

Cabinet



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Thursday, 18 January 2024 at 2.00 pm
Council Chamber - South Kesteven House, St. Peter's
Hill, Grantham. NG31 6PZ

Supplement

5. Corporate Plan

(Pages 3 - 22)

To seek Cabinet support of the draft Corporate Plan for the period 2024 to 2027 and to recommend to Council its approval and adoption from the 1st April 2024.

7. Budget Framework Amendments 2023/2024

(Pages 23 - 30)

This report is seeking approval to make in-year amendments to the Budget Framework for the financial year 2023/2024.

This page is intentionally left blank



Draft Corporate Plan

2024-27



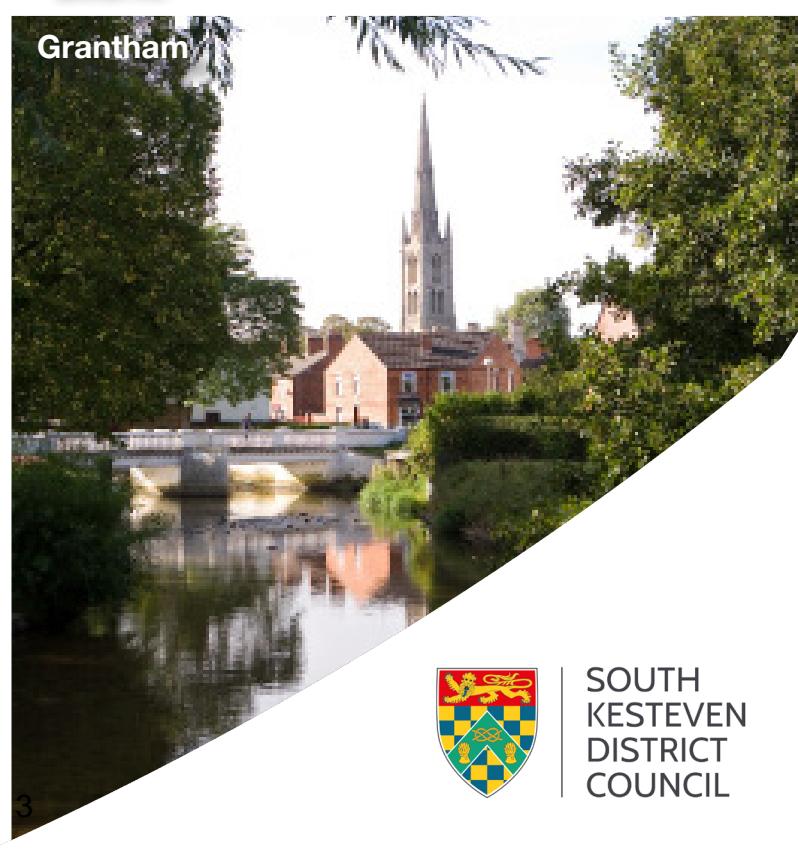
Stamford



Bourne



The Deepings



Grantham



Foreword by the Leader and Chief Executive

South Kesteven is a district full of promise and potential. It is marked by the resilience, strength, resourcefulness and kindness of our communities. It is the mission of the Council to kickstart that potential, driving forward for a sustainable future.

Our Corporate Plan clearly sets out how we intend to realise that mission. It is a statement of who we are as an organisation.

This is a Plan grounded in a comprehensive evidence base, informing the Council's strategic direction and priorities.

It is designed to be ambitious, realistic, dynamic and adaptable, with a long-term focus of where we want our district to be in the medium term. We have received excellent engagement from Elected Members, businesses, partners, community groups and residents.

