



AGENDA

For a meeting of the
COUNCIL
to be held on
THURSDAY, 22 JANUARY 2009
at
2.00 PM
in the
COUNCIL CHAMBER, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM
Duncan Kerr, Chief Executive

Members of the Council are invited to attend the above meeting to consider the items of business listed below.

IMPORTANT REMINDER

Members are requested to attend the training session on strategic risk management which starts at 11.00am for all members. This is being held in the Council Chamber.

[Training for Governance & Audit Committee members ONLY is at 9.45am]

1. PUBLIC OPEN FORUM

The public open forum will commence at **2.00 p.m.** and the following formal business of the Council will commence at **2.30 p.m.** or whenever the public open forum ends, if earlier.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

Members are asked to declare any interests in matters for consideration at the meeting.

4. MINUTES OF THE ORDINARY MEETING HELD ON 30 OCTOBER 2008

(Enclosure)
"Listening Learning Delivering"

South Kesteven District Council

STAMFORD • GRANTHAM • BOURNE • THE DEEPINGS

5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

• List of engagements

Following Councillor Ray Wootten's motion carried at the Council meeting held on 30 October 2008, the following response has been received:

• Letter from the Department of Health dated 28.11.08

Following Councillor Maureen Jalili's motion carried at the Council meeting held on 4 September 2008, the following responses have been received:

• Letter from the Local Government Association dated 22.12.08

• Letter from the Department of Transport dated 23.12.08 (Enclosures)

6. FINANCIAL ISSUES FACING THE HOUSING REVENUE ACCOUNT

The Council to receive a joint presentation by the Director of Tenancy Services and the Corporate Head, Finance & Customer Services.

(Enclosure)

7. TREASURY MANAGEMENT STRATEGY 2008-09

Report number CHFCS017 by the Corporate Head, Finance and Customer Services.

(Enclosure)

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

Report number POI30 by the Leader.

(Enclosure)

9. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

The Chairman of the Constitution Committee to submit recommendations of the committee from its meeting held on 12 January 2009.

(To follow)

10. DRAFT PROGRAMME OF COUNCIL, COMMITTEE AND OTHER MEETINGS 2009-2010 FOR CONSULTATION

Report number DEM021 by the Democracy Services Manager.

(Enclosure)

11. LEADER'S REPORT ON AN URGENT NON KEY DECISION

In accordance with Access to Information Procedure Rule 17.3, the Leader to submit report number CAB010 on a non key decision taken under special urgency provisions.

(Enclosure)

12. QUESTIONS ON NOTICE

To note the list of questions asked under Council procedure rule 11.1 as circulated at the start of the meeting and their reference to the relevant Policy Development Group.

**13. NOTICE OF MOTION GIVEN UNDER COUNCIL PROCEDURE
RULE 12:****From: Councillor Bob Sandall**

"This Council urges the Cabinet to withdraw its financial and personnel support to Stamford Town Partnership and approve two new lines of communication:

South Kesteven District Council in partnership with Stamford Town Council;
and

Stamford Town Council in partnership with minority groups in Stamford through its Development Committee.

This should then save £50,000 per year which this Council could use for higher priority projects."

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

PLEASE NOTE: The Notice of Motion deadline for the Council meeting on 2 March 2009 (budget meeting) is:
2pm on Tuesday 17 February 2009

MINUTES

COUNCIL

THURSDAY, 30 OCTOBER 2008

2.00 PM



PRESENT

Councillor Mike Exton Chairman

Councillor Bob Adams
(Vice-Chairman)
Councillor Harrish Bisnauthsing
Councillor Pam Bosworth
Councillor Christine Brough
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor George Chivers
Councillor Michael Cook
Councillor Nick Craft
Councillor Alan Davidson
Councillor John Dawson
Councillor Mrs Joyce Gaffigan
Councillor John Harvey
Councillor Robert Hearmon
Councillor Trevor Holmes
Councillor Reginald Howard
Councillor Kenneth Joynson
Councillor Jock Kerr
Councillor Albert Victor Kerr
Councillor Reg Lovelock M.B.E.
Councillor Peter Martin-Mayhew
Councillor Stuart McBride

Councillor Andrew Moore
Councillor Mrs. Linda Neal
Councillor John Nicholson
Councillor Mrs Margery Radley
Councillor Bob Russell
Councillor Bob Sandall
Councillor Susan Sandall
Councillor Trevor Scott
Councillor Ian Selby
Councillor Mrs Maureen Spencer-Gregson O.B.E.
Councillor Ian Stokes
Councillor Michael Taylor
Councillor Jeffrey Thompson
Councillor Frank Turner
Councillor Andrea Webster
Councillor Tom Webster
Councillor Graham Wheat
Councillor Mike Williams
Councillor Avril Williams
Councillor Paul Wood
Councillor Raymond Wootten

OFFICERS

Chief Executive
Strategic Director (BA)
Corporate Head of Finance &
Customer Services

OFFICERS

Legal Services Manager (Monitoring
Officer)
Planning Policy Services Manager
Democracy Services Manager



"Listening Learning Delivering"

OFFICERS continued

Tenancy Services Manager
Grounds Maintenance Co-ordinator

58. PUBLIC OPEN FORUM

There being no questions submitted, the public open forum did not take place.

59. APOLOGIES FOR ABSENCE

Before the apologies for absence were tendered, the Chairman advised members that the microphone system was now linked to an automatic queuing system controlled from the Vice-Chairman's position. Pressing the microphone switch now indicated a wish to speak; members' microphones would then be activated by the Vice-Chairman when it was their turn to speak.

Apologies for absence were received from Councillors Auger, Broughton, Miss Channell, Farrar, Helyar, Higgs, Maureen Jalili, Sam Jalili, Parkin, Smith, Judy Smith, and Stephens.

60. DECLARATIONS OF INTEREST

Mr. Richard Wyles, Corporate Head Finance and Customer Services, declared a personal interest in minute 65, appointment of Section 151 Officer and left the meeting during this item.

Councillor Hearmon declared a personal interest in Councillor Wootten's motion at minute 68 by virtue of his position as Secretary of the Grantham Hospital Defence Committee.

61. MINUTES OF THE ORDINARY MEETING HELD ON 4 SEPTEMBER 2008

The minutes of the meeting held on 4 September 2008 were approved as a correct record, subject to amendment to reflect:

- Councillor Avril Williams was not present as listed but had given her apologies;
- Councillor Chivers was not present as listed but had given his apologies.

Councillor Selby asked why there appeared to be inconsistency in use of a title before the first name of some female Councillors and using first names for some male Councillors. The Chairman explained that this was to reflect

how individual Councillors wished to be addressed and to distinguish between those members with the same surname.

62. COMMUNICATIONS

(1) Lean Systems: The Chief Executive referred to a number of poster size papers depicting various flow charts which were displayed around the walls of the council chamber. He explained that it was all part on ongoing work to improve the way some of the services operated and was called lean systems thinking. Currently the revenues and benefits service was being examined using this methodology as it was one of the services which cut across a large section of the organisation. He offered to talk through the various work flows with any interested members after the meeting.

(2) The Chairman referred members to the recent invitation to join him for the Members' Christmas lunch at Belton Park Golf Club on 15 December 2008 and asked members to confirm their acceptance or otherwise on the pro forma previously circulated. He reminded members that the invitation was also open to partners.

(3) The Chairman announced that £450 had been raised for the Chairman's charities at the previous night's Halloween Quiz. Following his cycle ride around Europe, the Chief Executive had raised £468.94 in sponsorship which would be split between the Chairman's charities and the Grantham Hospice ABC Appeal.

(4) The Vice-Chairman introduced Mr Steve Frisby, Grounds Maintenance Co-ordinator from Tenancy Services who had been invited to give a short presentation on the Council sponsored sheltered housing scheme flower display competition. The Vice-Chairman said he had been very impressed with the efforts made by the residents for the competition which had engendered great community spirit. He called upon the Council to continue to support this event despite budget pressures and the current economic climate.

Mr Frisby began his presentation by explaining that this was the second year that the Council had held the floral features competition for the supported housing schemes in the district. This year had also seen the introduction of a new gardens element which was a joint venture between the Council and the District Association made up of representatives of the Neighbourhood Groups.

The ethos behind running the competition was that it centred on tenant and resident participation. This was of mutual benefit to the Council as well because it encouraged community pride and social interaction. This fitted around the Council's priorities of promoting sustainable, self reliant communities and enhancing the street scheme which contributed to the area being a nicer place to live and work.

17 supported housing schemes had taken part involving 150 people working towards a common goal. Their efforts had also seen a considerable amount of money being raised for the benefit of the local community. Members were shown slides of some of the participating schemes and gardens which clearly indicated that the standards were extremely high. First place for the supported housing scheme competition had gone to Sandon Close in Grantham. Mr. Frisby concluded by saying that next year the Council would be encouraging even greater participation and would be looking at sustainability by introducing new ideas and features to enhance the neighbourhood all year round.

Members thanked Mr Frisby and indicated how impressed they were with the efforts of the residents and tenants and expressed support for the continuation and expansion of the competition. The benefits in terms of neighbourhood pride and community spirit far outweighed the comparatively low cost. It was pointed out that such events also helped to integrate those new to a local community.

(5) Subject to some typographical amendments, members noted the list of engagements undertaken by the Chairman since the last Council meeting.

63. LOCAL DEVELOPMENT FRAMEWORK: SUBMISSION CORE STRATEGY DEVELOPMENT PLAN

DECISION: that the Council

- (1) agrees the detailed changes to the Core Strategy, including the corrections to the dwelling completion figures for Stamford and The Deepings;**
- (2) approves the publication of the document as the Submission Core Strategy for the making of representations and submission to the Secretary of State;**
- (3) delegates authority to the Corporate Head of Sustainable Communities in consultation with the Economic Development portfolio holder to make any necessary amendments associated with the publication process prior to submitting the Core Strategy to the Secretary of State.**

The Economic Development portfolio holder submitted report number PLA727 concerning a key document – the Core Strategy Development Plan Document (DPD) – forming part of the overall Local Development Framework. The DPD sets out a long term vision of what the area would be like in the future and provides the strategic framework that will manage and guide development to achieve this vision, including the delivery of Grantham Growth.

