

# MEETING OF THE GROWTH OVERVIEW AND SCRUTINY COMMITTEE

WEDNESDAY, 14 FEBRUARY 2018,  
10.00 AM



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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## COMMITTEE MEMBERS PRESENT

Councillor Robert Reid (Chairman)  
Councillor Barry Dobson (Vice-  
Chairman)  
Councillor Nick Craft  
Councillor Graham Jeal

Councillor Peter Stephens  
Councillor Mrs Brenda Sumner  
Councillor Paul Wood

## CABINET MEMBERS

Councillor Michael King, Cabinet Member for Economy and Development  
Councillor Jacky Smith, Cabinet Member for Health, Wellbeing and Skills  
Councillor Adam Stokes, Cabinet Member for Finance

## OTHER MEMBERS PRESENT

Councillor Bob Adams

## OFFICERS

Strategic Director Development and Growth (Steve Ingram)  
Strategic Director Environment & Property (Tracey Blackwell)  
Project Management Assistant (William Tse)  
Business Manager, Spatial and Economic Growth (Roger Ranson)  
Assistant Director for Finance (Richard Wyles)  
Civic, Democratic and Member Services Officer (Anita Eckersley)

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## 44. MEMBERSHIP

The Committee was notified that Councillor Nick Craft would be substituting for Councillor Mike Cook for this meeting only.

## 45. APOLOGIES

An apology for absence had been received from Councillor Mike Cook.

## 46. DECLARATION OF INTERESTS

No interests were declared for this meeting.

**47. ACTION NOTES FROM THE MEETING HELD ON 1 DECEMBER 2017**

The action notes from the meeting of this Committee held on 1 December 2017 were agreed as a correct record and their content noted.

**48. ACTION NOTES FROM THE MEETING HELD ON 13 DECEMBER 2017**

The action notes from the meeting of this Committee held on 13 December 2017 were agreed as a correct record and their content noted.

**49. UPDATES FROM THE PREVIOUS MEETINGS**

**River Witham Corridor**

The Project Management Assistant informed the Committee that the outline bid for funding from the European Regional Development Fund (ERDF) for works along the River Witham Corridor had been successful. A full application for the second stage of the process was now being progressed. The second stage would need to be submitted during W/c 16 April 2018.

Work was being undertaken with North Kesteven District Council, the Environment Agency and other organisations to look at the projects and prepare them for the next stage.

In response to questions, Members were informed that within the 10 projects there were two large projects (i) to provide resilience within the river system in cases of flooding or development and (ii) to look at how urban development impacted on the system and how the river functioned as a result of this and how output could be managed.

Some of the other projects outlined were:

- Support housing delivery and sustainable urban extensions
- Enhance social cohesion by connecting communities across the town
- Provide health benefits for local residents by reinforcing green routes
- Deliver additional infrastructure for local sustainable travel, such as linking Dysart Park to Garden Village
- Provide an opportunity to create additional habitats for local wildlife

Members discussed:

Whether the Witham Drainage Board was involved? It was noted that the Witham Drainage Board would be contacted. The Environment Agency was responsible for the rivers whilst the Drainage Boards were responsible for the drains going into the rivers.

That the Witham Drainage Board had already undertaken some environmental works in Manthorpe due to the river being prone to flooding.

In response to a query about funding, the Committee was informed that the £850K had been derived from the best estimates for the selected projects but the figures would be more defined for the next stage of the process. The funding would still be available after leaving the EU and would be underwritten by the Government.

Was consideration being given to how the measures taken around this area of the River Witham would impact further down river? It was noted that the Environment Agency had a team whose remit was to check river levels during high periods of risk and heavy rain. This would bench mark their own data and ensure that any impact would be minimised and dealt with. The Environment Agency was the main body looking at the project holistically as they had the technical expertise.

**Action Note:**

The update was noted and the Committee would be kept informed of progress.

**50. QUARTER 3 BUDGET MONITORING**

The Chairman noted that it was the first opportunity the Committee had to discuss and comment on the budget. Reference was made to the continual reduction of the Revenue Support Grant, the various changes within the report and the movement in the General Reserves. The Committee was being given the opportunity to carefully note and comment on the contents. These comments would be fed back to the March meeting of the Cabinet.

Reference was made to the slippages and how these could change the outturn for future years. Historically there has been underspend outturns but it was noted that future aspirations would need to be solid, with prudence shown in ensuring the Council's reserves were sufficient to deal with any unforeseen issues if required. It was important that Government agenda changes were also managed whilst still being able to deliver the proposed projects and day to day services. It was recognised that the reserves were in a different place, as was spending power, so it was important to provide appropriate support for the Cabinet's future proposals. The Committee had a duty to both the electorate and the Cabinet to be non-political and provide a balanced view.