We are confident this Corporate Plan will guide the work of the Council towards our vision to be 'A thriving district in which to live, work and visit', underpinned by five priorities:

- We will continue to engage with all communities to support a thriving society that all our residents are proud to be a part of.
- We will meet the challenge of climate change with a renewed energy, championing our district to be a clean, green and healthy environment for future generations.
- We will support business and work with partners across all sectors to create the right conditions to support a dynamic, resilient and growing local economy, which fulfils the potential of the district and benefits all our communities.
- We will ensure all residents can access housing which is safe, good quality, sustainable and suitable for their needs and future generations.
- We will deliver the trusted, high quality and value-for-money services our residents expect and deserve. Underpinning the priorities are three fundamental principles:

- *Listening and being responsive to the needs of all our communities.*
- *Building public trust and confidence by promoting a culture of openness, transparency and accountability.*
- *Providing value-for-money for residents and businesses through responsible and prudent use of resources.*

The Corporate Plan is our blueprint for the next four years, built upon the foundations of prudent financial management, the values of #TEAMSK, robust performance management and collaboration with partners who share our ambition for South Kesteven.

As the Council delivers the priorities over the next four years, residents and businesses can expect to see a continued focus on our communities, the Council leading the way to achieve Net Zero, sustainable economic growth, housing that meets the needs of the District and an effective Council always delivering for local residents.



Cllr Richard Cleaver
Leader of the Council



Karen Bradford
Chief Executive of the Council



A New Vision for South Kesteven

The Corporate Plan is based on a golden thread. This is the thread that connects all work, at all levels of the organisation, directly to our overarching vision, priorities and ambitions.

The vision sets out what the Council wants the district to be like:

'A thriving district in which to live, work and visit'.

This phrase encapsulates our aspirations for the district, a place of dynamic, prosperous, and connected communities. Above all, a place residents are proud to call home.

Our mission is to provide excellent public services and robust governance to support South Kesteven. A mission statement defining the approach the Council will adopt has been developed:

'South Kesteven aims to be a modern and forward-looking Council that delivers effective, efficient and equitable public services to enhance the well-being of our residents, enable prosperity, protect the environment and empower communities for a sustainable future'.

The statement sets out who we aspire to be as an organisation: committed, creative, caring. Grounded in the principles of transparency, accessibility, and accountability.

The vision and mission statement underpin our priorities and approach to service delivery. Where we have statutory services to deliver: providing housing, collecting waste, running elections, planning, licensing and environmental health, these will be delivered with the high quality, consistency and timeliness expected by our residents and businesses.

Where we deliver discretionary services: a sustainable leisure and cultural offer, supporting local enterprise and reinvigorating our towns and leading on climate action, these will be delivered with energy and creativity to achieve an exemplary level of service provision.

We recognise our vision cannot be achieved in isolation. We will champion community participation and collaborative partnerships with businesses and other public sector organisations.

We will continue to build on South Kesteven's success as a thriving place to live, work and visit. We will cement our reputation as a Council trusted by our residents to deliver value for money.

South Kesteven: A place to call home

South Kesteven is the southern gateway to Lincolnshire. A district where heritage meets innovation, proud of our past, whilst focused on the future.

The 2021 census revealed South Kesteven is home to 143,400 residents. The majority of the population reside in the four historic market towns of Bourne, Grantham, Stamford, and The Deepings.

The remainder live in the network of villages and rural dwellings. Rates of life expectancy and satisfaction are above national averages and are the highest in Lincolnshire. There is a proud military and aviation heritage reflected in the district being home to a substantially higher population of veterans than the national average, 7.4% of South Kesteven's adult population have served in either the regular or reserve Armed Forces.

The district is generally affluent with low levels of deprivation, gross disposable household income per head is the highest in Lincolnshire, whilst median earnings for residents are amongst the highest in Lincolnshire. The elegant Georgian town of Stamford has frequently been voted one of the best places to live in England. Nevertheless, there remain small pockets of severe deprivation, primarily in Grantham. The economy of the district is diverse with 6,265 registered enterprises in the district, the largest business base in Lincolnshire.

The district boasts enviable north-south connectivity and is strategically located alongside the A1 and the East Coast mainline, with arrival in London Kings Cross in less than 70 minutes by train. Combined with superb schools, attractive surroundings, a relatively lower cost of living compared to elsewhere in Britain and a low crime rate – South Kesteven is one of the safest areas in Lincolnshire. This makes the district an attractive destination for those seeking to settle and raise a family.