On 6 October, the Cabinet had considered and approved the Submission Core Strategy DPD, subject to some additional amendments to the text. The Council was now asked to endorse the detailed changes, approve publication of the document, and delegate authority to the Corporate Head to make any necessary further changes before the document was submitted to the Secretary of State. The portfolio holder referred to considerable amount of work involved in this process which was not made easier by the Government moving goalposts all the time. The recommendations contained in the report, subject to amendment of dwelling completion figures, was moved and seconded.

The Planning Policy Services Manager drew members' attention to a typographical error in the DPD in which figures for completion of dwellings by 31st March 2008 in Stamford and The Deepings had been transposed. The correct figures were 501 dwellings for Stamford and 220 dwellings for The Deepings. It was important these figures were corrected as it had implications for the number of sites that had to be identified within those settlements to accommodate these dwellings.

The Chairman invited questions and comments from the floor on affordable housing targets and associated criteria, consultation periods and the involvement of parish councils, and what was meant by the term "sound" in relation to the LDF. The Planning Policy Services Manager explained that the aim was still to achieve 40% affordable housing on a development but this had to be negotiated on a site by site basis with the developer because different factors could impact in different ways on each site. The criteria set for affordable housing was based on local income levels and the price on the open market relative to those local income levels. She confirmed that parish councils would be sent a copy of the Core Strategy DPD but this was not a further consultation period. There had been three periods of consultation on the LDF over the last 2 to 3 years. This stage was about demonstrating that the Core Strategy was sound i.e. that it was capable of being delivered and sustained. People were now being given the opportunity to make representations on whether or not they agree with the authority that the document is sound. An inspector would examine the document and consider any representations made as to its soundness.

A vote then took place on the motion which was carried.

64. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

DECISION: To approve the following amendments to the Constitution:

- (1) Council procedure rules: at clause 10.2 of page 125 relating to questions by the public, the words "before the day of the meeting" be deleted and replaced with "before the time of the start of the meeting";**
- (2) Access to Information procedure rules: at clause 10 of the**

table relating to the categories of exempt information relating to the Standards Committee at page 154, be amended to include:-

- **Description column – “and Part 10 of the Local Government and Public Involvement in Health Act 2007 including the Standards Committee (England) Regulations 2008”**
- **Qualification column – “Information relating to the Assessment Sub-Committee and the Review Sub-Committee shall be exempt without qualification”**
- **Notes column – “This will apply to all information supplied to the Assessment Sub-Committee and the Review Sub-Committee”**

(3) The Data Protection Policy be removed from the Constitution and be replaced by a comprehensive list of the Council’s policies together with a web-link to access the Policies on the Council’s website.

The Chairman of the Constitution Committee moved the recommendations contained within the minutes of the committee meeting held on 13 October 2008. In so doing, he explained that the recommendations were to give more clarity to the deadline for submission of questions to the public open forum and to bring that deadline in line with that for members’ questions on notice, and to give effect to recent legislation concerning the devolved Standards regime. The recommendations were seconded.

A member referred to the committee’s discussion about the Constitution in general and its ease of use which had been minuted. He suggested that a proper, comprehensive debate was needed on this issue, not merely a “tinkering around the edges”. The Chairman of the Constitution Committee agreed with this suggestion. A request was made for members to receive the recent updates to the Constitution as soon as possible. Upon being put to the vote the amendments were carried.

[Mr Richard Wyles, Corporate Head of Finance & Customer Services, left the council chamber at this point.]

65. APPOINTMENT OF SECTION 151 OFFICER (CHIEF FINANCIAL OFFICER)

DECISION: That Mr Richard Wyles, Corporate Head Finance & Customer Services, be designated the authority’s Section 151 Officer with immediate effect.

The Leader presented report number SD25 which reminded members of the statutory obligation to appoint under section 151 of the Local Government Act 1972, an officer with designated responsibility for the proper

administration of the Council's financial affairs. Following the departure of the previous Section 151 Officer, Mr Wyles had acted as an interim designated officer pending the outcome of a recruitment exercise.

A recruitment exercise following an external advertisement and assessment process had been completed resulting in the recommendation to appoint Mr Wyles to the position of Corporate Head of Finance and Customer Services. During his interim appointment, Mr Wyles had demonstrated that he had both the qualifications and ability to continue in this role in a permanent capacity. Mr Wyles' appointment was so moved and seconded.

In response to a question on the recruitment exercise, the Leader explained that following external advertisement there had been a few applications but not as many as usually received for such senior positions. Two external candidates had gone through an assessment process but had not proceeded to formal interview. Mr Wyles had subsequently been appointed to a new role, that of Corporate Head of Finance & Customer Services which was not precisely the same as the post held by the previous S.151 officer. The motion was put to the vote and subsequently carried.

[Mr Wyles here returned to the meeting.]

66. RECOMMENDATIONS FROM THE RESOURCES POLICY DEVELOPMENT GROUP

DECISION:

(1) That the Members' Lounge is only to be used by the Members.

The Chairman of the Resources PDG presented two recommendations arising from its consideration of Questions on Notice which had previously been referred to his PDG by the Council.

The first issue concerned the use of the Members' Lounge. The original recommendation had been that the Members' Lounge only be used by the members. The member who had originally submitted the Question on Notice said he had since reconsidered the matter and acknowledged that a common sense approach was required having regard to the pressures for meeting accommodation. He therefore proposed that the recommendation be amended to reflect the practical need for the room to be used for officer meetings and usage associated with functions in the council chamber, but that the needs of Councillors to use that facility is given priority over any other uses. He made further comment on the condition of the room and suggested that it did need to be made more comfortable and user friendly. Support for the recommendation as amended was indicated with an example cited as allowing the room to be used for catering purposes in connection with a function in the chamber. In support of the

recommendation as originally put, reference was made to instances whereby members had travelled some way from the south of the district to work in the Members' Lounge to find it occupied by an officer meeting. Such occasions made it potentially awkward and inconvenient for the member concerned. A member said he had also witnessed it being used by staff for a coffee break.

Another member supported the upgrading of the facility which was poor in comparison with the Members' Lounge at the County Council offices.

The Chairman of the Resources PDG was asked whether he accepted the amendment. He indicated he did not. A vote was taken on the recommendation, as amended, which was lost. A further vote was then taken on the original recommendation that use of the Members' Lounge be only for Members. This was carried.

DECISION:

(2) In the light of information that costs associated with the Concessionary Travel Scheme appear to be greater than expected, noting the support of the Resources PDG, the Council adheres to its policy decision as it stands.

In proposing the second recommendation from his PDG, the Chairman advised the Council that this decision had been unanimous. The motion was seconded.

Several members asked to be given an indication of what exactly were the "greater than expected" costs of the scheme, or at least estimation in percentage terms. The resources portfolio holder explained that the council would not have the final figures until the half year data came through; current indications were that this council's expectations that the costs would be greater than the Government's assessment would be borne out. Other comments were made about the negative impact this Council's decision to exclude pre 9.30am travel from the scheme was having on some residents such as those needing to attend out patient appointments in Peterborough.

The Leader explained that the figures for take up should come through on a quarterly basis but there had been some difficulty in collecting data from operators which was currently being investigated. The first quarter's figures showed this council's scheme was 33% overspent compared to original estimates. However, she urged caution on quoting this figure because it was not yet known how accurate this would prove to be at the half year stage. Responding to criticisms that other Lincolnshire districts had allowed pre 9.30am travel, she pointed out that these councils had not actually paid for their schemes yet. South Kesteven had set aside extra money over and above that which the Government had estimated and she said she was aware that this authority had more in its budget for the South Kesteven District Council scheme than the other councils had for theirs.

There had even been the suggestion that South Kesteven should pay for the other authorities' shortfall. Several members endorsed this Council's policy of not committing resources to enhancing a scheme when the full cost was not yet known. The Deputy Leader acknowledged that there were some rural bus routes that had thrown up anomalies with regard to pre and post 9.30am travel and these were under examination.

The motion was put to the vote and carried.

67. QUESTIONS ON NOTICE

One Question on Notice had been received from Councillor Mike Williams which was referred to the Communities PDG.

68. NOTICE OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12

DECISION: The District Council writes to the Minister of State for Health Services to express this Council's support for the British Medical Association's campaign protesting at Government plans to merge local GP surgeries into one large GP led health centre in Grantham and other towns within South Kesteven.

In presenting his motion to the Council, Councillor Wootten began by expressing his support for local services for local people but now local accident and emergency and maternity services were all under threat of closure, as well as a lack of NHS dental surgeries and local post offices facing closure. He said the Government now wanted to close down over 1,700 local GP surgeries across the county. Councillor Wootten advised the council that he had received information which indicated that some of the GP practices in Grantham could be amalgamated into one large GP health centre. Lincolnshire Primary Care Trust had, he said, denied these proposals but he pointed out that this was the same PCT that denied that Grantham hospital was being run down. In June this year, the British Medical Association handed a petition to the Prime Minister with 1.3 million signatures in support of retaining local surgeries but this had fallen on deaf ears. Councillor Wootten said he understood that the Government proposed to have one large health centre in every PCT by April 2009. He suggested that if this proposal went ahead it would mean patients having to travel further for vital care. There were also proposals at the consultation stage to close down dispensaries within doctors' surgeries. Councillor Wootten said that large health centres could have a knock on effect on hospital services, particularly leading to closures and mergers and the diversion of resources away from existing local hospitals. He urged this Council to oppose the imposition of large, impersonal health centres at the expense of local GP surgeries, and lend its support to the British Medical Association's campaign. Councillor Wootten's motion was seconded.

Whilst supporting the principle behind Councillor Wootten's motion, Councillor Hearmon expressed concern that in order to sustain debate on

this issue, members needed some tangible evidence of the proposals he had raised. If indeed they were true, any decision would be taken by the PCT not the Government and therefore the Council should direct its flak at the PCT. Speaking as a member of the county's health scrutiny committee, Councillor Hearmon advised that if there were to be any major change to the delivery of health services, it would be referred for consultation to this committee. He suggested that the council needed to exhaust all channels before raising its objections direct with the Government.

