase in Broadband usage since 2005.
- Take up of support organisations such as Business Link is low (down 7% to 24% since 2005)
- Market size as an obstacle to growth increased by 9%
- There has been a significant reduction in the number of businesses operating in the service sector
- 12 % of businesses are looking to relocate, primarily for expansion purposes – an increase of 4% on 2005.
- Businesses buying or selling online only increased by 1% from 2005.

Vox Pop - *'Total Networking (totalnetworking.co.uk) is an independent business networking group based in Grantham. The forum we provide helps to build working relationships between local businesses. The financial support provided by SKDC assists Total Networking in running the monthly meetings and providing business skills workshops; Ultimately helping local businesses to improve their business skills and bringing greater economic success to the region'*

Measuring the impact

To achieve the vision, meet the challenges and deliver the themes, intervention in the form of projects and activities needs to take place. These are listed in a bi-annual action plan, which will be monitored and updated every second year to react to opportunities and changes. These actions will be changeable and flexible but based on the core purpose of achieving the ambitions listed within this strategy. There are a number of organisations responsible for delivery of this strategy, with a strong partnership approach between agencies and businesses. This reflects the broad nature of the task in many factors effecting economic performance, well being and sustainability. There are already a number of large schemes and projects well underway in their planning and delivery which will go along way to achieve the themes highlighted in the strategy. These are mentioned in the action plan, however the core projects are: -

- Grantham Growth inc. Grantham Canal Basin
- Bourne Core Area
- Targeted Regeneration Plan
- Stamford Priory Development
- Deepings Northfields

Performance Indicators

To ensure activity and intervention is making a difference and public money is being invested in the right way, a set of performance indicators has been developed as listed below with baseline data from the most recent information. However indicators are not the only measure of better economic performance and quality of life, with case studies and personal stories giving a picture of improvement for businesses, individuals, communities and the District of South Kesteven. The following performance targets are set for 2014: -

- Number of business satisfied with area as business location – 80% from 75%
- Number of business assisted for start up = 50 pa
- Number of businesses assisted with development = 100pa
- Create/Publish 4 Business Newsletters per annum

- Assist with 2 Inward Investments per annum
- Assist 10 young people or adults per annum to develop new skills for employment

Outcomes

This economic development strategy will endeavour to allow South Kesteven District Council to work with partners to deliver intervention and initiatives that will deliver core outputs leading to the delivery of improved outcomes for the South Kesteven and Lincolnshire areas. These targets are linked with the Local Area Agreement outcomes and reflected within the action plan below.

Where we are now in 2008?

- VAT registered businesses are growing year on year by 100+ after closures
- Employment Rate is 67% of the population
- The average mean income on a weekly basis is £410 (average of by residence and workplace)
- Skills at level 3 NVQ or above stands at 26%
- Visitor spend is currently at £110,200,000 per annum in South Kesteven
- Currently business survival rates for over 12 months are averaging 92 per year

Where we want to be in 2014?

- Increase in VAT registered businesses to 115 per annum
- Increase in Employment Rate to 69% of the population
- Increase in the average mean income on a weekly basis to £475 by 2014 (average of by residence and workplace)
- Increase in Skills at level 3 NVQ or above to 28%
- Increase Visitor spend to £120,000,000 in South Kesteven by 2014
- Increase in business survival rates to over 100 per year by 2014

Definitions

What is Inflation?

Inflation is a sustained rise in prices across an economic area, it is literally the cost of living. In Britain it is calculated by monthly measuring the percentage rise in price of a weighted sample or basket of goods and services that a typical household buys compared to the year before. What cause inflation? In classical terms it is caused by demand exceeding supply, in other words, too much money is chasing too few goods and services, so they begin to command higher prices. What can be done about inflation? No one can get rid of inflation permanently. It will always rise and fall with the economic cycle, but government policies to manage this will also affect inflation. Increasing interest rates, taxes and cutting back on public spending to take the heat out of a boom will also damp down inflation to an extent. However in the long term, sound economic policies may reduce a country's average rate of inflation. Creating the conditions for investment, long term growth and currency stability, so that the economy cannot overheat easily and so confidence in the currency remains high, are the best way to achieve the goal of low average inflation.

