

AGENDA



For a meeting of the
COUNCIL
to be held on
THURSDAY, 21 SEPTEMBER 2017
at
2.00 PM
in the
**COUNCIL CHAMBER - COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM. NG31 6PZ**

Aidan Rave, Chief Executive

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

For those Councillors who wish to attend, prayers will be held in the Council Chamber at 1:55pm before the commencement of the meeting. Please be seated by 1:50pm.

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 DISCLOSURE OF INTERESTS

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

4 MINUTES OF THE MEETING HELD ON 15 JUNE 2017 (Pages 3 - 19)

(Enclosure)

5 COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)
(Page 20)

(Enclosure)

6 SCRUTINY COMMITTEE ANNUAL REPORT 2016/17 (Pages 21 - 32)
Report number LDS226 of the Chairman of the Scrutiny Committee 2016/17
(Enclosure)

7 THE LEADER'S REPORT ON URGENT DECISIONS (Pages 33 - 35)
Report number CAB025 of the Leader of the Council
(Enclosure)

8 OVERVIEW AND SCRUTINY COMMITTEE REMITS (Pages 36 - 40)
Report number LDS234 of the Deputy Leader of the Council
(Enclosure)

9 MEETINGS OF THE CABINET (Pages 41 - 134)
Report number LDS232 of the Leader of the Council.
(Enclosure)

10 MEMBERS' OPEN QUESTIONS (Pages 135 - 137)
A 45-minute period in which members may ask questions of the Leader, Cabinet Members, the Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees and opposition group leaders excluding the Chairman and Vice-Chairman of the Development Management Committee, Licensing and Alcohol, Entertainment and Late Night Refreshment Licensing Committees and Governance and Audit Committee.

- Report number LDS231 of the Cabinet Member for Finance
(Enclosure)

The deadline for notices of motion for the Council meeting on Thursday, 23 November 2017 is 2pm on Friday 10 November 2017

MINUTES

COUNCIL

THURSDAY, 15 JUNE 2017

2.00 PM



PRESENT

Councillor Bob Sampson Chairman

Councillor Bob Adams
Councillor Duncan Ashwell
Councillor Ashley Baxter
Councillor Stephen Benn
Councillor Robert Broughton
Councillor Katherine Brown
Councillor Terl Bryant
Councillor Mrs Frances Cartwright
Councillor George Chivers
Councillor Michael Cook
Councillor Kelham Cooke
Councillor Lynda Coutts
Councillor Nick Craft
Councillor Felicity Cunningham
Councillor Barry Dobson
Councillor Damian Evans
Councillor Mike Exton
Councillor Tracey Forman
Councillor Helen Goral
Councillor Breda Griffin
Councillor Graham Jeal
Councillor Michael King
Councillor Ms Jane Kingman
Councillor Matthew Lee

Councillor Nikki Manterfield
Councillor David Mapp
Councillor Charmaine Morgan
Councillor Dr Peter Moseley
Councillor Nick Neilson
Councillor Robert Reid
Councillor Nick Robins
Councillor Bob Russell
Councillor Ian Selby
Councillor Jacky Smith
Councillor Mrs Judy Smith
Councillor Peter Stephens
Councillor Judy Stevens
Councillor Adam Stokes
Councillor Ian Stokes
Councillor Mrs Sarah Stokes
Councillor Frank Turner
Councillor Dean Ward
Councillor Hannah Westropp
Councillor Martin Wilkins
Councillor Paul Wood
Councillor Rosemary H Woolley
Councillor Mrs Linda Wootten
Councillor Ray Wootten

OFFICERS

Chief Executive (Beverly Agass)
Strategic Director (Tracey Blackwell,
Daren Turner)
Executive Manager, Corporate (Lucy
Youles)

OFFICERS

Executive Manager, Commercial (Judith
Davids)
Corporate Finance Manager (Richard
Wyles)
Principal Democracy Officer (Jo Toomey)

21. PUBLIC OPEN FORUM

One question had been submitted for the public open forum.

Question 1

A question was put by Mrs Caroline Dugmore from Market Deeping to the Cabinet Member for Environment.

We have recently had travellers staying on our beautiful open green on the Tattershall Drive estate in Market Deeping, which was left in a disgusting state when they left with a huge amount of fly tipped rubbish and human excrement left behind. The local residents and town council have worked together to clear most of the mess left behind, but we would like to request some of the Big Clean money to be used proactively to protect against more fly tipping and damage to hedgerows and trees by supplying funding for a small fence to go around the edge of the greens to prevent vehicles from gaining access to them again.

We have collected hundreds of signatures from local residents to support this request, and would also like the opportunity to submit this petition to the executive members, so that they may see how much the local residents want to prevent more fly tipping and green waste being dumped on our fields.

The Cabinet Member thanked Mrs Dugmore for her question and said that he would be happy to enter discussions with the Town Council and local residents to see what could be done to protect green spaces in Market Deeping. He did not, however, feel that it was appropriate for inclusion within the Big Clean project. Given the potential for other areas to be affected by the same issues, he expressed concerns that similar requests could come from across the district. He added that diverting funding from the Big Clean project for this purpose would affect its success.

Mrs Dugmore informed Members that she had brought in a paper petition signed by local residents and added that there was also an electronic petition running in parallel, with a combined total of more than 400 signatures. She said that she believed the Big Clean project would be an appropriate source of funding because Market Deeping was an important town to keep clean as it was the first town visitors to the district would come through when approaching from the south.

The Cabinet Member for Environment said that he understood the desire to keep green spaces secure and tidy but the Big Clean was not an appropriate funding source – it was a specific project that had been costed and budgeted for. He reiterated that he was happy to speak with the Town Council and work together to get the best solution. He added that he appreciated the effort that had been put in by local residents in raising their petition.

The Chairman invited Mrs Dugmore to bring her petition forward, which he

accepted on behalf of the Council.

22. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs Bosworth, Dilks, Mrs Kaberry-Brown, Powell, Brenda Sumner, Brian Sumner and Webster

23. DISCLOSURE OF INTERESTS

No interests were disclosed.

24. MINUTES OF THE MEETING HELD ON 20 APRIL 2017

The minutes of the meeting held on 20 April 2017 were proposed, seconded and agreed as a correct record subject to the clarification that minute item 3 related to Councillor Mrs. Judy Smith.

One member raised a question about the format that would be used to record the Members' Open Question session in the minutes of Council meetings. The Leader confirmed that he had agreed with the Chief Executive that going forward all questions and answers would be expressed in the minutes. The Executive Manager, Corporate clarified that the wording included in the minutes was that agreed by Council meeting however the reference to the recording of answers could include their recording as part of the minutes.

25. COMMUNICATIONS (INCLUDING CHAIRMAN'S ANNOUNCEMENTS)

The Council noted the Chairman's engagements.

26. RECOMMENDATIONS FROM CONSTITUTION COMMITTEE

Since the last meeting of full Council, the Constitution Committee had met on two occasions: 22 May 2017 and 12 June 2017. Copies of the minutes of both of those meetings, together with the reports that were presented to the Committee were included in the Council agenda pack. In the absence of the Chairman of the Constitution Committee, the Vice-Chairman of the Committee was invited to present the recommendations made at both meetings.

- (1) Recommendations made at the Constitution Committee meeting on 12 June 2017

Decision:

Council approves the following changes to the Constitution:

1. Voting System

That the Constitution is amended at Article 4.13.3 to change the voting system in full Council meetings from the use of the electronic voting system to a show of hands by deleting

Article 4.13.3 (i) and (ii) and inserting as a new Article 4.13.3:

Unless otherwise provided by law or in these procedure rules, the vote on any motion or amendment proposed at any meeting of the full Council shall be taken by means of a show of hands for, against and abstentions. Where a physical restriction prevents any Member from making a show of hands, on notifying the Chairman of that restriction that Member may vote by voice. An electronic voting system will remain available for all other committees of Council to use in the Council Chamber if required. It will be for each committee of the Council to determine the voting system to be used.

2. Cabinet Meetings

- **After Article 8.5.6 add new Article:**

8.5.7 Attendance at Open Meetings of the Cabinet

Any Member of the Council may attend any open meeting of the Cabinet, its Committees and Sub Committees. That Member may speak and ask the relevant Cabinet Member questions (but not vote) on any item on the agenda of the meeting. The Council Procedure Rule 4.11.4 relating to the length of speeches whereby no speech may exceed 5 minutes without the consent of the Leader or other chairman of the Cabinet meeting will apply.

Consequential renumbering of subsequent clauses will be required.

- **Delete existing Article 8.6.2 and include the details of attendance at private meetings of the Cabinet by re-inserting the following wording at the new numbered Article 8.5.8 a)(iv):**

In addition to (iii) above, non-Cabinet Councillors will be permitted to attend private meetings of the Cabinet only by invitation of the Leader, and to speak in relation to specific items on the agenda only if the Leader's prior consent has been obtained. Requests for such consent to speak shall be made in writing and delivered to the Leader or Chief Executive or other proper officer no later than noon on the preceding working day.

The Vice-Chairman of the Constitution Committee presented its recommendations. In proposing the recommendations, the proposal to replace the use of the electronic voting system with a show of hands in full Council meetings was outlined. Any other Committees that met in the Council Chamber and had historically used the electronic voting system would be able to determine whether they wished to continue using the

electronic system or whether they too wanted to vote by a show of hands. The Committee had also recommended a change to the Constitution about the attendance of Members at Cabinet meetings giving them a right to speak on agenda items without having to seek consent from the Leader or Chief Executive.

The recommendations were seconded, at which point comments were made about voting by show of hands being normal practice for a majority of Councils. It was considered that the change would help improve the transparency of Council decision-making by allowing members of the public to see how their local Councillors voted. Providing opportunities for all Members to speak at Cabinet meetings was intended to provide a more inclusive way of working and an additional mechanism through which Members could put their questions directly to the Cabinet.

During debate a mix of views were raised about changes to the voting system. Several Members agreed that it would provide increased transparency for those members of the public who attended meetings. Some challenge was made about whether this would constitute full transparency as only those people who were present at the time of a vote would be able to see how their Councillors had voted and there would be no historical record.

While some Members supported increased transparency they felt that people would feel able to vote more freely using the electronic voting system, with the system and suggested that it could be set-up to record how each Member voted. There was concern that using a show of hands would mean that some Members felt pressured to vote in a particular way. The Leader challenged this view and stated that if any Member felt that they had been coerced to vote in a particular way, that complaint should be reported to the Chief Executive for investigation. It was suggested that using the electronic voting system and associating each voting button to a different Councillor would provide a compromise solution that would increase transparency with the freedom that had been associated with a blind vote. The meeting for which Members felt a show of hand would be most appropriate was Development Control Committee (name changed to Development Management Committee during this meeting), where there were often members of the public in the room during the vote. Some Members spoke to reassure the wider membership that they had never felt obliged to vote in a particular way, while further comments stated that the use of the electronic system to record the names of Councillors and their vote was effectively a recorded vote, for which separate provision was made in the Constitution.

An amendment was proposed and seconded that: to extend transparency further, rather than a show of hands only witnessed by the people in the room, a dual system of button pushing and hand raising should be used with a hyperlink in a meeting's minutes to a list showing how each Member voted in the for the benefit of anyone unable to attend the meeting.

Some concern was expressed that the proposed amendment would be complicated for Members to put into practice however it was acknowledged that the debate and votes in the Council Chamber could have a wider audience. One member stated that they had canvassed residents in their Ward who felt knowing how their Councillors had voted was important; he added that while, at present only people able to attend the meeting would be able to see how their Councillor(s) had voted, the opportunity was there for them if they wished to attend. Further comments were made about the importance of transparency, with a comparison being drawn with Lincolnshire County Council, where votes were also taken by a show of hands however, its meetings were made available via webcast. These webcasts provided a historic record of how Members voted; no similar record would be available for residents in South Kesteven based on the existing facilities in the Council Chamber.

Notice was given of a new amendment: that the electronic voting system should continue to be used, a record kept through the system of how each Member voted and then moving to voting by show of hands when a solution to broadcast the meeting had been put in place. A member of the Cabinet gave a commitment to providing a solution to broadcast meetings on the internet; he stated that this would be in place by the time the Council next met in September 2017. As a consequence the Member who gave notice of the further amendment withdrew it.

The amendment was put to the vote and lost. The substantive proposition on changing the voting system was put to the vote and carried.

Following this decision of Council, all further decisions made during the meeting were taken by a show of hands.

The proposal to allow any member of the Council to attend Cabinet meetings, ask questions and speak on agenda items was put to the vote and carried unanimously.

(2) Recommendations made at the Constitution Committee meeting on 22 May 2017

Decision:

Council approves the recommendations from the Constitution Committee as follows:

- 1. That the name of the Development Control Committee is changed to the Development Management Committee and that the Constitution is amended to reflect the change.**
- 2. That the Constitution is amended:**
 - To include a new Article 13 – Employment Committee as set out in Appendix A to report LDS216 and;**

- That subsequent consequential changes relating to the numbering of the Articles in the Constitution are made and;
- That the deletion of the Chief Executive's Performance and Remuneration Panels are agreed and;
- That the number of members of the Employment Committee to be appointed are seven and that the appointments would provide cross party representation. On current group membership this would be provided with four Conservative group representatives and one representative from each of the other three groups represented on the Council
- That subsequent consequential changes relating to the title of the Chief Executive's Appeal Panel and to the reference to the Performance Panel are made.

The Vice-Chairman of the Constitution Committee proceeded to propose the recommendations in report number LDS219 which were made at the Committee's meeting on 22 May 2017. The recommendations made by the Committee related to changing the name of the Development Control Committee to the Development Management Committee and the creation of a new Employment Committee. The proposition to approve the recommendations was seconded.

Items raised during debate on this item related to the function of the new Employment Committee, which would be responsible for the employment of the Chief Executive, senior officers and approving the Council's management structure. It would also consider corporate issues affecting all staff, including local pay arrangements. It was proposed that the membership of the Committee would deviate from the political balance requirements so that all of the Council's existing groups could have a seat on the Committee. Appointments to that Committee would be made under agenda item 9.

The proposition was put to the vote and carried.

27. APPOINTMENT OF INTERIM CHIEF EXECUTIVE

Decision:

1. That the Council approves the appointment of Aidan Rave as the interim Chief Executive including the duties of Head of Paid Service, the Electoral Registration Officer (in fulfilment of the requirement of s.8 of the Representation of People Act 1983), the Returning Officer (under the requirements of S41 of the Local Government Act 1972) and the full range of duties set down in the Chief Executive's Job Description set out in Appendix A of report number CAB024, together with the specific objectives set out for the first 12 months of tenure.
2. That, due to the incumbent Chief Executive's planned leave, the statutory duties described above are transferred to Aidan Rave with

effect from 16th June 2017.

- 3. That the proposed Employment Committee undertakes to review the performance of the Interim Chief Executive in terms of progress made against the specific objectives as set out in Appendix B of report number CAB024, and based on this, authorises any extension of the initial 12 month contract as appropriate, in consultation with the Leader.**

The Leader of the Council proposed the appointment of Mr Aidan Rave as the new Chief Executive of the Council. In making his proposition he paid tribute to the previous Chief Executive's 11 years of service to the Council, both in that role and as a Strategic Director. He thanked the panel that had assisted in putting together the recommendation and its shared desire to see the Council succeed, and the Executive Manager, Commercial who had supported the Panel throughout the appointment process. He felt that as the Council embarked on a new era, it was essential to have a Chief Executive that could initiate and deliver change to put the customer first with an appropriate track record of delivery and personal skills. Following short-listing and interviews, the panel recommended Mr Rave as the new Chief Executive; he had experience across the private, charitable and public sectors, including as an elected Member in local government. The proposition was seconded.

One Member spoke about the appointment process that was undertaken, noting specifically its speed and that in most instances Councils had to wait several months to make appointments at that level. He also added his disappointment that an in-house appointment was not being recommended – he felt that would provide greater continuity as a result of their knowledge of the organisation. He added that promoting from within would give other officers an opportunity to step up and increase their experience. He stated that the Council was being asked to endorse a candidate without being given any information. He suggested that the process should include a hustings-type event in the Council Chamber where Members had the opportunity to meet and question candidates, and vote for their preferred choice. As a result of his concerns he proposed that the Council defer making a decision to enable a review of the selection process.

A number of Members spoke in favour of the process that had been followed and how Leaders from each of the opposition groups had been included. It was reported that after a day of short-listing and a further day of interviews and presentations, all of those that sat as part of the panel came to the same conclusion about which of the candidates to appoint. The suggestion was made that Members who were not part of a political group may not have had that information fed back to them but they could have approached one of the Group Leaders, who would have been able to share information as they had done with members of their own group.

Some concerns were also raised about the length of the interim period. The Leader confirmed this stating that a contract of a year with an option to extend would give the Council the opportunity to decide what sort of Chief Executive it

wanted, undergo a thorough recruitment process and provide sufficient time for any successful candidate to give notice to their current employer.

Further tribute was also paid to the service of the outgoing Chief Executive.

A vote was taken on the proposition, which was carried.

28. BIG CLEAN OPERATION - PROPOSALS TO AMEND BUDGET FRAMEWORK 2017/18

Decision:

Council approves:

- 1. The amendment of the General Fund budget framework for 2017/18 in order to include a supplementary estimate of £661,000 revenue and £226,500 capital to facilitate the delivery of the “Big Clean” project.**
- 2. The financing of the supplementary estimate in 2017/18 to be met from the Council’s local priorities reserve.**

The Cabinet Member for Environment presented the recommendations in report number CFM421, which related to proposals to amend the Budget Framework for 2017/18 to fund the Big Clean project. In making his proposition, the Cabinet Member referred to residents' priorities, where litter and cleanliness commonly recurred within the top 5. He talked about the first impression created by the current environment and its impact on the reputation of the Council and the area. Consequently, he was proposing a new approach that would start with the Big Clean, a three month operation that would kick-start a longer-term change in the way the Council dealt with street cleaning, weeds that blighted pathways, detritus, graffiti and broken street furniture. The work already undertaken by a number of residents in keeping their area clean and tidy was acknowledged and it was hoped that the Big Clean would provide an opportunity to build on this as a key aspect would involve engaging with the volunteer network. He stated that the current budgetary provision did not have capacity to enable the Council to do better, so it was proposed that the Budget be adjusted to provide greater flexibility for the Council to respond. The project would be delivered by five teams of cleaners (4 temporary and 1 permanent) and working in partnership with local volunteers and colleagues in different agencies. Members were advised that the project would not prioritise towns over villages and anything not done in the initial 3-month phase would be picked up by the permanent team going forward.

The proposal was seconded and Members' attention was drawn to the work that had been done by the Environment Overview and Scrutiny Committee.

The Cabinet Member for Finance gave a brief overview of the proposed changes to the Budget Framework; costs for the first year would be funded

from reserves, then going forward they would be incorporated within the base budget. It was hoped that working with community groups and volunteers would help offset some of the costs associated with the project.

During debate Members expressed support for the project; it was considered a positive step to address concerns that had been raised by local residents. There was also a lot of support for the hybrid approach of using professionals employed by the Council and community volunteers. A number of comments were made, however, about the prioritisation of funding and the split between towns and parishes. One Member that spoke highlighted the comment that neither towns nor villages would be given priority, but the issues associated with each were not equal. The Members also discussed where intelligence would come from to identify those areas that needed cleaning with specific reference made to Mrs Dugmore who had attended the meeting to talk about an issue in her local area.

An amendment was proposed to allocate or devolve one third of the one-off budget directly to parish and town councils shared on a per capita basis and to allocate or devolve one third of the ongoing budget to parish and town councils shared on a per capita basis. This was seconded.

Those Members who spoke in support of the amendment felt that parish and town councils would have the best idea about those areas within their locality that needed particular attention and they could recruit staff from within the local community. Reference was also made to the proactive approach that many town and parish councils were already taking; Members suggested that this work would be enhanced if a proportion of the project's funding was provided directly to them. Supporters of the amendment also suggested that devolving funding to town and parish councils would serve as a form of acknowledgement of the work that they already did and encourage them to do more.

Those Members who spoke against the amendment felt that the project already took full account of working with villages and parish councils, including increased funding for the community cleaners scheme. Concerns were also raised that as Grantham did not have a town council, it would lose access to a proportion of the funding. Further comments indicated that the option to saturate the district had been considered and rejected and that the current proposal had been based on an assessment of demand and consultation with parishes and villages. Some Members stated that voting in favour of the amendment would mean that economies of scale could not be met and it would prevent the purchase of larger pieces of equipment. Examples were also given of areas that had formed part of a trial for the project and the feedback that had been received from members of the public in that area.

The Cabinet Member for Environment, as the mover of the original proposition, was given the opportunity to sum up the debate on the amendment. He urged people to vote against it; he wanted the project to be available to everyone but reiterated the commitment to engage with town and parish councils. He added that the £15k budget for community cleaners was in addition to the £60k already approved as part of the Budget and said that he hoped the Big Clean

project would encourage more people to take advantage of the fund.

A vote was taken on the amendment and lost.

Debate returned to the original proposition and included discussion about whether aspects of the project would cover statutory services provided by partners – specific reference was made to the spraying of weeds on pavements by Lincolnshire County Council. Some Members were concerned that including this kind of activity within the project would mean that Council Tax payers in South Kesteven were paying twice for the service. The County Council would continue to provide this service whilst funding provided through the Big Clean project would see the removal of those weeds.

Some members felt that it would be better to use local staff for the project as they did not feel agency staff would have sufficient pride in an area. They also suggested that employing local people would provide longer-term benefits using their pride to ensure that the standard is maintained beyond the life of the project. Further comments were made about the issues raised by Mrs Dugmore during the public speaking session, the pride of local residents in the Tattershall Drive area of Market Deeping and providing support to them in securing the green space.

Comments were also made about the condition of grass verges and along the side of the A1; there were reports that they were overgrown and there were large amounts of litter. Members agreed that keeping these areas in a good condition would create a better impression for tourists and visitors to the area.

A statement made in favour of the proposals advocated the project as the beginning of a new approach and an ongoing commitment to maintain the standard of the environment within the district.

The Cabinet Member for Environment, in summing up, reiterated the positive points that had been made during debate and asked Members for their support.

On being put to the vote, the proposition was carried.

The Chairman commended the service of Mrs Beverly Agass, the outgoing Chief Executive and thanked her for everything she had contributed to the authority. Members of the Council rose and applauded as a mark of their appreciation for Mrs Agass' contribution.

16:31 to 17:02 – the meeting adjourned

29. APPOINTMENTS TO COMMITTEES OF THE COUNCIL

Decision:

- 1. That the Council approves the following changes to the membership of its Committees to achieve political balance**

- **Councillor Dilks to replace Councillor Morgan on Development Management Committee**
- **Councillor Woolley to replace Councillor Neilson as the Vice-Chairman of the Communities and Wellbeing Overview and Scrutiny Committee**
- **Councillor Cunningham to replace Councillor Morgan on the Communities and Wellbeing Overview and Scrutiny Committee**
- **Councillor Woolley to replace Councillor Neilson on the Rural Overview and Scrutiny Committee**
- **Councillor Morgan to replace Councillor Dilks on the Rural Overview and Scrutiny Committee**
- **Councillor Stephens to replace Councillor Neilson on the Governance and Audit Committee**
- **Councillor Craft to replace Councillor Morgan on the Environment Overview and Scrutiny Committee**
- **Councillor Cook to replace Councillor Dilks on the Growth Overview and Scrutiny Committee**
- **Councillor Stevens to replace Councillor Goral on the Appeals Panel**

2. To approve the appointment of the following Members to the Employment Committee:

- **Councillor Kelham Cooke (Vice-Chairman)**
- **Councillor Nick Craft**
- **Councillor Phil Dilks**
- **Councillor Helen Goral**
- **Councillor Graham Jeal (Chairman)**
- **Councillor Matthew Lee**
- **Councillor Paul Wood**

Following the establishment of the SK Independents Group of Members since the Annual Council meeting, a schedule of the nominations of the SK Independents (including nominations for the seats that they had gifted to the Labour group) had been circulated prior to the meeting.

The Leader announced a change to the membership of the Cabinet: Councillor Nick Neilson would replace Councillor Rosemary Woolley as the Cabinet Member for Communities and Wellbeing. As a result of the change to the membership of the Cabinet, he stated that Councillor Nick Neilson would be replaced on the Governance and Audit Committee by Councillor Stephens and on the Rural and Communities and Wellbeing Overview and Scrutiny Committees by Councillor Woolley (becoming the Vice-Chairman of the latter).

The membership of the Employment Committee was also proposed: Councillors Graham Jeal (Chairman), Kelham Cooke (Vice-Chairman), Helen Goral, Matthew Lee, Paul Wood, Nick Craft and Phil Dilks.

Additionally, Councillor Wood confirmed that the Independent Group's appointment to the Appeals Panel would be Councillor Judy Stevens.

The nominations were proposed, seconded and, on being put to the vote, carried.