Several other members spoke on this issue: one member said he had undertaken some research on the Department of Health's website which referred to a framework procurement partnership between the public and private sector to provide new health care facilities. He had also raised this issue with his local GP practice in Bourne who was of the view that this was not a threat to towns within South Kesteven as the area is too small to sustain large health centres. They would be looking at more viable areas like Lincoln, Grimsby and Scunthorpe. Another member voiced his suspicion at the PCT denials referring to what he saw as this Government's systematic dismantling of the health service over the last ten years. He suggested it was part of the Government's centralisation ethos to remove local GP surgeries and he urged members to support the motion before the Council. A point was also made that proposals to get some semblance of order within the NHS should be welcomed but that should not mean the Government dictating that areas like South Kesteven should have these large health centres.

In summing up, Councillor Wootten said that all the surgeries he had contacted in Grantham welcomed district council support for this campaign. On being put to the vote, the motion was carried.

69. PARISH COUNCIL CONFERENCE 2008

The Chief Executive reminded members that the third Parish Council Conference would be held on Wednesday 26 November 2008 at the Bourne Corn Exchange.

The meeting closed at 3.45 p.m.

Agenda Item 5

Chairman's Civic Schedule 31.10.08 to 22.1.09

31.10.08	ME92	Mayor of Lincoln City Civic Dinner	Guildhall, Saltergate, Lincoln	Chauffeur
2.11.08	ME94A	Royal British Legion Poppy Appeal	Opening of Garden of Remembrance, St. Peter's Hill Green	Own
3.11.08	ME97	Lincolnshire County Council Opening of Children's Centre in Stamford	Stamford	Own
6.11.08	ME95	Bourne Abbey Church of England Formal Dedication Service	Bourne Abbey Church of England School	Chauffeur
7.11.08	ME99	Grantham College Annual Awards Ceremony	College Sports Hall, Stonebridge Road, Grantham	Own
8.11.08	ME90	Mayor of Grantham Evening of Gilbert and Sullivan	Guildhall, Grantham	Own
9.11.08	ME94	Royal British Legion Service of Remembrance	St. Wulfram's Church, Grantham	Chauffeur
11.11.08	ME94B	Royal British Legion Poppy Appeal	Closing Garden of Remembrance St. Peter's Hill Green	Own
12.11.08	ME102	RAF Cottesmore Christmas Craft Fayre	RAF Cottesmore	Own
12.11.08	ME98	Best Kept Village Presentation	Swineshead Village Hall	Chauffeur
19.11.08	ME105	Gainsborough Town Council Charity Dinner	The Sands Venue, Gainsborough	Chauffeur
20.11.08	ME88	Lord-Lieutenant's Officer Service of Thanksgiving for Mrs. Bridge Cracraft-Eley	Lincoln Cathedral	Chauffeur
22.11.08	ME113	Stamford Arts Centre Young Enterprise Judging	Stamford Arts Centre	Own
23.11.08	ME101	Army Benevolent Fund Presentation and Curry Lunch	Prince William of Gloucester Barracks, Grantham	Own
28.11.08	ME108	Journal Business Awards Gala Awards Dinner	Belton Woods Hotel, Grantham	Own
30.11.08	ME100	Sleaford Town Council Christmas Lunch and Service	Sleaford Market Place, Sleaford	Own
5.12.08	ME56	Salvation Army Annual Mencap Festival	Finkin Street Methodist Church	Own
6.12.08	ME117	Arena UK Christmas Meal	Allington, Nr. Downtown.	Chauffeur

9.12.08	ME115	Lincolnshire County Council Dinner	Judges' Lodgings, Castle Square, Lincoln.	Chauffeur
10.12.08	ME106	Marie Curie Cancer Care Luncheon with Carol Thatcher	The Guildhall, Grantham	Own
10.12.08	ME96	Newark and Sherwood D.C. Carol Service	The Dome, Kelham Hall	Chauffeur
11.12.08	ME111	Melton Mowbray Christmas Concert	St. Mary's Church, Melton Mowbray.	Own
12.12.08	ME114	New College Stamford Christmas Gala Dinner	The Sports Hall, New College, Stamford	Own
13.12.08	ME116	HM LL of Lincolnshire Reception	Prince William of Gloucester Barracks	Own
15.12.08	ME110	Members Christmas Lunch	Belton Park Golf Club	Own
16.12.08	ME107	HM LL of Lincolnshire and Mrs. Tony Worth Evensong of Welcome and Installation	Lincoln Cathedral	Chauffeur
17.12.08	ME112	St. John Care Trust Carol Service	St. Denys' Church, Sleaford	Chauffeur
17.12.08	VC1	Grantham Choral Society Christmas Carol Concert	Christ Church, Finkin Street, Grantham	Own
19.12.08	ME120	Care Services Celebration	Stoke Rochford Hall	Own
26.12.08	ME122	Mayor of Grantham Boxing Day Hunt Meet	St. Peter's Hill Green	Own
10.1.09	ME121	Royal British Legion Annual County Conference	Corn Exchange, Bourne	Chauffeur
16.1.08	ME124	New College Stamford Joint Celebration	New College, Drift Road, Stamford	Own
20.1.09	ME123	Royal Visit	TBA	Chauffeur
21.1.09	ME119	University of Lincoln Graduation Ceremonies	Lincoln Cathedral Centre	Chauffeur

Our ref: TO00000364577

Your ref: ME/VW

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Tel: 020 7210 4850

Councillor Mike Exton
Chairman
South Kesteven District Council
Council Offices
St Peter's Hill
Grantham
Lincolnshire NG31 6PZ

28 November 2008

Dear Councillor Exton,

Thank you for your letter of 4 November to Alan Johnson about primary care services. As you will appreciate, Mr Johnson receives a large amount of correspondence daily and it is not always possible for him to answer all of his letters personally. I have therefore been asked to reply on his behalf.

The Department notes your concerns about changes to primary care services locally. Ministers said last autumn that they would like every Primary Care Trust (PCT) area in England to establish a new GP led health centre – open twelve hours a day, seven days a week – and extra GP surgeries in those areas with the fewest GPs. These are being funded with £250million of new money. These services will be in addition to, not instead of, existing GPs.

However, the Government has not required local GP surgeries to be merged into one large GP-led health centre. The Department of Health is not prescribing a national specification for the services the new GP-led health centres will provide, although a small number of core requirements have been established to ensure some consistency across the country. The Department has made it clear that these developments will take place only where it is ascertained after local consultation with the public and with GPs and other healthcare professionals that they will improve patient care for local communities.

Ministers have consistently emphasised to Strategic Health Authorities and PCTs the need for strong public and clinical engagement in making decisions on the location of these services and the range of services they provide. The Department has asked PCTs to undertake fair and open tendering processes during 2008/09 to ensure the fullest range of providers can bid, including existing GP practices, voluntary and independent sector providers.

It is entirely up to the local NHS, working with the public and with GPs and others, to decide how to develop these services and where they should be located. I must

therefore advise you to raise your concerns with the PCT, if you have not already done so.

The new GP-led health centres will provide over two and a half million extra GP appointments per year. This is not about replacing or centralising existing GP services. It is about listening to patients who have said they want better access to GPs. This is additional investment for additional services, and it will mean more GPs and nurses, more appointments, and longer and more convenient opening hours.

Patients will be able to remain registered with their own GP but also use the services provided by the new health centre if they wish. This means people who would like to see a GP in the evenings, or at weekends, or during the day when they are away from home, will be able to do so, either by booking ahead or by just turning up. This will be of particular benefit for people who work full time and whose own GP does not offer evening or weekend appointments. The new service should also reduce unnecessary visits to accident and emergency departments.

Access to GP-led health centres will not be a substitute for local family doctors but will complement them. Investment in new services, as well as improving access and helping to address inequalities, will help provide greater choice for the public.

I hope this helps to clarify the Department's position.

Yours sincerely,

K Roy

Kate Roy
Customer Service Centre
Department of Health

Mr Paul Morrison
Principal Democracy Officer
South Kesteven District Council
Council Offices
St Peter's Hill
Grantham
NG31 6PZ

22nd December 2008

Dear Paul

South Kesteven District Council resolution re; rural areas

Many thanks for your letter of the 26th November.

The Local Government Association's Rural Commission was formed to represent the interests of rural local authorities and campaign on their behalf. Members and officers are working hard to ensure that the Government is aware of the concerns expressed by rural local authorities on a wide range of issues.

Whilst the focus of the Rural Commission changes over time, outlined below are some examples of work currently being undertaken by the Commission.

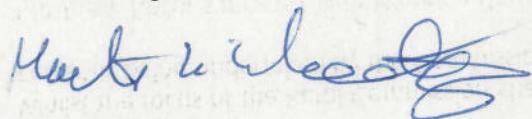
Matthew Taylor's recent *Living Working Countryside* report was welcomed by the Commission and we are lobbying Government to ensure that many of his recommendations are taken forward into legislation. More broadly members and officers continue to communicate local authorities concerns regarding the volume and affordability of rural housing to the government. Elsewhere the Commission is working closely with the Commission for Rural Communities on their work to rural proof Government and the LGA continues to campaign against the closure of post offices in rural areas.

The LGA's Regeneration and Transport Board has undertaken work on the provision of public transport and Members and officers understand this is a key factor in ensuring the sustainability of rural communities.

I will forward your letter to colleagues who work on the SPARSE Special Interest Group as set out at Decision 2 of your letter.

In the meantime further details of the work being undertaken by the Rural Commission and Regeneration and Transport Board can be found at www.lga.gov.uk

With kind regards



Martin Wheatley
Programme Director

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Mr P Morrison
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Our Ref: BAT 1/2/2
Your Ref: SL/PM/DS

23 December 2008

Dear Mr Morrison

Thank you for your letter of 26 November to the Secretary of State for Transport concerning a resolution passed by your council about local transport in South Kesteven. I have been asked to reply.

It is appreciated the difficulties the lack of reliable public transport can cause for those who use these services to travel to work, school, shops or to visit medical facilities. The Department recognises that bus services have an important role in offering an alternative to use of the car and that the Government is committed to improving bus services including those in rural areas.