In response to a Members comment on budget pressures, the Committee was informed that the budget for the current year had been formulated by a previous Cabinet and the new Cabinet was operating within this context. There had been a number of "one-off" expenditure items not budgeted by the previous Cabinet such as office moves during the year, along with staff leaving and interim posts being put in place. The budget proposals for 2018/19 had been realigned to reflect the new aspirations.

Other “one-off” expenditure was outlined as:

- Additional ICT requirements including mobile devices
- Business Rates – External agents had been utilised to assist the Council in identifying increases in business rates. This would be offset by the additional business rate receipts that would eventually be generated
- Changes to the corporate management structure underpinned by Invest SK to save proposals that would deliver financial savings in future years. It was anticipated that the payback would be approximately two years.
- There were also a small number of miscellaneous changes due to growth pressures which had not been budgeted for with a proportion of these being offset by employee vacancies in service areas.

The Chairman commented that he noted the Cabinet’s change in direction but emphasised that the budget could not be maintained with similar variances in future years. Whilst acknowledging the aspirations he felt he had to highlight the need to ensure a realistic approach to aspirational projects.

Reference was made to the explanations in respect of the Corporate variances and a query was raised on the expenditure in respect of mobile devices. The variance overspend of £10k included additional devices and changes in the specifications to support flexible working and members asked for further information with respect to this overspend.

Members also considered:

Big Clean – It was confirmed that the current year’s funding was approved by Council mid-year and that £200k of the 2018/19 costs would be funded from reserves and thereafter funding would be mainstreamed.

Property Investment Strategy – There was anticipated income for the recently acquired property in Lincoln but the property was only secured in December 2017 and therefore the full year income would not be achieved until the 2018/19 financial year.

The Local Priorities Reserve. Members noted the proposed reduction of the reserve by £750K to £6980 in order to fund the potential overspend referenced in the report.

A Member queried why this had not been identified at the Budget meeting held on 10 January 2018. Members were informed at the time of the Budget meeting that quarter 3 had to be completed but the actual amount of the overspend would not be known until quarter 4 had been completed (31 March 2018).

Members also queried why the forecast outturn for disabled adaptations was lower than budgeted. It was noted that the process for referring disabled adaptations was complex and although the reasons were not fully known, a number of factors could come into play. Such as alternative solutions being found through other sources or organisations. It was suggested that this may be an issue that a Scrutiny Committee could look at.

A further Member queried whether it would be possible for future reports to contain further details of the “one-off” expenditure and expenditure that could be classified as recurring.

Reference was made to the temporary contract change in enforcement arrangements and supervisory costs. The query was why was SKDC going to employ a separate enforcement workforce in respect of parking when this was something that Lincolnshire County Council dealt? It was noted that LCC dealt with on street parking but SKDC was responsible for the enforcement of off street parking i.e. car parks.

**Markets** – Grantham Market and the forecast overspend of £28k. Whether this figure included ways of encouraging the market to develop such as waiving of stall rents and advertising initiatives. Was the market accommodating changes in consumers purchasing preferences?

Members were informed that the figure was as a result of declining numbers of stall holders. The towns in the District were all Market Towns and each market attracted different clientele partly due to the offer of the town. People would visit Stamford as a visitor attraction so the market prospered. There was also the issue of the quality of the offer available and whether there would be potential for themed markets in Grantham in particular. It was envisaged that once the outlets and cinema were up and running more interest would be shown in the market in Grantham.

The Cabinet Member for Growth and Development commented that the number one issue was growth especially in the Grantham area and that markets were seen as a catalyst for a vibrant town centre. It was about footfall into shops and businesses in the town. The markets would need to be more closely monitored.

It was noted that the issue was ensuring that the towns were a destination to begin with. The proposed changes and forthcoming projects over the next couple of years would increase footfall and make Grantham more of a destination. The proposed Designer Village had the potential to double visitors to the town.

The Chairman noted the Committee’s concern in respect of the figures to do with Grantham Market and wanted this highlighted with the relevant Cabinet Member.

**Leisure Centres:** The £91K variance in respect of leisure centres. Members were informed that this was as a result of repairs and remedial works such as filters, flumes and boiler repairs that had come to light but not planned for during the year. The Leisure centres had been requested to provide a programme of planned and proposed maintenance.