Council turned its attention to the Employment Committee. As the proposed membership of the Committee would not follow political balance requirements it would be necessary for any vote on its membership to be unanimous (whilst the proposition would fall if any Member voted against it, abstentions would not affect the outcome). If the vote was not unanimous, further nominations would need to be made that reflected the Council's political balance.

The Leader urged Members to support the proposed composition of the Committee, citing the appointment of the Interim Chief Executive as an example about the importance and value of collaboration across the different groups. On being put to the vote, the membership of the Employment Committee was unanimously approved as proposed.

17:11 – as the meeting had been in progress for almost three hours, article 4.6.4 of the Council's Constitution required that a vote be taken to extend the meeting. It was proposed, seconded and agreed that the meeting be extended by an additional 30 minutes.

30. LEADER'S REPORT ON URGENT DECISIONS

The Leader introduced report number CAB022 on an urgent non-key decision that had been made by the Cabinet Member for Finance, which was for Members to note.

Members were reminded that if they wished to discuss the content of the non-key decision, the Council would need to exclude the press and public because reference would be made to commercially sensitive information.

Comments were made about the process for reviewing the policy under which the decision was taken. The document would be revised through the relevant Overview and Scrutiny Committees at which Group Leaders and their named deputies would have a right to speak. Other members of the Council could also request permission to speak from the Chairman.

One Member also asked for further training on the different types of decisions that could be made and how he could learn more about the issues to which they related and be involved through scrutiny.

Council noted the report.

31. CABINET MINUTES FROM THE MEETING ON 1 JUNE 2017

The Cabinet minutes from the meeting held on 1 June 2017 were circulated in the agenda pack for Members to note. Ordinarily it was hoped that by including the minutes in full Council papers would provide an opportunity for all Councillors to ask questions of Cabinet Members about their discussions,

however, it was acknowledged that the one item on the June Cabinet agenda had been a substantive item on the Council agenda.

A question arose about the maintenance of waterways as part of the Big Clean project; it was possible that part of this might fall within the Big Clean project while other aspects might be picked up from working with partners or during the second phase of the project that would continue after the initial 3-month launch period.

One Member identified a high risk in the project risk assessment and requested that the matter be brought back to Council. The Leader advised that Council was not the appropriate forum for managing the project risk; this would be reviewed by the appropriate Overview and Scrutiny Committee. The Cabinet would also play an active role in reviewing risks on an ongoing basis.

The minutes from the Cabinet meeting held on 1 June 2017 were noted.

32. MEMBERS' OPEN QUESTIONS

Question 1

Councillor Terl Bryant clarified that any Member who did not receive an answer to a question that they raised at a meeting of Council would be supplied with a written response after the meeting. He stated that he had not received a response to the question he asked at the previous meeting. The Leader stated that he felt he had sufficiently answered the question at the meeting, taking into account the wider political context and changes to the way in which the Council operated. He suggested that if Councillor Bryant did not feel that he had received an answer he could re-state the question.

Councillor Bryant re-asked his previous question about how it was proposed that lost monies caused by falling Revenue Support Grant, rising costs and additional calls on services to backfill those withdrawn by other agencies would be replaced in light of the plans outlined during the Leader's speech at the Council meeting on 20 April 2017.

The question was referred to the Cabinet Member for Finance who stated that the Council was looking at a number of solutions to fill the gap so that the Council would remain fully functioning and provide a balanced budget. He promised that more information would be provided in a written answer to the question.

Question 2

Councillor Selby asked the Leader about the excavation work that was being carried out as part of the new cinema project. He asked whether a thorough archaeological survey had been carried out, whether anything of value was found and what had happened to any artefacts that had been found. The Cabinet Member for Major Development Projects stated that the car park would be closed from Friday 16 June 2017 for the archaeological survey to be carried

out.

Question 3

Councillor Morgan referred to a recent fire at Grenfell Tower in London and raised concerns about fire safety in residential premises in the district. She stated that as a member of the Development Control Committee she had raised the fact that Lincolnshire Fire and Rescue had not been consulted on applications for new developments or where significant changes to a property were proposed. As a member of Lincolnshire County Council she had worked with fire officers and continued to work with officers at Grantham Fire Station. She raised two concerns – that there was no statutory requirement to consult with Fire and Rescue Services on planning applications and that while some fire safety issues were incorporated in building regulations they did not cover all potential issues and the inspections occurred later in the development process.

She asked whether the Council could make a local, best practice decision to consult with Lincolnshire Fire and Rescue Service on all applications and for support to get the change put into practice.

The Leader stated that another Member had raised the issue of fire safety with him. He stated that he would ask the Chief Executive to undertake a review looking at the current position and where the Council needed to be. The Cabinet Member for Communities and Wellbeing would be heavily involved in the review process.

He stated that the Council did not have buildings of the scale of those in London but fire safety was of paramount importance. All necessary resources would be made available in respect of the review.

Question 4

Councillor Mike Cooke asked whether, since 2018 was an auspicious year for the RAF, any contact had been made with other organisations about attracting visitors to the area, given the number of air force bases across Lincolnshire.

The Leader stated that the Council had recently won an award in relation to its work on tourism, including aviation heritage. The Chairman of the Culture and Tourism Overview and Scrutiny Committee added her comments that the Committee was preparing its remit and was very aware of the work that the culture team were doing in the background. The Cabinet Member for Retail and Visitor Economy stated that he had attended a meeting in Lincoln the day before this meeting at which the RAF was present. The RAF was in the process of unveiling a national strategy with a range of initiatives and work was underway to try and route visits through Lincolnshire. He added that the Dean of Lincoln Cathedral intended to recreate the fire beacon that was used to mark the homecoming of bomber crews returning from operations. Any activities that the Council intended to promote would need to fit around the RAF's programme. He stated that Councillor Cook would be welcome to join the group looking at this.

Question 5

Councillor Hannah Westropp asked a question about the telephone system that was used for customers calling into the customer service centre. She said that there were a large number of options from which the customer had to choose and asked what was being done to improve the offer so that customers were not waiting so long.

The Cabinet Member for Business Transformation and Commissioning answered the question by saying that the 40 60 80 number was a good first point of contact. He added that the customer services team had been affected by long-term illness. Those positions were in the process of being backfilled. He gave a commitment that by the end of the month a new, simpler system would be in place with less options from which the customer could choose. It would also include a new voicemail facility.

Question 6

Councillor Exton stated that in the previous structure when the Council had Policy Development Groups, the Chairmen and Vice-Chairmen of those groups would meet on a regular basis with the Cabinet. He asked whether those meetings would continue with the Chairmen and Vice-Chairmen of the Overview and Scrutiny Committees and the members of the Cabinet.

The Leader stated that he was happy to meet with any Councillors and asked Councillor Reid as the Chairman of Overview and Scrutiny Committee Chairmen to liaise with his fellow Chairmen and Vice-Chairmen to agree the best way forward.

Councillor Reid stated that within the new scrutiny structure it was down to each Chairman. Each Committee had a Cabinet Member who was responsible for that area and that the Scrutiny Chairman was there to hold them to account. He stated that he had met with officers and the relevant Cabinet Member to determine the way forward for his committee.

While the thirty-minute extension of time had elapsed, Members agreed that as only one more Councillor had indicated that they would like to ask a question, the meeting should continue to allow the conclusion of business.

Question 7

Councillor Wootten referred to a meeting of the United Lincolnshire Hospitals Trust Board that had taken place a week before the meeting of Council. At the meeting Mark Brassington, the Trust's Chief Operating Officer was asked about the plans for the old part of Grantham Hospital. He had replied that the Trust was interested in engaging with the community. Councillor Wootten asked whether the Leader would support members of the community looking to purchase the building.

The Leader stated that he would be happy to consider what was put before him. He said he suspected that to progress the idea, further consultation would need to be carried out. The Leader stated that the response was neither a 'yes' nor a 'no', but that the council would look at any proposal and any suggestion to make appropriate investment to support the community.

33. CLOSE OF MEETING

The meeting was closed at 17:42.

List of Chairman's Engagements

15 June 2017 to 21 September 2017

Date	Ref	Organisation and Event	Location	Chauf
Sunday 18.06.17	GC003	Grantham Carnival	Grantham	
Sunday 18.06.17	BS008	Stamford Mayor's Annual Civic Parade and Service	All Saint's Church, Stamford	✓
Monday 19.06.17	BS006	Armed Forces Flag Raising Ceremony	Council Offices, Grantham	
Wednesday 21.06.17	BS011	Inspire+ Mini Olympics	Grantham Meres Leisure Centre	
Saturday 24.06.17	BS012	Grantham Veterans Breakfast Club	Tollmache Inn Grantham	
Saturday 24.06.17	BS009	Stamford Kiwanis, Reception and to present the prizes	Browne's Hospital, Stamford	
Saturday 24.06.17	BS016	Armed Forces Family Day (To celebrate Armed Forces Week)	Arena UK Allington	
Wednesday 05.07.17	BS013	David Ross Education Trust (DRET)	Grantham Meres Leisure Centre	
Sunday 09.07.17	GC004	Mayor Elect of Grantham, Cllr Mike Cook's Civic Service	St Wulfram's Church, Grantham	
Saturday 15.07.17	BS020	Cream Tea in the Rectory Garden Evensong	St Wulfram's Church, Grantham	
Sunday 16.07.17	BS014	NKDC Incoming Civic Service Afternoon Tea	St John the Baptist Church, Great Hale	✓
Monday 17.07.17	GC007	Walton Girls School Arts Festival	Walton Girls School, Grantham	
Wednesday 19.07.17	BS015	Shakespeare in the Park	Wyndham Park	
Friday 28.07.17	GC006	Commemoration Celebration – Stamford 50	Browne's Hospital, Broad Street, Stamford	
Thursday 03.08.17	BS017	Poacher International Jamboree	Lincolnshire Show Ground	
Sunday 06.08.17	BS021	Trentvale Karting Club NSA Grandprix	Hough	
Sunday 27./08.17	GC010	Nationals 2017 British Model Flying Association	RAF Barkston Heath	
Friday 01.09.17	GC009	Merchant Navy Day	Council Offices, Grantham	
Saturday 02.09.17	BS018	Caythorpe Gala – Opening the Gala	Caythorpe	
Saturday 02.09.17	BS025	216 Parachute Squadron Regimental Dinner	Caythorpe Court, Caythorpe,	
Sunday 03.09.17	GC005	Civic Service for the Mayor Elect at Market Deeping	St Guthlac's Church, Market Deeping	
Sunday 10.09.17	BS023	East Lindsey Chairman Civic Service	St Mary's Church Mablethorpe	✓
Sunday 17.09.17	BS028	West-Lindsey Chairman's Civic Service	Caistor	✓
Sunday 17.09.17	GC012	Stamford – Battle of Britain Wreath Laying	All Saints Church, Stamford	



Agenda Item 6

COUNCIL

Report of: The Chairman of the Scrutiny Committee 2016/17 Councillor Bob Sampson

Report to:	Council
Date:	21 September 2017
Subject:	Annual Scrutiny Report 2016/17 – LDS226

Decision Proposal:	<i>Constitutional requirement</i>
Relevant Cabinet Member:	<i>Councillor Kelham Cooke The Deputy Leader and Cabinet Member for Business Transformation and Commissioning</i>
Report author:	Lucy Bonshor, Democratic Officer Tel: 01476 40 61 20 E-mail: l.bonshor@southkesteven.gov.uk Date: 1 August 2017
Reviewed by:	Jo Toomey, Principal Democracy Officer Tel: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk Date: 21 August 2017
Signed off by:	Lucy Youles, Assistant Director, Legal and Democratic. Tel: 01476 40 61 05 E-mail: l.youles@southkesteven.gov.uk Date: 7 September 2017
Approved for publication	Councillor Bob Sampson (Chairman of the Scrutiny Committee) 18 August 2017

SUMMARY

This report covers the 2016/17 municipal year. It provides a summary of the work undertaken by the then Scrutiny Committee between 21 April 2016 and 20 April 2017.

RECOMMENDATION

That the Council notes the Scrutiny Committee Annual Report for 2016/17.

1. BACKGROUND TO REPORT

- 1.1** During the 2016/17 municipal year, the Council's overview and scrutiny function was split between a Scrutiny Committee and three policy development groups. The article of the Council's Constitution that related to the Scrutiny Committee required the production of an annual report to Council on its activities.
- 1.2** Overview and Scrutiny arrangements were revised in April 2017 however the requirement to produce an annual report on overview and scrutiny activity remains. Article 7.1 (iii) of the Council's Constitution refers to the production of the Annual Report from the Overview and Scrutiny Committees. This report will be presented to the Council at the end of the 2017/18 municipal year.

2. OTHER OPTIONS CONSIDERED

- 2.1** The Council's Constitution prescribed that each year the Scrutiny Committee must produce an annual report be submitted to the Council

3. RESOURCE IMPLICATIONS

- 3.1** There are no resource implications arising from this report.

4. RISK AND MITIGATION

- 4.1** Risk has been considered as part of this report and no specific high risks were identified

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

- 5.1** The report provides a summary of work undertaken by the Scrutiny Committee during the period 2016/17 consequently no impact analysis is required.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1** There are no crime and disorder implications arising as a result of this report

7. COMMENTS OF FINANCIAL SERVICES

- 7.1** There are no financial comments to make in respect of this report.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 8.1** It is a requirement under the Constitution that the Scrutiny Committee report annually to Council on its workings.

9. APPENDICES

Appendix 1 - Scrutiny Committee Annual Report 2016/17



Scrutiny Committee Annual Report

2016/17



your council working for you

1.0 Chairman's Foreword

It is with a hint of sadness that I write the foreword to this, the final, annual report of South Kesteven District Council's Scrutiny Committee.

The Committee's work during 2016/17 has covered a variety of topics from disabled facilities grants to recycling rates and all points in between. Representatives from other organisations were invited in to give their perspective of issues raised during this municipal year and the dialogue these meetings generated led to positive outcomes for this Council. Our focus when scrutinizing performance has once more been on council priorities and the efficiency and effectiveness of the organisation.

It must be noted that the work of Scrutiny must be of a sufficient standard to encourage our decision makers to listen to and take seriously any advice that is given. There has to be a good relationship between scrutineers and those responsible for the work being scrutinized.

For the first time during this electoral term the call-in process was implemented. For the majority of Members of the Scrutiny Committee this was a new experience but the Committee's commitment to ensuring that the decisions taken by this Council are carried out in the right way meant that the debate was robust.

Members of the committee have shown great commitment and I am grateful for their efforts and the thoroughness with which they have scrutinized the wide range of issues before them. I thank them sincerely for their time and their dedication.

We look forward now to a new way of working for South Kesteven District Council with the introduction of five Overview and Scrutiny Committees. I am confident that the Members of this Council will move ahead with positivity and passion in their role as scrutineers.

*Councillor Bob Sampson
Chairman, Scrutiny Committee*

2.0 Introduction

Overview and scrutiny was introduced as part of the modernisation agenda for Local Government in the Local Government Act 2000. The overview and scrutiny process can influence decisions but it cannot make them.

In South Kesteven the overview and scrutiny functions are separated. Three Policy Development Groups carry out overview work, while the Scrutiny Committee is responsible for the scrutiny function.

2.1 About the Committee

The Scrutiny Committee is politically balanced, comprising 11 non-Cabinet members of the Council. Details of membership during 2016/17 are shown below:

Chairman:	Councillor Bob Sampson
Vice-Chairman:	Councillor Jacky Smith
Members:	Councillor Lynda Coutts
	Councillor Phil Dilks
	Councillor Mrs. Rosemary Kaberry-Brown
	Councillor David Mapp
	Councillor Bob Russell
	Councillor Mrs. Judy Smith
	Councillor Mrs. Sarah Stokes
	Councillor Mrs. Brenda Sumner
	Councillor Frank Turner

During 2016/17, the Committee met six times. Full details of the agendas and action notes from those meetings are available on the Council's website.

The Committee has a responsibility to monitor the Council's performance, consider its decisions, question how those decisions are made and recommend improvements.

The Scrutiny Committee also undertook external scrutiny to examine wider issues that affect the district. The Council is required to have a Crime and Disorder Scrutiny Committee: the Constitution allows the Scrutiny Committee to fill this role.

2.2 The role of Scrutiny

The Scrutiny Committee has four key functions, which are listed below.

- *To provide a “critical friend” challenge to the Cabinet as well as external authorities and agencies*

- Challenge by scrutiny should be constructive, robust and purposeful
- Scrutiny should work effectively with the Cabinet and senior management
- Scrutiny should provide an effective mechanism for the Cabinet to demonstrate public accountability
- *To reflect the voice and concerns of the public and its communities*
 - Scrutiny should take a community leadership role by focusing on issues of public concern
 - Scrutiny should have a constructive relationship with the press and media
 - Scrutiny should create the conditions for plural views and concerns to be taken into account
- *Scrutiny members should take the lead and own the scrutiny process on behalf of the public*
 - Scrutiny should operate with political impartiality
 - Scrutiny should have ownership of its work programme
 - Scrutiny members should have a worthwhile and fulfilling role
- *Scrutiny should make an impact on the delivery of public services*
 - Scrutiny should have access to timely and accurate performance information
 - The scrutiny work programme should be balanced, well co-ordinated and integrated into corporate processes
 - Scrutiny work should be carried out with strategic objectives in mind
 - Scrutiny should contribute to improving local public services

2.3 Work Programming

As part of its working programming for 2016/17, the Committee has tried to concentrate on topics that support corporate priorities and drive improvements in the services the Council provides for its customers.

3.0 Performance and Priorities

Throughout the year the Scrutiny Committee received performance reports. Performance measures for 2016/17 were shown in a new style format and set out the progress against outcomes detailed in the Corporate Plan together with the corporate priority measures that underpinned them.

The Corporate Plan is a key document that had been approved by Council on 16 June 2016. Senior Officers had worked with Members to develop the priorities and define the outcomes required.

To achieve its goals, the Council was working towards two priority themes:

Open for Business and being Commercially and Customer Focussed.

For the year 2016/17 fourteen outcomes and thirty-one measures would be monitored. Seventeen of the measures are either annual measures, or used to demonstrate the effectiveness of key strategies such as the Housing Strategy.

For the first quarter, performance looked at six outcomes and nine measures under Open for Business and under Commercially and Customer Focused, there were five outcomes and five measures.

The six tasks covered under Open for Business were: Local Plan; register of brownfield sites; build new Council housing; St Peter's Hill; Southern Quadrant and Gravity Fields. The tasks under Commercially and Customer Focused included; Local Authority Controlled Company (LACC); flexible organization and delivering differently.

Open for Business measures included:

- Net additional homes provided
- Number of affordable homes delivered
- Percentage of planning applications approved
- Occupancy rates of retail units in town centres
- Percentage of food establishments in the area broadly compliant with food hygiene law
- Percentage of household waste sent for reuse, recycling and composting
- Percentage of streets that meet clean streets standards
- Number of fly-tipping incidents received
- Percentage of self-service transactions

Commercially and Customer Focused measures included:

- Percentage of self-service transactions
- Percentage of council tax collected
- Percentage of non-domestic rates collected
- Percentage of rent collected against annual collection target
- Right to buy sales

The second quarter reporting included a brief summary from the relevant Executive Manager on the performance within their section. Revisions from the initial stage had been made to the Local Plan following a Peer Review that had been carried out and an additional round of consultation had been included together with a small percentage of extra evidence based assessments to help make the plan a more robust document. Statutory guidance was still awaited with regard to the brownfield sites register although work had been done on a broad register basis. The build new Council housing task was on track with locations at Earlesfield Lane, Trent Road and Westry Close. Locations were questioned by Members but it was stated that the greatest need was in Grantham. Members also discussed the types of properties being built and the

other types of housing and their cost. Other milestones revised included the St Peter's Hill Development and the Southern Quadrant. The Gravity Fields Festival had been completed by this quarter's performance report and ticket sales had increased by approximately 2,000 on the previous festival. Performance measures for this quarter were broadly on target with only one measure, net additional homes provided, in the red although work was being undertaken on both housing and economic development strategies to identify any potential interventions to encourage an increase in house building in the district.

The third quarter performance report highlighted some delays with the Southern Quadrant project, although these were outside the control of the Council and had since moved on. Reference was also made to the slowdown in housing delivery which was a national issue although work was being done to try and speed up the process which had been discussed at a recent housing summit that had been held for Members on the review of the housing strategy. A highlight for this quarter was the reduction in fly-tipping, although the national figure was on the rise this was not the case within South Kesteven and the figure was down by 20% against the same period in the previous year.

4.0 Disabled Facilities Grants (DFGs)

Tony McGinty, the consultant in Public Health from Lincolnshire County Council was invited to the July meeting of the Scrutiny Committee to explain the situation on the funding arrangements for disabled facilities grants (DFGs) from the County Council's perspective.

Until 2016/17 funding for DFGs had been passed straight from the Department of Communities and Local Government to district councils, which had the statutory responsibility to make grants for adaptations. In previous years South Kesteven District Council had considered DFGs a priority, topping up the grant paid by central government to meet any shortfall. Since 2015, funding to support the statutory duty has been provided to local housing authorities through the Better Care Fund, which was a pooled budget paid to the top tier authority (in this instance, Lincolnshire County Council), with a requirement for the allocation to be cascaded down to district councils.

In 2015/16, the Council received a government allocation of £375,587 of DFG funding and this was topped up by the Council to £412,000. Funding for 2016/17 was combined with funding from the Social Capital Care Grant that had been discontinued. The DFG allocation from Government to South Kesteven District Council increased to £670,960. Instead of passporting the full amount to South Kesteven District Council, Lincolnshire County Council had determined that DFG funding would be maintained at 2015/16 levels, with the additional allocation across Lincolnshire being used to:

1. Facilitate the development of a Preventative Housing Strategy
2. Support one-off investment in the MOSAIC ICT platform
3. Provide a one-off contribution to the creation of a contingency sum

Members were advised of guidance provided by the Department of Communities and Local Government, which stated that it was for the district council as the responsible authority for disabled facilities grant to be paid the full grant allocation and for any decisions on its uses to be made through the authority's own governance arrangements. Adversely the required steps for the approval of planned spending of the Better Care Fund required an alternative decision-making process and included the Lincolnshire Health and Wellbeing Board, clinical commissioning groups in the county and Lincolnshire County Council. Proposals were then submitted to the Department of Health for sign-off. Members noted that the Department of Health had signed off Lincolnshire's plans with an unqualified agreement.

Indications had shown a backlog of approximately 70 to 80 DFG applications and it was suggested that the additional funding would be better spent supporting vulnerable residents and clearing the back log.

It was acknowledged during the discussions that there were two parallel decision making systems that ran alongside each other that were not consistent. The signing-off of Better Care Funding was prescribed by the Department of Health.

It was highlighted during discussions that the Council had topped up the DFG spending for a number of years which indicated that the need exceeded the grant that had already been provided and the increased funding provided from the DCLG should have helped mitigate that.

The Committee discussed the issue thoroughly and made recommendations to Lincolnshire County Council on the allocation for 2016/17 and future payments.

5.0 Elected Member Training

At its meeting on 1st November 2016 the Committee received a report on Elected Member training, which was reviewed during 2016/17. The training programme following the 2015 election had been done in a more structured way based on feedback that had been received from Members after the election in 2011. Members had felt that the induction programme then had been too intensive, with too much information being given over a too short period of time, too soon within their term of office. Mandatory training was offered to all Members whether they were a Member of a regulatory committee or not. In order to be as inclusive as possible training sessions were arranged for morning, afternoon and evening although it was noted that those sessions which had to be cancelled due to lack of attendance were evening sessions. From the discussion undertaken by the Scrutiny Committee a recommendation was made that:

"All mandatory training was to be undertaken during the current election term, returning Members must attend to refresh their knowledge".

This recommendation went to the Constitution Committee for inclusion in the Constitution and was agreed at Council in April 2017.

6.0 Green Waste Renewals 2016

The Governance and Audit Committee had asked the Scrutiny Committee to consider the decision to offer reductions to customers paying via direct debit for green bin renewals together with the way systems had operated during the renewal period. The green waste service had over 28,000 customers and generated income of over £950k. The online demand had increased by 65%. Work had been undertaken which no longer required customers to have an account to carry out an online transaction but the option was still available for those who wanted to track their accounts. All transactions were now tracked including abandoned transactions. Options directing the customer to recommended browsers were available together with "How to Guides". Currently 59% of customers paid by direct debit. The Committee was satisfied that work was being undertaken to encourage customers to pay by direct debit and that customers were notified of the annual charge for the coming year. Other options were still available for those who did not wish to pay this way.

7.0 Neighbourhood Approach and Visit to CCTV Room

At the meeting of the Committee held in December a presentation was received from the Business Manager, Neighbourhoods following the restructure of the Community Safety Team to the Neighbourhoods Team and the work undertaken by that team on the Neighbourhood Initiative. The work undertaken by the team covered a mixture of environmental issues together with anti-social behaviour issues. Issues raised would be dealt with by dedicated officers in much the same way as housing officers dealt with issues from council house tenants. Partnership working with other organisations such as the police, fire and rescue, Anglian Water or British Transport Police were key to having a successful Neighbourhoods team.