Around 80 per cent of bus services outside London are provided by private operators on a commercial basis and decisions on service provision are mainly a matter for their commercial judgement. Local authorities do have powers to subsidise those bus services which are not being provided commercially. However, it is a matter for each authority to decide which services to support in the context of local circumstances and needs and their own priorities.

The Government has invested heavily in bus services, including those in rural areas. Local and central government spends £2.5 billion a year on supporting bus services, double the level of support in real terms as compared with 10 years ago.

Specifically for rural areas, Rural Bus Subsidy Grant was introduced in 1998 to assist local authorities in providing new or enhanced local bus services in rural areas. This is allocated to local transport authorities on a population based formula and is now included within area-based funding. It is then for each authority to decide which services and communities to support. This grant has provided for nearly 2000 new and enhanced services on which some 38 million passenger journeys are made annually. The total funding available for this financial year is £57 million.

In rural areas innovative services such as demand responsive services using smaller vehicles, (e.g. taxibuses), can be particularly important. The Government has stimulated the development of such services by providing more than £100 million to projects under

the Rural Bus Challenge scheme. Community transport organisations also have an important role to play and we have made many community transport services eligible to receive Bus Service Operators Grant.

However, it is recognised though that there is room for improvement in many other areas and that local authorities should have a bigger role. Under the terms of the Local Transport Act 2008 there are opportunities for local authorities to secure better local bus services by means of:

- more effective partnerships with bus operators;
- making the introduction of quality contracts (i.e. franchising as in London) a more realistic option;
- a new regime to deliver improved punctuality; and
- measures to support development of the community transport sector.

The Department is also creating the first statutory national passenger champion for bus users by extending the remit of Passenger Focus, which currently represents rail passengers, to include the role of representing bus passengers.

I hope this reassures you that the Government is committed to improving bus services throughout the country.

Yours sincerely



A NEILSON
BUSES AND TAXIS DIVISION

Agenda Item 6

REPORT TO COUNCIL

REPORT OF: Director of Tenancy Services

REPORT NO.: TSE33

DATE: 22nd January 2009

TITLE:	Financial Issues facing the Housing Revenue Account
FORWARD PLAN ITEM:	No
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	n/a

KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	No	
COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr P. Carpenter, Portfolio Holder for Corporate Governance and Housing	
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:	None	

1. INTRODUCTION

- 1.1 The purpose of this report is to raise members' awareness of the key financial issues facing the Housing Revenue Account (HRA), prior to the budget setting report that will be presented to the Council meeting in March.
- 1.2 Further details of these issues will be given in a presentation to the council meeting on 22nd January 2009.

2. RECOMMENDATION

- 2.1 That Council notes the position of the HRA and the financial issues it faces.

3. DETAILS OF REPORT

- 3.1 The HRA records expenditure and income relating to our council properties and the provision of services to tenants. This includes management and the repair and maintenance of the stock and the rent and income from other sources such as garages. The HRA is 'ringfenced' account.
- 3.2 There are a number of financial pressures facing the HRA in the short term and medium term. These issues include:
 - Rising customer expectations
 - Increasing negative subsidy payments having to be paid to the government
 - Reducing expenditure levels
 - Limitations on rent increases
 - The potential implications of the results of the Stock Condition Survey.
- 3.3 These issues result in the HRA not being sustainable in the medium term.
- 3.4 The presentation which will be given at the Council meeting will provide more detail on these issues and suggest potential ways of addressing them.

4. COMMENTS OF SECTION 151 OFFICER

There are significant budget issues facing the Housing Revenue Account (HRA) in both the short and medium term which will need to be addressed in both the HRA business plan and reflected in the financial budgets. The budgets will be presented to Council at the meeting on 2 March 2009. The purpose of the presentation is to provide members with a summary of the main issues.

5. COMMENTS OF MONITORING OFFICER

It is important Council is informed of issues with budgetary implications prior to the budget setting meeting.

6. CONTACT OFFICER

Tony Campbell, Director of Tenancy Services. Telephone: 01476 406501
Email: t.campbell@southkesteven.gov.uk

REPORT TO COUNCIL

REPORT OF: CORPORATE HEAD OF FINANCE AND CUSTOMER SERVICES

REPORT NO.: CHFCS17

DATE: 22nd January 2009

TITLE:	Revision of Treasury Management Strategy 2008-09	
FORWARD PLAN ITEM:	Yes	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	November 2008	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	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	Included in medium term financial plan	
Climate Change	N/A	
Health and Safety	N/A	
Data Quality	Included in medium term financial plan	
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:	CHFR91, CHFCS13	

1. INTRODUCTION

Treasury Management is the term used to cover the Council's borrowing and investment strategies. The Council has formally adopted the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management in the Public Services. In line with the Code the Council has adopted a treasury management strategy which was approved by Council on 3 March 2008.

Due to the uncertainty in the investment markets the Council needs to ensure prudent financial management in the current climate and is therefore seeking to update its current Investment Strategy for 2008/09.

2. RECOMMENDATION

The Cabinet, at it's meeting on 5 January 2009, made the following decision:

'to recommend to Council for approval the revised Treasury Management Strategy for 2008/09'.

3. DETAILS OF REPORT

In accordance with the requirements of Local Government Act 2003 a Treasury Management Strategy is provided within Appendix A. This appendix provides:

- the reporting requirements of prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Annex A of Appendix A)
- the Treasury Strategy in accordance with CIPFA Code of Practice on Treasury Management (Annex B of Appendix A)
- the investment strategy in accordance with the Department of Communities and Local Government Investment Guidance (Annex C of Appendix A).

Annex A and Annex B have remained unchanged from that approved by Council on 3 March 2008. Annex C – Investment Strategy has been updated to reflect the changes in investment criteria for institutions that the Councils invests money with and these are outlined in section 4 of the report (pages 14-16 refer).

4. INVESTMENT STRATEGY

Due to the current economic climate and instability in the money markets it is proposed that the level of financial standing of an institution should be increased. Annex C of Appendix A sets out the new criteria expected of institutions when investing money which has been based on the highest financial rating. It also sets out the maximum amount of money that can be invested with one institution for both specified and non-specified investments. This will ensure the Council has a robust and low risk investment strategy that will protect the Council from any significant financial loss. It may also mean the Council it is not always achieving the highest rate but is ensuring investments are managed on a low risk basis during the current economic climate.

The summary of the proposed changes is as follows:

- Page 14 - Specified investments previously stated that the Council's loan officer is restricted to placing funds with:
 1. *The NatWest Bank (the Council's Bank) either via their Deposit Dealing desk or a Special Interest Bearing Account (SIBA);*
 2. *The Alliance and Leicester Bank;*
 3. *HBOS Bank;*
 4. *The Principality Building Society;*

This has been amended to reclassify the restricted institutions and now includes a financial rating table that specifies the criteria institutions need to meet (where there is a rating available). This is outlined below:

1. *UK Institutions based on the ratings in the table below*
2. *Foreign Institutions base on the ratings in the table below*
3. *Building Societies with assets over £1billion and based on the ratings table below*

The ratings table below is based on the Lowest Common Denominator method (this includes ratings by Standard and Poor's, Moody's and Fitch) and institutions must meet all criteria (where there is a rating available) in order for the Council to place investments with them.

Rating	Fitch				Moody's				Standard and Poor's	
Institution	Short Term	Long Term	Individual	Support	Short Term	Long Term	Financial Strength	Short Term	Long Term	
UK banks and building societies	F1	AA-	C	3	P1	Aa3	C	A1	AA-	
Foreign	F1+	AAA	A	1	P1	AAA	A	A1+	AAA	

(The ratings criteria in respect of foreign institutions is the highest rating)

- Page 15 states the investment limit that the Council can place with any one institution for specified investments, previously this read:

Amounts invested with any one institution shall not exceed £7m for periods of more than one month

To take account of the fact that the authority has more institutions it can invest in for specified investments following the change in rating criteria outlined above, this has resulted in a reduction in the investment limit to reflect a more low risk strategy. This now reads:

Amounts invested with any one institution shall not exceed £5m for periods of more than one month

- Page 15 – a condition has been added which specifies limits on the amounts the Council may invest on non-specified investments.

Amounts invested with any one institution shall not exceed £2m for periods of more than 2 years

- Page 15 category C in the Non Specified Investment Category table has been amended. Previously this read:

Building societies not meeting the basic security requirements under the specified investments. The Council will include the top 30 building societies.

This has subsequently been amended to increase the criteria for Building Societies and now reads:

Building societies not meeting the basic security requirements under the specified investments. The Council will include building societies with assets over £1billion

- Page 15 the category C and D Limits in the Non Specified Investment Category table have been amended.

Previously these were both 25% and have both been changed to 15% to reflect a lower risk strategy.

- Page 16 paragraph 3 bullet point 2 states which financial institutions the Councils investment brokers can place investments with. Previously this read:

Investments made with local authorities, the top 30 building societies, English and Scottish clearing banks (and their subsidiaries) and overseas banks. The placing of funds with overseas banks is restricted to institutions with a credit rating of F1+ (short term loans) and AA rating (long term loans)

Following the amended criteria for rating financial institutions the Council invests with as outlined previously this now reads:

Investments made with local authorities, building societies with assets over £1billion, English and Scottish clearing banks (and their subsidiaries) and foreign banks will be in accordance with the ratings indentified for specified investments outlined above

- Page 16 paragraph 3 bullet point 3 states the financial limits the Councils investment brokers should adhere to when placing investments with financial institutions. Previously this read:

Amounts invested with anyone institution or group should not exceed 25% of the fund value or a maximum of £7m for periods of more than one month.

Following the revised limits for specified investments and new limits for non-specified investments this has now reads:

Amounts invested with any one institution or group should not exceed 15% of the fund value or a maximum of £5m for periods of more than one month for specified investments and £2m for non-specified investments.

It should be noted whilst all investments placed after the approval of this strategy will comply with the updated specifications there may be some current investments that fall outside the revised boundaries. These investments will be closer monitored till maturity and any subsequent re-investments will then made in line with the updated strategy.

7. COMMENTS OF SECTION 151 OFFICER

My comments are contained within the body of the report.