Smoke detectors in Council Properties – whether these were only fitted into properties where the tenant had asked for one. It was noted that unfortunately, not all tenants responded to requests to attend the properties to fit smoke detectors. Visits to properties had been undertaken but if the tenant did not engage there was little that could be done. The forthcoming review of the HRA Assessment Management Strategy would be looking at ways of addressing this.

Members were concerned and referred to the unfortunate events at Grenfell Towers. They felt that the fitting of smoke detectors to all Council Properties should be mandatory. Members strongly felt that this should be a recommendation to Cabinet.

Reference was made to the fire brigade's pro-active approach to fitting smoke alarms to properties and queried whether the Council could work in conjunction with them.

The Cabinet Member for Finance confirmed that moving forward, the "one-off" costs should reduce. In respect of Property Investment Income, he commented there was difficulty in trying to find suitable properties to invest in within the District but this issue was being addressed. He reiterated that there had been a number of variances but the Cabinet had been working within in the constraints of last year's budget. Next year's budget would be different.

The Chairman acknowledged the Cabinet Members' comments and noted that the Committee had to be the ears and eyes for the Cabinet and ensure they were furnished with all the facts in order to provide the appropriate support to the Cabinet.

Reference was made to the Business Rates Pilot and the Committee was informed that the Council was currently in the pool for the Lincs Business Rates growth was anticipated once the Council moved to the Pilot Scheme next year.

A Member queried what happened to the income from Council House Sales and was informed that there was £1.5m in the HRA Capital Fund. The ideal was to build one house for every house that was sold. Approximately 50 properties had been sold during the year. The cost of building a replacement property was roughly £120k even if the land was owned by the Council.

The New Homes Bonus Scheme was a way for the Government to reward councils for net growth in housing numbers but over the last two years the Government had been reducing funding for the scheme. Some councils used

this money for everyday support to services but SKDC used the funding for local priorities.

**Recommendation:**

That the provision and fitting of smoke detectors in all Council Properties becomes a requirement and should be undertaken as a matter of urgency in conjunction with the Fire Brigade.

**Action Point:**

- The Committee requested a detailed breakdown of what the £10k in respect of mobile phones and specifications had been spent on
- To scrutinise referrals for disabled adaptations and look at what other options were being accessed and made available
- That further reports include details of the “one-off” expenditures and any recurring expenditure initiated by Cabinet
- To monitor the progress and financial implications of the dedicated Enforcement Team for Car parks.
- For the Cabinet Member for Retail and Visitor Economy, to be informed of the Committee’s concerns regarding the performance of Grantham Market.

**51. HOUSING NEEDS ASSESSMENT**

The Business Manager for Spatial and Economic Growth provided the Committee with an overview of the housing needs assessment. During the presentation reference would be made to the impact of the implications from the Government’s consultation on housing need and how the preparations for the new Local Plan would be affected.

In respect of the settlement hierarchy, the aim was to establish the direction of growth across the district and to identify the appropriate number and locations required for new housing developments in order to meet the anticipated future requirements for the District. With Grantham being the main town in the District the plan would need to take into account the existing known and potential new developments in Grantham. The three other market towns would have additional appropriate development. It was not envisaged that there would be any significant changes to the current settlement hierarchy.

The aim was not just to consider what was in the plan but to also look at how to turn the plan into reality and deliver what was required.

In order to take account of the responses to the consultation work was underway to change policy wording and ensure assessment viability was embedded so that the proposals did not affect development. Work was also being undertaken to update and elaborate the Infrastructure Delivery Plan with sustainability appraisals and evidence updates going forward.

The Core Strategy had been for 680 dwellings per annum during the period 2006-2026, with the Strategic Housing Market Assessment figure being 625 dwellings per annum during the period 2011-2036. However, following the changes made by Government in November 2017, this had now changed to 785 dwellings per annum for the period 2016-26, but no figure had been proposed for the period through to 2036.

This meant that by applying the Government's multiplier to the 2036 population projections, this would give a figure of 720 dwellings per annum for the period 2016-2036 even though there was a requirement to deliver 785 dwellings per annum for the period 2016-26. It was expected that the Government would respond towards the end of March at the earliest which would coincide with the revised National Planning Framework.

Reference was made to how the number of dwellings developed prior to the recession had been high but following the recession the number had slowed, with around 500 dwellings per year being developed during the last two years

The figures the Government set were based on a population projection of 130,000 which would be higher in years to come. This meant that households would increase to around 6,200 rather than the 5,100 over the last 10 years.

The location of the District meant that house prices were higher than people in the District could afford mainly due to a large number of people commuting to places like London for better paid jobs. It appeared that Government thinking was that the more houses built, the more affordable they would become for people living and working in the District.