The high quality of life is the district's key strategic asset. Indeed, the population increased by 7.2% over the 2010s and is projected to reach 152,458 by 2036. This growth is driven by newcomers from other parts of the country, which is a strong signal of confidence in the future of South Kesteven.

As we look to the future, along with the numerous advantages set out above, we must have clear understanding of the challenges facing South Kesteven. The four key long term strategic challenges are summarised as:

- A Changing Society - The population of the district is ageing, with growth driven by internal migration.
- Opportunity for all – The district is home to some of the least deprived areas in the country, yet also has persistent pockets of severe deprivation.
- Tackling the Climate Emergency - Lead and champion the local response to climate change with the ambition of a Net Zero district by 2041.
- Sustainable and Inclusive Growth - The district's economic performance in terms of productivity, earnings and wage growth has been slow over the past decade.

The Corporate Plan has been developed in this context. These challenges will require imagination, transformation and collaboration to address. Our priorities contain fifteen outcomes for 2034. Each articulate what successful delivery of our vision for South Kesteven would look like. We cannot deliver our vision alone. The outcomes provide long-term focal points to bring together residents, businesses, skills providers, partners and community groups to develop and deliver action – united by the common goal of a thriving South Kesteven.



Bridge over the River Welland, Deeping St James

A District in Numbers



The population is projected to reach 154,833 by 161,000

The median age of the district is

46

There are **6265** businesses in the district, 43 per 1000 residents



The district is the **2nd** healthiest in Lincolnshire



The crime rate is the second lowest in Lincolnshire at **61.16** recorded offences per 1000 residents



12% of households experience fuel poverty

12.3% of under 16 year olds experience relative child poverty



81.8% of the 16-64 population possess at least NVQ2+ qualifications.

41.1% possess NVQ4+ qualifications

Gross disposable household income per head is **£21,467** - the highest in Lincolnshire

Median annual gross earnings are **£31,914**

The local economy is worth **£2.722 billion**

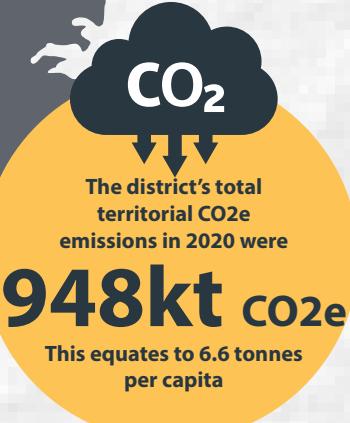
7

South Kesteven



The median house price is **9.78** times the median annual full time salary

Lincolnshire



Priority 1: Connecting Communities

Mission: To enhance the strength, wellbeing, security and capacity of all our communities for a thriving and cohesive society that all our residents are proud to belong to.

Ambitions

We will:

- Enable opportunities for increased public engagement to empower and connect our communities.
- Deliver and facilitate a sustainable leisure and cultural offer.
- Work in partnership with the voluntary, private and public sectors to enable the delivery of community projects and responsive support services to meet the needs of all our communities.
- Encourage sport and physical activity to support healthy lifestyles and reduce health inequalities.
- Celebrate and promote the strong heritage and rich culture of South Kesteven.



Why?

Strong communities are the foundation of strong societies and economies. We are fortunate that our district is largely prosperous. Most residents live in good and safe neighbourhoods, with energised community involvement, networks and facilities.

It is our task to nurture communities through support, empowerment and investment. This means working with our communities to understand their priorities and needs, to develop and deliver solutions to the issues which matter most. This means proactively improving the health and wellbeing of residents through a sustainable leisure and cultural offer.

This means building and maintaining relationships with key partners: community groups, the Police, the NHS and other tiers of government. This means supporting young people and the most vulnerable, and targeting funding towards communities who feel disconnected or left behind.

A thriving South Kesteven is one where all residents have the opportunities to lead healthy and fulfilling lives, in safe neighbourhoods and realise their full potential.