What is a recession?

A recession is where an economy that had previously been growing slows down. The level of production declines, unemployment rises and consumer spending dries up. In the worst case scenarios, as happened in the 1930s and the 1980s so few people are spending money that businesses sack staff to cut costs. The current policy by the Bank of England and Government, is that the country is in 'recession' when three continuous months see no growth. As of August 2008 growth is still occurring at 0.2%.

What is GDP?

Gross Domestic Product (GDP) is a measure of the total economic activity occurring in the UK. It can be measured in three ways: Production, which measures the Gross Domestic Product as the sum of all value added by all activities which produce goods and services (See Gross Value Added). Income, which measures the Gross Domestic Product as the total of incomes earned from the production of goods and services. Expenditure, which measures the Gross Domestic Product as the total of all expenditures made either in consuming finished goods and services or adding to wealth, less the cost of imports. A common equation for GDP is (GDP=Consumption + Investment + Exports - Imports).

What is GVA?

Gross Value Added (GVA) is the difference between output and immediate consumption for any given sector / industry. That is the difference between the value of goods and services produced and the cost of raw materials and other inputs, which are used up in production.

What is RPI?

Retail Price Index is an important domestic indicator of inflation in the UK. It measures the average change from month to month in the prices of goods and services purchased in the UK. In addition there are two commonly used RPI aggregates: RPIx all items excluding mortgage interest payments, and RPIy all items excluding mortgage interest payments and indirect taxes.

Acronyms

SKDC –	South Kesteven District Council
LCC –	Lincolnshire County Council
GOEM –	Government Office East Midlands
DCLG –	Department for Communities & Local Government
GGP –	Grantham Growth Point
BCA –	Bourne Core Area
LDF –	Local Development Framework
SPG –	Supplementary Planning Guidance
RDA –	Regional Development Agency
EMDA –	East Midlands Development Agency
SSP –	Sub Regional Strategic Partnership
LSP –	Local Strategic Partnership
TCMP –	Town Centre Management Partnership
DMP –	Destination Management Partnership
LE –	Lincolnshire Enterprise
WSSP –	Welland Sub Regional Strategic Partnership
LRO –	Lincolnshire Research Observatory
SSC –	Sector Skills Councils
AMT –	Action for Market Towns
CEDOS –	Chief Economic Development Officers Society
IED –	Institute of Economic Development

EMT –	East Midlands Tourism
LAA –	Local Area Agreement
RES –	Regional Economic Strategy
GDP –	Gross Domestic Product
GVA –	Gross Value Added
BID –	Business Improvement District
SIC –	Standard Industrial Classification
RPI –	Retail Price Index
SFIE –	Selective Finance for Investment & Enterprise
ESF –	European Social Fund
ERDF –	European Regional Development Fund
RTPI –	Royal Town Planning Institute
BURA –	British Urban Regeneration Association
RICS –	Royal Institute of Chartered Surveyors
LABGI –	Local Authority Business Growth Incentive

The Annual Action Plan

The companion document; the Economic Development Action Plan will be updated annually as part of the Council's Annual Priority planning cycle. This will include consultation with partners and the priorities required of all stakeholders.