8. COMMENTS OF MONITORING OFFICER

The treasury management strategy should be reviewed constantly to ensure suitability for changing markets. The strategy will be reviewed annually in any event and is next due for review in readiness for the start of the financial year 09/10.

9. CONCLUSION/SUMMARY

The Cabinet is asked to recommend for approval the revised Treasury Management Strategy for 2008/09.

10. CONTACT OFFICER

R Wyles
Corporate Head Finance and Customer Services
r.wyles@southkesteven.gov.uk
Telephone: (01476) 406210

Treasury Management Strategy Report 2008/09

This report outlines the Council's prudential indicators for 2008/09 – 2010/11 and sets out the expected treasury operations for this period. It fulfils three key reports required by the Local Government Act 2003:

- The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix A AnnexA);
- The treasury strategy in accordance with the CIPFA Code of Practice on Treasury Management (Appendix A Annex B);
- The investment strategy – Credit and Counterparty Risk Management (in accordance with the DCLG investment guidance) (Appendix A Annex C).

A summary report outlines the key requirements from these reports.

Executive Summary

Capital Expenditure - The projected capital expenditure is expected to be:

Capital expenditure £m	2007/08 Revised £'000	2008/09 Estimated £'000	2009/10 Estimated £'000	2010/11 Estimated £'000
Non HRA	4,900	3,275	3,375	5,365
HRA	5,772	7,239	6,096	4,912
Total	10,672	10,514	9,471	10,277

Debt Requirement - Part of the capital expenditure programme will be financed directly (through Government Grants, capital receipts etc.), leaving a residue which will increase the Council's external borrowing requirement (its Capital Financing Requirement – CFR). The General Fund CFR is reduced each year by a statutory revenue charge for the repayment of debt (there is no requirement for an HRA charge).

Capital Financing Requirement £m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Non HRA	5,125	4,898	4,680	7,192
HRA	2,159	2,159	2,159	2,159
Total	7,284	7,057	6,839	9,351

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the Operational Boundary), and the maximum amount it could borrow (the Authorised Limit) are:

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Authorised limit	18,000	18,000	18,000	20,000
Operational boundary	9,000	9,000	9,000	11,000

The impact of the new schemes being approved as part of this budgetary cycle on Council Tax and housing rents are expected to be (this reflects a revised position on the financing of the capital programme which assumes borrowing will not now be due until 2010/11) on :

Incremental impact of capital investment decisions (£) on:	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Band D Council Tax	0.00	(2.67)	(2.56)	1.13
Housing rents levels	0.00	0.00	0.00	0.00

Investments – The resources applied to finance the capital spend above is one of the elements which influence the overall resources of the Council. The expected position of Council's year end resources (balances, capital receipts, etc.), is shown below supplemented with the expected cash flow position to provide an overall estimate of the year end investment position. The prudential indicator limiting longer term investments is also shown.

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Total resources	23,811	21,228	16,470	13,445
Working Capital	(1,560)	(1,560)	(1,560)	(1,560)
Total Investments	22,251	19,668	14,910	11,882
Principal sums invested > 364 days		£12m	£8m	£5m

The Prudential Indicators 2007/08 – 2010/11

Introduction

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. This report revises the indicators for 2007/08, 2008/09 and 2009/10, and introduces new indicators for 2010/11. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the Council's underlying capital appraisal systems.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy for 2008/09 is included as Annex B to complement the indicators, and this report includes the prudential indicators relating to the treasury activity.

The Capital Expenditure Plans

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants etc.), but if these resources are insufficient any residual expenditure will form a borrowing need.
4. A certain level of capital expenditure will be grant supported by the Government; anything above this level will be unsupported and will need to be paid for from the Council's own resources. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.
5. The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.
6. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Capital Expenditure				
Non-HRA	4,900	3,275	3,375	5,365
HRA	5,772	7,239	6,096	4,912
Financed by:				
Capital receipts	1,353	2,599	3,216	2,733
Capital grants	878	523	213	213
Capital reserves	8,021	7,239	5,355	3,810
Revenue	420	153	687	686
Net financing need for the year	0	0	0	2,835

The Council's Borrowing Need (the Capital Financing Requirement)

7. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing

need. The capital expenditure above which has not immediately been paid for will increase the CFR.

8. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.
9. Draft CLG Regulations are currently issued for comment which, if implemented, will require full Council to approve an MRP Statement. This will need to be approved in advance of each year. Whilst the regulations will revoke current MRP requirements, councils are allowed to continue historical accounting practice. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The timetable for implementation is very tight and so Members are asked to approve the following policy, based on the draft Regulations. Should the final regulations change this Statement, it will be re-submitted for approval.
10. The Council is recommended to approve the following MRP Statement:
11. For capital expenditure incurred before 1 April 2008 or which in the future will be Supported capital Expenditure, the MRP policy will be:
 - **Existing practice** - MRP will follow the existing practice outline in former CLG Regulations.
12. From 1 April 2008 for all unsupported borrowing the MRP policy will be:
 - **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Directive).
13. The Council is asked to approve the CFR projections below:

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Capital Financing Requirement				
CFR – Non Housing	5,125	4,898	4,680	7,192
CFR - Housing	2,159	2,159	2,159	2,159
Total CFR	7,284	7,057	6,839	9,351
Movement in CFR	(236)	(227)	(218)	2,512

Movement in CFR represented by				
Net financing need for the year (above)	-	-	-	2,835
MRP/VRP and other financing movements	(236)	(227)	(218)	(323)
Movement in CFR	(236)	(227)	(218)	2,512

The Use of the Council's resources and the Investment Position

14. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources £m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Fund balances	5,660	5,573	5571	5,554
Capital receipts	4,075	4,925	2,462	500
HRA reserve	8,728	9,059	8,437	7,391
Major Repairs Reserve	5,348	1,671	0	0
Total Core Funds	23,811	21,228	16,470	13,445
Working Capital*	(1,560)	(1,560)	(1,560)	(1,560)
Expected Investments	22,251	19,668	14,910	11,882

* Working capital balances shown are estimated year end; these may be higher mid year

Limits to Borrowing Activity

15. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
16. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2008/09 and the following two financial years. This allows some flexibility for limited early borrowing for future years.

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Gross Borrowing	(4,000)	(4,000)	(4,000)	(5,335)
Investments	22,251	19,668	14,910	11,882
Net Borrowing	18,251	15,668	10,910	5,886
CFR	7,284	7,057	6,839	9,351

17. The Corporate Head of Finance and Customer Services reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
18. A further two prudential indicators control or anticipate the overall level of borrowing. These are:
19. **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
20. **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of the year; it is not a limit.
21. The Council is asked to approve the following Authorised Limit and Operational Boundary:

Authorised limit £m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Borrowing	18,000	18,000	18,000	20,000
Other long term liabilities	-	-	-	-
Total	18,000	18,000	18,000	20,000
Operational £m Boundary	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Borrowing	9,000	9,000	9,000	11,000
Other long term liabilities	-	-	-	-
Total	9,000	9,000	9,000	11,000

Affordability Prudential Indicators

22. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall Council's finances. The Council is asked to approve the following indicators:

23. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Non-HRA	(4.51)%	(2.31)%	(1.77)%	(0.41)%
HRA	(4.23)%	(2.42)%	(1.39)%	(0.76)%

24. The estimates of financing costs include current commitments and the proposals in this budget report.

25. **Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with new schemes introduced to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of government support, which are not published over a three year period.

26. **Incremental impact of capital investment decisions on the Band D Council Tax**

£	Proposed Budget 2008/09	Forward Projection 2009/10	Forward Projection 2010/11
Council Tax - Band D	(2.67)	(2.56)	1.13

27. **Estimates of the incremental impact of capital investment decisions on Housing Rent levels** – Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital

programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

28. Incremental impact of capital investment decisions Housing Rent levels

£	Proposed Budget 2008/09	Forward Projection 2009/10	Forward Projection 2010/11
Weekly Housing Rent levels	0.00	0.00	0.00

29. This indicator shows the revenue impact on any newly approved schemes, although any discrete impact will be constrained by rent controls.

Appendix A - Annex B

Treasury Management Strategy 2008/09 – 2010/11

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Annex A consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets balanced budget requirement under the Local Government Finance Act 1992. There are specific treasury prudential indicators included in this strategy which require approval.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). This Council adopted the Code of Practice on Treasury Management on 23 June 2004, and as a result adopted a Treasury Management Policy Statement. This adoption meets the requirements of the first of the treasury prudential indicators.
3. The Constitution requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year.
4. This strategy covers:
 - The Council's debt and investment projections;
 - The expected movement in interest rates;
 - The Council's borrowing and investment strategies;
 - Treasury performance indicators; and
 - Specific limits on treasury activities.

Debt and Investment Projections 2008/09 – 2010/11

5. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. It also highlights the expected change in investment balances.