Following the Government consultation on housing needs assessment there were now a number of implications for the Local Plan. The aim was to ensure there was sufficient land allocated to provide for **7,850** new homes between the period of 2016-2026 and **14,400** between the period of 2016-36. A 5 year review to assess sufficient appropriate provision and future trajectory would need to be carried out which could have an impact for the 5 year supply calculations. The timing of the introduction of the revised National Planning Policy Framework could also have an impact.

The aim would be to ensure that the Council was able to evidence there was sufficient land available for 780 properties per year. It was noted that some additional sites were available with the potential for inclusion of the PWOG Barracks site. The MOD had now commissioned consultants to undertake a master-plan and consider scope for early development although the majority of



development would likely be post 2026.

**Grantham** – Engagement was underway with Highways England in respect of the capacity of the proposed new A1 junction for the southern relief road. A proactive approach was being taken regarding the additional North West Quadrant land.

**Stamford** – There were no significant changes under consideration. An agreement with Rutland was being undertaken regarding the Quarry Farm part of the Stamford North development enabling this to count towards meeting South Kesteven's housing requirement. There were still issues around traffic impact on the A1/A606 junction to the A1.

**Bourne** – As a result of comments received following the consultation some of the potential site allocations were being revisited. There was also a significant amount of Elsea Park still to be completed and there were issues around market choices that would need to be taken into consideration.

**The Deepings** – Further consideration was being given to comments made on the land at Millfield Road and the consequences of the Village Green application that had been submitted to the County Council

### **Larger Villages**

**Barrowby** – There was scope to bring forward a potential reserve site extending the south of the area

**Baston** – This designated site now had planning permission

**Great Gonerby** – Land south of Belton Lane and to the west of the railway line was being assessed. There was potential to extend the proposed allocation.

**South Witham** – A review of the proposed allocation was being undertaken.

In respect of the housing supply for the period 2016-26 the requirement following the Government Consultation was a minimum of 7,850 dwellings. The proposed provision for the period 2016-26 was 8872 dwelling which would include the 478 completions during 2016/17. The proposed provision with reserves for 2016-26 was 9105 dwellings which would include the 478 completions during 2016/17.

When looking at housing supply for the period 2016-36 the requirement following the Government consultation was a minimum of 14,400 dwellings based on the average house price to average resident earnings multiplier not altering over the lifetime of the plan. The proposed provision for the period 2016-36 was 14,616 dwellings which included 478 completions during 2016/17. The proposed provision with reserves for 2016-36 was 14,822 dwellings which again included the 478 completions from 2016/17.

In response to a query about whether there had been a reduction in demand for housing following Brexit the Committee was informed that there had been no apparent impact.

The next stage was to prepare the Draft Plan highlighting any proposed changes and to continue progressing the proposals rather than waiting for the outcome from the Government's consultation. The timetable for the revised draft was for it to go to Cabinet in April, Full Council in May and pre-submission consultation in June/July. The main critical issues would be to facilitate and achieve the build rates proposed in the Local Plan whilst maintaining the focus on growth in Grantham.

A possible additional presentation to this Committee could be arranged if it was felt necessary prior to Cabinet considering the Local Plan in April potentially (w/c 12<sup>th</sup> March was a suggested time line). There could also be an all member briefing W/c 19 or 26 March. A further presentation could be given to this Committee prior to Council considering the Local Plan.

Members considered whether a workshop would be more appropriate. Further consideration of the Draft Local Plan would be required bearing in mind the growth aspirations of the Council and other objectives.

*Councillor Nick Craft left the meeting at 12:15pm*

The important issue was to ensure that the Local Plan would be effective, there was land available, that the development was appropriate to the area, and that there was compliance with the Governments requirements. The Local Plan would go to the Secretary of State to be allocated and examined by the Planning Inspectorate during the latter part of 2018 early 2019 so it was imperative that there was a strong coherent plan.

Further discussion took place around the reasons build rates could be reduced such as the shortage of skills, a large national demand, and shortages in resources and building supplies such as bricks.

**Action Point:** That the update is noted and that consideration is given to a workshop for further consideration of the impact of the Local Plan on housing needs assessment.

**52. CONSIDERATION OF THE POTENTIAL WORK PROGRAMME FOR THE GROWTH OVERVIEW AND SCRUTINY COMMITTEE**

The Work Programme was noted.

The next meeting would take place on 11 April 2018.

**53. CLOSE OF MEETING**

Meeting closed at 12:30pm.