To ensure strategic focus and momentum towards the completion of our ambitions is maintained, we have described what we want our district to look like in 2034:

2034 Outcomes

- South Kesteven is a fair and vibrant society, which residents actively shape and are proud to belong to. ✓
- Inequalities within the District are reduced with pockets of severe deprivation eliminated. No part of the District will rank in the bottom decile for relative deprivation. ✓



What we have delivered:

- Received an Employer Recognition Scheme Gold Award for outstanding support to the Armed Forces community – one of only 18 organisations across the East Midlands to hold the status.
- Established the £1 million South Kesteven Prosperity Fund (SKPF), which has funded 70 projects undertaken by towns, parishes and community groups across the district.
- Upgraded 40 CCTV cameras to further improve our accredited and highly commended CCTV service.
- Granted £219,000 to local projects through the Community Fund.
- Secured an award of £344,659 from Phase 1 of the Swimming Pool Support Fund to support the operation of LeisureSK Ltd with the increased costs in relation to utilities and pool chemicals. Further bids submitted to Phase 2 of the Swimming Pool Support Fund for energy saving initiatives and a bid submitted to the Public Sector Decarbonisation Scheme.
- Secured Arts Council Transition Funding for the consortium of venues which includes Stamford Arts Centre, Guildhall Arts Centre, Louth Riverhead Theatre and the South Holland Centre.
- Adopted the Lincolnshire Districts Health and Wellbeing Strategy and developed a bespoke local action plan to drive health and wellbeing improvements at a local level.

What we will do:

- Deliver the Local Health and Wellbeing Action Plan
- Deliver the Sport and Physical Activity Strategy and accompanying action plan.
- Deliver the Cultural Strategy and accompanying action plan.
- Invest in a sustainable leisure and cultural offer.
- Ensure that our leisure facilities and arts venues are sustainable and meet future needs.
- Enable and support a flourishing and vibrant artistic and cultural scene.
- Deliver the Community Engagement and Development Strategy and accompanying action plan.
- Continue to deliver an accredited, effective and legislatively compliant CCTV service in partnership with Lincolnshire Police.
- Deliver the Safer Streets programme and seek opportunities to develop a legacy applied districtwide once the funding period ends.

Priority 2: Sustainable South Kesteven

Mission: To meet the challenge of climate change and ensure a clean, green and healthy natural and built environment for present and future generations.

Ambitions

We will:

- Lead by example in reducing our operational carbon footprint by 30% between 2019 and 2030.
- Lead and champion the local response to climate change with the ambition of a net zero district by 2041.
- Significantly increase tree planting across the district and manage, care and protect existing tree cover.
- Ensure the district is always a safe, clean and pleasant place to live, work and visit.
- Protect and enhance the natural environment and wildlife habitats, working to actively restore and rehabilitate damaged eco-systems.
- Provide an excellent and value for money waste and recycling collection service.

Why?

Addressing climate change and nature loss is the challenge of this generation. We have the ambition to take this challenge on, both by reducing our own carbon footprint and through sustainable management of our resources, corporate estate and housing stock.

We will champion and influence the district to do the same. We have produced the Climate Action Strategy 2023 with an accompanying action plan, to clearly set out how we will do this.

Responsible stewardship, an outstanding natural environment and a beautiful built environment are important for health, wellbeing, and pride of place. The district benefits from a unique countryside, extensive parks and open spaces and historic townscapes. It is our role to work to conserve, promote and enhance this inheritance for the benefit of current and future generations.

This means ensuring through planning, developments are sustainable and fit the character of the district. This means actively improving and restoring the biodiversity of South Kesteven, respecting the rural nature and promoting green and open spaces as places where nature and wildlife can flourish.