REPORT TO CABINET

REPORT OF: ECONOMIC DEVELOPMENT PORTFOLIO HOLDER

REPORT NO: PLA 748

DATE: 9th March 2009

TITLE:	Revision to Bourne Town Centre Redevelopment Supplementary Planning Guidance	
FORWARD PLAN ITEM:	No	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	n/a	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	n/a	
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Frances Cartwright Economic Development Portfolio	
CORPORATE PRIORITY:	Good for Business	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report:	Full impact assessment required:
Equality and Diversity	n/a	
Crime and Disorder	n/a	
Risk	n/a	
Climate Change	n/a	
Health and Safety	n/a	
Data Quality	n/a	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:	Report PLA411 dated 3 rd November 2003	

1. INTRODUCTION

- 1.1 The Bourne Town Centre Redevelopment Supplementary Planning Guidance (SPG) was, following public consultation, adopted at a private Cabinet meeting on the 27th January 2004.
- 1.2 The adopted SPG provides a planning context and principles to guide the comprehensive development of the Bourne core area. Much of it remains appropriate and relevant in bringing forward and securing a scheme for the redevelopment of this area. However, in progressing proposals for this area it has been identified that there are aspects of the adopted SPG that would benefit from revision.
- 1.3 The purpose of this report, therefore, is to seek approval for the proposed revisions to the SPG and for these to be the subject of public consultation prior to the adoption of a revised SPG.

2. RECOMMENDATIONS

2.1 That:

- **Cabinet approves the revisions to the Bourne Town Centre Redevelopment Supplementary Planning Guidance as set out in Appendices A and B for consultation**
- **The revised Bourne Town Centre Redevelopment Supplementary Planning Guidance be published for six weeks public consultation**

3. DETAILS OF REPORT

3.1 Proposed Revisions

- 3.1.1 The aspects of the SPG that would benefit from revision are the extent of the area covered by the SPG and the planning policy context.

Extent of SPG Area

- 3.1.2 There are several residential properties fronting onto Burghley Street that lie outside, but immediately adjoin, the defined SPG boundary. It is proposed that these properties be included within a revised SPG boundary as this would provide flexibility in achieving the comprehensive redevelopment of this area.
- 3.1.3 Additionally, specialist legal advice has confirmed that inclusion of these properties within the SPG boundary would assist in the process of compulsory purchase, should this be required.

- 3.1.4 There is a small area to the rear of Wake House that it is proposed to exclude from the SPG boundary. This area comprises a lean to building and small area of land which could accommodate two parking spaces. It is proposed to exclude this small area in order to facilitate the full use of Wake House in its present condition. Its exclusion is not considered to prejudice the development opportunities of the area.
- 3.1.5 The proposed revisions to the SPG boundary are shown on the plan attached as Appendix A to the report. Revisions to the text of the SPG relating to the changes in the SPG boundary are included in Appendix B.

Planning Policy Context

- 3.1.6 Much of the planning policy context section is now outdated and whilst not critical, it would be beneficial for this section to be revised to reflect the most up to date development plan policies relevant to the SPG.
- 3.1.7 The proposed revisions to the section of the SPG dealing with planning policy are attached as Appendix B to the report (shown as tracked changes). It should be noted that only extracts from pages 2 to 4 of the original SPG are attached, not the whole document.
- 3.1.8 There are no other revisions proposed, as the remainder of the adopted SPG continues to provide a sound framework for bringing forward proposals for the redevelopment of this area.
- 3.1.9 It should be noted that any more substantial revisions to the SPG could not be undertaken without requiring it to be redrafted and published as a Supplementary Planning Document (SPD), which has now replaced SPG, as it would be tantamount to the preparation of a new document.

3.2 Public Consultation and Adoption of Revised SPG

- 3.2.1 SPG does not form part of the Development Plan but may be taken into account as a material consideration in the determination of planning applications. The weight accorded to the SPG is increased if it has been prepared in consultation with the general public, businesses and other interested parties, their views taken into account before it is finalised and it has been the subject of a Council resolution to adopt.
- 3.2.2 The nature of the public consultation that should be undertaken in relation to planning policy documents is set out in the Council's

adopted Statement of Community Involvement (SCI). The following will, therefore, be undertaken:

- 6 week period for consultation (the statutory period for consultations on such documents)
- Notification of the proposed SPG revisions to be sent to the owners of the properties/land affected, neighbouring landowners, key stakeholders/partners
- The proposed SPG revisions to be made available for public inspection in the Bourne Area Office, local library and on the Council's website
- Statutory notice in the local press
- Issuing of press release to local media

3.2.3 In undertaking consultation it will be made clear that it is only the proposed revisions to the SPG that are being consulted on, not the whole document, and that representations should be confined to these areas.