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
External Debt				
Debt at 1 April	(4,500)	(4,000)	(4,000)	(4,000)
Expected change in debt	500	-	-	(1,335)
Debt at 31 March	(4,000)	(4,000)	(4,000)	(5,335)
Operational Boundary	9,000	9,000	9,000	11,000
Investments				
Total Investments at 31 March	22,251	19,668	14,910	11,882
Investment change	(5,752)	(2,583)	(4,758)	(3,028)

6. The related impact of the above movements on the revenue budget are:

£m	2007/08 Revised	2008/09 Estimated	2009/10 Estimated	2010/11 Estimated
Revenue Budgets				
Interest on Borrowing	427	406	406	543
Related HRA Charge	(166)	(158)	(158)	(211)
Net General Fund Borrowing Cost	261	248	248	332
Investment income	(1,986)	(1,335)	(1,018)	(797)

Expected Movement in Interest Rates

Medium-Term Rate Forecasts (averages – Source Butlers)

	Bank Rate	1-year LIBOR	5-year Gilt	20-yr Gilt	50-yr Gilt
2006/07	4.8	5.3	4.9	4.4	4.0
2007/08	5.6	6.0	5.3	4.9	4.5
2008/09	5.2	4.9	4.9	4.7	4.6
2009/10	4.9	4.9	4.8	4.7	4.6
2010/11	5.0	5.3	4.9	4.8	4.8
2011/12	5.2	5.5	5.3	5.2	5.1

*PWLB borrowing is normally between 0.10% - 0.15% above the equivalent gilt yield

7. **Short Term Interest Rates** - The summer's dip in inflation drew to a close in October and the latest Bank of England Inflation Report suggests this key aggregate will rise further in the months ahead before returning to the 2% mid-target level by early 2009.
8. The end to aggressive discounting on the High Street, the rise in oil and petrol prices, and the upward trend in food costs have contributed to the rebound in inflation. While domestically-generated inflation will remain heavily influenced by the strength of economic activity and the growth in consumer spending, external factors are likely to be under upward pressure for the foreseeable future.
9. The main restraining influence in the UK will be the prospective decline in economic activity. Recent developments in the financial markets threaten to make the slow-down more pronounced than forecast earlier. The deceleration in economic activity in the US is expected to spread to the Euro-zone and this will undermine the chances of continued export-driven growth. On the domestic front, the effect of interest rate increases upon consumer activity and confidence is set to emerge more strongly in the New Year.
10. Higher rates, concern about the stability of asset prices (notably housing where prices are faltering) and news of weakening activity are all likely to undermine consumer confidence. This would weaken further if the problems of the financial markets were to worsen.
11. Lower activity is set to emerge in the months ahead. This, together with signs of a pronounced slow-down in personal spending will be seen as providing scope for the MPC to relax its current, tight monetary stance. But uncertainty about the path of activity and prices over the medium term suggests the authorities will tread a cautious path and will confine interest rate cuts to a relatively small number.
12. **Long-term interest rates** - have been driven lower by the strong demand for safe haven instruments at a time of crisis in the banking industry. Yields were

driven down to levels that were hard to justify purely on economic grounds. While they have subsequently rebounded, they are still below levels that can be called attractive on fundamental grounds.

13. The crisis in the financial markets is set to continue for a while longer. More banks are likely to announce large losses in business linked with asset-backed securities. This will promote persistent nervousness and ensure demand for safe haven instruments, notably government securities (gilts), remains strong. Yields are set to remain volatile in this environment and there may be times when they are driven down to levels not justified by fundamental economic analysis.
14. The longer term outlook is not as favourable. The US Federal Reserve's aggressive cuts in interest rates since mid-September were driven by reaction to a combination of factors, including the weakening of economic activity, some improvement in inflation performance and the crisis in the US property market. But the move was seen as heavy handed and a threat to the long-term outlook for inflation. The US economy continues to post a mixed performance and inflation is only just below the ceiling the central bank considers acceptable.

Borrowing Strategy 2008/09 – 2010/11

15. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
16. Long-term fixed interest rates are expected to be higher over the medium term. The Corporate Head of Finance and Customer Services, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that longer term fixed rates will be considered earlier if borrowing rates deteriorate.
17. With the likelihood of increasing interest rates debt restructuring is likely to take place later in the financial year or in future years, although the Corporate Head of Finance and Customer Services and treasury consultants will monitor prevailing rates for any opportunities during the year.
18. A key change in the options for borrowing and rescheduling occurred on 1 November 2007 when the PWLB changed its interest rate structure to a more sensitive pricing method and also increased the relative cost of repaying debt. This will prompt a more cautionary approach to both borrowing and rescheduling.

Investment Counterparty and Liquidity Framework

19. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
 - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
 - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

20. The Corporate Head of Finance and Customer Services will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it selects which counterparties the Council will choose rather than defining what its investments are. The rating criteria use the lowest common denominator method of selecting counterparties and applying limits.

- **Banks** – the Council will use only English and Scottish Clearing Banks and their subsidiaries. However, the Council's treasury management advisors have proposed that a review is undertaken concerning the bank listing for this Authority. For overseas, the Council will only use banks with a F1+ rating for short term and AA rating for long term.
- **Building Societies** – the Council will only use the top 30 listed Building Societies.
- **UK Government** (including gilts and the DMO)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

19. The proposed criteria for Specified and Non-Specified investments are shown in Annex B1 for approval.

20. In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

21. The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the investment prudential indicator below.

Investment Strategy 2008/09 – 2010/11

22. Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of the current 5.75% Bank Rate being the peak with the next fall in early 2008. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts. It is likely that investment decisions will be made for longer periods with fixed investments rates to lock in good value and security of return if opportunities arise, subject to over riding credit counterparty security. The Corporate Head of Finance and Customer Services, under delegated powers, will undertake the most appropriate form of investments depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

Sensitivity to Interest Rate Movements

23. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to treasury management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

£m	2008/09 Estimated + 1%	2008/09 Estimated - 1%
Revenue Budgets		
Interest on Borrowing	406	406
Related HRA Charge	(158)	(158)
Net General Fund Borrowing Cost	248	248
Investment income	(1,348)	(1,322)

Treasury Management Prudential Indicators and Limits on Activity

24. There are four further treasury prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:

- Upper limits on variable interest rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

25. The Council is asked to approve the following prudential indicators:

£m	2008/09	2009/10	2010/11
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	7,000	7,000	9,500
Limits on variable interest rates based on net debt	2,000	2,000	3,000
<i>Limits on fixed interest rates:</i>			
• <i>Debt only</i>	100%	100%	100%
• <i>Investments only</i>	100%	100%	100%
<i>Limits on variable interest rates</i>			
• <i>Debt only</i>	30%	30%	30%
• <i>Investments only</i>	30%	30%	30%

Maturity Structure of fixed interest rate borrowing 2008/09		
	Lower	Upper
Under 12 months	0%	20%
12 months to 2 years	0%	20%
2 years to 5 years	0%	50%
5 years to 10 years	0%	75%
10 years and above	0%	100%
Maximum principal sums invested > 364 days		
Principal sums invested > 364 days	£12m	£8m
		£5m

Performance Indicators

26. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID rate
- Investments – External fund managers - returns 110% above 7 day compounded LIBID.

The results of these indicators will be reported in the Treasury Annual Report for 2007/08.

Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management

The Office of the Deputy Prime Minister (now CLG) issued Investment Guidance on 12th March 2004, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Corporate Head of Finance and Customer Services has produced its treasury management practices. This part, TMP 1(5), covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for decision making on investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

Strategy Guidelines – The main strategy guidelines are contained in the body of the treasury strategy statement.

Specified Investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. The Council's Loan Officer is restricted to placing funds with:

1. UK Institutions based on the ratings in the table below
2. Foreign Institutions base on the ratings in the table below
3. Building Societies with assets over £1billion and based on the ratings table below

The ratings table below is based on the Lowest Common Denominator method (this includes ratings by Standard and Poor's, Moody's and Fitch) and institutions must

meet all criteria (where there is a rating available) in order for the Council to place investments with them.

Rating	Fitch				Moody's			Standard and Poor's	
Institution	Short Term	Long Term	Individual	Support	Short Term	Long Term	Financial Strength	Short Term	Long Term
UK banks and building societies	F1	AA-	C	3	P1	Aa3	C	A1	AA-
Foreign	F1+	AAA	A	1	P1	AAA	A	A1+	AAA

(The ratings criteria in respect of foreign institutions is the highest rating)

Amounts invested with any one institution shall not exceed £5m for periods of more than one month.

Non-Specified Investments – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

Amounts invested with any one institution shall not exceed £2m for periods of more than 2 years

	Non Specified Investment Category	Limit (£ or %)
a.	<p>Supranational Bonds greater than 1 year to maturity</p> <p>(a) Multilateral development bank bonds - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p>(b) A financial institution that is guaranteed by the United Kingdom Government (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	N/A
b.	<p>Gilt edged securities with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	N/A
c.	<p>Building societies not meeting the basic security requirements under the specified investments. The Council will include building societies with assets over £1billion</p>	15%
d.	<p>Any bank or building society that has a minimum long term</p>	15%

	credit rating of AA for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).	
e.	Any non rated subsidiary of a credit rated institution included in the specified investment category.	N/A
f.	Share capital or loan capital in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.	N/A

The Monitoring of Investment Counterparties - The credit rating of counterparties will be monitored regularly. The Council receives credit rating advice from its advisers, Butlers, on a daily basis and as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Corporate Head of Finance and Customer Services, and if required new counterparties which meet the criteria will be added to the list.

Use of External Fund Managers – It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep to the Council's investment strategy. Currently the Council has an agreement with Tradition UK and Sterling International. The fund managers are required to adhere to the following:

- All investments restricted to sterling denominated instruments;
- Investments made with local authorities, building societies with assets over £1billion, English and Scottish clearing banks (and their subsidiaries) and foreign banks will be in accordance with the ratings indentified for specified investments outlined above,
- Amounts invested with any one institution or group should not exceed 15% of the fund value or a maximum of £5m for periods of more than one month for specified investments and £2m for non-specified investments.
- Investments for periods exceeding 364days limited to 25% of fund held;
- Forward commitment investments limited to 25% of fund held; and
- Portfolio management is measured against the return provided by the 3 month sterling LIBID.

The performance of each manager is reviewed at least quarterly by the Corporate Head of Finance and Customer Services.

REPORT TO COUNCIL

REPORT OF: The Leader of the Council
REPORT NO.: POI30

DATE: 22 January 2009

TITLE:	PROGRESS ON DEVELOPING A SUSTAINABLE COMMUNITY STRATEGY AND LOCAL AREA AGREEMENT
FORWARD PLAN ITEM:	No
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A

KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Policy Framework Proposal	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Linda Neal	
CORPORATE PRIORITY:	ALL	
CRIME AND DISORDER IMPLICATIONS:	YES	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required?
BACKGROUND PAPERS:	Annual Review of Priorities Full Council 4 September 2008 Lincolnshire Local Area Agreement 2008-11	

1. INTRODUCTION

This report provides an update for members on the progress being made by the Lincolnshire Assembly to develop a new county wide Sustainable Community Strategy and the timetable set for its agreement.

It sets out the proposed themes of the strategy; a draft South Kesteven chapter produced for the South Kesteven Local Strategic Partnership and illustrates how the Council's recently agreed priorities and the Lincolnshire Local Area Agreement will both help contribute to its delivery.

The new national method of assessing local public services called the 'Comprehensive Area Assessment' comes into being from April 2009 and this will test the effectiveness of how all the councils in Lincolnshire and the organizations they work with help improve the overall quality of life for the people who live and work in the county.