As an insight into how CCTV operated Members were shown footage of how CCTV was used to help the police apprehend suspected thieves in Stamford, and following the meeting Members had the opportunity to visit the CCTV room and look at the work undertaken by the CCTV operatives and the close working relationship with the police.

8.0 Recycling Rates

Following the Council meeting in March 2017 the Scrutiny Committee was referred a Question Without Discussion on the fall of recycling rates in Lincolnshire over the last five years and asked to investigate why they had fallen in SKDC and any practical steps that could be taken to promote waste prevention, recycling and composting.

In order to understand the context the Committee was given background information on wasteflows and what happened to waste for black bins, silver bins and green bins.

It was noted that the fall in recycling was Lincolnshire-wide not just within South Kesteven. Reasons for this ranged from the scrapping of recycling credits which had a significant impact to funding of the service to contamination of waste, with contamination currently standing at 25%. New regulations and a new recycling contract did present a challenge although the Lincolnshire Waste Partnerships were trying to address the contamination issue. The tightening of regulations governing quality control meant that even a small amount of contamination had a significant impact. Work was being done with Lincolnshire County Council to improve education campaigns as education was seen as a key factor in stopping waste contamination.

The Committee had discussed what was classed as contamination in detail and noted the difficulties being encountered in trying to address this issue due to the rules and regulations governing recycling.

9.0 Representatives on Outside Bodies

The Resources Policy Development Group referred to the Scrutiny Committee an item concerning South Kesteven District Council's representation on Internal Drainage Boards. The Policy Development Group asked whether the Council was getting value for money from the Internal Drainage Boards and whether the SKDC Members on the Board were able to contribute to Board efficiencies and how representatives could most effectively represent the Council.

The Drainage Boards were run strictly in line with Government policy. Any changes in the use of land, or the different types of land Internal Drainage Boards covered, were governed by this policy with the Boards having limited control over how they worked or with whom they worked. Members on the Boards, appointed by Council were present to act as Board Members and not to represent the Council and any opportunity to initiate negotiations on levies or discussions about working more closely with Councils in the running of the Boards was limited. Those Members who were on Internal Drainage Boards clarified their roles and outlined their input. It was noted that systems used by the Boards were controlled and efficiency aware.

10.0 Call-in

The last meeting of the Scrutiny Committee before the new regime was implemented, dealt with a call-in that had been made in relation to an individual Non Key Decision made by the Cabinet Member for Finance and IT in March 2017. The call-in had been asked for by five Members on the grounds that:

- There had been inadequate/insufficient consultation
- Insufficient consideration of all options/relative weighting of options
- And belief that it was a big risk and could be spread far better than the proposal presented.

As the call-in procedure by its very nature was only to be used in exceptional circumstances this was the first call-in that had come before the current members of the Scrutiny Committee and gave them an opportunity to scrutinize the decision made.

Following the representations made by and on behalf of those Councillors who had called-in the decision and the reasons given by the Cabinet Member for making the decision. The Committee agreed with the decision made by the Cabinet Member.



COUNCIL

Report of: Councillor Matthew Lee The Leader of the Council

Report to:	Council
Date:	21 September 2017
Subject:	The Leader's Report on Urgent Decisions (Ref: CAB025)

Decision Proposal:	Legislative and Constitutional Requirement
Relevant Cabinet Member:	Councillor Matthew Lee The Leader of the Council
Report author:	Jo Toomey – Principal Democracy Officer Tel: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk Date: 3 August 2017
Reviewed by:	Lucy Youles (Assistant Director, Legal & Democratic) Tel: 01476 40 61 05 E-mail: l.youles@southkesteven.gov.uk Date: 1 September 2017
Signed off by:	Daren Turner (Strategic Director) Tel: 01476 40 63 01 E-mail: d.turner@southkesteven.gov.uk Date: 7 September 2017
Approved for publication	Councillor Matthew Lee, The Leader of the Council Date: 8 September 2017

SUMMARY

This report informs Members of any decisions made by the Cabinet or individual Cabinet Members under emergency provisions since the last report was made to Council on 15 June 2017

RECOMMENDATION

The Council is asked to note the report.

1. BACKGROUND TO REPORT;

- 1.1** In accordance with Part 5, Section 19 of the Local Authority (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the Leader of the Council is required to submit regular reports to the Council on executive decisions taken under special urgency provisions. The report should include the number of decisions so taken and a summary of the matters in respect of those decisions that were taken. The Leader must submit at least one report annually to the Council.
- 1.2** Since the last report was brought to Council on 15 June 2017, one key decision has been taken under urgency provisions.
- 1.3** An urgent key decision was made on 27 July 2017 by the Cabinet Member for Retail and Visitor Economy. The decision was to approve a new discretionary business rates relief scheme following a national revaluation of all commercial properties in April 2017. The adopted scheme supports the objectives of providing financial support to small and medium-sized businesses within the district, specifically those facing a significant increase to their rates bill as a result of the revaluation. The decision also stated that the local scheme would be delivered within the financial allocations provided by Government and listed the criteria and exemptions that would apply.
- 1.4** The reason for taking the decision under urgency provisions was so that the scheme could be implemented immediately to ensure that organisations that were entitled to benefit from the scheme could be billed for the correct amounts and liability orders were not issued for amounts that were no longer due after relief had been granted.
- 1.5** A copy of the full report and decision notice is attached to this Council agenda as part of the Cabinet paperwork for the meeting held on 7 September 2017.

2. OTHER OPTIONS CONSIDERED

- 2.1** This is a statutorily required report.

3. RESOURCE IMPLICATIONS

- 3.1** There are no resource implications arising from this report.

4. RISK AND MITIGATION

- 4.1** Risk has been considered as part of this report and no high risks were identified.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

- 5.1** Not applicable; this is a statutory report providing a summary of past activity.

6. CRIME AND DISORDER IMPLICATIONS

6.1 None.

7. COMMENTS OF FINANCIAL SERVICES

7.1 There are no financial implications arising from this report. Financial comments relating to the decision are detailed in report number CFM428

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 To comply with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and the Council's Constitution, the Leader is required to make regular reports to Council on decisions taken using urgency provisions as detailed at clauses 17.7.2 (key decisions) and 17.7.3 d) (non-key decisions) set out in the Constitution.

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

10. APPENDICES

10.1 None

11. BACKGROUND PAPERS

11.1 Article 17.7.2 of the Council's Constitution **Decision making by individual members of the Executive: Urgent Non-key Decisions**
(<http://moderngov.southkesteven.gov.uk/documents/g3439/Public%20reports%20pack%2006th-Mar-2017%20Constitution.pdf?T=10>)

11.2 The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012
<http://www.legislation.gov.uk/uksi/2012/2089/contents/made>



COUNCIL

Report of: Councillor Kelham Cooke
The Deputy Leader of the Council

Report to:	Council
Date:	21st September 2017
Subject:	Overview and Scrutiny Committee Remits LDS 234

Decision Proposal:	For information
Relevant Cabinet Member:	Councillor Kelham Cooke The Deputy Leader of the Council
Report author:	Carol Drury, Community Engagement and Policy Development Officer 01476 406161 c.drury@southkesteven.gov.uk Date: 7 th September 2017
Reviewed by:	Lucy Youles, Assistant Director, Legal and Democratic 01476 406105 l.youles@southkesteven.gov.uk Date: 7 th September 2017
Signed off by:	Daren Turner, Strategic Director, Commercial 01476 406301 d.turner@southkesteven.gov.uk Date: 8 th September 2017
Approved for publication	Councillor Kelham Cooke, The Deputy Leader of the Council Date: 11 th September 2017

SUMMARY

At its Annual Meeting of 20th June 2017 the Council determined that five Overview and Scrutiny Committees would be introduced to carry out the functions of policy development and scrutiny. It was agreed that the new Committees would develop their own remits which would be sufficiently dynamic to respond to emerging challenges. This report sets out the remits of the five Overview and Scrutiny Committees.

RECOMMENDATION

It is recommended that Members of the Council note the remits of the Overview and Scrutiny Committees and that they will be added to the Council's Constitution.

1. BACKGROUND TO REPORT

- 1.1 It was agreed at annual council in June that a change to the functions of overview and scrutiny would be introduced and that five Overview and Scrutiny Committees would be formed to replace the existing system which had been in operation since 2007.
- 1.2 The titles of these five Overview and Scrutiny Committees were agreed at full Council and each Committee Chairman was tasked with working with the members of their appointed Committee to develop a remit that would encompass their purpose and topic.
- 1.3 At the inaugural meeting of each of the five committees the Members discussed the remit that would determine their work programmes going forward.
- 1.4 The remits of the Cabinet Members were also considered during the debate to ensure that there was synchronicity between remits. The combined remits for the five Overview and Scrutiny Committees can be found at appendix A.
- 1.5 In addition to the specific remits the Committees will also have the right to call-in decisions as set out in Article 6 (6.19 Call In) of the Constitution and also be responsible for the overview and scrutiny of the Council's budget/financial issues and Crime and Disorder responsibilities insofar as they are pertinent to the remit of each individual committee.

2. OTHER OPTIONS CONSIDERED

- 2.1 No other options were considered

3. RESOURCE IMPLICATIONS

- 3.1 There are no resource implications resulting from this report.

4. RISK AND MITIGATION

- 4.1 Risk has been considered as part of this report and any specific high risks are included in the table below:

Category	Risk	Action / Controls
None		

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc)

5.1 There are no issues relating to equality and diversity or safeguarding resulting from this report. Any issues relating to individual items for consideration by the Overview and Scrutiny Committees will be addressed as required.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications arising from this report.

7. COMMENTS OF FINANCIAL SERVICES

7.1 There are no financial implications relating to this report. Any financial implications arising from the content of the work programmes of the Committees will be given due consideration at the appropriate time.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 The Overview and Scrutiny Committees have been developed as part of a framework to assist the development of policies and scrutiny of decisions. The remit must align with relevant Cabinet functions. Any cross-over of work programmes will be considered by a meeting of all the Chairmen of the Overview and Scrutiny Committee to determine the most appropriate committee/s to consider issues.

9. COMMENTS OF OTHER RELEVANT SERVICES

None

10. APPENDICES

Appendix A – Remits of Overview and Scrutiny Committees

11. BACKGROUND PAPERS

[The Constitution](#)

Communities and Wellbeing OSC

The remit of the **Communities and Wellbeing** Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Anti-social behaviour
- Assisted Garden Maintenance Scheme
- Benefit Claims
- Community Cohesion
- Community Funding & Volunteering
- Community Right to Bid
- Customer Services
- DASH Landlord Accreditation Scheme
- Disabled Facilities Grant
- Empty Homes Assistance
- Empty Homes Discount
- Equalities & Diversity
- Essential Home Repair Assistance
- Homelessness
- Landlords Forum

Culture and Tourism OSC

The remit of the **Culture and Tourism** Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Arts
- Heritage
- Markets and Fairs
- Sports
- Tourism

Environment OSC

The remit of the **Environment** Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Air Quality
- Alcohol, entertainment and leisure licensing (Policy)
- Allotments
- Animal Welfare licensing (Policy)
- Business Trade & Licensing (Policy)
- Commercial, Industrial and Clinical Waste Collection and Management
- Dog breeding & control orders

- Domestic Waste & Recycling Management
- Energy Efficiency
- Estate and Grounds Maintenance
- Flooding
- Food Hygiene and Safety
- Gambling & Lotteries licensing (Policy)
- Health & Safety
- Noise
- Public Conveniences
- Renewable Energy
- Scrap Metal Dealers
- Street Lighting
- Street Services and Green Open Space Management
- Tattoo, licensing and hygiene rating system (Policy)
- Taxi & private vehicle, driver and operator licensing (Policy)
- Wild animal licensing (Policy)

Growth OSC

The remit of the **Growth** Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Business Rate Relief
- Business Transformation
- Car parks, Bus Stations and Town Centre Infrastructure
- Charitable Rate Relief
- Council Owned Property, Assets & Maintenance (Non Council House)
- Large-scale Development Projects
- Major Infrastructure Projects
- Shop front designs and funding
- Street furniture
- Street parking permits
- Town centre development & partnerships

Rural OSC

The remit of the **Rural** Overview and Scrutiny Committee will be to work alongside Cabinet Members to assist with the development of policy and to scrutinise decisions in respect of, but not limited to:

- Agriculture and Rural Economy
- Neighbourhood Plans
- Parish Council Liaison
- Rural Communication and Technology
- Rural Communities and Wellbeing
- Rural Isolation
- Rural Rate Relief



Agenda Item 9

COUNCIL

Report of: Councillor Matthew Lee The Leader of the Council

Report to:	Council
Date:	21 September 2017
Subject:	Cabinet meetings held since 15 June 2017 (LDS232)

Decision Proposal:	<i>For information</i>
Relevant Cabinet Member:	Councillor Matthew Lee The Leader of the Council
Report author:	Jo Toomey (Principal Democracy Officer) Tel: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk Date: 31 August 2017
Reviewed by:	Lucy Youles (Assistant Director, Legal & Democratic) Tel: 01476 40 61 05 E-mail: l.youles@southkesteven.gov.uk Date: 1 September 2017
Signed off by:	Daren Turner (Strategic Director) Tel: 01476 40 63 01 E-mail: d.turner@southkesteven.gov.uk Date: 7 September 2017
Approved for publication	Councillor Matthew Lee, the Leader of the Council Date: 8 September 2017

SUMMARY

Since the last meeting of the Council on 15 June 2017, the Cabinet has met on:

- 22 June 2017
- 13 July 2017
- 7 September 2017

This report contains the reports submitted to and the minutes of those meetings for Members' information.

RECOMMENDATION

That the Council notes the reports submitted to and the minutes of the Cabinet meetings held on:

- 22 June 2017
- 13 July 2017
- 7 September 2017

1. BACKGROUND TO REPORT;

1.1 South Kesteven District Council operates a Leader and Cabinet arrangement as established under the Local Government Act 2000. In 2010 the Council adopted the strong Leader model under provisions within the Local Government and Public Involvement in Health Act 2007.

1.2 The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 set out the responsible body for different functions, specifically those functions that are not executive functions, those that may be determined by an authority's executive and those functions that are not the sole responsibility of the executive. All other functions are, by default, executive functions and would therefore, under South Kesteven District Council's arrangements, be determined by the Cabinet. The requirements of these Regulations mean that at its meetings, the Cabinet may make some decisions outright whilst in other instances it may make recommendations to Council.

2. OTHER OPTIONS CONSIDERED

2.1 Not applicable.

3. RESOURCE IMPLICATIONS

3.1 Not applicable.

4. RISK AND MITIGATION

Risk has been considered as part of this report and no specific high risks were identified.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

5.1 An equality analysis is not applicable to this report. Analysis will be carried out as required in respect of decisions by the Cabinet.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications arising from this report.

7. COMMENTS OF FINANCIAL SERVICES

7.1 There are no financial comments arising as a result of this report.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 There is a requirement to publish Cabinet decisions in accordance with the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. These minutes have been recorded to inform Members of the deliberations at the meeting.

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

10. APPENDICES

10.1 Appendix A: 22 June 2017

- Minutes of the meeting held on 22 June 2017
- Report SEG44: Local Plan – Consultative Draft (the appendices to this report can be viewed using the following link:
<http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&Md=3497&Ver=4>
- Non-key decision notice: Adoption of the Foston Neighbourhood Plan
- Non-key decision notice: Amendment to Hackney Carriage and Private Hire Licensing Policy

10.2 Appendix B: 13 July 2017

- Minutes of the meeting held on 13 July 2017
- Report CFM425: Review of Commercial Investment Strategy
- Non-key decision notice: Food and Health and Safety Work Plan 2017-18
- Non-key decision notice: Supply of software contract for the revenues and benefits service

10.3 Appendix C: 7 September 2017

- Minutes of the meeting held on 7 September 2017 (to follow)
- Report HS3: Housing Strategy
- Report CFM430: Quarter 1 budget monitoring report
- Non-key decision notice: Lease renewal of unit 1, Anniversary House, Graham Hill Way, Bourne
- Urgent key decision notice: Discretionary rate relief
- Non-key decision notice: Adoption of the Colsterworth Neighbourhood Plan
- Non-key decision notice: Adoption of the Skillington Neighbourhood Plan

11. BACKGROUND PAPERS

11.1 None

Appendix A



MEETING OF THE CABINET **22 JUNE 2017 - 2.07 PM – 2.55 PM**

PRESENT:

Councillor Michael King
Councillor Kelham Cooke
Councillor Helen Goral
Councillor Nick Robins
Councillor Jacky Smith
Councillor Adam Stokes
Councillor Dr Peter Moseley
Councillor Nick Neilson

Councillor Matthew Lee - Chairman

Chief Executive (Aidan Rave)
Strategic Director Corporate Focus (Daren Turner)
Strategic Director Environment & Property (Tracey Blackwell)
Strategic Director Development & Growth (Steve Ingram)
Corporate Finance Manager (Richard Wyles)
Executive Manager Commercial (Judith Davids)
Business Manager Spatial and Economic Growth (Roger Ranson)
Principal Planning Officer (Samantha Brooman)
Legal Executive (Shelley Hardy)
Executive Support Officer (Lucy Bonshor)

CO45. MINUTES

The minutes from the last meeting were agreed as a correct record.

CO46. DISCLOSURE OF INTERESTS (IF ANY)

None disclosed.

CO47. *LOCAL PLAN - CONSULTATIVE DRAFT

Decision:

1. ***Cabinet approves for consultation purposes the Consultative Draft Local Plan appended to report SEG44 and its accompanying appendices and the updated Local Development Scheme.***
2. ***Cabinet recommends that delegated authority is given to the Portfolio holder for Economy and Development, in conjunction with the Strategic Director, to approve any minor changes or typographical corrections as may be necessary prior to the commencement of the consultation period.***

Considerations/reasons for decision:

- 1) Report SEG44 from the Portfolio Holder for Economy and Development.
- 2) The new Local Plan would provide guidance and shape proposals for growth and investment in South Kesteven up to 2036.
- 3) The initial non statutory consultation period gave an opportunity to proactively engage with local communities, interested developers, businesses, voluntary groups, public organisations, landowners and neighbouring councils to help shape the district for the future and contribute to the overall preparation of a new Local Plan.
- 4) The National Planning Policy Framework (NPPF) required that every local planning authority in England should have a clear, up to date Local Plan that conforms to the NPPF, meets identified local development needs and reflects local people's views about how they wish their community to develop.
- 5) The new Local Plan would set out policies and proposals for the period up to 2036, so there was an additional 10 years of development needs to be anticipated and accommodated beyond the current adopted development plans.
- 6) Comments made by the Cabinet Member Economy and Development on the need to create between 16,000 – 17,000 homes, that double the amount of employment land had been allocated, 79 hectares to enable greater choice, that the existing KiNG31 site had been grouped with adjacent sites to give a total of 96 hectares. 50% of new housing was intended for Grantham to give it critical mass, strategic housing of 1,300 homes had been allocated to the north of Stamford avoiding the sensitive south side. In Bourne housing would be concentrated on the Elsea Park with 800 more home still to be built, however in order to give variety and choice three small sites amounting to 235 homes would be situated to the north west near to Bourne Woods. Market

Deeping had an allocation of over 900 houses and each town had strategic employment sites allocated. Larger villages had a 9% concentration of housing and public comment on smaller village development had been listened to with a more relaxed policy allowing limited edge of village development if the community agreed and the quality was high and done in a sensitive manner. There would be a Supplementary Planning document issued on Good Design (robust, high quality development). Core policies which had served well in the previous period would be continued. Services in villages would be protected. Road shows had been arranged at Long Bennington, Grantham, Bourne, Stamford, Corby Glen and Market Deeping.

- 7) Comments from the Principal Democracy Officer following the Growth Overview and Scrutiny Committee which had met the previous day and at which the general consensus of the Committee had been positive and they had supported the plan for public consultation – comments at the meeting had been made about having a robust evidence base, the assurance that sites were deliverable, the quantity of site allocation and any “back-up” plan (site allocation exceeded minimum requirement) plus there were reserve sites and comments had been made on the delivery of the plan.
- 8) Comments made by the Strategic Director Development and Growth on the challenge of the new Delivery Test which would apply to every authority – this would be a “sea change” and officers would work with the Cabinet on the way planning was delivered – the granting of planning permission was now the start of the process and the Council was looking to be proactive with high quality sustainable growth.
- 9) Comments made by the Cabinet Member Environment on the amount of employment land, how development in small villages was to be dealt with and good design.
- 10) Comments made by the Leader who wished to place on record his thanks to the Cabinet Member Economy and Development together with the Strategic Director Development and Growth and his team for all the work that had been done to date. The informal consultation was essential and was a meaningful exercise.

A briefing for all Members on the Local Plan was to take place on Monday 3rd July at 5pm.

Other Options Considered:

The Consultative Draft Local Plan had been informed by a substantial evidence base, including assessments of objectively assessed housing and employment needs. Two stages of informal consultation have been undertaken regarding the scope of the Local Plan and an initial assessment of potential sites and settlement hierarchy.

The process of preparing a new Local Plan offered the Council an opportunity to proactively engage with local communities, developers, businesses, voluntary groups, public organisations, landowners and our neighbouring councils so that everyone can appreciate what they think the future of the

District should look like and for other possible options to be put forward for consideration. Responses to the consultation would help to shape the final document.

The only other option would be for the Council not to undertake the production of the Local Plan. This would not be in line with Government expectations and would also lead to development proposals coming forward in an uncoordinated way with no long term strategic direction to guide growth. This is not considered to be in the best interests of the District, its communities, residents and businesses.

CO48. MATTERS REFERRED TO CABINET BY THE COUNCIL OR OVERVIEW & SCRUTINY COMMITTEES

No matters had been referred to Cabinet by the Council or any of the Overview and Scrutiny Committees.

CO49. ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.

The Leader asked that copies of reports for any decision taken under delegated powers by Cabinet Members be appended to the agenda.

CO50. REPRESENTATIONS RECEIVED FROM NON CABINET MEMBERS

No representations had been received.

DATE DECISIONS EFFECTIVE:

Decision CO47 as made on 22 June 2017 can be implemented on 1st July 2017, unless subject to call-in by the Overview and Scrutiny Committee Chairman or any five members of the Council from any political group.

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

**Contact: Cabinet Support Officer Lucy Bonshor - Tel: 01476 40 60 80 extn 6120
e-mail: l.bonshor@southkesteven.gov.uk**



CABINET

Report of: Councillor Mike King Cabinet Member for Economy and Development

Report to:	CABINET
Date:	22ND June 2017
Subject:	SEG44: Local Plan – Consultative Draft

Decision Proposal:	Key Decision for the Cabinet to approve for non-statutory consultation purposes, a draft of the new Local Plan. This report also sets out the background to the main strategic decisions which the Local Plan needs to take and the process of preparing for the next stages of the Local Plan.
Relevant Cabinet Member:	Councillor Mike King Cabinet Member for Economy and Development
Report author:	Roger Ranson, Business Manager – Spatial and Economic Growth r.ranson@southkesteven.gov.uk Tel: 01476 40 60 80 (Ext. 6438)
Reviewed by:	Steve Ingram, Strategic Director – Development and Growth s.ingram@southkesteven.gov.uk Tel: 01476 40 60 80 (Ext. 6007)
Signed off by:	Councillor Mike King, Cabinet Member for Economy and Development and Steve Ingram, Strategic Director – Development and Growth s.ingram@southkesteven.gov.uk Tel: 01476 40 60 80 (Ext. 6007)

SUMMARY

A new Local Plan will shape and guide proposals for growth and investment in South Kesteven up to 2036. It will provide greater certainty to all parties regarding the local development process and proposed planning policies for South Kesteven District.

The preparation of a new Local Plan provides the opportunity for all our communities to help shape what the District will look like over the next 15-20 years, and thereby creating the policy framework that will help guide all investment and development

decisions over the plan period. It also allows the Council to set out its ambitions for the future growth and prosperity of the District.

The process of preparing a new Local Plan offers the Council an opportunity to proactively engage with local communities, interested developers, businesses, voluntary groups, public organisations, landowners and neighbouring councils. In doing so all interested parties can positively contribute to the future look and feel of the District.

This report sets out a draft Local Plan which is recommended for Cabinet approval for the purposes of conducting initial non-statutory public consultation. The draft Local Plan represents an important stage in the overall preparation of a new Local Plan for the District and whilst non-statutory the consultation will help to shape the form and content of the District's new Local Plan.

An updated timetable for the production of the new Local Plan is set out in this report and the accompanying revised Local Development Scheme (LDS).

RECOMMENDATION

1. Cabinet approves for consultation purposes the appended Consultative Draft Local Plan, its accompanying appendices and the updated Local Development Scheme.
2. Cabinet recommends that delegated authority be given to the Portfolio Holder for Economy and Development, in conjunction with the Strategic Director, to approve any minor changes or typographical corrections as may be necessary prior to the commencement of the consultation period.