3.2.4 Prior to the adoption of the revised SPG, it is necessary for all representations to be considered and the issues that are raised taken into account in finalising the document.

3.2.5 Subject to the number and nature of any representations received, it is anticipated that the representations, together with an officer response to them, will be reported to Cabinet in June at which time Cabinet will be requested to adopt the revised Bourne Town Centre Redevelopment SPG as a material consideration in the determination of planning applications

4. OTHER OPTIONS CONSIDERED AND ASSESSED

4.1 Do not revise the SPG - for the reasons set out in section 3.1 of the report, this is not considered to be an appropriate course of action.

4.2 Do not undertake consultation – the Council is bound by its adopted SCI to undertake consultation on planning policy documents prior to their adoption. Undertaking public consultation will also minimise the risk of legal challenge to the revised SPG.

6. COMMENTS OF SECTION 151 OFFICER

6.1 I have no specific financial comments to make in respect of this report.

7. COMMENTS OF MONITORING OFFICER

- 7.1 The purpose of the report to Cabinet is to consider the revision to the SPG for consultation purposes. It is proposed following consultation, the results of the consultation be reported to Cabinet for consideration and approval of a revised SPG taking into account relevant representations made as a result of the consultation.

8. COMMENTS OF OTHER RELEVANT SERVICE MANAGERS

Comments of Development Control Lead Professional

- 8.1 The adoption of revised Supplementary Planning Guidance will set out the Council's vision for the redevelopment of Bourne Town centre. This policy advice will have great weight in the determination of any planning application. This will provide policy support for Development Control Officers in the discussions/negotiations with potential developers and is welcomed as part of the Development Management Objective set out in the latest government legislation and advice.