2. RECOMMENDATION

(i) Council notes the proposed timetable for developing the new Lincolnshire wide Sustainable Community Strategy

(ii) That the Leader reports any views or suggestions that the Council agrees to make on the proposed themes and outcomes to the Lincolnshire Sustainable Community Strategy Board at its meeting on 27th January.

3. DETAILS OF REPORT

The draft Sustainable Community Strategy is due to be considered by the Lincolnshire Sustainable Community Strategy Board on 27th January prior to its adoption by the County Council on 13th February. South Kesteven District Council is represented in the Strategy Board by the Leader of the Council.

Following the 13th February additional chapters for each district area will be added (once they have been agreed by their own Local Strategic Partnership) prior to publication at the end of March.

This will allow the following opportunities for members to comment and contribute to the strategy:

1. Full Council 22 January – discussion on overall themes, high level outcomes and draft South Kesteven chapter

2. Communities Policy Development Group 29 January – consideration of draft South Kesteven chapter with any recommendations to Cabinet on 9 February.
3. South Kesteven LSP Executive 13 February considers any recommendations from Cabinet and other partners and agree South Kesteven chapter.
4. Full Council 2 March – formally adopts South Kesteven chapter and the council's priority plans which will contribute to the delivery of the Sustainable Community Strategy and assist in meeting the agreed targets for South Kesteven set out in the Local Area Agreement.

Sustainable Community Strategy Vision and Outcomes

A Sustainable Community Strategy (SCS) seeks to set out long term vision for an area firmly based on an assessment of local needs. Lincolnshire's SCS looks at the type of county Lincolnshire may be in 2030.

A SCS needs to be based on an assessment of local need, this has been informed by work carried out by the Lincolnshire Research Observatory and through various public consultation exercises, the two 'Big Sky Big County surveys' and the new national 'Place Survey'.

Lincolnshire's vision is to become a '**place where everyone can find and enjoy the lifestyle that suits them best**'. A set of priority themes shown below have been proposed along with some high level outcomes to drive the work of partners.

The Local Area Agreement (LAA), which is a three yearly set of improvement targets agreed between the county council (with its partners including the district councils, police and health services) and central government then helps drive what may be realistically achieved in the medium term to help achieve the 2030 vision and outcomes.

The vision and the lifestyles that people enjoy will come from the following priority themes:

- **Vibrant communities where people enjoy life**
- **Opportunities for good health**
- **One of the healthiest and most sustainable economies in Europe**
- **Good connections between people, services, communities and places**
- **Rich diverse environments, heritage and cultures that residents and visitors enjoy**

These will be supported by a theme that focuses on ensuring that we develop '**innovative and dynamic organisations** working together for Lincolnshire'.

There is a good fit between these county wide themes and the revised set of local priorities that the Council agreed in September 2008 that it wished to focus on (Quality Organisation, Healthy Living, Good for Business and Customer First). The detailed Priority Plans currently being finalised which will be reported to the Council on 3 March will illustrate these links.

The type of outcomes that each of these themes is seeking to achieve is shown in appendix 1.

While the Lincolnshire Assembly is the Local Strategic Partnership (LSP) for the whole of the county, South Kesteven has its own LSP which will play a role in ensuring that locally partner organisations contribute to delivering both the Sustainable Community Strategy and Local Area Agreement. The South Kesteven LSP will not be producing its own local SCS but will work within the county wide strategy; it has developed a smaller set of three complementary priorities, Healthy Living, Sustainable Growth and Community Cohesion to focus on over the next few years. These are set out in the draft district chapter attached in appendix 2.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

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.

5. COMMENTS OF SECTION 151 OFFICER

Any financial implications arising from the Council's contribution to the Sustainable Community Strategy will be met from existing budget provisions.

6. COMMENTS OF MONITORING OFFICER

The Local Government Act 2000 makes the provision of a sustainable community strategy a statutory obligation. As such the strategy delivery has been included in the Forward Plan as a policy framework

document. Whilst this Council will not be required to adopt the strategy in its entirety, Council should approve the South Kesteven Chapter.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

9. CONCLUSION/SUMMARY

The Sustainable Community Strategy is a key building block of the council's performance management framework and there is a good fit between the Council's own priorities and those proposed for the new Lincolnshire SCS.

10. CONTACT OFFICER

Robert Moreland, email: r.moreland@southkesteven.gov.uk

Appendix 1

Lincolnshire SCS Proposed Vision, Themes and High Level Outcomes

Imagine **Lincolnshire** in 2030 ...

Ours is a Big County, with Big Skies that has a Big Future because **Lincolnshire is the place where everyone can find and enjoy the lifestyle that suits them best.** Those great lifestyles come from:

- Vibrant communities where people enjoy life
- Opportunities for good health
- One of the healthiest and most sustainable economies in Europe
- Good connections between people, services, communities and places
- Rich diverse environments, heritage and cultures that residents and visitors enjoy

Supported by organisations working together for Lincolnshire

Imagine Lincolnshire's **Communities** in 2030 ...

Lincolnshire has many **vibrant communities where people enjoy life.**

Our population comes from many backgrounds and these **people get on well and respect each other.**

Everyone feels safe in the places where they live and visit.

There are enough **homes in good condition that are affordable and suit people's needs.**

People's **local environments are well cared for.**

There are **opportunities for social, recreational, sporting and cultural activities.**

People influence, contribute to and take part in their communities.

People have choices about their lives and are treated with dignity.

Imagine Lincolnshire's **Health** in 2030 ...

Lincolnshire has continued to grow, with more people of all ages and health moving to our county and more living longer. Everyone, whatever their background or age, has **opportunities for good health.**

More people enjoy good health for longer.

The gap between most and least healthy people has reduced.

Local **people are actively involved in their own and other people's health and wellbeing.** They have **access to information and self-help**

High quality services delivered in communities support good health and wellbeing where it is safe and feasible to do so

Residents are physically active

Healthy food is affordable for everyone

Services are commissioned or delivered jointly if necessary

Services are tailored for individuals and deliver measurable improvements.

More choices in the type of support are improving independence, including technological solutions, and reducing the need for people to travel or move home to meet their health and wellbeing needs.

There is **real understanding of needs**, beliefs, values and behaviours of the populations being served.

Imagine Lincolnshire's economy in 2030 ...

Historic Lincolnshire has **one of the healthiest and most sustainable economies in Europe.**

Clusters of economic excellence in agriculture, food manufacturing, power engineering, leisure and creative industries are critical to the world's economy after the recession.

These clusters are part of a much **more diverse economy** supported by **high quality training for skills.**

Our **top 30 UK university** leads on research and transferring knowledge into the county.

Imagine Lincolnshire's 'connections' in 2030 ...

Lincolnshire is one of the largest counties but with few large towns and many small communities so it is vital that there are **good connections between people, services, communities and places.**

There is **convenient access to services.** Increasingly, people are able to access these from their homes and local communities rather than travel farther away.

Widespread use of digital technology improves lives and life chances.

When people travel, they use a **safe, well managed transport network.**

Imagine Lincolnshire's Environment in 2030 ...

Ours is a huge and varied county ranging:

From the Cathedral to the Coastline....
From the Fens to the Waterways.....
From the City to the Market Towns....
From the Wolds to the Wetlands

Lincolnshire's rich diverse environments, heritage and cultures are recognised and enjoyed by all.

Lincolnshire has been shaped by man for thousands of years. We are continuing to do so by **balancing the needs of people, our heritage, the economy and nature.**

We have **embraced the challenges of climate change.** Our innovative solutions balance the needs of traditional strengths like food production and manufacturing with our natural and man-made environments.

Residents and visitors enjoy our heritage and environmental attractions.

Alongside our flourishing economy, the **countryside, coastline and towns are much richer in biodiversity** than in 2000.

Imagine Lincolnshire's organisations in 2030 ...

Our community strategy has set many challenges. We are making the best use of our resources by **working together for Lincolnshire** across public, private and voluntary sectors.

We have developed **creative and innovative approaches** to those challenges.

These are **focused on people and** based on knowledge gained by **involving people and communities.**

All this makes sure we are **spending money wisely** so Lincolnshire gets the best possible value for money.

Appendix 2

Draft South Kesteven Chapter

Lincolnshire Sustainable Community Strategy

Introducing South Kesteven

South Kesteven is a district in south west Lincolnshire with a population of approximately 131,000. Two-thirds of people live in one of the four traditional market towns of Grantham, Bourne, Stamford and The Deepings. The remaining third live in one of over 80 villages. It is one of the biggest districts in the UK, covering an area of 365 square miles.

This presents us with a particular challenge of how best to serve the needs of our densely populated towns and our sparsely populated, widely-spread rural communities?

Our population is also **growing** and becoming increasingly diverse. South Kesteven is one of the fastest-growing rural districts in England, with the change in population growth in the last ten years being twice the rate of increase for the rest of England and Wales. It is also home to around 3,100 businesses and has a lower unemployment rate than the UK average.

It is a beautiful area of rural England with a number of nationally-renowned visitor attractions. Large areas are classified as sites of special scientific interest and the town of Stamford was recently voted one of the top ten places to live by the Daily Telegraph. With excellent communication links – London just over an hour away by train – and easy links by road to north, south, east and west via the A1 and A52, South Kesteven is a fantastic place to live, work or visit.

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.

Our Priorities

Our vision and priorities take full account of spatial and environmental issues and are fully aligned with the planning objectives set out in the Local Development framework. They complement the themes of the Lincolnshire

Sustainable Community Strategy. In establishing these priorities the South Kesteven Local Strategic Partnership used a range of consultation documents and results collected by a selection of partners including: the district and county councils, the Primary Care Trust, Police, Community Lincs and the Community Safety Partnership. The results of this research gave us three distinct strategic priorities for the district:

Sustainable Growth

Sustainable Growth is viewed not only in terms of the built environment but also with the natural environment of our district in mind. By both of these environments working in harmony we will build sustainable communities in which people want to live and work, now and in the future. Only by developing this balance will we meet the diverse needs of our residents, improving quality of life and offering opportunities which bring communities together. We don't just want to build housing – we want to build the communities who live and work in South Kesteven.