1. BACKGROUND TO REPORT:

Statutory framework and content

- 1.1 Local Planning Authorities must prepare a Local Plan that sets planning policies for their area. These are very important considerations when deciding planning applications, as all decisions must be made in accordance with the Development Plan unless there are material planning reasons not to do so. The National Planning Policy Framework (NPPF) requires that every local planning authority in England should have a clear, up to date Local Plan that conforms to the NPPF, meets identified local development needs and reflects local people's views about how they wish their community to develop. The plan preparation process should fully involve everyone with an interest in the document or area, and they should have had the chance to comment.
- 1.2 The new Local Plan will set out policies and proposals for the period up to 2036, so there is an additional 10 years of development needs to be anticipated and accommodated beyond our current adopted development plans. An updated vision and revised strategic objectives have been prepared to coincide with this extended timeframe.

- 1.3 This stage of the plan preparation process proposes draft policy wording and provisional site allocations for the purpose of public consultation.
- 1.4 The new Local Plan is necessarily a long and comprehensive document which contains policies for the physical development or protection of all our towns, villages and countryside. For this reason a summary is included and an even shorter synopsis of the key new policies and the continuing tried and tested ones can be found in the Foreword.

Consultative Draft Local Plan – process and timetable

- 1.5 The following table shows where we currently are in the proposed process for the preparation, submission and adoption of the Local Plan:

Table 1: Local Plan Process

1: Identify issues and collect evidence:

Review existing policies and identify any current gaps in policies or evidence base. Undertake research that will inform the Local Plan.

2: Consult (Scoping document) – January 2015:

The Council informed stakeholders and the public that a new Local Plan was being produced and asked for views on what the plan should cover. The consultation was open for a 6 week period.

3: Sites and Settlements consultation – July 2016:

Consultation on initial appraisal of sites promoted for development and initial review of settlement hierarchy. Consultation was open for a 6 week period.

4: Prepare Consultative Draft Local Plan – up to June 2017:

Combining the updated evidence base, technical assessments, consultation responses and internal comments enabled the prepared of a draft Local Plan.

5: Consult - Public consultation on Consultative Draft Local Plan – July/August 2017.

The Council will consult with stakeholders and the public on the draft Local Plan for a minimum of 6 weeks.

6: Improve the Plan:

The Council will take on board comments received during the consultation and any further evidence base items to improve the Local Plan ready for formal consultation in readiness of submitting it for Examination in Public.

7: Publish the Plan (Publication):

The Plan is available for stakeholders and the public to comment on for a minimum of 6 weeks. In accordance with the Local Plan Regulations, this consultation is formal and statutory seeking specifically to establish the Plan's soundness for Examination in Public.

8: Submit:

The Council will assess the comments received during consultation. If it considers that the Local Plan is sound, the Plan can be submitted for Examination in Public (EiP). If the Authority wishes to improve the plan, then stages 6 and 7 are repeated.

9: Examine:

The Plan is examined by an independent Planning Inspector who will conduct an EiP.

10: Adopt:

If the independent Planning Inspector finds the Local Plan sound, the Plan can be adopted by the Authority. If the Inspector does not find the Local Plan sound, the process goes back to stage 6.

1.6 This timetable is reflected in revised Local Development Scheme which is appended to this report and is also recommended to Cabinet for approval.

Overview and Scrutiny Considerations

- 1.7 The development of the Consultative Draft Local Plan has been the subject of previous reports to the Growth PDG and more recently to the Growth Overview and Scrutiny Committee. In addition, regular monthly informal workshops have been held for all members regarding the preparation of the Local Plan.
- 1.8 A full draft of the Local Plan is due to be considered by the Growth Overview and Scrutiny Committee at its meeting on 21st June. The outcome of that meeting will then be reported to Cabinet and any amendments can be agreed at this Cabinet meeting. In addition, it is also recommended that delegated authority is given to the Portfolio Holder for Economy and Development, in conjunction with the Strategic Director, to approve necessary changes or typographical corrections prior to the commencement of the consultation period.

2. OTHER OPTIONS CONSIDERED

- 2.1 This Consultative Draft Local Plan has been informed by a substantial evidence base, including assessments of objectively assessed housing and employment needs. Two stages of informal consultation have been undertaken regarding the scope of the Local Plan and an initial assessment of potential sites and settlement hierarchy.
- 2.2 The process of preparing a new Local Plan offers the Council an opportunity to proactively engage with local communities, developers, businesses, voluntary groups, public organisations, landowners and our neighbouring councils so that we can all appreciate what they think the future of the District should look like and for other possible options to be put forward for consideration. Responses to consultation will help to shape the final document.
- 2.3 The only other option would be for the Council not to undertake the production of the Local Plan. This would not be in line with Government expectations and would also lead to development proposals coming forward in an uncoordinated way with no long term strategic direction to guide growth. This is not

considered to be in the best interests of the District, its communities, residents and businesses.

3. RESOURCE IMPLICATIONS

3.1 The costs of the production of the Consultative Draft Local Plan and of conducting the accompanying consultation exercise are covered in existing budgets.

4. RISK AND MITIGATION

4.1 The Council has a definitive statutory duty to keep its Local Plan and planning policies under review. Failing to prepare a Local Plan therefore carries significant risks, not only to the Council but also through the impact on communities. Equally, significant delays in the preparation and production of the Local Plan would carry similar risks, including limiting the Council's ability to properly manage development.

4.2 The consequences of not having an up to date Local Plan include that: development is not sustainable; development harms the environment; needs for housing and other development needs fail to be properly met; hostile planning applications are promoted if the Local Plan is found unsound or delayed; and the potential costs of challenge. Approving the recommendations in this report will enable the Council to progress with the Local Plan.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY & DIVERSITY)

5.1 There are not to be considered to be any direct equality issues arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are not to be considered to be any direct crime and disorder issues arising from this report.

7. COMMENTS OF FINANCIAL SERVICES

7.1 The financial implications of delivering the recommendations set out in this report will be met from existing resources contained in the 2017/18 budget framework.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 The Local Plan is a policy framework document as set out at Article 4 of the Constitution and is required by statute to be adopted by full Council.

8.2 Before the draft Local Plan can be considered for adoption, the process for preparing the Local Plan must be followed as is set out in the Planning and Compulsory Purchase Act 2004 (as amended) and the Town and Country Planning (Local Planning) (England) Regulations 2012 (the Regulations). S.18 of the Regulations sets out the requirements for consultation. There is a requirement to consult with:

- such of the specific consultation bodies as the authority consider may have an interest in the subject of the proposed local plan;
- such of the general consultation bodies as the authority consider appropriate; and
- such residents or other persons carrying on business in the authority's area from which the authority consider it appropriate to invite representations.

8.3 In addition, the Council must comply with any commitments it has made in the adopted statement of community involvement.

8.4 The Council must also publicise its intended timetable for producing the Local Plan. This information is contained in the proposed Local Development Scheme which authorities should publish on their web site and must keep up to date.

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

10. APPENDICES

10.1 Consultative Local Plan and accompanying appendices

10.2 Policies Map – available electronically:
<http://www.southkesteven.gov.uk/index.aspx?articleid=12393>

10.3 Local Development Scheme

10.4 Infrastructure Delivery Plan

11. BACKGROUND PAPERS

CABINET MEMBER DECISION



Decision:

That approval is granted for the Foston Neighbourhood Plan to be part of the Development Plan for South Kesteven.

(1) Details of Decision

To consider whether the Foston Neighbourhood Plan should be made part of the Development Plan for South Kesteven

(2) Considerations/Evidence

The decision to make the Foston Neighbourhood Plan part of the Development Plan is a legal requirement in the Planning and Compulsory Purchase Act 2004. The only circumstance where the district council should not make this decision is where the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998). The Council is satisfied that there is no breach of EU obligations.

The Neighbourhood Plan, including its preparation, does not breach, and would not otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998). Therefore the only available option open to the Council is to make the plan part of the Development Plan for South Kesteven.

There is a requirement that the District Council will publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012. The district council will therefore publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012.

(3) Reasons for Decision:

The Localism Act 2011 (the Act) introduced Neighbourhood Planning as a new way for communities to help shape future development in their area. One of the types of Neighbourhood Planning that has been introduced is Neighbourhood Development Plans (NDP), which set out policies for the development and use of land in a particular area. If a NDP has successfully passed all stages of preparation including an Examination and Referendum the LPA must adopt it as part of the Development Plan for the Neighbourhood Area.

In accordance with Neighbourhood Plan Regulations 2012 (as amended), the Authority must 'make' the Plan through its own constitutional process, in this case a non-key decision by the Portfolio Holder for Economy and Development within 8 weeks of the referendum date, which in this instance is 30 June 2017. The non-key decision must also be published on the Council website in accordance with standard practice and procedure.

The Plan has been through a significant amount of formal and informal consultation. Pre-submission Consultation (Regulation 14) on the Foston Neighbourhood Plan took place between 16 September and 4 November 2015. The Plan was subsequently Published under Regulation 16 by the Council between 7 October and 18 November 2016.

The Council, with the agreement of Foston Parish Council, appointed Dr Angus Kennedy OBE, MA, MRTPI, MCIH as the Independent Examiner. All the representations received on the Examination version of the Plan were forwarded to him for consideration.

The Examiner decided that the issues raised in the representations did not require a public hearing to be held.

It is the role of the Examiner to consider whether a neighbourhood plan meets the Basic Conditions. In order to do this the Plan must:

- Have regard to national policies and advice contained in guidance issued by the Secretary of State;
- Contribute to the achievement of sustainable development;
- Be in general conformity with the strategic policies of the development plan for the area; and
- Be compatible with European Union obligations and, not breach, nor be in anyway incompatible with the European Convention on Human Rights.

The Examiner's report into the Plan was received on the 20 February 2017. Subject to the recommended changes, the Examiner found that, the Plan meets the basic conditions in terms of:

- having appropriate regard to national planning policy
- contributing to the achievement of sustainable development
- being in general conformity with the strategic policies in the development plan for the local area
- being compatible with human rights requirements
- being compatible with European Union obligations

The Examiner recommended to the Council that, subject to the modifications proposed, the Plan should proceed to a Referendum.

The Referendum was held on 4 May 2017 and the following question was asked - *Do you want South Kesteven District Council to use the neighbourhood plan for Foston to help it decide planning applications in the neighbourhood area?* 48% of those on the Electoral Register for Foston Parish turned out for the Referendum. 87% voted in favour, i.e. of the 207 votes cast, 180 were cast in favour of 'yes' and 27 were cast in favour of 'no'.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Mike King
Cabinet Member for Economy and Development

Date of Decision: 25 May 2017

Date of Publication of Record of Decision: 25 May 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

05 June 2017

CABINET MEMBER DECISION



Decision:

That approval is granted for the Hackney Carriage and Private Hire Licensing Policy to be amended to include compulsory e-learning safeguarding training whereby all hackney carriage and private hire drivers and operators are required to complete and pass the safeguarding awareness training.

(1) Details of Decision

To seek approval for the Hackney Carriage and Private Hire Licensing Policy to be amended to include compulsory e-learning safeguarding training whereby all hackney carriage and private hire drivers and operators are required to complete and pass the safeguarding awareness training

(2) Considerations/Evidence

South Kesteven District Council is responsible for licensing all drivers, operators and vehicles used to provide taxi and private hire vehicle services in the District. The safety and protection of the public is of paramount concern.

The Hackney Carriage and Private Hire Licensing policy was last revised in April 2015 and since this revision there have been a number of areas of national concern surrounding taxi licensing which was identified by the Independent Inquiry into Child Sexual Exploitation (CSE) in Rotherham carried out by Alexis Jay OBE and the subsequent inspection report of Louise Casey CB. This Non Key Decision seeks to amend the policy to enable the authority to address the concerns raised in the Rotherham reports and to give specific consideration to the introduction of mandatory training on CSE for those seeking to obtain a taxi or private hire licence to operate within the district.

(3) Reasons for Decision:

In recent years there has been greater awareness about the issue of Child Sexual Exploitation (CSE). High profile media coverage of specific cases has highlighted failures within certain public sector bodies. These failures often allowed the abuse of vulnerable children to carry on without being detected or acted upon.

In the wake of such incidents and as a result of the attention that grooming and other forms of exploitation has received since the publication of Alexis Jay's independent inquiry into Rotherham Metropolitan Borough Council's handling of accusations of CSE the Government has put an additional focus on combating CSE.

One area of concern identified within Louise Casey's follow up Report of Inspection was whether Rotherham Metropolitan Borough Council had made sufficient efforts to ensure that only 'fit and proper' persons were permitted to hold a taxi or private hire licence. During the initial Independent Inquiry Professor Jay described the prominent role of taxi drivers in facilitating or engaging in CSE as a 'common thread' across England, while inspectors have raised concerns that the licensing and enforcement side of taxi and private hire regulation are often unable or uninterested in getting to grips with the issue and using their powers to good effect.

Licensing Authorities need to be aware of the potential role that taxi drivers can play in facilitating abuse and ensure that only those who are fit and proper hold a licence, and that there are robust procedures in place for dealing with any accusation or incident. Public safety must be the first and most important priority when developing policy, setting standards and determining enforcement of issues related to taxi and private hire licensing.

It is also important that those with responsibility for overseeing the taxi and private hire licensing functions of local authorities are aware of the challenges that those operating within the trade may face when asked to transport children or vulnerable young adults. Taxi drivers fall under the scope of Section 59(A) of the Sexual Offences Act 2003, which makes it an offence to intentionally arrange or facilitate the travel of a person within the UK for the purposes of sexual exploitation; or believes that another person is likely to abuse the passenger during or after the journey. This means that if a driver transports a child knowing or believing that the child will be sexually exploited, that driver will commit the offence of human trafficking and could face a maximum sentence of 14 years imprisonment.

There is therefore a responsibility, shared between the Council, taxi operators, and individual drivers to ensure that licensed drivers are aware of the warning signs that could indicate when a passenger is at risk of trafficking or CSE, and that training is available or has been undertaken to assist those in the taxi trade to deal with such scenarios and report them to the relevant authorities.

South Kesteven District Council has already included a comprehensive guide to safeguarding children and vulnerable adults in its recently revised taxi and private hire policy. The inclusion of mandatory training on Safeguarding Everyone and on CSE for all taxi and private hire drivers will strengthen this and bring us into line with other surrounding local authorities thereby meeting the requirements of the Lincolnshire Safeguarding Children Board (LSCB).

There are various ways of delivering training, some councils have opted for seminars and others have opted for an e-learning course, whereby applicants receive training and answer questions on-line. Firstly e-learning packages, there is a possibility that applicants would not complete the on-line course themselves, but instead enlist help from others. Secondly, organising continuous seminars for taxi drivers will be labour intensive and somewhat impractical over a period of time, given low numbers of attendees.

Officers have considered both options and in view of the six neighbouring authorities opting for training by way of an e-learning course provided free of charge by the LSCB, this is considered to be the appropriate option particularly in view of the fact that the policy already includes robust guidance in relation to safeguarding children and vulnerable adults.

All new applicants as from 1st July 2017 would be required to complete and pass the safeguarding awareness training. All existing drivers would be required to complete and pass the safeguarding awareness training on their next annual check or renewal.

Failure to complete and pass the safeguarding awareness training would, in accordance with the current policy, result either in the driver badge not being renewed or the matter being referred to the licensing committee which could potentially result in suspension or revocation of the licence.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Dr Peter Moseley
Cabinet Member for Environment

Date of Decision: 30 May 2017

Date of Publication of Record of Decision: 31 May 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

08 June 2017

MINUTES

CABINET

THURSDAY, 13 JULY 2017

14.00pm – 15.15pm



LEADER: Councillor Matthew Lee

CABINET MEMBERS PRESENT

Councillor Michael King
Councillor Kelham Cooke (Vice-Chairman)
Councillor Helen Goral
Councillor Nick Robins
Councillor Jacky Smith
Councillor Adam Stokes
Councillor Dr Peter Moseley
Councillor Nick Neilson

NON-CABINET MEMBERS PRESENT

Councillor Phil Dilks
Councillor Robert Reid

OFFICERS

Chief Executive (Aidan Rave)
Strategic Director Development & Growth (Steve Ingram)
Corporate Finance Manager (Richard Wyles)
Executive Manager Commercial (Judith Davids)
Executive Manager Property (Neil Cucksey)
Executive Manager Environment (Ian Yates)
Executive Manager Corporate (Lucy Youles)
Leader Support (Sam Pearson)
Cabinet Support Officer (Lucy Bonshor)

CO51. MINUTES

The minutes from the meeting held 22 June 2017 were agreed as a correct record.

CO52. DISCLOSURE OF INTERESTS (IF ANY)

None disclosed.

CO53. *REVIEW OF COMMERCIAL INVESTMENT STRATEGY

Decision:

That Cabinet approves the revised commercial investment strategy as amended during the meeting and proceeds with acquiring asset income generating investments in order to contribute towards the £300,000 income budget within the 2017/18 budget framework.

Considerations/reasons for decision:

- 1) Report CFM425 from the Cabinet Member for Finance.
- 2) The commercial property investment strategy was focussed on identifying and securing investment opportunities in the business sector in order to secure a financial return.
- 3) The initiative was a significant contributor to the Council's response to funding challenges and to maximise the Council's financial headroom.
- 4) Comments made by the Cabinet Member Finance on the strategy which had original been compiled in 2015. A refresh had been undertaken and amendments had been made to the original strategy. All lot sizes were now up to £5M which gave more flexibility to purchase and investment and income yield range would be done on a case by case basis. Following the Growth Overview and Scrutiny Committee meeting investment in health care, investment in land to provide a commercial return and investment in different leisure opportunities had been included. The preferred location was within South Kesteven.
- 5) Recommendations made from the Growth Overview and Scrutiny Committee which were:
 - That the Cabinet considered the balance of local investment against returns and where appropriate considered investment opportunities outside the district on a case by case basis and in line with other criteria changes.
 - That consideration should be given to removing the lower limit for both yield and lot size
 - Including in the investment strategy 'Target Assets' section:
 1. Investment in health and care facilities
 2. Opportunities to invest in land that would provide a commercial return
 3. Investment in different leisure opportunities
 - Flexibility to include the use of borrowing to fund investments
- 6) Comments made by the Corporate Manager Finance that despite the best endeavours of the Council it had been difficult to secure investments with the original criteria, challenges had come both economically and with Brexit.

- 7) Comments made by the Executive Manager Property that by widening the scope more could be looked at in the investment market, although this was currently volatile due to Brexit and yields were lower having reduced from 7½/8% to 5½/6%.
- 8) Comments made by the Cabinet Member for Economy and Development suggesting that two amendments be made to go a step further as it was a good opportunity for investment to acquire land and develop property on that land but that economic development and regeneration be dealt with under a separate strategy – Page 1 of Appendix A, fourth paragraph to read as follows:

The objective is specifically to acquire income-producing property in order to enhance Council revenue streams ~~or to make as opposed to making investments in potential development sites and development schemes within the district. (the latter being a separate strategy). Property development is a distinct activity with very different risks which is not the subject of this report.~~

Investing for economic development or regeneration reasons will be dealt with under a separate strategy.

Page 3 paragraph 4 to read:opportunities to invest in land **and property development** that would provide a commercial return.....

- 9) Further small amendments made by the Leader (bottom line of page 1 to Appendix A to readdistrict but will also to encompass the East Midlands..... and the Cabinet Member for Major Developments that at page 2 paragraph 4 Locations should read Location and that the first line of the paragraph after Bourne should read is rather than are andlocations for acquisitions..... should readlocation for acquisitions.....
- 10) Further comments made by the Cabinet Member Finance agreeing to the amendments but warning that the amendments could increase timescales.
- 11) Comments from the Leader that investment within South Kesteven was the preferred option and although people lived within South Kesteven they often worked over the border and recognition of opportunities that were of benefit to the district and communities needed to be taken account of without boundaries being involved. Wherever possible investment would be prioritised within the district.
- 12) Representation made by Cllr Dilks about investment outside the district which he felt gave the wrong message to residents and potential investors. He referenced the call-in decision that had been made earlier in the year which had gone before the Scrutiny Committee. Although he welcomed the review and the amendments made he felt that those Cabinet Members who had instigated the call-in should be consistent with their views.
- 13) Response from the Leader stating that the priority was to develop the economy within the district. However £300,000 needed to be achieved from income streams and he did not want an investment opportunity to

be missed just because it was over the border which would be to the detriment of the district. A balanced and flexible approach was needed as residents did not see borders. The strategy would not be in isolation and work on job creation and housing issues were being undertaken. The priority for the district was to not look at just the short term and the policy allowed the Council to do that.

- 14) Comments made by the Executive Manager Environment on business locations that although were situated close to areas within South Kesteven, Long Bennington and Barkston Heath were given as examples they were actually located over the border.
- 15) Comments made by the Cabinet Member for retail and visitor economy defending his request for call-in which he felt was right at that time. However, since then other plans had moved forward and the benefit of other opportunities could be seen together with longer term benefits.
- 16) Further comments from the Cabinet Member Economy and Development on the journey that had been undertaken since the call-in and the lessons learnt.
- 17) Comments made by the Chairman of Growth Overview and Scrutiny Committee stating that the Committee had debated the issue and content and that the recommendations had been included within the revised document.
- 18) The objective of the strategy was specifically to acquire income-producing property in order to enhance Council revenue streams.

Other Options considered:

The strategy could remain unchanged but given the changes in the investment yields being offered in today's market, it was unlikely there would be investment opportunities that met the criteria that was set out in the current strategy.

CO54. MATTERS REFERRED TO CABINET BY THE COUNCIL OR OVERVIEW & SCRUTINY COMMITTEES

The Cabinet had been circulated with a recommendation that had been made by the Growth Overview and Scrutiny Committee in relation to the New Discretionary Business Rate Relief Scheme.

The item was due to be published on the Schedule of Decisions for a decision to be made at the September meeting of the Cabinet, however, it was felt that the decision needed to be expedited. The Cabinet was not in a position to make a decision that day but it could be made by the individual Cabinet Member who had the relevant remit for the issue, it was whether the Cabinet felt that this was appropriate. The alternative was to call an extraordinary meeting of the Cabinet as a matter of urgency to deal with the issue.

The Cabinet Member for Retail and Visitor Economy whose remit covered business rate relief indicated that he would be happy to make the decision.

The Chairman of the Growth Overview and Scrutiny committee commented that he had understood that a decision needed to be expedited which was why it had been discussed at the recent Growth Overview and Scrutiny Committee.

The Corporate Finance Manager gave a brief background. The new business rate valuation had increased business rates in some premises significantly. The spring budget had made available £300m of extra funding over four years for local authorities to provide discretionally relief to small, medium and independent businesses that was 25% of the Council's business base. In order to protect the business the collection of business rates would have to be paused to release the grant. Some businesses would qualify for relief three times. The administration would be challenging and therefore to simplify the process if a decision on the discretionary business rate relief scheme could be made sooner it would make administration simpler and ensure the relief given.

It was agreed to proceed with an urgent key decision to be made by the individual Cabinet Member responsible for discretionary rate relief.

CO55. ITEMS RAISED BY CABINET MEMBERS INCLUDING REPORTS ON KEY AND NON KEY DECISIONS TAKEN UNDER DELEGATED POWERS.

Three Non Key Decisions had been made.

The Cabinet Member for Environment had made a decision on 23 June 2017 in relation to the Food and Health and Safety Work Plan 2017- 18. It was an annual process and helped keep residents safe and included areas such as tattooing, piercing and food outlets.

Decision:

That the Work Plan for Food and Health and Safety Enforcement for 2017/18 is approved.

The Deputy Leader and Cabinet Member for Business Transformation and Commissioning had made a decision on 29 June 2017 in relation to the Supply of Software Contract for Revenues and Benefits Service. The implementation of Universal Credit would have an impact on Revenues and Benefits and it was felt that a change to the current system at this time would not be of benefit and therefore the contract was granted for another two years to enable the system to be reviewed following the implementation of Universal Credit.

Decision:

That approval is granted to award a two year contract with the Council's software supplier of Revenue and Benefits for the period 1 January 2018 – 31 December 2019.

The Cabinet Member Economy and Development had made a decision on 10 July 2017 in respect of the Adoption of Long Bennington Neighbourhood Plan. The Neighbourhood Plan for Long Bennington was modest in its proposals and no new sites had been allocated. It dealt more with how planning applications should be handled and how development should happen in Long Bennington.

Decision:

That approval is granted for the Long Bennington Neighbourhood Plan to be made part of the Development Plan for South Kesteven.

CO56. REPRESENTATIONS RECEIVED FROM NON CABINET MEMBERS

Councillor Dilks had made a representation in respect of the item on the Commercial Investment Strategy.

The Chief Executive referred to the flexibility on offer to Councillors to attend Cabinet and speak on items on the agenda and although they did not have to give notice that they wished to speak it would be useful to the Cabinet if they were aware of the context and nature of any questions that were to be asked as it would aid the discussion.

CO57. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT

The Leader asked that a copy of the Schedule of Decisions be appended to Cabinet agendas in the future.