9. CONCLUSION

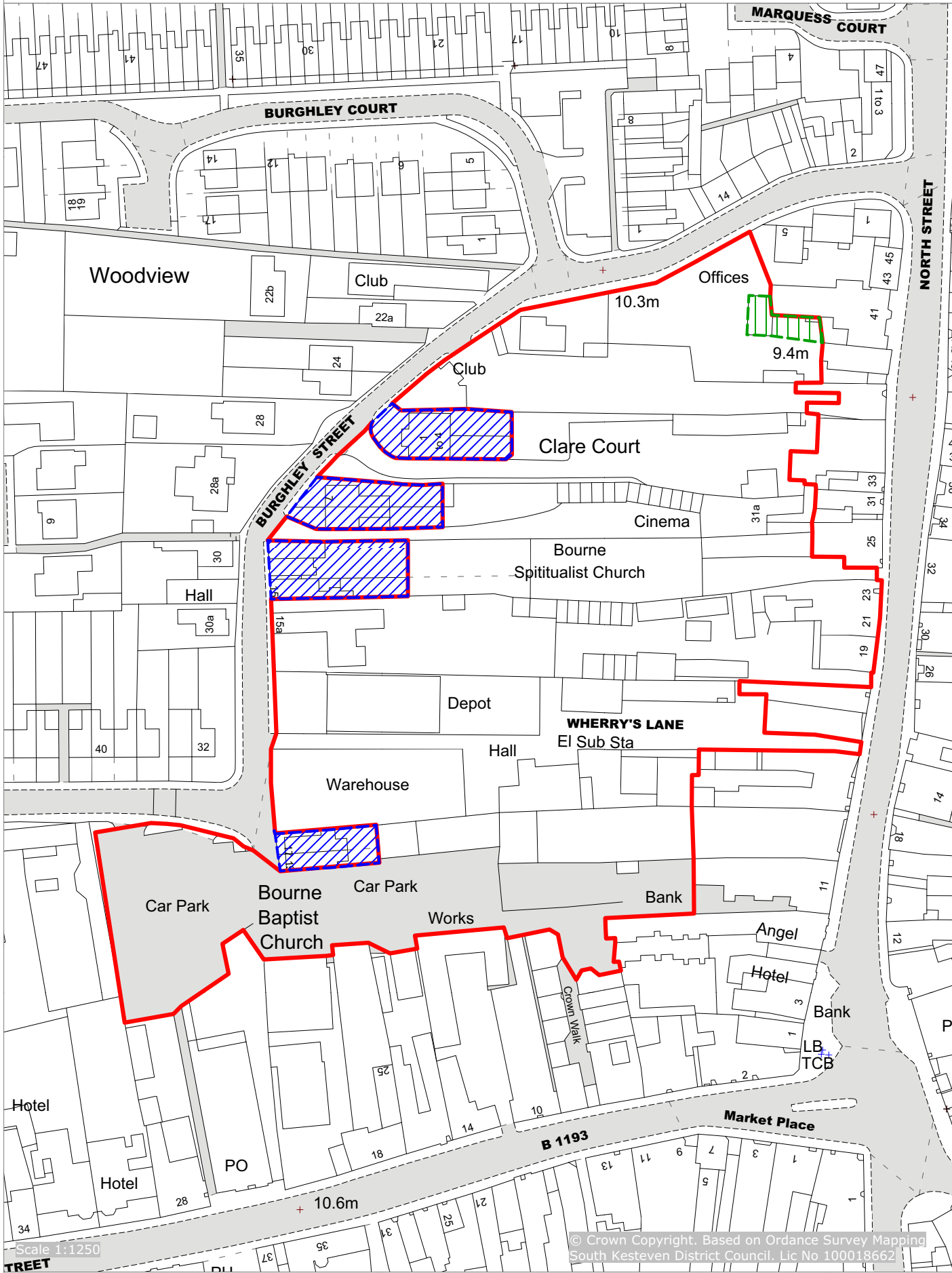
- 9.1 The proposed revisions to the Bourne Town Centre Redevelopment SPG will provide flexibility in achieving the comprehensive redevelopment of the area.

10. CONTACT OFFICER

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Appendix A	Revisions to SPG boundary
Appendix B	Revisions to SPG text

Bourne Town Centre Redevelopment SPG



Scale 1:1250

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South Kesteven District Council. Lic No 100018662



SPG Boundary



Area to be excluded



Area to be included

APPENDIX B – REVISIONS TO TEXT OF SPG

Note:

Text struck through is to be deleted

Text in *italics* is to be added

The Development Area

The core area extends to approximately 2 hectares as shown on Plan 1.

Development and demolition has been piecemeal in the past, leaving behind extensive areas of open land which is predominantly used for car parking, open storage or is under utilized.

The area between North Street and Burghley Street has been identified by consultants as offering the best opportunity for potential action in the Town Centre.

It has strong retail frontages to North Street and West Street with many listed buildings and other buildings of architectural interest.

Burghley Street provides rear access to North Street and some West Street businesses, the British Legion Club, local residences and the public car park at the rear of the Baptist Church.

The area is characterized by land in multiple ownership and represents an outstanding opportunity to rationalize land use and redevelop an area, which is displaying characteristics of urban decay.

Land to the north and west of Burghley Street is predominantly residential in character, comprising a mix of terraced, semi-detached and detached properties.

In terms of buildings of significant architectural or local interest within the identified development area, only one has been identified by the District Council as warranting retention within any proposed development. This is the four storey former grain warehouse opposite the public car park in Burghley Street.

Planning Policy Context

The key national, regional and planning policies relevant to the SPG are summarised below. There will be others which will be material to bringing forward the redevelopment of the area.