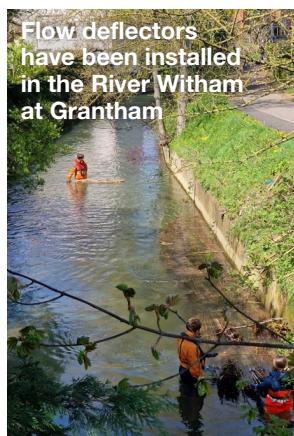
We will proactively challenge and enforce against environmental crimes, such as littering and fly tipping, and will promote responsible behaviours aimed at reducing waste and encouraging recycling. We will run an exemplary and value-for-money waste and recycling service. To ensure strategic focus and momentum towards realisation of our ambitions, we have described what we want our district to look like in 2034 as:

2034 Outcomes

- Greenhouse gas emissions have been greatly reduced. The district is on target to achieve net zero by 2041. The Council has met or exceeded the interim operational emissions target. ✓
- Adaptation and resilience to a changing climate is embedded across the organisation. ✓
- The Climate Action Plan has been delivered. ✓
- The Council's waste & recycling collection and environmental services are nationally regarded as exemplary models of delivery. ✓



Riverside Walk in Wyndham Park



Flow deflectors have been installed in the River Witham at Grantham



Green Flag status awarded to Grantham's Wyndham Park, Queen Elizabeth Park and Dysart Park

What we have delivered:

- Published our first Climate Change Action Strategy 2023, establishing how the Council will continue to reduce its carbon footprint and adapt to a changing climate, whilst leading, influencing and championing the district to do the same.
- 152 properties received upgrades to low-carbon heating systems, making homes warmer and reducing energy costs for tenants through the Green Homes Grant.
- A further 300 social housing properties will be upgraded via the £7.26m Social Housing Decarbonisation Fund.
- Secured Green Flag status for the three parks in Grantham: Wyndham Park, Queen Elizabeth Park and Dysart Park.
- Rejuvenated riverside areas along the River Witham in Grantham, including the creation of a wetland area in Queen Elizabeth Park, through the successful delivery of the £1.29m Blue-Green Corridor scheme, improving access to wildlife for 13,700 residents.
- Successfully insourced the grounds maintenance team from EnvironmentSK Ltd.

What we will do:

- Deliver the Climate Change Action Strategy programme.
- Continue to reduce operational emissions to achieve the target of a 30% reduction on 2019 by 2030 and develop modelling to set a target of achieving Net Zero operations as soon as viable.
- Review and implement energy efficiency and renewable energy opportunities across the corporate estate, such as solar panels and EV chargers.
- Improve the energy efficiency of the leisure estate and review further renewable energy opportunities.
- Review and implement energy efficiency and renewable energy opportunities across the sheltered and social housing properties.
- Adopt a Tree and Woodland Strategy and deliver an accompanying action plan.
- Ensure biodiversity net gain is delivered through planning and corporate projects.
- Continue to tackle waste related crimes, including fly tipping with support from the Lincolnshire Environmental Crime Partnership.
- Manage the smooth implementation of twin stream recycling to improve the recycling rate and reduce contamination.
- Develop and implement an effective process for the collection of food waste.
- Deliver a range of schemes to improve the recycling rate.
- Manage the construction and transition to a new purpose-built depot, which is fit for purpose, and explore options for the old depot.
- Develop and deliver the Fleet Management Strategy and accompanying action plan.

Priority 3: Enabling Economic Opportunity

Mission: To enable and support a dynamic, resilient and growing local economy, which benefits all our communities.

Ambitions

We will:

- Work to support businesses to protect existing jobs and create new opportunities for all.
- Promote the District as an attractive place to visit, work, invest, study and do business.
- Attract investment to improve infrastructure, support regeneration and drive economic growth.
- Ensure an adequate supply of suitable land is allocated for commercial use and facilitated through the Local Plan.
- Maintain and strengthen relationships with the business community to understand and support their needs and aspirations.
- Develop links with educational institutions to upskill residents to meet the needs of the current and future economy.

Why?

Economic success is closely linked to cultural success and a sense of pride in the community.

A vibrant economy will attract new businesses, which in turn provides more jobs and opportunities for residents.

The district boasts excellent north south transport connectivity, a large business base, a skilled population, superb schools and colleges, and an attractive quality of life offer.