DATE DECISIONS EFFECTIVE:

Decision CO53 as made on 13 July 2017 can be implemented on 22 July 2017, unless subject to call-in by the Overview and Scrutiny Committee Chairman or any five members of the Council from any political group.

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

**Contact: Cabinet Support Officer Lucy Bonshor - Tel: 01476 40 60 80 extn 6120
e-mail: l.bonshor@southkesteven.gov.uk**



CABINET

Report of: Councillor Adam Stokes Cabinet Member for Finance

Report to:	Cabinet
Date:	13 th July 2017
Subject:	Review of Commercial Investment Strategy CFM 425

Decision Proposal:	Key Decision
Cabinet Member:	Cllr Adam Stokes - Cabinet Member for Finance
Report author:	Richard Wyles – Corporate Finance Manager r.wyles@southkesteven.gov.uk <u>Tel: 01476 406210</u>
Reviewed by:	Daren Turner - Strategic Director d.turner@southkesteven.gov.uk <u>Tel: 01476 406301</u>
Signed off by:	Councillor Adam Stokes
Approved for publication	Councillor Adam Stokes 30 th June 2017

SUMMARY

The commercial property investment strategy is focussed on identifying and securing investment opportunities in the business sector in order to secure a financial return. This initiative is a significant contributor to the Council's response to the funding challenges that lie ahead and to maximise the Council's financial headroom.

Given the current market conditions, the opportunity has been taken to re-asses the investment strategy and consider amendments to the criteria that more adequately reflect the investment ambitions.

RECOMMENDATION

Cabinet is asked to approve the revised commercial investment strategy and to proceed to acquiring asset income generating investments in order to contribute towards the £300,000 income budget within the 2017/18 budget framework.

1. BACKGROUND TO REPORT;

1.1 The investment strategy was developed and approved in December 2015 as one of the many responses the Council introduced as part of its commercial focus as outlined in the Corporate Plan. More specifically, the strategy was developed as a means to secure commercial investment income at a time of reducing treasury investment returns and reducing revenue support grant. The Council has a stated ambition of being self-funded by 2019/20 and be in a position of creating financial headroom in order to invest in its priority outcomes.

The objective of the strategy is specifically to acquire income-producing property in order to enhance Council revenue streams as opposed to making investments in potential development sites and development schemes within the district. Property development is a distinct activity with very different risks which is not the subject of this strategy.

1.2 At the time of its formation, the strategy was focussed on identifying commercial investment opportunities primarily within the district that secured a financial return which was supported by strict criteria which was established to achieve a balanced portfolio of properties and to minimise risk of over exposure within one commercial sector.

The current strategy also sets criteria with respect to lot size and value in an attempt to contain the increasing asset portfolio that could otherwise arise from having no minimum value. It is recognised there is a cost of holding tenanted assets including rent collection, landlord maintenance, managing any void periods, etc.

However it is recognised that despite best endeavours it has not been possible to secure investments that are within the district of South Kesteven and that meet the criteria. The difficulty has been further compounded by the slowing down of the market and the investment returns that are now being offered. This has resulted in the strategy being out of context with the commercial market and therefore the criteria no longer achievable.

A proposed revised strategy was presented to Growth Overview and Scrutiny Committee and the committee members debated a wide range of issues including the geographical constraints, the lot sizes and anticipated yields for investment and the asset classification. The main recommendations were:

- That the Cabinet considers the balance of local investment against returns and where appropriate considers investment opportunities outside the district on a case by case basis and in line with other criteria changes.
- That consideration should be given to removing the lower limit for both yield and lot size
- Including in the investment strategy 'Target Assets' section:
 1. Investment in health and care facilities
 2. Opportunities to invest in land that would provide a commercial return
 3. Investment in different leisure opportunities
- Flexibility to include the use of borrowing to fund investments

With respect to the last point, financing decisions will be considered at the point of any procurement being undertaken and therefore does not require inclusion in the strategy.

The proposed recommendations have been incorporated (shown in *italics*) into a draft strategy which is provided at Appendix A. For reference and comparison purposes, the current strategy is provided at Appendix B.

2. OTHER OPTIONS CONSIDERED

The strategy could remain unchanged but given the changes in the investment yields being offered in today's market, it is unlikely there will be investment opportunities that meet the criteria that is set out in the current strategy.

3. RESOURCE IMPLICATIONS

None

4. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Financial Risk	In order to support the delivery of the budgeted income of £300K for 2017/18 it is appropriate to review and update the strategy in order to reflect the current investment market

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

None

6. CRIME AND DISORDER IMPLICATIONS

None

7. COMMENTS OF FINANCIAL SERVICES

The 2017/18 budget framework includes a capital allocation of £5M to fund commercial investment opportunities and an associated revenue income budget of £300K to be met from the commercial rental returns. Therefore in order to ensure that the budgets are met, it is important to regularly review the investment strategy to ensure it remains fit for purpose and will support the delivery of investment opportunities.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

S.12 of the Local Government Act 2003 provides the Council with authority to invest for any purpose relevant to its functions or for the purposes of prudent management of its financial affairs.

Any strategy relating to the investment in property must ensure that the resources of the Council are sufficient to manage the portfolio of property to be purchased.

9. COMMENTS OF OTHER RELEVANT SERVICES

N/a

10. APPENDICES

Appendix A – Suggested revised strategy
Appendix B – current approved strategy

11. BACKGROUND PAPERS

Investment Strategy 7th December 2015

<http://moderngov.southkesteven.gov.uk/ieListDocuments.aspx?CId=164&MId=3194&Ver=4>

SOUTH KESTEVEN – Commercial Property Investment Strategy

July 2017

Background

As an integral part of the Council's approach to commercialisation, this draft strategy sets out a framework in order to make investments in property to increase its revenue streams. The strategy adopted should reflect a suitable balance between the risks inherent in the types of property to be acquired and the financial rewards obtainable from those investments, limiting such risks appropriately. In addition, the portfolio of properties being acquired should be diversified in order to spread risks via a balanced portfolio, such diversification principally being across geographical location and the use type of properties held.

The investments are to be made using capital from the General Fund into which the resulting rental revenue streams will flow. Any capital receipts arising from subsequent sales will also be returned to the General Fund for use into further capital investment.

Objective: to provide income from commercial property rents through a balanced strategy of acquisition, retention and management of good quality property investments. Long-term retention and growth of capital values is also a key objective.

The objective is specifically to acquire income-producing property in order to enhance Council revenue streams as opposed to making investments in potential development sites and development schemes within the district, (the latter being a separate strategy). Property development is a distinct activity with very different risks which is not the subject of this report.

Performance measurement

The financial performance of the investment property portfolio and of each property within the portfolio will be measured and reported on an annual basis. Performance measurement will be based on annual external revaluations of the properties. Reports will be presented to the Cabinet including analysis of the performance with a view to making recommendations concerning amendments or alterations to the adopted strategy to ensure that the main objectives continue to be achieved. Suitable benchmarking can be set up, as required, so that the performance of the property portfolio may be measured against a suitable peer group or against nationally reported indices of property investment performance.

In the event of a failure to achieve the performance targets in the case of individual assets, the business plan for the property will be reviewed and amended as necessary to address the underperformance noted, or alternatively the asset can be disposed of.

Scope: The proposed quantum of investment is a capital allocation of £5 million from the General Fund with subsequent annual allocations of further tranches thereafter, subject to annual performance reviews of the portfolio and the adopted strategy.

It is suggested that the geographical spread of acquisitions is primarily focused in the South Kesteven district but will also encompass the East Midlands and South Yorkshire region

including Lincolnshire, Nottinghamshire, Leicestershire, Northamptonshire, Rutland and Cambridgeshire.

Strategy: To continue the review of the Council's existing asset portfolio.

The strategy to be adopted should include restructuring and rebalancing of the existing portfolio to achieve a satisfactory spread of properties through the main use sub-sectors (Retail; Offices; Industrial/Warehouse). The review should also seek to enhance the portfolio income levels through disposal of lower-yielding assets and reinvestment in a properly risk-controlled manner in higher yielding properties without introducing unjustified increased risk into the portfolio.

Achieving a spread of risk across a greater number of assets and by acquiring properties across the range of different property asset classes, namely retail, leisure, office and industrial, is to be a fundamental objective of the strategy. Whilst the portfolio remains relatively small, rigid target percentages for the main property sub-sector allocations are not appropriate. It is suggested that investment is spread initially in approximately equal proportions across the three main sub-sectors, namely retail/leisure, offices and industrial/warehouse.

Locations

The South Kesteven district, specifically Grantham, Stamford and Bourne, are the preferred locations for acquisitions of investment properties, so that reinvestment is retained within the local economy and any additional capital expenditure is made in the local area. Therefore all efforts will be directed to source suitable fresh investments within South Kesteven. However there is a finite supply of property within the local area and of that supply, only a small proportion may be available for purchase at any time.

A wider area will also be considered for fresh acquisitions encompassing the East Midlands and South Yorkshire including Lincolnshire, Nottinghamshire, Leicestershire, Northamptonshire, Rutland and Cambridgeshire. The availability of suitable investments in the wider region would considerably reduce the risk of any failure to buy replacement investments locally within South Kesteven in advance of or simultaneously with disposals from the existing portfolio.

Target assets

The following assets will be sought;

1. Retail investments with the following characteristics;

- *Lot sizes of up to £5m*
- *Good locations in town centres or in good out-of-town retail clusters/parks*
- *Quality tenants on leases with a minimum of five years unexpired terms*
- *Income yield range to be considered on a case by case basis*

2. Office investments with the following characteristics;

- *Lot sizes of up to £5m*
- *Modern specification, likely to be built since 1990*
- *Good locations in town centre or in good out-of-town business parks*

- *Quality tenants on leases with a minimum of five years unexpired terms*
- *Multi-let properties to be considered with average unexpired lease terms of 3 years, subject to a spread of expiry dates*
- *Income yield range to be considered on a case by case basis*

3. Industrial/Warehouse investments with the following characteristics;

- *Lot sizes of up to £5m*
- *Modern specification with flexible standard layout*
- *Good locations on major road routes and good access to motorways*
- *Quality tenants on leases with a minimum of five years unexpired terms*
- *Multi-let properties to be considered with average unexpired lease terms of 3 years, subject to a spread of expiry dates*
- *Income yield range to be considered on a case by case basis*

4. *Investment in health and care facilities, opportunities to invest in land that would provide a commercial return, investment in different leisure opportunities such as public houses, restaurants and health & fitness centres with similar characteristics as above.*

5. Mixed-use investments would also be potentially suitable additions to the portfolio. These may include a mixture of commercial and residential uses, or a mixture of retail and office use. Again, similar characteristics as set out above for office investments will apply.

Assessment of risks

A rigorous assessment of all risks is required in each case of fresh investment in order firstly to value each property and then to check its suitability for inclusion in the portfolio. The risks fall into two categories, firstly property market risks in specific property market sub-sectors and locations and secondly asset-specific risks (as set out below). These can be measured and an assessment made of the likely future performance of the investment carried out to determine the ranges of likely future rental growth of the property and also the disposal price. Financial returns are modelled over a medium-term horizon of say five years, based on proposed offer prices, to determine the acceptability of each investment, and can be compared against general market forecasts.

Asset-specific risks

Income returns for property will depend principally on the following five main characteristics;

- Location of property
- Building specification quality
- Length of lease unexpired
- Financial strength of tenant(s)
- Rental levels payable relative to current open market rental values

Location – this is the single most important factor in considering any property investment. In the retail sector prime or good secondary locations in major regional or sub-regional shopping centres are likely to provide good long-term prospects, or alternatively prime locations in sub-regional or market towns.

Industrial and warehouse property has a wider spectrum of acceptable locations with accessibility on good roads to the trunk road and motorway network being the key aspect.

Experienced knowledge will be required to ensure that good locations are selected where property will hold its value in the long term.

Building specification quality – In office property especially it is important to minimise the risk of obsolescence in building elements, notably mechanical and electrical plant. Modern, recently-built office and industrial property should be acquired to ensure longer term income production and awareness of the life-cycle of different building elements and costs of replacement is critical in assessing each property's merits. For town centre retail property trends have been towards larger standard retail units being in strongest demand from retailers.

As part of the due diligence process to be undertaken in respect of every property acquisition surveys will be undertaken by Council appointed building surveyors and mechanical & electrical engineers to assess the quality of specification of the building and its current condition.

Length of lease unexpired – At present capital values are highest for long-term leased property and values tend to reduce significantly when unexpired lease terms fall below five years, as owners expect significant capital expenditure to be necessary when leases expire and tenants may not renew leases and continue to occupy. Fresh investments should be made ensuring that diminishing lease terms will not either adversely affect capital value or that significant capital expenditure and voids are experienced. Annual reviews of unexpired lease terms across the portfolio should be undertaken.

Financial strength of tenant(s) – Assessment will be required of each tenant of potential acquisitions through analysis of their published accounts and management accounts. Such assessment forms part of the due diligence process prior to acquisition and may be carried out by Council-appointed or in-house accountants. Risk of tenant default in rent payment is the main issue but the relative strength of a tenant's financial standing also impacts upon capital value of property which is let to that tenant and careful analysis of financial strength is a key part of due diligence prior to purchase of investments.

Sourcing of investment property

Generally speaking property investment markets are controlled by national and regional commercial property agencies and establishing links and relationships with a number of such property agents is the best method of sourcing suitable properties for acquisition in accordance with the adopted strategy.

Staffing resources will need to be made available consisting of officers with the necessary experience of operating in the property investment market in order to source suitable property assets for acquisition that match the criteria set under the adopted strategy. This can be done either by recruitment into the existing Council property estates management team or by employing external expertise.

Governance and decision making

Owing to the normal processes when a property comes to the market and is bought and sold, decision-making on property purchases needs to fit in to the due diligence processes and

Appendix A

timetables usually followed by private sector property owners. This may require urgent items being brought to the Cabinet for approval prior to bids or offers being submitted. A normal timetable in the purchase of commercial property would be a two to three week marketing period, followed by a week for submission of offers and confirmation by the seller of the preferred buyer and preparation of Heads of Terms, followed by a 4-6 week period for due diligence investigations by the buyer and the buyer's solicitor prior to exchange of binding unconditional contracts on the purchase. Completion will usually follow within a further four weeks.

SOUTH KESTEVEN – Property Investment Strategy

Background

As an integral part of the Council's approach to commercialisation, this draft strategy sets out a framework in order to make investments in property to increase its revenue streams. The strategy adopted should reflect a suitable balance between the risks inherent in the types of property to be acquired and the financial rewards obtainable from those investments, limiting such risks appropriately. In addition, the portfolio of properties being acquired should be diversified in order to spread risks via a balanced portfolio, such diversification principally being across geographical location and the use type of properties held.

The investments are to be made using capital from the General Fund into which the resulting rental revenue streams will flow.

Objective: to provide income from commercial property rents with a minimum income return over the medium-term of 7.0% on capital invested, through a balanced strategy of acquisition, retention and management of good quality property investments. Long-term [retention/growth] of capital values is also a key objective.

The objective is specifically to acquire income-producing property in order to enhance Council revenue streams as opposed to making investments in potential development sites and development schemes within the district, (the latter being a separate strategy). Property development is a distinct activity with very different risks which is not the subject of this report.

Performance measurement

The financial performance of the investment property portfolio and of each property within the portfolio will be measured and reported on an annual basis. Performance measurement will be based on annual external revaluations of the properties. Reports will be presented to the Executive including analysis of the performance with a view to making recommendations concerning amendments or alterations to the adopted strategy to ensure that the main objectives continue to be achieved. Suitable benchmarking can be set up so that the performance of the property portfolio may be measured against a suitable peer group or against nationally reported indices of property investment performance.

In the event of a failure to achieve the performance targets in the case of individual assets, the business plan for the property will be reviewed and amended as necessary to address the underperformance noted, or alternatively the asset can be disposed of.

Scope: The proposed quantum of investment is a capital allocation of £5 million in the first year from the General Fund with subsequent annual allocations of further tranches thereafter, subject to annual performance reviews of the portfolio and the adopted strategy.

It is suggested that the geographical spread of acquisitions is to encompass Lincolnshire, Nottinghamshire, Leicestershire, Northamptonshire, Rutland and Cambridgeshire.

Strategy: To continue the review of the Council's existing asset portfolio.

The strategy to be adopted should include restructuring and rebalancing of the existing portfolio to achieve a satisfactory spread of properties through the main use sub-sectors (Retail; Offices; Industrial/Warehouse); enhancing the portfolio income levels through disposal of lower-yielding assets and reinvestment in a properly risk-controlled manner in higher yielding properties without introducing unjustified increased risk into the portfolio.

Achieving a spread of risk across a greater number of assets and by acquiring properties across the range of different property asset classes, namely retail, leisure, office and industrial, is to be a fundamental objective of the proposed investment strategy. Whilst the portfolio remains relatively small, rigid target percentages for the main property sub-sector allocations are not appropriate. It is suggested that investment is spread initially in approximately equal proportions across the three main sub-sectors, namely retail/leisure, offices and industrial/warehouse.

Minimum and maximum yield

Acquisitions of assets are targeted at a minimum yield of 7.0% and maximum yield of 10.0%. Assets producing initial yields in excess of 10.0% are likely to exhibit high risk characteristics, such as very short unexpired leases, or financially weak or insubstantial tenants, or obsolete buildings.

Sector spread

Many good quality property investments across the office and industrial sub-sectors will provide an income return of 7.0% or greater. In the retail sub-sector income returns for prime retail property, in which steady long-term returns can be assured, are lower than comparable office & industrial property. Typically retail income yields range between 5.0% and 7.0% at present for good quality in-town retail properties, whereas office income yields typically range from 5.5% in strong city centres up to 7.5% to 8.5% for reasonable quality offices in regional and sub-regional centres and industrial income yields range from 6.0% up to 7.0/7.5%, again for acceptable stock. Therefore it is likely that predominantly office and industrial/warehouse properties will be targeted for acquisition as the income yields for acceptable retail assets may be below the target minimum income return of 7.0% for fresh acquisitions.

Locations

The South Kesteven district, specifically Grantham, Stamford and Bourne, are the preferred locations for fresh acquisitions of investment properties, so that reinvestment is retained within the local economy and any additional capital expenditure is made in the local area. All efforts will be directed to source suitable fresh investments within South Kesteven, therefore. There is a finite supply of property within the local area, however, and of that supply only a small proportion may be available for purchase at any time.

An identified risk to implementing the strategy is the potential difficulty in reinvesting locally. If it becomes clear after a period of 4-6 months that there are insufficient properties available to satisfy the requirements of the Council for fresh investment then searches for available investments could be widened to include neighbouring counties as defined below.

A wider area should also be considered for fresh acquisitions encompassing Lincolnshire, Nottinghamshire, Leicestershire, Northamptonshire, Rutland and Cambridgeshire. The availability of suitable investments in the wider region would considerably reduce the risk of any failure to buy replacement investments locally within South Kesteven in advance of or simultaneously with disposals from the existing portfolio.

Target assets

The following assets will be sought;

1. Retail investments with the following characteristics;

- Lot sizes between £1m and £5m
- Good locations in town centres or in good out-of-town retail clusters/parks
- Well let to sound tenants on leases with a minimum of five years unexpired terms
- Income yield range from 7.0% to 8.0%

2. Office investments with the following characteristics;

- Lot sizes between £1m and £5m
- Modern specification, likely to be built since 1990
- Good locations in town centre or in good out-of-town business parks
- Well let to sound tenants on leases with a minimum of five years unexpired terms
- Multi-let properties to be considered with average unexpired lease terms of 3 years, subject to a spread of expiry dates
- Income yield range from 7.0% to 9.0%

3. Industrial/Warehouse investments with the following characteristics;

- Lot sizes between £1m and £5m
- Modern specification with flexible standard layout, built since 1980
- Good locations on major road routes and good access to motorways
- Well let to sound tenants on leases with a minimum of five years unexpired terms
- Multi-let properties to be considered with average unexpired lease terms of 3 years, subject to a spread of expiry dates
- Income yield range from 7.0% to 10.0%

4. Leisure investments, such as public houses, restaurants and health & fitness centres with similar characteristics as above will also be sought.

5. Mixed-use investments would also be potentially suitable additions to the portfolio.

These may include a mixture of commercial and residential uses, or a mixture of retail and office use. Again, similar characteristics as set out above for office investments will apply.

Assessment of risks

A rigorous assessment of all risks is required in each case of fresh investment in order firstly to value each property and then to check its suitability for inclusion in the portfolio. The risks fall into two categories, firstly property market risks in specific property market sub-sectors and locations and secondly asset-specific risks (as set out below). These can be measured and an assessment made of the likely future performance of the investment carried out to determine the ranges of likely future rental growth of the property and also the disposal price. Financial returns are modelled over a medium-term horizon of say five years, based on proposed offer prices, to determine the acceptability of each investment, and can be compared against general market forecasts.

Asset-specific risks

Income returns for property will depend principally on the following five main characteristics;

- Location of property
- Building specification quality
- Length of lease unexpired
- Financial strength of tenant(s)
- Rental levels payable relative to current open market rental values

Location – this is the single most important factor in considering any property investment. In the retail sector prime or good secondary locations in major regional or sub-regional shopping centres are likely to provide good long-term prospects, or alternatively prime locations in sub-regional or market towns.

Good quality locations for office properties in the region will include Lincoln, Nottingham, Leicester, Northampton, Kettering/Wellingborough and Peterborough.

Industrial and warehouse property has a wider spectrum of acceptable locations with accessibility on good roads to the trunk road and motorway network being the key aspect.

Experienced knowledge will be required to ensure that good locations are selected where property will hold its value in the long term.

Building specification quality – In office property especially it is important to minimise the risk of obsolescence in building elements, notably mechanical and electrical plant. Modern, recently-built office and industrial property should be acquired to ensure longer-term income-production and awareness of the life-cycle of different building elements and costs of replacement is critical in assessing each property's merits. For town centre retail property trends have been towards larger standard retail units being in strongest demand from retailers.

As part of the due diligence process to be undertaken in respect of every property acquisition surveys will be undertaken by Council-appointed building surveyors and mechanical & electrical engineers to assess the quality of specification of the building and its current condition.

Length of lease unexpired – At present capital values are highest for long-term leased property and values tend to reduce significantly when unexpired lease terms fall below five years, as owners expect significant capital expenditure to be necessary when leases expire and tenants may not renew leases and continue to occupy. Fresh investments should be made ensuring that diminishing lease terms will not either adversely affect capital value or that significant capital expenditure and voids are experienced. Annual reviews of unexpired lease terms across the portfolio should be undertaken.

Financial strength of tenant(s) – assessment will be required of each tenant of potential acquisitions through analysis of their published accounts and management accounts. Such assessment forms part of the due diligence process prior to acquisition and may be carried out by Council-appointed or in-house accountants. Risk of tenant default in rent payment is the main issue but the relative strength of a tenant's financial standing also impacts upon capital value of property which is let to that tenant and careful analysis of financial strength is a key part of due diligence prior to purchase of investments.

Sourcing of investment property

Generally speaking property investment markets are controlled by national and regional commercial property agencies and establishing links and relationships with a number of such property agents is the best method of sourcing suitable properties for acquisition in accordance with the adopted strategy.

Staffing resources will need to be made available consisting of officers with the necessary experience of operating in the property investment market in order to source suitable property assets for acquisition that match the criteria set under the adopted strategy. This can be done either by recruitment into the existing Council property estates management team or by employing external expertise.

Governance and decision making

Owing to the normal processes when a property comes to the market and is bought and sold, decision-making on property purchases needs to fit in to the due diligence processes and timetables usually followed by private sector property owners. This may require urgent items being brought to the Executive for approval prior to bids or offers being submitted. A normal timetable in the purchase of commercial property would be a two to three week marketing period, followed by a week for submission of offers and confirmation by the seller of the preferred buyer and preparation of Heads of Terms, followed by a 4-6 week period for due diligence investigations by the buyer and the buyer's solicitor prior to exchange of binding unconditional contracts on the purchase. Completion will usually follow within a further four weeks.



CABINET MEMBER DECISION

Decision:

That the Work Plan for Food and Health and Safety Enforcement for 2017/18 is approved.

(1) Details of Decision

To seek approval of the work plan for food and health and safety enforcement for 2017/18.

(2) Considerations/Evidence

The Food Standards Agency (FSA) requires each Local Authority to produce an annual Food Work Plan in accordance with the guidelines set out in the Agency's Framework Agreement on Local Authority Food Law Enforcement.

The FSA will use the information contained in the plan to assess our delivery of the service and compare our performance against other authorities. The FSA has powers to take over the management of the food service from local authorities who fail to meet performance standards

In addition, the Health and Safety Executive (HSE) National Local Authority Enforcement Code aims to ensure that local authority health and safety enforcement activity is focused on serious risks and poor performers by setting out a risk based approach for local authority regulators to follow when targeting health and safety interventions.

The Work Plan is produced to satisfy the requirements of the FSA and HSE and also incorporates other associated activities including infectious disease control and private water supply regulation.