National Planning Policy

Relevant Government policy for town centre development is set out in Planning Policy Statement 6: Planning for Town Centres, where the Government's key objective is described as:

- To promote the vitality and viability of town centres by:
 - Planning for the growth and development of existing centres

- Promoting and enhancing existing centres, by focusing development on such centres and encouraging a wider range of services in a good environment, accessible to all

Regional Planning Policy

The Government's proposed changes to the East Midlands Regional Plan (RSS8) were published in July 2008. It is expected that the Plan will be adopted in spring 2009.

The emerging Regional Plan identifies Bourne as a 'main town', where appropriate amounts of development to maintain viability, promote regeneration or allow growth, should be allocated. Policy 22 (Regional Priorities for Town Centres and Retail Development) encourages local authorities and their partners to promote the vitality and viability of existing town centres, including those in rural towns and to promote investment through design led initiatives.

The development envisaged at Bourne would be entirely consistent with these national and regional objectives and policies.

Local Planning Policy

South Kesteven Local Plan

The local planning policy framework for this SPG is provided by the 'saved' policies of the South Kesteven Local Plan (1995). These policies will remain in force until they are replaced by policies in one or more Local Development Documents being prepared as part of the South Kesteven Local Development Framework

Policy S1 deals specifically with retail development and indicates that it will:

"NORMALLY BE CONCENTRATED WITHIN OR ADJOINING THE TOWN CENTRE SHOPPING AREAS OF GRANTHAM, STAMFORD, **BOURNE** AND THE DEEPINGS AS DEFINED ON THE PROPOSALS MAP."

Within the context of this policy, the Plan indicates that:

"Where practicable, the District Council will pursue opportunities to maintain and enhance the retail and commercial role of these centres by improving their accessibility by public and private transport; off street car parking provision; rear servicing facilities; and the general environment particularly for pedestrians."

Policy S2 requires that:

"PROPOSALS FOR NEW SHOPPING DEVELOPMENT WITHIN THE TOWN CENTRE SHOPPING AREAS WILL NORMALLY BE PERMITTED PROVIDED THAT THE DEVELOPMENT:-

- a) DOES NOT ADVERSELY AFFECT THE HISTORICAL AND ARCHITECTURAL CHARACTER OF THE CENTRE AND ITS ENVIRONS; AND
- b) DOES NOT GIVE RISE TO UNACCEPTABLE VEHICULAR OR PEDESTRIAN TRAFFIC CONDITIONS."

In accordance with the aims of these policies the Council is committed to supporting future development of an appropriate size and composition relative to the location involved.

Detailed planning policies for the redevelopment of this area were first set out as part of the review of the South Kesteven Local Plan with the publication of the first deposit version in 2002, which identified a number of 'Opportunity Areas' in town centre locations, including Bourne. However, the first deposit version was withdrawn in 2004 in favour of commencing work on the preparation of the Local Development Framework.

Local Development Framework

The Submission version of the Core Strategy (January 2009) identifies Bourne as a main town, where retail and other town centre uses will be promoted and permitted within town centres (Policy E2). The Core Strategy is expected to be adopted in early 2010.

The principle of an Opportunity Area proposed through the Local Plan review, was taken forward into the Housing and Economic Development Plan Document (DPD), published for consultation in 2006. This contained the following Preferred Option policy for the Bourne Core Area:

Within the Bourne Core Area ... planning permission will be granted for a comprehensive mixed use redevelopment including retail, leisure, business, office and cultural facilities, with residential at upper floor level. Any scheme should:

- i Be of a high quality design and appearance, commensurate with the site's prominence as a key part of the town centre;
- ii Ensure that the area is well integrated with the rest of the town centre by improving existing connections and creating new routes to improve North-South and East-West pedestrian permeability through the area; and
- iii Improve and extend the existing public car parking facilities as part of the redevelopment of the area, and incorporate a new public open space within the area.

The Housing and Economic DPD has now been superseded by the Site Specific Allocations and Policies DPD, which will include policies to support the development of the area covered by the SPG.