Our main objectives for Sustainable Growth are:

- to support Grantham Growth Point
- to support Bourne Core Area
- to support the development of affordable housing across our district
- to ensure that our natural environment is sustainable
- to develop community transport schemes to prevent isolation of our vulnerable residents
- to promote opportunities for formal and informal education
- to ensure opportunities for employment

Healthy Living

The health of the population of South Kesteven is 'good' when compared to the rest of the country. There are comparatively lower levels of coronary heart disease, strokes, cancers, infant mortality and teenage pregnancy. However, there are variations in health and illness within the district in terms of life expectancy, ill-health and long-term illness and such variations are often reflected in the deprivation scores for individual wards across the district. The PCT has identified Harrowby, Earlesfield and St Wulfram's wards as areas of concern. The two key inequalities across South Kesteven have been identified as obesity and alcohol misuse and we aim to tackle these through projects promoting healthy lifestyles focusing on 'prevention' ahead of 'cure'.

To improve health and wellbeing and reduce health inequalities in South Kesteven we intend to:

- reduce obesity

- address alcohol misuse
- enhance and maintain health services in line with the growing population
- maximise use of leisure to help prevent ill health

Community Cohesion

South Kesteven has seen significant population change in the last five years. The area has the largest number of young people (under 19) compared to the other districts in Lincolnshire and this age group is now estimated to comprise 24% of the district's total population (up from 22% in 2001). The number of older people continues to increase with some 11,300 people now over 74 living in the community (8.6% of the population compared to 7.8% in 2001). And our ethnic minority population has increased from 3.4% to 5.8% - last updated August 08 (*Office for National Statistics – Neighbourhood Statistics – Resident Population Estimates by Ethnic Group*) with migrant workers coming into the district from eastern Europe and Portugal predominantly. Community cohesion seeks to address a number of issues arising from these changes in our population such as increased tolerance between different groups of people in the community, as well as equality of service for older people and people with disabilities. In short, achieving community cohesion means working together to build a strong, safe, inclusive South Kesteven.

In order to make sure that South Kesteven is a place where people from different backgrounds get on well together in their local area we will:

- develop community pride
- celebrate cultural diversity
- improve local neighbourhoods
- develop safer communities

Although these priorities are shown as independent of each other we will seek, wherever possible, to link and support the delivery of projects and commissions.

REPORT TO COUNCIL

REPORT OF: DEMOCRACY SERVICE MANAGER

REPORT NO.: DEM021

DATE: 22 JANUARY 2009

TITLE:	Draft programme of Council, Committee, and other meetings 2009 – 2010 for consultation purposes
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR RAY AUGER - DEMOCRATIC REPRESENTATION	
CORPORATE PRIORITY:	QUALITY ORGANISATION	
CRIME AND DISORDER IMPLICATIONS:	NONE	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Draft timetable as appended	

1. INTRODUCTION

Under Part 4 of the Constitution – Council Procedure rule 1 – it is the business of the annual Council meeting to approve a programme of ordinary meetings of the Council for the year. However, from a practical point of view, a draft programme for the next municipal year is drawn up at the start of the calendar year. The purpose of this report is to give members an opportunity to be consulted on the proposed dates before the programme goes before the Council on 23 April 2009 for final approval.

2. RECOMMENDATION

The Council is to consider the draft programme of meetings as appended and make any comments or suggested revisions before it is submitted for final approval at the annual Council meeting.

3. DETAILS OF REPORT

The draft programme presented follows the pattern of meetings previously adopted.

Six scheduled Scrutiny Committee meetings have been included. At the last annual Council meeting six dates had been included in the draft programme but three dates were deleted. During 2008/09, two additional (public) Scrutiny Committee meetings were in fact held on two of the dates that were deleted.

The draft programme contains proposed dates for the Policy Development Co-ordination Group meetings but this is for members' awareness at this stage. These meetings will not appear in the final public version of the timetable.

A proposed date for the 2009 Parish Council conference in November 2009 has also been included given the success of the previous events.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

Under the Local Government Act 1972, the Council must hold an annual meeting. The Constitution states that the Cabinet must meet at least 12 times a year and the Development Control Committee must meet with such frequency in order to determine applications within the statutory timeframe – usually on a 3 week cycle.

5. COMMENTS OF SECTION 151 OFFICER

This is an opportunity for members to make suggestions and proposals for the 2009/10 meetings programme timetable. I have no specific financial comments to make.

6. COMMENTS OF MONITORING OFFICER

It is appropriate that members are consulted on the proposed timetable. It is proposed the final draft timetable be put to Council at its meeting on 23 April for approval. Any comments should be made to the Democracy Services Manager well before the date for the deadline for submission of reports to Council on 8 April 2009.

7. CONTACT OFFICER

Lena Shuttlewood: Democracy Service Manager
l.shuttlewood@southkesteven.gov.uk

SOUTH KESTEVEN DISTRICT COUNCIL DRAFT MEETING DATES 2009/10 (6 SCRUTINY COMMITTEE AND PDG MEETINGS)

	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR
MON		1 CABINET		3 CABINET			2 CABINET			1 CABINET	1 COUNCIL	
TUES		2 DEV CONTROL		4 DEV CONTROL						2 DEV CONTROL		
THURS		4 County & EUROPEAN ELECTIONS			3 COUNCIL			3 GOV & AUDIT CMTTE				
FRI	1 Licensing Standards Cmte (PM)		3 Licensing Standards Cmte (PM)	7 Licensing	4 Licensing Standards Cmte (PM)	2 Licensing	6 Licensing Standards Cmte (PM)	4 Licensing		5 Licensing	5 Licensing Standards Cmte (PM)	
MON			6 CABINET			5 CABINET		7 CABINET	4 CABINET		8 CABINET	
TUES	5 SCRUTINY CMTTE		7 SCRUTINY CMTTE			6 DEV CONTROL	10 SCRUTINY CMTTE				9 SCRUTINY CMTTE	6 DEV CONTROL
THURS	7 ENGAGEM'T PDG		9 ENGAGEM'T PDG		10 ENGAGEM'T PDG	8 RESOURCES PDG	12 ENGAGEM'T PDG	10 RESOURCES PDG		11 RESOURCES PDG	11 COMMUNITIES PDG	
FRI		12 Licensing							8 Licensing Standards Cmte (PM)			9 Licensing
MON	11 CABINET		13 Constitution Cmte.			12 Constitution Cmte.			11 Constitution Cmte.	15 Policy Dev't Co. Group		12 CABINET
TUES	12 DEV CONTROL		14 DEV CONTROL		15 DEV CONTROL		17 DEV CONTROL	15 DEV CONTROL	12 DEV CONTROL		16 DEV CONTROL	
THURS	14 COMMUNITIES PDG	18 COUNCIL	16 COMMUNITIES		17 COMMUNITIES PDG		19 COMMUNITIES PDG		14 ENGAGEM'T PDG		18 GOV & AUDIT CMTTE	15 RESOURCES PDG
FRI												
MON			20 Policy Dev't Co. Group									19 Constitution Cmte.
TUES		23 DEV CONTROL		25 DEV CONTROL			24 Parish Council Conf.			23 DEV CONTROL		
THURS	21 RESOURCES PDG	25 GOV & AUDIT CMTTE	23 RESOURCES PDG		24 GOV & AUDIT CMTTE				21 COUNCIL		25 ENGAGEM'T PDG	22 ANNUAL COUNCIL
FRI												
MON												
TUES					29 SCRUTINY CMTTE	27 DEV CONTROL			26 SCRUTINY CMTTE			27 DEV CONTROL
THURS	28 GOV & AUDIT CMTTE					29 COUNCIL			28 COMMUNITIES PDG			

REPORT TO COUNCIL

REPORT OF: THE LEADER

REPORT NO. CAB010

DATE: 22 JANUARY 2009

TITLE:	LEADER'S REPORT ON URGENT NON KEY DECISION
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:	Councillor Linda Neal, Leader of the Council		
CORPORATE PRIORITY:	Corporate Governance		
CRIME AND DISORDER IMPLICATIONS:	None		
FREEDOM OF INFORMATION ACT IMPLICATIONS:	Reports taken into consideration in the making of these decisions can be accessed electronically via the Local Democracy link on the Council's website www.southkesteven.gov.uk		
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report?	Full impact assessment required?	
BACKGROUND PAPERS:	Not Applicable	No	
	Non Key decision report number AFM0065		

1. INTRODUCTION

This report is to inform the Council of one non key decision taken since the last report to Council on 1 September 2008 under Access to Information Procedure Rule 23.4.

2. RECOMMENDATION

Members are asked to note this decision in accordance with Access to Information Procedure Rule 17.3

3. DETAILS OF REPORT

Urgent Non Key Decision made on 27 October 2008 jointly by the Portfolio Holder for Assets & Resources and the Portfolio Holder for Healthy Environment.

Leisure Management Contract Sign Off: South Kesteven Community Leisure Trust/Leisure Connection Ltd.

Decision:

That approval is granted for the District Council to enter a leisure management agreement and leases and licences for the premises listed below with South Kesteven Community Leisure Trust Limited ("the Trust") and associated documents with a service provider for the provision of leisure services throughout the district in accordance with the terms agreed. It is anticipated that the agreement will commence on the 7th November 2008 for a period of 15 years.

- **Grantham Meres Leisure Complex (incorporating the Grantham Meres Leisure Centre and the South Kesteven Sports Stadium)**
- **Stamford Leisure Centre**
- **Bourne Leisure Centre; and**
- **The Deepings Leisure Centre**

This decision was taken as a matter of urgency because: The final documentation was completed in late October 2008 by solicitors acting for the three parties involved. South Kesteven Community Leisure Trust and the service provider have agreed and co-ordinated the date for the signature of the contract for the 7th November 2008. It was important that

the contract commenced as soon as possible in order to secure the financial benefits.

4. OPTION ANALYSIS

As contained in report AFM0065.

5. COMMENTS OF MONITORING OFFICER

This report is required in accordance with procedures outlined within the Constitution.

6. CONTACT OFFICER:

Paul Stokes, Corporate Head Resources & Organisational Development 01476 406410