Environmental Health can provide valuable local support and advice to businesses, especially at start up. The work plan demonstrates how we ensure that regulation is efficient and proportionate, supportive of growth and protects communities.

Key elements of the plan for 2017/18 include:

- Advising businesses, especially at start up and during growth
- Supporting businesses in the district to continually improve
- Increasing the number of food premises which are "broadly compliant",

- with particular attention to the <2% of food businesses where improvement is necessary (0-2 rated premises)
- Continuing to focus on food crime, authenticity and traceability during food hygiene inspections

(3) Reasons for Decision:

Failure to publish an approved plan would result in a breach of duty.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Dr Peter Moseley
Cabinet Member for Environment

Date of Decision: 23 June 2017

Date of Publication of Record of Decision: 26 June 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

04 July 2017



CABINET MEMBER DECISION

Decision:

That approval is granted to award a two year contract with the Council's software supplier of Revenue and Benefits for the period 1 January 2018 – 31 December 2019.

(1) Details of Decision

To seek approval to enter into a 2 year contract with the incumbent software supplier for the continuation of specialist software services to support the delivery of Revenues and Benefits services.

(2) Considerations/Evidence

A contract price for the proposed two year period has been agreed with the supplier and is in accordance with budgetary sums already set out in the indicative budgets for 2018/19 and 2019/20 respectively.

(3) Reasons for Decision:

The current system supports the services required by claimants, businesses and residents across the district and is flexible and responsive to changing processes and legislative requirements. A potential system change at this time would significantly increase the risk of service disruption to all stakeholders and could result in an increased financial burden to the Council. Furthermore there are significant risks associated with changing the system at this time most notably with respect to the impact of Universal Credit (UC) rollout which commences later this year. A change in system could negatively impact significantly on benefit claimants and other customer groups by way of service disruption. A two year arrangement with the current supplier would provide adequate time to fully consider the service impact of UC and enable any potential system change to be undertaken once benefit claimants have migrated onto UC.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Kelham Cooke

Deputy Leader also Cabinet Member for Business Transformation and Commissioning

Date of Decision: 29 June 2017

Date of Publication of Record of Decision: 30 June 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

07 July 2017



Appendix C

Cabinet

Report of: Councillor Nick Neilson
Cabinet Member for Communities and Wellbeing

Report to:	Cabinet
Date:	7 September 2017
Subject:	South Kesteven District Council's Draft Housing Strategy (HS3)

Decision Proposal:	Non-Key decision
Relevant Cabinet Member:	Councillor Nick Neilson, Cabinet Member for Communities and Wellbeing
Report author:	Paul Thomas Executive Manager Development and Growth p.thomas@southkesteven.gov.uk 01476 406162 Date: 4 August 2017
Reviewed by:	Anne-Marie Coulthard Business Manager Environmental Health a.coulthard@southkesteven.gov.uk 01476 406319 Date: 14 August 2017
Signed off by:	Tracey Blackwell Strategic Director t.blackwell@Southkesteven.gov.uk 01476 406058 Date: 17 August 2017
Approved for publication	Councillor Nick Neilson Date: 17 August 2017

SUMMARY

This report sets out how the Council's new draft Housing Strategy ("the Strategy") and Housing Strategy Action Plan ("the Action Plan") have been developed in collaboration with Members and representatives from the housing industry.

This report proposes a wide-ranging approach to consultation in order to encourage the greatest possible participation from residents and other key stakeholders from within and outside of the district.

Any feedback from the Communities and Wellbeing Scrutiny Committee on 5 September 2017 will be reported to the Cabinet so that it is able to make an informed decision as to whether the draft Strategy and Action Plan is suitable for wider consultation and engagement.

RECOMMENDATION

1. Cabinet approves for consultation purposes the appended draft Housing Strategy and Housing Strategy Action Plan, having taken into consideration any comments received from the Communities and Wellbeing committee, in accordance with the appended consultation strategy.
2. That delegated authority be given to the Cabinet Member for Communities and Wellbeing to approve the final version of the Housing Strategy and Housing Strategy Action Plan, subject to a positive recommendation from - and/or any minor changes required by - the Communities and Wellbeing Overview and Scrutiny Committee on the 7th November 2017.

1. BACKGROUND TO REPORT

- 1.1. The current Housing Strategy for South Kesteven lasts up to 2018. However, much has changed over the last 6-12 months (including, but not limited to: a new Government focus on housing delivery, a new Planning Act, a Housing White paper and changes to the legislation around private rented accommodation) meaning that an early review of the strategy was considered appropriate.
- 1.2. Alongside these changes, the Council is progressing the £2.2m HRA development programme. The provision of 27 new homes for social rent across 3 sites is on target to be completed during 2017/18.
- 1.3. Two Housing Summits were held at the start of the year to consider these broad issues, as well as the specific challenges facing the South Kesteven housing market. Of particular concern was the decline in the number of new homes being constructed against a growing and ageing population.
- 1.4. Members were briefed on the outputs of these Summits at a Councillors' briefing session on the 22nd May 2017.

- 1.5. The comments made at the briefing session informed the first draft of the Housing Strategy which was presented to the Communities and Wellbeing Overview and Scrutiny Committee on the 11th July 2017.
- 1.6. The Communities and Wellbeing Overview and Scrutiny Committee considered the content of the draft Housing Strategy; provided feedback on the Strategy's key outcomes; endorsed a series of roundtables with sectors of the housing industry; accepted proposals to consult more widely with the residents and businesses of South Kesteven; and noted the proposed timeline to progress the Housing Strategy to adoption.

The Roundtable Discussions

- 1.7. A series of five housing roundtable discussions were held between 17th and 31st July, involving Developers, Registered Providers, Other Local Authorities, Landowners and Landlords.
- 1.8. Councillor Nick Neilson chaired the roundtable discussions, with a small number of Members attending to participate in the debate.
- 1.9. Six key themes arose from the five housing roundtable discussions:
 - **Planning;** including the time taken to make planning decisions and the degree of uncertainty that exists throughout the planning process. Specific reference was made to the role of statutory consultees, particularly in respect of consistency and timeliness of advice received, and that of the Development Management Committee, with regards to the timeliness of decisions on applications.
 - **Opportunities to work together;** reference was made to the value of the Council 'stepping-in' with its expertise when required. Registered Providers in particular would look for the Council to assist on large or complex sites; either by bringing the relevant parties together to remove barriers or, potentially, to fund or forward fund significant infrastructure requirements.
 - **A role for the Council in the private rented market;** there is an opportunity for the Council to lease direct from landlords to maintain the provision of a high quality supply of rental properties and to provide stability in the rental market with landlords receiving a guaranteed income.
 - **The need for a tailored approach;** it is recognised that issues and opportunities are very different across our four market towns and across rural areas. These diverse local markets need to be considered in the application of policies and actions.
 - **The importance of land issues;** this featured in all of the roundtables and included land values, availability and the barriers that prevent it being brought forward for development.
 - **A desire to meet again;** the success of the roundtables was such that all five expressed desire to continue the discussion as the Strategy moved to adoption and implementation.

The updated Draft Housing Strategy and Action Plan

- 1.10. Comments provided by the Communities and Wellbeing Overview and Scrutiny Committee on the 11th July 2017 and the discussions that took place at the roundtable (including the 6 themes set out above) have all informed the draft Strategy and Action Plan (appendix 1 and 2, respectively).
- 1.11. Comments made by the Communities and Wellbeing Overview and Scrutiny Committee at their meeting of the 5th September 2017 will be presented to Cabinet through an update paper.
- 1.12. Any changes required as a result of comments received from the Communities and Wellbeing Overview and Scrutiny Committee and/or the Cabinet will be incorporated into the draft Housing Strategy and Action Plan prior to it being publicised for consultation from the 14th September 2017.

Consultation Strategy

- 1.13. A proposed Engagement Strategy is appended to this report (appendix 3).
- 1.14. Further engagement is planned and will include a survey, press release, articles in Council publications, direct contact with specialist service providers, strategic partners and a further event for Council Members.
- 1.15. Engagement will take place between 14th September and 26th October 2017.

Timetable

- 1.16. The full timetable to adoption is set out below:

Strategy, Action Plan and Consultation Approach to Cabinet to approve for Consultation	7th September 2017
Consultation on Draft Strategy and Action Plan To include: <ul style="list-style-type: none">• Re-convened Letting Agents Roundtable (date tbc)• Parish Update: distributed w/c 4th September 2017• SK Today: distributed w/c 11th September 2017	14th September, to 26th October 2017
Results of Consultation to Community OSC	7th November 2017
Final Strategy and Action Plan to be approved by Cabinet Member for Communities and Wellbeing	14th November 2017

2. OTHER OPTIONS CONSIDERED

- 2.1. The Council's current Housing Strategy runs from 2013 to 2018; and the Council could continue to deliver against this strategy until the specified end

date. However, Members have already been appraised of the recent, significant, changes in housing policy which have necessitated an early review of the strategy in order to ensure that the Council's approach to strategic housing remains relevant and deliverable.

3. RESOURCE IMPLICATIONS

- 3.1. The resources required to produce the strategy are being met from within existing service area budgets.
- 3.2. Any other resource implications will be considered alongside the development of the Housing Strategy Action Plan and any other relevant delivery plans (such as the Housing Revenue Account Business Plan)

4. RISK AND MITIGATION

- 4.1 Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Delivery of Corporate Plan priorities for housing growth	The refreshed housing strategy and associated action plan provide the mechanism to facilitate and drive forward the development of a wide range of homes, while supporting wider opportunities for growth within the district.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

- 5.1. There are not considered to be any direct equality issues arising from this report.

6. CRIME AND DISORDER IMPLICATIONS

- 6.1. There are not considered to be any direct crime and disorder implications arising from this report

7. COMMENTS OF FINANCIAL SERVICES

- 7.1. The direct financial implications of developing and adopting the strategy will be met from existing budgets. Longer term there may be more significant financial considerations specifically for the Council as a social landlord where it would seek to support the delivery of specific outcomes. These options will be considered in due course and incorporated into future budget setting proposals

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

- 8.1. Since the repeal of section 87 of the Local Government Act 2003 on 26 May 2015 there has been neither a statutory or regulatory provision imposing a

requirement to have a Housing Strategy, however, it is nevertheless recognised as best practice to do so.

9. COMMENTS OF OTHER RELEVANT SERVICES

- 9.1. The Housing Strategy and Action Plan has been developed across, and with, a number of Business and Service Areas.

10. APPENDICES

- 10.1. Appendix 1: Draft Housing Strategy for Consultation
- 10.2. Appendix 2: Draft Action Plan for Consultation
- 10.3. Appendix 3: Housing Strategy Engagement

11. BACKGROUND PAPERS

- 11.1. Report HS1: South Kesteven District Council's Housing Strategy, report to Communities and Wellbeing Overview and Scrutiny Committee, 11th July 2017.
- 11.2. Report HS2: South Kesteven District Council's Housing Strategy, report to Communities and Wellbeing Overview and Scrutiny Committee, 5th September 2017.

There's no place like home

South Kesteven's Housing Strategy 2017 – 2021

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Executive Summary

There aren't many things more important to our residents than their homes, and what's important to our residents is important to us.

We know how many houses need to be built and we have a good idea where most of that housing will go, we know that we need to work with some landlords to raise standards in the private rented sector so that homes are safe, and we know that in keeping the streets clean, town centres flourishing and our cultural offer blossoming we can attract – and keep – residents in South Kesteven.

This document sets out how we will do this.

Leader

Cabinet Member

DRAFT

Introduction

South Kesteven is an attractive, prosperous and safe place to live, work and visit, and is consistently rated by Halifax surveys as one of the best rural areas to live in the country. Covering over 365 square miles, the district has four distinctive market towns and over 80 villages.

People are attracted to the area because of its excellent access to the A1 and the East Coast Mainline (London is only an hour away), its relatively inexpensive housing and high achieving schools. The district is a healthy place to live with an active labour market and unemployment levels well below the East Midlands average.

We have ambitious annual targets for housing delivery across the district, with plans underway to support the delivery of the Spitalgate Garden Village near Grantham. This site is one of just fourteen locations selected by Government to access a £6 million fund to support the delivery of 3700 mixed tenure homes alongside a business park creating 4000 new jobs and opportunities for companies to grow.

However, we have some significant housing challenges; some 21% of our population is aged over 65, and this is expected to grow to 31% by 2037; demand for homes continues, although housing is becoming gradually more unaffordable for many people; the quality of existing rental homes is often not good enough; there are pockets of deprivation, with some aspects more apparent in rural areas with limited access to services.

Since our previous housing strategy there have been a number of legislative and policy changes and it is now timely to review the current strategy and establish new priorities to address the changing environment in which we are working.

Vision

At the heart of the strategy is the vision that homes are a fundamental part of our lives. Houses should be healthy, good quality, sustainable, and secure, providing the environment for people to thrive and achieve. Good housing in vibrant and attractive towns and villages supports a strong economy and creates a community where people want to live, work and invest.

Four theme areas have been identified and developed, which will help us to address the challenges and achieve the best possible housing outcomes.

The theme areas are:

1. Facilitate the delivery of new housing across a range of tenures
2. Enable those whose independence may be at risk to access housing (including their current home) which meets their needs
3. Encourage, support and regulate the private rented sector to provide well managed, safe homes
4. To help meet the housing needs of residents

Achievements

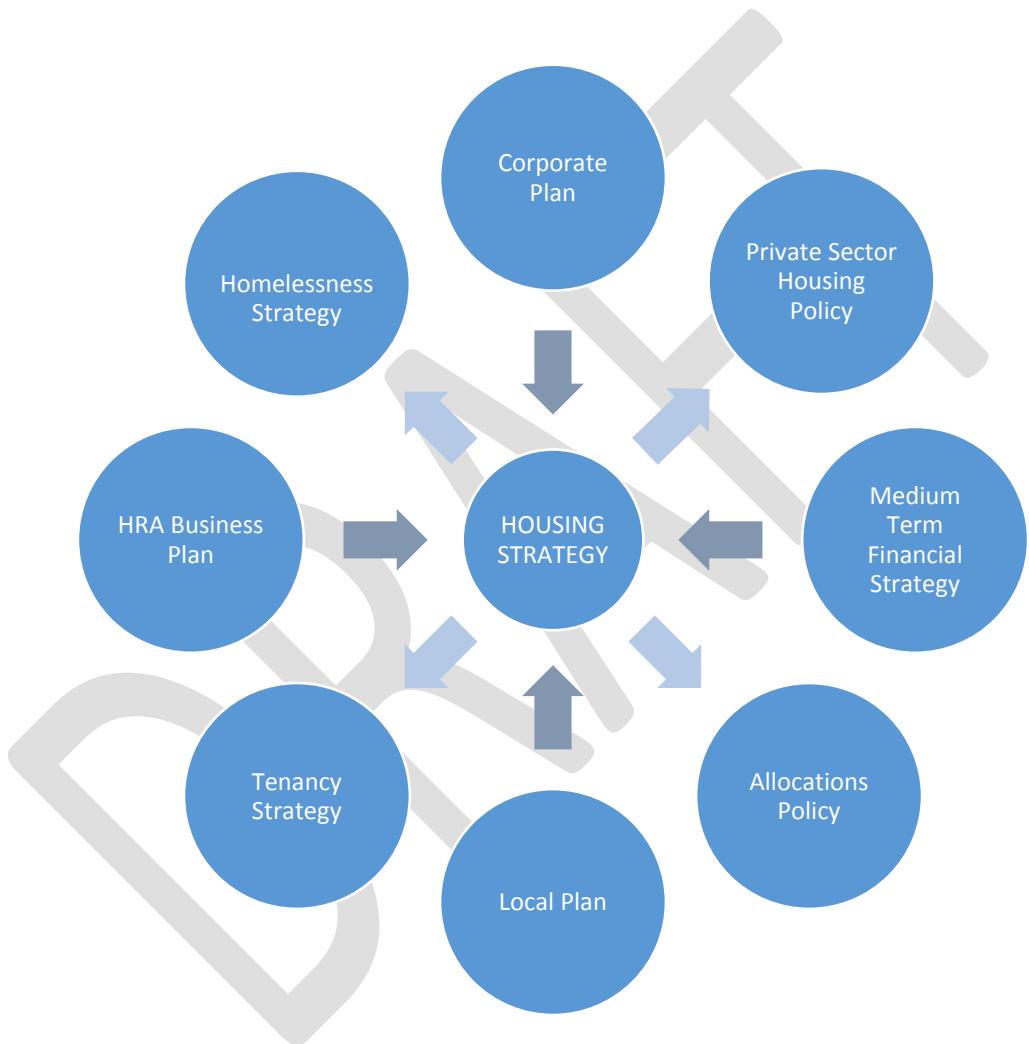
Since the start of our previous Housing Strategy (2013) the economic climate has presented a range of challenges. However, the following are some of the key achievements delivered to date:

- 1547 net new homes delivered
- 343 new affordable homes delivered
- Retrofitted external wall insulation to 770 council homes
- Improved the homes of 213 vulnerable owner occupiers through grants
- Funded disabled adaptations to 243 private sector homes
- Maintained low levels of rough sleeping
- Reduced significantly our use of Bed and Breakfast accommodation
- Helped 51 households to move from overcrowded housing
- Delivered a mixed use housing and commercial development in Bourne
- Secured Government funding to support the Spitalgate Garden Village

Links to other strategies

The housing strategy works alongside existing plans and strategies, providing a framework for the delivery of our housing priorities.

Importantly, the Council cannot deliver this strategy in isolation, and while we have a central role, we need the support and co-operation of all those involved in building, providing and managing homes in the district to deliver the best outcomes for our residents.



A Snapshot of South Kesteven

Our residents

- South Kesteven has a population of 138,000. The largest of the Lincolnshire districts.
- The population is predicted to increase by 19% to 159,120 by 2036.
- 61% of our population is of working age, with an upward trend in the number of people who are 65+ years.
- Life expectancy is 84 years for females and 80 for males.
- There are approximately 147 people per km², marginally more 'dense' than the Lincolnshire average of 124 people per km².
- Households are becoming smaller with 28% of households being single.
- The median gross full time pay earned by a person living in South Kesteven is £468 per week.
- The number of people applying as homeless has risen by a fifth since 2010/11.
- Rough sleeping remains low, estimated at 0.02 per 1000 households in 2016.
- There are around 3,650 people on our housing register, of which around 875 have an evidenced housing need.
- Levels of disability are increasing at the same rate as the rise in population, however, the vast proportion of disabled people live in unadapted housing.

Our homes

- There are around 62,400 households in South Kesteven, expected to increase to over 71,000 by 2036.
- 70% of households own their own home, 16% rent privately and 14% live in a socially rented home. The private rental sector has grown from 11% in 2009, while owner occupation has reduced by 6%.
- It is estimated that 17% of owner occupied and 25% of private rented homes have a serious home hazard.
- Approximately 26% of private rented homes will be affected by minimum energy efficiency standards being introduced from 2018.
- The rural nature of the district means that over 10,000 (17%) of homes are not connected to the gas network, reducing fuel choice and impacting on affordability.
- Around 2% of homes in the district have been empty for more than 6 months.
- Over 50% of those on our housing register are in need of 1 bedroom accommodation.
- The use of temporary accommodation is increasing due to the lack of affordable housing solutions locally.

Our housing costs

- The median house sale price in 2016 was £180,986 (up from £149,000 in 2009), this ranges from around £250,000 for a detached house to £95,000 for a flat/maisonette.
- The median house price is 7.35 times the median (residence based) gross earnings (2016) This ratio shows an upward trend and is the highest in Lincolnshire.

- The average monthly private rent in 2015-16 was £609, an increase of 3% on 2014/15. Rents vary across the district, with levels in Stamford typically higher than in Grantham.
- Ten percent of households are in fuel poverty according to the low income/high cost definition, with rural communities experiencing significantly higher concentrations.
- Residents are using the Help to Buy Equity Loan Scheme for new homes, with 394 completed between April 2013 and September 2016, of these 78% were first time buyers, helping to stimulate housing supply.

Our economy and growth

- South Kesteven has a projected need for an additional 700 new homes per annum. 646 new homes were completed in 2014-15, of which 92 were affordable.
- There were 11,305 house sales in the district in 2015, of these the majority were of detached properties (45%), followed by 25% semi-detached, 23% terraced and 7% flats/maisonettes.
- Our grammar schools and academies are high performing with over 76% of students having good GCSE's. However only 30% of our residents are educated to degree level and above, which is lower than the regional and national averages of 35% and this reflects in elements of our local jobs market.
- Employment levels are high, with the unemployment claimant rate standing at 3.6% of working age population in comparison with 4.8% nationally.
- Employment is forecast to grow by 16% during the period 2011 to 2036.
- There are currently 5795 enterprises in the district, a 4.4% increase on 2015. 98% of these enterprises have less than 50 employees.

Our health and wellbeing

- South Kesteven is ranked 223 out of 326 districts according to the Indices of Deprivation 2015. Although there are disparities with the Earlesfield and Harrowby Wards being the most deprived and Stamford St Johns being the least deprived area in the district.
- About 14% of children live in low income families. The Child Poverty Act 2010 set a target of 10% by 2020.
- At 17.1 (period August 2012 – July 2015), the ratio of excess winter deaths to average non-winter deaths is not significantly different from the England average.
- Overall life expectancy is higher than the England average; however, life expectancy for men is 5.9 years lower and for women 6 years lower in the most deprived areas of the district than in the least deprived area (2013-2015).
- 7,652 adults aged over 65 report having a long term illness which limits day to day activities a little, while 6,298 report this as a lot.
- Fourteen percent of those with an evidenced need on the housing register are living in crowded conditions.

Challenges

The recent Government Housing White Paper “Fixing our broken housing market” published in February 2017 represents a key shift in Government policy focus towards a tenure neutral approach to increasing the pace and volume of housing supply.

We are committed to improving the lives of our residents alongside creating opportunities for growth and prosperity for businesses and local people. However, we recognise that to build on our successes we have challenges to overcome.

Delivering new homes

Challenge Statement: There is a national shortage of new homes, which means life choices are being reduced and opportunities to expand the economy are being missed.

The forecast increases in local population and the Government target to build 200,000 homes nationally by 2020 means that we will need a range of housing options which will support housing supply and economic growth. While we have a sufficient land supply, unlocking sites and working with developers to encourage the development of housing which meets the future needs of our residents will be a key part of our future role.

As well as building more homes, it is important that we maximise the use of existing homes by encouraging empty homes back into use. As a stock retaining authority South Kesteven District Council has around 6,130 properties. Under occupation is a barrier to better utilisation, we need to develop a better offer for people enabling them to downsize to homes which better meet their needs.

Key outcomes to address these challenges:

- The development of high quality, sustainable, housing that reflects the character and increases the desirability of South Kesteven as a place to live.
- Support the up-front delivery of essential infrastructure on key development sites.
- Support Government initiatives to encourage developers to bring forward housing delivery housebuilders who are not delivering fast enough.
- Ensure that planning processes encourage land owners and developers to bring potential housing sites to the market with the required infrastructure in place.
- Making the best use of existing property that can quickly be converted to housing.
- Encourage the development of a skilled workforce that can meet the housing delivery needs of the district.
- Disaggregation of large housing sites to enable smaller developers to deliver at pace.
- The availability of a sustainable rental market that is a genuine, affordable, alternative to home ownership.
- The need for a tailored approach to housing delivery; Bourne, Market Deeping, Stamford, Grantham and the rural areas have very different markets and these may require different approaches to housing delivery.

Ensuring quality housing

Challenge Statement: *The private rented sector (PRS) makes up 16% of our housing stock, the sector is facing unprecedented changes in legislation that aims to raise standards and drive out “rogue” landlords.*

Poor housing conditions have a negative impact on health and wellbeing. While many people choose the private rented sector for its flexibility, others who would have previously purchased a home or rented social housing are increasingly relying on this option. This has the effect of increasing rents and shrinking the cheaper end of the market where people accept poorer quality housing at a price they can afford. We will need to utilise new legislation and take timely action to continue to protect tenants and their families against rogue landlords and ensure that the energy efficiency of homes meets new minimum standards to enable them to continue to be let and be affordable to live in.

Key outcomes to address these challenges:

- Fully-informed landlords and letting agents who know what they have to do to improve the quality of their properties.
- Improvement in the PRS market, but without creating so much pressure that tenants are forced out of PRS..
- Protection for tenants who often have no choice but to settle for lower quality rental property.
- Develop new ways of engaging with the sector to enable access for people on low income, on benefits or who are under 35 years old.

Providing choice for older and disabled people

Challenge Statement: *Life expectancy is increasing, but as people age they are progressively more likely to live with illness, disability and frailty and need additional support*

The increasing ageing population puts an increased demand on a particular sector of the housing market including specialist and supported housing. Increasing emphasis is being placed on re-designing service offers from health, social care , support and adaptation services to help residents who wish to remain in their own home to live independently or to move to more suitable accommodation. Many are keen to move to more suitable homes but there appears to be a shortage of accommodation that meets people's needs and expectations. Traditional sheltered housing offered by social housing landlords does not appeal to everyone, while the market for “new generation” retirement homes is slow to develop.