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REPORT TO CABINET

REPORT OF: ASSETS AND RESOURCES PORTFOLIO HOLDER

REPORT NO.: CHFCS32

DATE: 9th March 2009

TITLE:	Financial reports for 2008/09 – Monitoring Information and forecast Outturn	
FORWARD PLAN ITEM:	N/A	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:		
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:		
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Mrs Maureen Spencer-Gregson O.B.E. Assets and Resources Portfolio Holder	
CORPORATE PRIORITY:	Quality Organisation	
INITIAL IMPACT ASSESSMENT:	Carried out and appended to the report:	Full impact assessment required:
Equality and Diversity	N/A	
Crime and Disorder	N/A	
Risk	N/A	
Climate Change	N/A	
Health and Safety	N/A	
Data Quality	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS:	CHFCS06	

1. INTRODUCTION

In order to ensure good budget management it is important that the members are updated with budget monitoring information. This serves the purpose of ensuring members are kept informed of actual spend compared to budget and provides the forecast outturn position. The report provides a summary position of the anticipated outturn position against original budget covering the following areas:

- General Fund Revenue Budget
- Housing Revenue Account Revenue Budget
- Capital Programme
 - General Fund
 - HRA

2. RECOMMENDATION

Members are asked to note the comments and figures contained within this report.

3. DETAILS OF REPORT

General Fund Revenue Budgets

The latest forecast up to January 2009 predicts an underspend of £568k which is summarised in the table below

Corporate Area	January £k
Finance & Customer Services	163
Healthy Environment	(10)
Partnership & Improvement	(271)
Resources And Org Development	317
Special Expenses Area	4
Sustainable Communities	367
Council Savings Identified during 2008/09	(984)
Workforce Efficiency	250
Projected Corporate Underspend	(164)
Spend funded by reserves and other funding sources	(404)

A summary of the key issues on the general fund is provided below:

- Finance and customer service forecast overspend mainly relates to pension costs for payments regarding officers however these additional costs will be financed from reserves set aside for this.
- Healthy Environment projected underspend is mainly on salary underspends within Environmental Protection and Healthy Communities.
- Partnerships and Improvement underspend relates to a number of expected underspends across services within this corporate area. These include salaries in CCTV, Community safety and communication and second homes income not previously budgeted for.
- The forecast overspend in Resources and Organisation Development mainly relates to forecast shortfall in income on car parks and additional footway lighting costs.
- The projected shortfall in income on areas such Development Control, Land Charges and Building Control have contributed to the overspend in Sustainable Communities. In addition to this there have been unforeseen appeal costs in respect of a planning determination but this will be funded through the Insurance Reserve at year end (see note below). There also an expected overspend on private sector housing identified which will be funded through capital programme allocations.
- The Council has identified savings of £984k during 2008-09 that have been transferred to a central provision. Given the current economic climate in which the Council is operating in e.g. reduced levels of income being received, a central provision has been made in order to protect them. This has been undertaken only where there was clear evidence that service delivery will not be affected. This course of action is to ensure the Council has provision to meet any change in the outturn position over the remaining 3 months of the year (including any further deterioration of the income budgets) without the need for Council to use it's reserves or working balance. This is prudent budget management which will also protect the taxpayer. However this course of action will be constantly reviewed and any positive improvement in the forecast will allow resources to be re-deployed if necessary.
- Some areas of spend included above will be funded from reserves and other funding sources at the financial year end. These included the planning appeal from the insurance reserve (£110k), pension payments from the pension reserve (£144k) and private sector housing work funded through capital allocation (£150k).

HRA Revenue Budgets

The budgeted deficit on the HRA for 2008-09 was £2.740m and the current forecast outturn position is a reduction of £0.232m in the deficit to £2.508m.