Key outcomes to address these challenges:

- Enable households access to accommodation in properties that meet their needs, and to facilitate them moving to more suitable properties where required.
- To enable people to live independently, but with appropriate support that can be called-on when required.
- Encourage an appropriate provision of high-quality, skilled, carers who are able to support independent living.
- Encourage the provision of affordable places in care homes.
- Utilise our strategic partnerships to clarify the range of affordable housing required across the district to meet the needs of people with learning disabilities, mental health problems and physical disabilities.

Supporting housing need

Challenge Statement: It is becoming increasingly difficult to source and secure affordable accommodation for people on lower or insecure incomes to meet their needs, and for those households to sustain that accommodation.

The Welfare Reform Act is introducing numerous changes that affect the income people receive, meaning that more households are experiencing difficulties in meeting their housing costs. The majority of people under 35 living in private rented accommodation can only receive Local Housing Allowance (LHA) for a room in a shared property. From April 2018 this will extend to social rented homes, this is likely to result in increased homelessness amongst this population if they are unable to pay their rent. In addition to this, the "benefit cap" will reduce the maximum amount a non working, non disabled household can receive in state benefits to £20,000 per year (£13,400 for single adults). The lack of shared accommodation in the district combined with these changes will affect the ability of these households to find affordable accommodation and pay rent.

The Government is now considering removing housing benefit for 16 to 18 year olds, this will mean they will have to remain with their families for longer and will take longer to become independent.

The Homeless Reduction Act 2017 introduced new duties on local authorities from April 2017 to assess, prevent and relieve homelessness. Intervening early before a crisis occurs is a key focus and will require partnership working to enable specific targeted work with those who we anticipate will face difficulties with effective support. This will have a considerable impact on the work of the Council.

The Government proposes to make changes to the funding of supported housing. It will be crucial to ensure a sustainable future for supported housing.

The Government remains committed to the ongoing removal of the spare bedroom subsidy and is considering applying the same approach to those of pensionable age (who were previously exempt).

Initial work with the NHS and other statutory partners has begun to clarify the need for a range of affordable housing to be provided across the district as an alternative to hospital or residential care. We need to better understand the requirements for people with learning difficulties, those with mental health problems or physical health problems.

Key outcomes to address these challenges:

- Maximise the impact of the Council's investment in affordable housing by optimising the use of traditional, off-site and modular construction options on future development sites.
- Continue to deliver new Council Housing to help meet social housing need.
- Develop energy efficient homes for social and affordable housing to reduce fuel poverty.
- Lobby central Government on future policy development for the affordable housing sector to maximise resources available for future investment.

DRAFT

Contact

Cllr Mr Nick Neilson

Tracey Blackwell, Strategic Director, Community and Environment

Paul Thomas, Executive Manager, Development and Growth

DRAFT

Appendix 2: Housing Strategy Action Plan

Opportunity	Key Outcomes	Themes	Action Period	Activity Focus
How might we increase the number of houses that are brought to market across South Kesteven?	<ul style="list-style-type: none"> The development of high quality, sustainable, housing that reflects the character and increases the desirability of South Kesteven as a place to live. Support the up-front delivery of essential infrastructure on key development sites. Support Government initiatives to encourage developers to bring forward housing delivery housebuilders who are not delivering fast enough. Ensure that planning processes encourage land owners and developers to bring potential housing sites to the market with the required infrastructure in place. Making the best use of existing property that can quickly be converted to housing. A skilled workforce that can meet the housing delivery needs of the district. Disaggregation of large housing sites to enable smaller developers to deliver at pace. The availability of a sustainable rental market that is a genuine, affordable, alternative to home ownership. The need for a tailored approach to housing delivery; Bourne, Market Deeping, Stamford, Grantham and the rural areas have very different markets and these may require different approaches to housing delivery. 	Making best use of existing land	Medium/Long	<ul style="list-style-type: none"> Acquire land for housing delivery. Ensure adequate supply of housing is brought forward on land owned by the Council.
		Developers' financial considerations	Short	<ul style="list-style-type: none"> Understand what developers need to build in order for a development to be viable.
		Making best use of existing building stock	Medium/Long	<ul style="list-style-type: none"> Maximise opportunities for publicly-owned property to be utilised. Utilise buildings (e.g. shops and upper floors) in the town centre for conversion.
		Infrastructure	Medium	<ul style="list-style-type: none"> Build housing that has access to necessary community and transport infrastructure. Consider role for the Council as a funder/investor in housing developments.
		Affordability	Medium	<ul style="list-style-type: none"> Focus on the delivery of affordable housing in rural areas and near to services.
		SKDC support for house-building	ongoing	<ul style="list-style-type: none"> SKDC to continue to build (more) Council Houses and optimise the use of Council owned assets. Consider – and then market – the quality of life available to current and future residents of South Kesteven, including work, play, and home. Explore use of pre-fab and modular build methods, and the Council's role in enabling this approach.
		High quality design: internal and external	Short/Medium	<ul style="list-style-type: none"> Promote the new Garden Village as an exemplar for architectural and urban design. Encourage community build schemes.
		Making it happen: planning	Medium	<ul style="list-style-type: none"> Develop an 'idea to implementation' approach for planning applicants to ensure the greatest possible certainty from the earliest possible opportunity on the approvability and deliverability of their scheme, including input from statutory consultees to agreed timescales and from officers who are empowered to make decisions. Provide additional briefings, and training, for Development Management Committee Members so that they are better informed in their decision-making.
		Partnerships and engagement	Short/Medium	<ul style="list-style-type: none"> Explore potential benefits of joint ventures with local builders, developers and investors to deliver more housing more quickly. Agree a framework of key partners and stakeholders who are tasked with speeding up delivery.
		Construction skills	Short/Medium	<ul style="list-style-type: none"> SKDC to develop houses and housing sites through its own company. Work with colleges so that young people learn the skills necessary for building new housing.
		Sustainability	Medium	<ul style="list-style-type: none"> Consider the relaxation of planning policies to encourage development in villages.
		Lobbying	ongoing	<ul style="list-style-type: none"> Lobby Government to target builders to deliver within a certain time-frame, or land will revert to old use.

Opportunity	Key Outcomes	Themes	Action Period	Activity Focus
How might we ensure that privately rented homes meet the required standards so that our residents can enjoy safe and healthy homes?	<ul style="list-style-type: none"> Fully-informed landlords and letting agents who know what they have to do to improve the quality of their properties. Improvement in the Private Rented Sector (PRS) market, but without creating so much pressure that tenants are forced out of the homes they occupy. Protection for tenants who often have no choice but to settle for lower quality rental property. Develop new ways of engaging with the sector to enable access for people on low income, on benefits or who are under 35 years old. 	Letting Agents	Short	<ul style="list-style-type: none"> Explore opportunities for a council run “local lettings agency” providing a letting service supporting local landlords.
		Incentives and support for good landlords	Short/Medium	<ul style="list-style-type: none"> Increase engagement with landlords and letting agents Expand the Private Rented Sector property leasing scheme, providing a guaranteed income (to landlords) and quality accommodation (for residents).
		Standards and enforcement	Short/Medium	<ul style="list-style-type: none"> Review of housing enforcement policy to reflect new civil penalties legislation and ensure we can tackle “rogue landlords” effectively.
		SKDC increasing rented sector stock	Medium	<ul style="list-style-type: none"> Continue to build council housing to relieve pressure on the private rented sector.
		Lobbying	ongoing	<ul style="list-style-type: none"> Lobby Government to introduce a cap on rent fees/ increases. Lobby Government to restrict the amount of deposit payable.

Opportunity	Key Outcomes	Themes	Action Period	Activity Focus
How might we ensure that a range of housing options are available to support people to live independently	<ul style="list-style-type: none"> Enable households access to accommodation in properties that meet their needs, and to facilitate them moving to more suitable properties where required. To enable people to live independently, but with appropriate support that can be called-on when required. Encourage an appropriate provision of high-quality, skilled, carers who are able to support independent living. Encourage the provision of affordable places in care homes. Utilise our strategic partnerships to clarify the range of affordable housing required across the district to meet the needs of people with learning disabilities, mental health problems and physical disabilities. 	Specialist Housing	Short	<ul style="list-style-type: none"> Explore options for providing sheltered/extra care housing in areas of identified need and in close proximity to local services. Develop incentives for elderly people to move to smaller housing or ‘house share’ to free-up larger housing.
		Community Infrastructure	Short	<ul style="list-style-type: none"> Consider the use of the Council’s – and other public sector – assets to further support day care for the elderly.
		Creating quality places and homes	Short/Medium	<ul style="list-style-type: none"> Encourage the creating of high quality accommodation for the elderly which will not be seen as a step-down from their large family home.
		Planning support for annexes	Short/Medium	<ul style="list-style-type: none"> Consider the benefits of developing a local policy around the construction of annexes to family homes, ensure that their annex purpose is protected.
		Skills	Short/Medium	<ul style="list-style-type: none"> Support training opportunities for carers.
		Partnerships	Medium	<ul style="list-style-type: none"> Work with other statutory partnerships to clarify the need for a range of affordable housing to be provided across the district to meet needs for people with learning disabilities, mental health issues and for those with physical disabilities.
		Incentives	Medium	<ul style="list-style-type: none"> Consider incentives to encourage residents to move to homes that better suit their ongoing needs.
		Lobbying	ongoing	<ul style="list-style-type: none"> Lobby Government to ensure a sustainable future for sheltered and supported housing.

Opportunity	Key Outcomes	Themes	Action Period	Activity Focus
How might we increase the number of housing options available to those residents in SK who are on lower incomes/benefits and those who need singles accommodation? (Meeting the needs of our residents)	<ul style="list-style-type: none"> Maximise the impact of the Council's investment in affordable housing by optimising the use of traditional, off-site and modular construction options on future development sites. Continue to deliver new Council Housing to help meet social housing need. Develop energy efficient homes for social and affordable housing to reduce fuel poverty. Lobby central Government on future policy development for the affordable housing sector to maximise resources available for future investment. 	Best use of existing buildings	Short	<ul style="list-style-type: none"> Explore opportunities to develop new temporary accommodation.
		Right home, right size, right price	Short	<ul style="list-style-type: none"> Consider making small plots of SKDC land available to smaller builders/self-builders. Ensure access is available to appropriate data to inform decisions on need and the types of units required
		Affordable housing	Short/Medium	<ul style="list-style-type: none"> Work with other local authorities to ensure that residents can rent or buy affordable housing.
		Specialist housing	Short/Medium	<ul style="list-style-type: none"> Consider the development of a design standard for communal housing.
		Housing options	Short/Medium	<ul style="list-style-type: none"> Consider the development of bed-sit accommodation particularly for the under 35's.
		Creating quality places	Short/Medium	<ul style="list-style-type: none"> Encourage high streets to be interspersed with residential units.
		Partnerships	Short	<ul style="list-style-type: none"> Work with Housing Associations to develop schemes to address overcrowding and under-occupancy. Consider alternative approaches to the delivery of affordable housing in order to ensure that developments can be brought forward.
		Incentives	Medium	<ul style="list-style-type: none"> Incentivise private landlords to encourage provision of housing to meet identified housing need.
		Helping and encouraging people to remain in their homes	Short	<ul style="list-style-type: none"> Develop schemes which enable tenants to sustain their tenancies.
		Lobbying	ongoing	<ul style="list-style-type: none"> Lobby Government to remove the 'right to buy'.

Appendix 3: Summary of Approach to Housing Strategy Engagement

The approach

To ensure that the main themes of the housing strategy are communicated to our stakeholders and they have the opportunity to comment on these themes, the following approach has been drawn up. The approach will involve defining the objectives, a consideration of timescales, identifying the stakeholders, determining the methods, preparing the questions we want to ask, understanding how the data will be collected and identifying what the results will be used for.

Objectives

To ensure that stakeholders are given an opportunity to feedback on the strategy and thereby help to shape the way the services in this area are provided in the future. The objectives of the consultation are:

- To find out if they agree with the areas that have been identified
- To communicate the services and actions that will be covered under each of these areas
- To establish if our stakeholders think we should be doing more, less or about the same as we do now

Timescales

The consultation to be open for six weeks from 14th September to 26th October 2017 – avoiding the summer holidays and also the Local Plan consultation which takes place during July and August. Analysis of results to take place early November thereby facilitating the roll out of actions from January 2018.

Stakeholders

The stakeholders have been identified as residents, Parish Councils, Registered Providers, private sector landlords and landowners and other strategic partners such as LCC, the mental health trust and the Voluntary and Community Sector etc.

Method

- A survey. This to include a web link to facilitate electronic distribution. A copy of the survey will be drawn up when the content has been approved.
- A press release. The opportunity to participate in the consultation to be promoted via a press release (thereby ensuring traditional media channels are made aware) and also through our social media channels - Facebook, Twitter, YouTube and Instagram.
- Articles in both SK Today and Parish Update. The articles to include information and context around the development of the Housing Strategy, a web link to the survey (and arrangements for those who do not want to go online to respond) and most importantly how the strategy could help them or the people they care about going forward.
- Contacting specialist service providers and strategic partners, such as Registered Providers, private sector landlords, developers and landowners directly as well as other strategic partners identified by Housing Services. These include: Adult Social Care,

childrens' services, Lincolnshire Mental Health Trust and the Voluntary and Community Sector.

- An additional member consultation event on the 18th September 2017

Data collection

The data will be collected electronically, downloaded into excel and analysed as soon as the consultation has closed.

The results

The results will be analysed and reported through to the Communities and Overview Scrutiny Committee on November 7th 2017.



CABINET

Report of: Councillor Adam Stokes The Cabinet Member for Finance

Report to:	Cabinet
Date:	7 September 2017
Subject:	Budget Monitoring Report (CFM430)

Decision Proposal:	Report for information
Relevant Cabinet Member:	Councillor Adam Stokes, the Cabinet Member for Finance
Report author:	Claire Morgan, Senior Management Accountant Tel: 01476 40 60 51 E-mail: claire.morgan@southkesteven.gov.uk Date: 10 August 2017
Reviewed by:	Richard Wyles Tel: 01476 40 62 10 E-mail: r.wyles@southkesteven.gov.uk Date: 10 August 2017
Signed off by:	Daren Turner Tel: 01476 40 63 01 E-mail: d.turner@southkesteven.gov.uk Date: 16 August 2017
Approved for publication	Councillor Adam Stokes Date: 29 August 2017

SUMMARY

In order to ensure effective budget management it is important that Cabinet are updated with budget monitoring information and are kept informed of the financial position. The report provides a summary of the forecast outturn position as at the end of Quarter 1 against annual budget for 2017/18 for the following areas:

- General Fund Revenue Budget
- Housing Revenue Account Budget
- Capital Programmes – General Fund and HRA

RECOMMENDATION

Cabinet is asked to review the commentary contained in the report in respect of quarter 1 forecast position.

1. BACKGROUND TO REPORT

- 1.1 Forecast outturn work is undertaken on a quarterly basis by the business areas in order to anticipate the outturn position. This process enables options to be considered in respect of the spending proposals for the remainder of the year or alternatively it is used to identify emerging financial issues that can then be reviewed and mitigating actions put in place.
- 1.2 General Fund Revenue Budget
- 1.3 The revised budget requirement for 2017/18 was set at £12.441M. This includes the supplementary estimate for the 'Big Clean' as approved by Council on 15 June 2017. The budget is adjusted in year to allow for budget virements and centralisation of key budget headings. The updated position is outlined in the table below in the 'Adjusted Budget' column.
- 1.4 The forecast outturn for 31 March 2018 as at quarter 1 shows projections of a £333K variance at 'net cost of services'. It is important to emphasise that this reflects the 'known' position as at 30 June 2017. Cabinet will be presented with a quarter 2 position (as at 30th September) at a future meeting in order to review the forecast position. The information is summarised by priority area in Table A below.

TABLE A – GENERAL FUND REVENUE BUDGET

Budget Area	Annual Budget	Adjusted Budget*	Forecast Outturn	Forecast Variance
	£'000	£'000	£'000	£'000
Growth	451	126	335	209
Environment	6,807	7,408	7,405	(3)
Culture	3,141	3,227	3,227	0
Housing	1,103	1,059	1,058	(1)
Corporate	4,454	4,797	4,904	107
Net Cost of Services	15,956	16,617	16,929	312
Reserves & Grants	(256)	(917)	(896)	21
Interest Payable & Receivable	(148)	(148)	(148)	0
Capital Charges	(3,539)	(3,539)	(3,539)	0
Revenue Contribution to Capital	385	385	385	0
Allocation of Parish Grants	43	43	43	0
Budget Requirement	12,441	12,441	12,774	333

*Adjusted budget will be amended throughout the course of the financial year due to the centralisation of budgets and budget virements.

**A number of YTD budgets show as minus figures at various points throughout the year due to income being received in advance of the expenditure to offset

1.5 Current projections as detailed above, indicate a potential overspend across the financial year. In order to mitigate against this proposed outturn position a number of initiatives will be considered to alleviate the current pressures:

- Re-allocation of staffing vacancy budgets to emerging priority staffing
- Re-allocation of unallocated expenditure budgets to emerging new expenditure priorities
- Reviewing non-essential spend and additional income
- Reviewing available reserves to fund one-off budget pressures

The position will continue to be monitored during the year and quarter 2 (30 September) will provide a more accurate position on the anticipated year end.

The main areas that are impacting on the forecast variance position are outlined in Table B below.

TABLE B – GENERAL FUND MATERIAL VARIANCE ANALYSIS		Forecast Variance £'000
Priority	Budget Pressures	
Growth	Property Investment Strategy – within the District, commercial investment opportunities are currently limited so it is prudent not to anticipate all of budgeted income at this stage. In any event it is unlikely that any purchase will deliver the budgeted income within the remaining months of 2017/18.	200
Growth	Car Parks – A temporary contract change in enforcement arrangements and supervisory costs has resulted in a continued over spend. Alternative provision is being considered.	38
Corporate	Democratic Representation – The restructuring of the democratic arrangements is resulting in a forecast overspend of £21K	21
Corporate	Insurance – An increased annual premium for 2017/18 has resulted in an overspend of £30K	30
Corporate	We are seeing additional costs in this area. These will be kept under review as we consider whether budgeted staffing vacancies can be used to offset this position	82
Savings & Efficiencies		
Corporate Growth Housing	Employee Expenses – The budgeted variance with respect to vacant positions in service areas has been forecast as at the end of Quarter 1 at (£83K). This is against the workforce efficiency target of (£361K)	(83)

<u>Priority</u>	<u>Additional Income</u>	
Growth	Other Income – External support is being provided to other local authorities for conservation which is forecast to achieve additional income of (£17K).	(17)
Environment	Green Waste Collection –Additional income is being forecast, with 26,800 households renewing their subscription and 763 new households joining the service.	(15)

1.6 Further detail on the General Fund significant income streams can be found in Table C below.

TABLE C – GENERAL FUND SIGNIFICANT INCOME STREAMS			
Significant Income Stream	Annual Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Land Charges	(234)	(234)	0
Development Management	(922)	(997)	(75)*
Guildhall Arts Centre	(285)	(285)	0
Stamford Arts Centre	(753)	(753)	0
Bourne Market	(18)	(18)	0
Grantham Market	(65)	(56)	9
Stamford Market	(168)	(168)	0
Grantham Car Parks	(524)	(524)	0
Stamford Car Parks	(758)	(758)	0
Investment Property Income	(300)	(100)	200
Licensing	(287)	(287)	0
Commercial Waste Income	(40)	(40)	0
Green Waste Collection	(930)	(945)	(15)
TOTAL	(5,284)	(5,165)	119

*Designer Outlet Village application receipt and Garden Village grant funding which will be used to fund specialist consultancy in respect of the application.

Housing Revenue Account Budget

1.7 The original budget for 2017/18 was set at a surplus for the year of £7.606M. The budget is adjusted in year to allow for budget virements, creation of set-asides and centralisation of key budget headings. The updated position is outlined in the table below in the 'Adjusted Budget' column.

1.8 The forecast outturn for 31 March 2018 as at quarter 1 shows projections of a £236K variance. The information is summarised in Table D below.

TABLE D – HOUSING REVENUE ACCOUNT BUDGET				
Description	Annual Budget £'000	Adjusted Budget £'000	Forecast Outturn £'000	Forecast Variance £'000
Income	(25,794)	(25,794)	(25,714)	80
Expenditure	15,439	15,439	15,595	156
Interest Payable & Similar Charges	2,972	2,972	2,972	0
Interest & Investment Income	(223)	(223)	(223)	0
Deficit/ (Surplus)	(7,606)	(7,606)	(7,370)	236

1.9 The main factors impacting on the forecast variance position are outlined in Table E below. These areas represent the key headings and are not intended to balance to the overall YTD variance shown in Table D due to a number of small variances across service headings which are not materially significant and therefore not commented upon.

TABLE E – HRA VARIANCE ANALYSIS	
	Forecast Variance
Income	£80K
The £80K forecast under recovery is due to further estimated write-offs of £150K offset by a reduction in the voids rate which has generated additional income. The further roll out of Universal Credit across the district from October onwards may further impact on forecast collection for the remainder of the financial year.	
Expenditure	£150K
The forecast overspend is due to the estimated cost of structural repairs and refurbishment to 3 council houses which have been fire damaged. This cost is to be funded from the HRA improvement reserve and insurance (1 house).	

Capital Programmes

1.10 The capital programmes include a number of significant capital projects for 2017/18. The original budget for General Fund Capital Programme was set at £14.694M and the HRA Investment Programme was set at £8.869M. These budgets have been adjusted in year for capital slippage brought forward.

1.11 The forecast outturn for 31 March 2018 as at quarter 1 shows projections of (£9.426M) on the General Fund Programme and (£554K) on the HRA Investment Programme. The information is summarised in Table F below.

TABLE F – CAPITAL PROGRAMMES

Programme	Annual Budget £'000	Adjusted Budget* £'000	Forecast Outturn £'000	Forecast Variance £'000
General Fund (GF)	14,694	15,272	5,846	(9,426)
HRA Investment (HRA)	8,869	8,991	8,437	(554)
Total	23,563	24,263	14,283	(9,980)

**Annual Budget has been adjusted for approved slippage from 2016-17 and is shown in the 'Adjusted Budget' column*

1.12 The main factors impacting on the YTD variance position are outlined in Table G below.

TABLE G – CAPITAL - KEY FORECAST VARIANCE INFORMATION

HRA	Description	Forecast Variance £
Refurbishment Improvement	& Stock Acquisitions - There is a forecast under spend due to there being no buy backs or conversions as at quarter 1. This budget may be required to contribute towards additional spend on the new build programme	(554K)
GF	Description	Forecast Variance £
Growth	The St Peters Hill Development project has been re-profiled to reflect the proposed procurement and delivery plan. It is anticipated that the expenditure will be incurred during 2018/19 and the budget will be re-allocated The Property Investment capital expenditure has been forecasted downwards at the position at quarter 1 to reflect the current lack of commercial investment opportunities that meet the Council's criteria. This will be reviewed on a quarterly basis to reflect the prevailing position at that time.	(4.426M) (5.000M)

2. OTHER OPTIONS CONSIDERED

2.1 This report has been produced to brief Cabinet Members on the forecast outturn position at the end of quarter 1 against the 2017/18 budget for the General Fund Revenue Budget, the Housing Revenue Account Budget and the General Fund and Housing Revenue Account Capital Programmes.

3. RESOURCE IMPLICATIONS

3.1 There are no resource implications arising from this report.

4. RISK AND MITIGATION

4.1 Risk has been considered as part of this report and no specific high risks were identified.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

5.1 No impact analysis is required.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications arising as a result of this report.

7. COMMENTS OF FINANCIAL SERVICES

7.1 These are included in the report.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

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

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 None

10. APPENDICES

10.1 None

11. BACKGROUND PAPERS

11.1 None



CABINET MEMBER DECISION

Decision:

That approval is granted for the Council to enter into a new lease with *Peter's Motor Group (PMG)* for a period of seven years from the expiry of the existing lease on the 15th March 2015.

(1) Details of Decision

To seek approval to the grant of a new lease for a seven year period of time for Unit 1, Anniversary House, Graham Hill Way, Bourne.

(2) Considerations/Evidence

The tenant is currently holding over under the terms of an expired lease which can not continue indefinitely. A new lease for a term of seven years is a greater term than usually granted for an industrial unit within Anniversary House, Graham Hill Way, Bourne. The proposed lease will contain the standard terms for a lease of an industrial unit and will include a rent review on the third and sixth anniversary of the grant of the lease and the proposed break. The Executive Manager, Property has delegated authority to grant short term leases (less than seven years). Authority by means of non-key decision has been sought as the lease is for a term of seven years which is registerable at the land registry and is not considered a short term lease.

(3) Reasons for Decision:

The industrial site which is owned by this Council has six units located at Anniversary House, Graham Hill Way, Bourne, with most let to small local companies.

The tenant was granted a lease on the 15th March 2012 for a term of three years and has remained in occupancy since the expiry of the lease on 15th March 2015 whilst new lease terms have been renegotiated.

Lengthy discussions have taken place between our managing agents and the tenant, to agree new lease terms and PMG have expressed a wish to renew their lease for a 7 year period. This will continue to bring a regular long term income into the Council's general fund portfolio.

There have been no management issues arising during the period of the original lease and the tenant has not been in arrears during this period.

The unit will continue to be used as a small automotive services/repairs workshop.

The proposed lease will contain a mutual option for either party to determine the lease on the 4th anniversary of the term, giving no less than 6 months prior written notice.

The tenant will be responsible for the full repair, maintenance and decoration of the entire demise. The insurance is to be effected by the landlord and recoverable from the tenant within the service charge. Rent, insurance and service charges are subject to VAT. Rent reviews would be due on 3rd and 6th anniversary of the term

The service charge is payable by the tenant for the upkeep and maintenance of the common parts and shared areas facilities.

The property has continued to generate revenue income for the Council and is not regarded as being surplus to requirements. It is considered that there is still a demand for industrial units of this type in the area.

Should authority not be granted, the tenant will seek alternative premises and the unit will become empty which will result in a loss of income during the marketing process to secure a new tenant and the cost of the marketing itself. SKDC will also be responsible for the cyclical maintenance and upkeep of the unit along with business rates and insurance.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Kelham Cooke
Deputy Leader also Cabinet Member for Business Transformation and Commissioning

Date of Decision: 17 July 2017

Date of Publication of Record of Decision: 18 July 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

26 July 2017



URGENT CABINET MEMBER DECISION

Decision:

That approval is granted:

- 1. For the local discretionary business rates scheme as set out in report CFM428 which supports the objectives of providing financial support to local small and medium sized businesses in the district.**
- 2. For the local discretionary business rates scheme that is delivered within the financial allocations provided by Government and as set out in report CFM428.**
- 3. For the criteria of the local business rates discretionary scheme that will meet the objectives set out at recommendation 1 above.**

(1) Details of Decision

To seek approval of the local discretionary business rates scheme.

(2) Considerations/Evidence

The following options have been considered but are not included on financial and administrative grounds:

- Target all relief through a hardship fund which businesses would apply for – this would be administratively difficult to support particularly without agreed criteria of 'hardship'
- "Top-up" the Government's allocated funding – the Government allocation is a fixed sum and so the Council could choose to add further funding but this would have to be financed locally.

(3) Reasons for Decision:

The Government has undertaken a national revaluation of all commercial properties in England and Wales. From 1st April 2017, all premises were

assigned a new rateable value by the Valuation Office Agency which is used to calculate the level of business rates charged to the occupier. The last revaluation was in 2010. The 2017 revaluation, which has been used for the current year's rating bills, has resulted in the business rates of some premises in the district increasing significantly as outlined below.

In the Spring Budget, the Chancellor announced that the Government would make available £300m of extra funding over 4 years for local authorities to provide discretionary relief to predominantly small, medium and independent businesses facing the steepest increase in their bills as a result of revaluation. South Kesteven's allocation of funding has been confirmed as £568k spread over 4 years as set out in section 1.5 below.

The Council has been given the responsibility to design its own discretionary business rates relief scheme. The proposed scheme includes eligibility and exemptions and the criteria for allocating this additional relief.

Business rates are levied on non-domestic properties which appear in the local rating list. A proportion of the amount collected by the Council is a significant contributor towards the cost of providing local services. Each non-domestic property has a rateable value that is set by the Valuation Office Agency and this is used to calculate the level of business rates charged to the occupier. The most recent valuation came into effect on 1st April 2017; the one prior to that being in 2010.

The 2017 revaluation has resulted in the business rates bills of many premises in South Kesteven increasing significantly when compared with the 2010 valuation. Many occupiers are already eligible for relief on their business rates and current reliefs available include small business rate relief; empty property relief; transitional relief; relief for charities and voluntary sector organisations, hardship relief; rural rate relief, and more recently, temporary financial support for pubs.

In the Spring Budget, the Chancellor announced that a new scheme of relief would be made available to those ratepayers facing large increases as a result of the loss of small business or rural rate relief due to revaluation. In this regard specific guidance has recently been issued to authorities about the operation and delivery of this policy. This is known as the 'support for small business' scheme.

The Chancellor also announced that the Government would make available £300m of extra funding over 4 years for local authorities to provide discretionary relief to those businesses facing the steepest increase in their bills as a result of revaluation. The Chancellor stated that individual authorities are in the best position to determine how these extra monies should be targeted and administered in order to support those businesses with the greatest need. Accordingly, there is a need to develop a local scheme, having regard to Government's principles and assumptions - which

is the main focus of this report.

South Kesteven's allocation of Government funding for discretionary relief is set out below. It is important to note that the amount is a fixed contribution from Government and therefore it is suggested that the Council should maximise the opportunity to pass this funding onto those in most need of financial support.

The funding is front loaded for 2017-18 and will be reconciled as part of the closedown for the financial year in order to determine whether any unallocated grant should be returned.

Amount of discretionary pot awarded (£000s)				
2017-18	2018-19	2019-20	2020-21	Total
332	161	66	9	568

Discretionary Business Rate Relief – Implementing a Local Scheme

In establishing a local scheme and in keeping with the spirit of the Government's narrative and the Council's own economic priorities, the rationale and options to be considered include the need to:

- Target relief at businesses that are facing a significant increase in their business rate bills which could cause hardship – more likely to affect small and medium sized firms and independents with small turnovers rather than larger multi-national and national businesses with high turnovers.
- Distribute the relief in a way that is proportionate to the increase in bills across all businesses and in a fair manner, particularly where small and medium sized businesses are concerned. These are more likely to be ratepayers occupying lower value properties.
- Ensure the extra relief is distributed to local businesses quickly and smoothly.
- Be relatively simple for the Council to administer (temporary funding may be available by Government to support the administrative process).
- Request response to consultation with the precepting authority (Lincolnshire County Council) before the scheme is implemented
- Ensure that the proposal sits in the context of the Council's wider economic growth and development priorities for the Council as a key element of the 'Growth' priority.

Proposed Baseline and Thresholds for the New Discretionary Business Rate Relief Scheme – Year 1

The relief will be available to all eligible small and medium sized businesses in all geographical areas of the Council that are facing a steep year on year increase in their bills arising from the revaluation. It will only be applied after

adjustments for all other relief scheme eligibilities have been factored in, including supporting small business rate and transitional relief.

It is proposed to use 100% of the funding to support eligible businesses set out in this proposal to ensure it has the maximum positive impact for the business community. It is important to note that the proposal will restrict the scheme to the financial allocations provided.

In order to ensure the delivery of the stated objectives it is proposed to target the funding to premises with a rateable value not exceeding £100,000 and where the increase in business rates between 2016-17 and 2017-18 is greater than 3%. This proposed criteria is designed to target the funding at the lower range of commercial properties and the percentage threshold is to reflect the annual increase in rating bills that would ordinarily occur. This proposed criteria follows the spirit of the relief scheme by supporting those businesses hardest hit by the rate increases.

The amount paid will be up to 40% of the increase in business rates payable between the two years after all eligible reliefs have been granted.

With this proposal, approximately 1,000 businesses in South Kesteven would qualify for discretionary business rates relief and enable the Council to allocate the funds in a proportionate and fair way. The initial analysis confirms the eligible businesses would be local (rather than national) enterprises of a small to medium type.

The level of discount will be reviewed in years 2-4 as the funding reduces.

It is proposed that the relief will be applied automatically under the finally agreed criteria so that no application process is required (conditional upon completion by the eligible party of a state aid declaration).

Although there is no statutory right of appeal in respect of any non-award, it is good practice to allow re-consideration of any decision in exceptional circumstances only.

Proposed Exclusions

It is recognised that Members would wish to ensure the finite amount of funding is specifically targeted with the business sector in line with the Government's intentions. In common with other schemes being developed by authorities, it is proposed to incorporate an exclusion list to include the following:

- Multi-national and national chain companies, including franchises
- National financial services – banks, building societies, cash points, payday lenders, betting shops, amusement arcades, pawn brokers, etc.
- National estate agents, letting agents and employment agencies

- Professional services – solicitors, accountants, insurance agents/financial advisors
- NHS and other public bodies
- Premises with a rateable value in excess of £100,000 and rate rises below 3%
- No relief will be given to businesses that were not located in the district prior to 31st March 2017 (as they would not have suffered the financial impact of moving between the 2 rating lists)
- No relief will be given to any business under investigation by a regulator
- No relief will be given where there is more than 6 months arrears outstanding from the previous year

State Aid

State aid law is the means by which the EU regulates state funded support to businesses. Providing discretionary relief would fall within the definition and in order for businesses to be compliant with the De Minimus Regulations, they must demonstrate that the award of relief is within the threshold of €200,000 received over a rolling 3 year period. In this regard, businesses receiving the extra relief will need to make a signed declaration.

Communications Plan

Local businesses will be contacted directly and through various business community networks including the local Chamber of Commerce and Business Clubs. Information for residents, Council taxpayers and the general public will be published on the Council's website. To ensure this is undertaken in a planned way, a communications plan will be developed and implemented to promote the scheme.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Nick Robins
Cabinet Member for Retail & Visitor Economy

Date of Decision: 27 July 2017

Date of Publication of Record of Decision: 27 July 2017

Date decision effective: 27 July 2017

This decision has been taken under Special Urgency provisions so that immediate implementation of the scheme can be done to ensure that organisations that are entitled to benefit from the scheme can be billed for the correct amounts and liability orders are not issued for amounts that may no longer remain due where relief has been granted.

The decision is not therefore subject to call-in.



CABINET MEMBER DECISION

Decision:

That approval is granted for the Skillington Neighbourhood Plan to be made part of the Development Plan for South Kesteven.

(1) Details of Decision

To seek approval for the Skillington Neighbourhood plan to be made part of development plan for South Kesteven.

(2) Considerations/Evidence

The Localism Act 2011 (the Act) introduced Neighbourhood Planning as a new way for communities to help shape future development in their area. One of the types of Neighbourhood Planning that has been introduced is Neighbourhood Development Plans (NDP), which set out policies for the development and use of land in a particular area. If a NDP has successfully passed all stages of preparation including an Examination and Referendum the LPA must adopt it as part of the Development Plan for the Neighbourhood Area.

In accordance with Neighbourhood Plan Regulations 2012 (as amended), the Authority must 'make' the Plan through its own constitutional process, in this case a non-key decision by the Portfolio Holder for Economy and Development within 8 weeks of the referendum date, which in this instance is 24 August 2017. The non-key decision must also be published on the Council website in accordance with standard practice and procedure.

(3) Reasons for Decision:

The Plan has been through a significant amount of formal and informal consultation. Pre-submission Consultation (Regulation 14) on the Skillington Neighbourhood Plan took place between 16 September and 7 November 2016. The Plan was subsequently published under Regulation 16 by the Council between 3 March and 14 April 2017.

The Council, with the agreement of Skillington Parish Council, appointed Dr Angus Kennedy OBE, MA, MRTPI, MCIH as the Independent Examiner. All the representations received on the Examination version of the Plan were forwarded to him for consideration.

The Examiner decided that the issues raised in the representations did not require a public hearing to be held.

It is the role of the Examiner to consider whether a neighbourhood plan meets the Basic Conditions. In order to do this the Plan must:

- Have regard to national policies and advice contained in guidance issued by the Secretary of State;
- Contribute to the achievement of sustainable development;
- Be in general conformity with the strategic policies of the development plan for the area; and
- Be compatible with European Union obligations and, not breach, nor be in anyway incompatible with the European Convention on Human Rights.

The Examiner's report into the Plan was received in May 2017. Subject to the recommended changes, the Examiner found that, the Plan meets the basic conditions in terms of:

- having appropriate regard to national planning policy
- contributing to the achievement of sustainable development
- being in general conformity with the strategic policies in the development plan for the local area
- being compatible with human rights requirements
- being compatible with European Union obligations

The Examiner recommended to the Council that, subject to the modifications proposed, the Plan should proceed to a Referendum.

The Referendum was held on 3 August 2017 and the following question was asked - *Do you want South Kesteven District Council to use the neighbourhood plan for Skillington to help it decide planning applications in the neighbourhood area?* 33.9% of those on the Electoral Register for Skillington Parish turned out for the Referendum. 80.6% voted in favour, i.e. of the 93 votes cast, 75 were cast in favour of 'yes' and 18 were cast in favour of 'no'.

The decision to make the Skillington Neighbourhood Plan part of the Development Plan is a legal requirement in the Planning and Compulsory Purchase Act 2004. The only circumstance where the district council should not make this decision is where the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998). The Council is satisfied that there is no breach of EU obligations.

The Neighbourhood Plan, including its preparation, does not breach, and would not otherwise be incompatible with, any EU obligation or any of the

Convention rights (within the meaning of the Human Rights Act 1998). Therefore the only available option open to the Council is to make the plan part of the Development Plan for South Kesteven.

There is a requirement that the District Council will publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012. The district council will therefore publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Mike King
Cabinet Member for Economy and Development

Date of Decision: 24 August 2017

Date of Publication of Record of Decision: 25 August 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

05 September 2017



CABINET MEMBER DECISION

Decision:

That approval is granted for the Skillington Neighbourhood Plan to be made part of the Development Plan for South Kesteven.

(1) Details of Decision

To seek approval for the Skillington Neighbourhood plan to be made part of development plan for South Kesteven.

(2) Considerations/Evidence

The Localism Act 2011 (the Act) introduced Neighbourhood Planning as a new way for communities to help shape future development in their area. One of the types of Neighbourhood Planning that has been introduced is Neighbourhood Development Plans (NDP), which set out policies for the development and use of land in a particular area. If a NDP has successfully passed all stages of preparation including an Examination and Referendum the LPA must adopt it as part of the Development Plan for the Neighbourhood Area.

In accordance with Neighbourhood Plan Regulations 2012 (as amended), the Authority must 'make' the Plan through its own constitutional process, in this case a non-key decision by the Portfolio Holder for Economy and Development within 8 weeks of the referendum date, which in this instance is 24 August 2017. The non-key decision must also be published on the Council website in accordance with standard practice and procedure.

(3) Reasons for Decision:

The Plan has been through a significant amount of formal and informal consultation. Pre-submission Consultation (Regulation 14) on the Skillington Neighbourhood Plan took place between 16 September and 7 November 2016. The Plan was subsequently published under Regulation 16 by the Council between 3 March and 14 April 2017.

The Council, with the agreement of Skillington Parish Council, appointed Dr Angus Kennedy OBE, MA, MRTPI, MCIH as the Independent Examiner. All the representations received on the Examination version of the Plan were forwarded to him for consideration.

The Examiner decided that the issues raised in the representations did not require a public hearing to be held.

It is the role of the Examiner to consider whether a neighbourhood plan meets the Basic Conditions. In order to do this the Plan must:

- Have regard to national policies and advice contained in guidance issued by the Secretary of State;
- Contribute to the achievement of sustainable development;
- Be in general conformity with the strategic policies of the development plan for the area; and
- Be compatible with European Union obligations and, not breach, nor be in anyway incompatible with the European Convention on Human Rights.

The Examiner's report into the Plan was received in May 2017. Subject to the recommended changes, the Examiner found that, the Plan meets the basic conditions in terms of:

- having appropriate regard to national planning policy
- contributing to the achievement of sustainable development
- being in general conformity with the strategic policies in the development plan for the local area
- being compatible with human rights requirements
- being compatible with European Union obligations

The Examiner recommended to the Council that, subject to the modifications proposed, the Plan should proceed to a Referendum.

The Referendum was held on 3 August 2017 and the following question was asked - *Do you want South Kesteven District Council to use the neighbourhood plan for Skillington to help it decide planning applications in the neighbourhood area?* 33.9% of those on the Electoral Register for Skillington Parish turned out for the Referendum. 80.6% voted in favour, i.e. of the 93 votes cast, 75 were cast in favour of 'yes' and 18 were cast in favour of 'no'.

The decision to make the Skillington Neighbourhood Plan part of the Development Plan is a legal requirement in the Planning and Compulsory Purchase Act 2004. The only circumstance where the district council should not make this decision is where the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998). The Council is satisfied that there is no breach of EU obligations.

The Neighbourhood Plan, including its preparation, does not breach, and would not otherwise be incompatible with, any EU obligation or any of the

Convention rights (within the meaning of the Human Rights Act 1998). Therefore the only available option open to the Council is to make the plan part of the Development Plan for South Kesteven.

There is a requirement that the District Council will publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012. The district council will therefore publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012.

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

NONE

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

NONE

Decision taken by:

Name: Councillor Mike King
Cabinet Member for Economy and Development

Date of Decision: 24 August 2017

Date of Publication of Record of Decision: 25 August 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

05 September 2017



CABINET MEMBER DECISION

Decision:

That approval is granted to

- a) delegate authority to the Strategic Director - Environment and Property in consultation with the Cabinet Member for Major Projects to incur expenditure up to a maximum of £200k (of the allocated capital budget) on external professional fees to progress the pre-construction technical design and costs to update the detailed business case; and**
- b) authorise the Executive Manager - Property to instruct the Council's solicitors to prepare the Agreement for Lease and Lease with the cinema operator based on the Heads of Agreement and in consultation with the Cabinet Member for Major Projects.**

(1) Details of Decision

To determine whether to commit expenditure to progress the pre construction detailed technical design and to progress the Agreement for Lease and Lease with the Cinema operator as outlined in the attached report as outlined in the attached report.

(2) Considerations/Evidence

As part of the Council's overall plans for the St Peter's Hill development in Grantham, the Council will act as developer to undertake the development of a five screen cinema, A3 units and multi functional first floor space. The Council has developed a set of Heads of Agreement with the preferred cinema operator as the anchor tenant for this building and recently obtained planning permission for minor material amendments to the building.

Having reached the above position, authority from the Cabinet Member for Major Projects to incur expenditure to progress the detailed pre-construction design and produce an Agreement for

Lease and Lease to be entered into by the Council and cinema operator once the detailed business case has been reviewed and approved and prior to entering into a build contract with a contractor to implement the development is required.

(3) **Reasons for Decision:**

On the 25 July 2017 the Council's Development Management Committee considered and approved a Section 73 Application for the variation of condition 2 (Approved Planning Permission ref S14/2296). This application was in relation to minor material amendments to the previously approved cinema development.

The amendments are:

- The building footprint has been revised to exclude the two existing cinema screens and amend the internal layout and elevations.
- The cinema entrance has been moved from St Catherine's Road to the north-west corner of the site to ensure footfall past the restaurant units is maximised. This has necessitated an adjustment of the cinema foyer level. This has resulted in the roof level of the cinema being slightly higher than the previous application.

The procurement route to engage the professional team and contractor will be via a framework for bodies governed by public law, otherwise known as "Contracting Authorities" under the Public Contracts Regulations 2015. The Council already has access to and has used frameworks to access contractors who are pre qualified to carry out construction work through the framework.

Early contractor involvement and contractor support/advice on the development brief, budget costing, project programming and buildability is provided at feasibility stage. Frameworks are designed to deliver value resulting from this early involvement and should be significant in shaping the success of a project giving greater certainty that the project is delivered to time and budget.

From previous experience of using frameworks strong project management and a cost consultant, working directly for the Council, are required to hold the contractor to account at every stage and these will be appointed at this stage to ensure the pre construction stage is sufficiently monitored and scrutinised.

It will take approx 26 weeks to develop pre-construction detailed technical design packages for the cold shell and fit out and refine the cost model with any necessary value engineering. (Aug 2017-Jan 2018). This information will be used to refine the detailed business case prior to review by Growth Overview and Scrutiny Committee.

The further decisions required prior to building work commencing on site are as set out below with anticipated dates:

- Review of tariffs and development of a leisure tariff for Welham St car park and revised capital budget allocation.

Growth O & S	4 October 2017
Cabinet	9 November 2017
Council	23 November 2017

- Detailed business case, Agreement for Lease and Lease, build contract and tender cost.

Growth O & S	10 January 2018
Cabinet	11 January 2018

Conflicts of Interest

(Any conflict of interest declared by any other Cabinet Member consulted in relation to the decision to be recorded).

None

Dispensations

(Any dispensation granted by the Monitoring Officer in respect of any declared conflict of interest to be noted).

None

Decision taken by:

Name:
Cabinet Member for Major Development Projects

Date of Decision: 04 September 2017

Date of Publication of Record of Decision: 05 September 2017

Date decision effective (i.e. 5 days after the date of publication of record of decision unless subject to call-in by the Chairman of an Overview and Scrutiny Committee or any 5 members of the Council from any political groups):

15 September 2017



COUNCIL

Report of: Councillor Adam Stokes Cabinet Member for Finance

Report to:	Council
Date:	21 September 2017
Subject:	Members Open Questions – response (LDS231)

Decision Proposal:	Constitutional requirement
Relevant Cabinet Member:	Councillor Adam Stokes Cabinet Member for Finance
Report author:	Jo Toomey, Principal Democracy Officer Tel: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk Date: 24 August 2017
Reviewed by:	Lucy Youles Assistant Director, Legal & Democratic Tel: 01476 40 61 05 E-mail: l.youles@southkesteven.gov.uk Date: 1 September 2017
Signed off by:	Daren Turner (Strategic Director) Tel: 01476 40 63 01 E-mail: d.turner@southkesteven.gov.uk Date: 7 September 2017
Approved for publication	Councillor Adam Stokes Date: 8 September 2017

SUMMARY

This report provides the Council with further information in relation to a question asked by Councillor Bryant at the Council meeting on 15 June 2017

RECOMMENDATION

The Council is asked to note the contents of the report.

1. BACKGROUND TO REPORT

- 1.1 During the Members' Open Questions session at the Council meetings held on 20 April 2017 and 15 June 2017, Councillor Bryant asked how it was proposed that falling Revenue Support Grant, rising costs and additional calls on services to backfill those withdrawn by other agencies would be replaced in light of the plans outlined during the Leader's speech at the Council meeting on 20 April 2017.
- 1.2 The Leader provided a response on 20 April 2017, stating that meeting the ambitions would be big challenging and would require the completion of a piece of work in which members would need to be involved. Any proposed changes to the budget would be subject to Council approval.
- 1.3 At the meeting on 15 June 2017 the question was referred to the Cabinet Member for Finance, who stated that the Council was looking at a number of solutions to the financial challenges it faced in order that it remained fully functioning and be able to produce a balanced budget. He also promised that further information would be provided in a written answer to the question.
- 1.4 The Cabinet Member for Finance provided the following additional information to Councillor Bryant on 22 June 2017.

"I am now in a position to fully answer the question you posed at full council. As you are aware we have a balanced MTFS out to 19/20 when we believe our share of Revenue Support grant and Rural Services Grant will go to zero (in fact slightly negative). We have added some additional items to the budget recently, most notable the Big Clean initiative. This will, in its early stage, be funded by underspends from 2016/17 outturn and the Local Priorities Reserve. Post review of this project the Members may decide to build this into core budgets, however we will be looking at the existing street cleansing and refuse service to ensure they are operating at an optimum level with the resources they have currently allocated. The Leader has been clear that he is looking to drive out savings, particularly from Back Office type services and derive additional income from commercialising existing services such as waste and recycling.

"I have asked Officers to look at a number of initiatives, including further centralisation of budgets and the potential to offer more of our building space to third parties. These initiatives will be alongside established projects such as trade waste and the digital agenda. We continue a process of a root and branch review of budget headings, this will bring out other opportunities for savings and efficiencies which will allow further investment in the priorities of the council."

2. OTHER OPTIONS CONSIDERED

- 2.1 This report provides a mechanism for sharing information with Members, consequently no other options have been considered.

3. RESOURCE IMPLICATIONS

- 3.1 There are no resource implications arising as a result of this report.

4. RISK AND MITIGATION

4.1 Risk has been considered as part of this report and no specific high risks were identified.

5. ISSUES ARISING FROM IMPACT ANALYSIS (EQUALITY, SAFEGUARDING etc.)

5.1 This report does not require an impact analysis as it briefs Members on historic activity.

6. CRIME AND DISORDER IMPLICATIONS

6.1 There are no crime and disorder implications arising as a result of this report.

7. COMMENTS OF FINANCIAL SERVICES

7.1 There are no financial implications arising from this report.

8. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

8.1 A response was given to the question at full Council and further information was proposed. Where additional information is supplied to the questioner outside the meeting, following the principles set out in the Constitution at Article 4.8, additional information supplied in respect of a question will increase transparency and ensure that the information provided to all Councillors is consistent.

9. COMMENTS OF OTHER RELEVANT SERVICES

9.1 There are no comments from other relevant services.

10. APPENDICES

10.1 Appendix A – Additional information provided by the Cabinet Member for Finance to Councillor Bryant

11. BACKGROUND PAPERS

11.1 Article 4 of the Council's Constitution:

<http://moderngov.southkesteven.gov.uk/documents/s18078/Article%204%20amend.pdf>