There are a number of under and over spends on the services within the housing revenue account which are contributing the reduction in the forecast deficit which are outlined in the table below:

Variance	£k
Repairs	385
Tenancy & Neighbourhood	(298)
Tenancy Business	(88)
Repairs Admin and Improvements	(163)
Communal Heating	(86)
Sheltered and Supported Housing	(32)
Provision for bad debts	50
Net Reduction in Deficit	(232)

A summary of the key issues on the HRA is provided below:

- The repairs service is expected to be overspent on the budget heading of specified works which includes high spend areas such as fencing, footpaths, plastering and re-lets. In addition to this there are also overspends on salary and agency employee costs for posts such as repairs coordinators and gas serving.
- Tenancy and Neighbourhood is due to be underspent across a number of headings including staffing, grounds maintenance and disturbance allowances.
- Tenancy Business services is expected to be underspent due to a number of savings within supplies and services covering items such as IT purchase, postage and stationery.
- The projected underspend on Repairs Administration and improvements is mainly due to reduced spend on specified works such as asbestos, car parks and hard standings and solid fuel. In addition to this there are also other underspends on IT purchase and consultancy.
- The Communal heating service is expecting an underspend on its utility budget.

- Sheltered Housing is expected to be underspent due to savings on staff vacancies.

Capital Budgets

A revised Capital Programme for 2008/09 was approved by Council in September 2008 and the current outturn position against this budget is.

	Budget	Projected Outturn	Variance
General Fund	£4.546m	£3.574m	(£0.972m)
HRA	£7.512m	£4.439m	(£3.073m)

General Fund

The following key issues should be noted for the general fund:

- The Town Centre Projects Unallocated provision of £750k will not be utilised in 2008/09.
- The window replacement for Grantham Council Offices of £100k is expected to be under budget by £25k due to savings on the expected contract price.
- Cemetery works at Grantham will cost less than budgeted, with an expected saving totalling £81k
- The new housing developments for Grantham is due to be underspent by £100k as no other sites have been identified.
- An underspend of £90k on Disabled Adaptations is expected due to difficulties with grants previously awarded.

HRA

The following key issues should be noted for the HRA:

- Upgrading of the sheltered housing scheme is forecast to be underspent by £90k against a budget of £300k due to the commencement of one scheme being put back to 2009/10.
- Structural Repairs is due to be underspent by £90k compared with a budget of £240k as no further schemes have been identified.
- An underspend on passenger lifts of £85k against a budget of £120k is likely due to difficulties in identifying suitable locations. This underspend will slip into 2009/10 programme.
- Slippage on windows of £220k into 2009/10 against a budget of £260k is expected due to delays in commencing the contract.
- An underspend on property refurbishments is expected of £8k.
- Slippage of £160k for Electrical rewires (budget of £326k) is expected due to delays in commencing the contract.

- The Kitchen and Bathrooms programme (budget of £3.987m) is due to slip into the 2009/10 financial year by £1.818m due to delays in agreeing the contracts and having regard for the outcome of the stock condition survey currently being undertaken.
- The communal doors programme of £160k is expected to slip by £149k into 2009/10 due to delays in tendering for contracting the work.
- Slippage into 2009/10 on the Fire Risk Assessment and Disability Discrimination Act works of £275k against a budget of £300k is due to a delay in the commencement of the work.
- Disabled Adaptations (budget of £232k) is predicted to be underspent by £157k due to the low number of referral cases that require capital expenditure.
- A projected underspend on Garages of £25k as no locations have been identified
- The use of IT capital budgets for Total Repairs (£42k) and Mobilisation (£171k) have been deferred until 2009/10 pending the outcome of the 'systems thinking review'.
- The heating and ventilation programme is expected to have an overspend in the region of £217K. This is predominantly in respect of gas boiler replacements at Council properties.

4. COMMENTS OF SECTION 151 OFFICER

My comments are contained within the body of the report.

5. COMMENTS OF MONITORING OFFICER

As part of good governance it is important members are kept updated in respect of the financial position of the Council expenditure during the course of the year.

6. CONCLUSION/SUMMARY

Members are asked to note the comments and figures contained within this report

7. CONTACT OFFICER

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Agenda Item 13

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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