Capitalising on this potential entails continuing to build on the links with business forged during the pandemic, working with educational institutions to upskill residents, the operation of an effective planning system and attracting investment and funding to revitalise our towns.

By providing local opportunities, supporting businesses and employers and investing in town centres, we will enable conditions which attract and retain people who want to invest, live, work and visit the area.

We will lead by example as an employer of choice, offering excellent staff development and apprenticeship opportunities.

To ensure strategic focus and momentum towards realisation of our ambitions, we have described what we want our district to look like in 2034 as:

2034 Outcomes

- South Kesteven has a thriving, innovative and diverse economy and is recognised as a great place to live, visit, invest and do business. ✓
- The District's economy is growing strongly, increasingly based upon knowledge-intensive services, generating high quality jobs, with productivity levels well above the regional median and wages above the national average. ✓

Major restoration at Westgate Hall in Grantham



What we have delivered:

- Created the Local Economic Forum (LEF) made up of key stakeholders which help guide decision-making and act as a key consultative body on future strategies, initiatives and funding programmes regarding local economic development.
- Distributing £3.9 million of UK Shared Prosperity Fund (UKSPF) monies.
- Through the £1.263 million High Street Heritage Action Zone programme, restored the iconic

Grade II listed Westgate Hall, Grantham and nine shopfront regeneration projects, generating over £350,000 in private sector investment.

- Accelerated the £5.56 million Grantham Future High Streets Fund to the delivery phase with public realm and residential accommodation projects scheduled for completion in 2024.
- Allocated over £53 million in COVID support grants to 3000 businesses. The Council was shortlisted for the East Midlands 'Best COVID Response Award' in 2022.

What we will do:

- Deliver the Economic Development Strategy and accompanying action plan.
- Deliver initiatives to expand and deepen engagement with business.
- Continue to distribute the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) and explore opportunities to develop a legacy beyond the funding period.
- Embed and strengthen the Local Economic Forum as a key institution for local stakeholders to shape the district's approach to skills, business support and investment.
- Work with the Lincolnshire Growth Hub to support businesses to start-up, succeed and grow.
- Strategically leverage the Council's procurement spend to maximise social value.
- Consider targeted interventions – planning powers and schemes, to achieve high-quality regeneration across the district and explore options to unlock stalled sites.
- Bring forward a step change in the way Council-run street markets are presented, operated and promoted.
- Develop a long-term approach to regeneration and be prepared for investment and funding opportunities.
- Continue to promote and develop South Kesteven as an attractive visitor destination, focusing on our cultural and heritage strengths.

Priority 4: Housing

Mission: To ensure that all residents can access housing which is safe, good quality, sustainable and suitable for their needs and future generations.

Ambitions

We will:

- Through the Local Plan facilitate a range of appropriate and sustainable housing and community facilities for future generations and the emerging needs of all our communities.
- Deliver exemplary and high-quality services for housing and homelessness.
- Engage effectively with our tenants to shape the services we deliver.
- Increase the supply of sustainable and high-quality Council-provided housing.
- Work with developers and private landlords to ensure sustainable, affordable and high-quality housing is facilitated.

Under international law, to be adequately housed means having secure tenure. It means loving somewhere which is in keeping with your culture and having access to appropriate service, schools and employment. Rates of home ownership are high in South Kesteven. Prices are relatively affordable compared to elsewhere in England. The Council owns and is the social landlord to nearly 6000 properties.

As a planning authority, the system will be operated efficiently as a driver to sustainable growth.

Planning policy will maintain a strong focus on good design to ensure developments are sustainable and in line with the unique characters of the district. We will look to ensure housing across a range of prices and tenures, with appropriate community facilities, are available to meet demand and help residents to remain in the district.

We will continue to drive improvements in our housing services, to deliver exceptional provision which meets the needs of our tenants and the residents of South Kesteven.

To ensure strategic focus and momentum towards realisation of our ambitions, we have described what we want our district to look like in 2034 as:

2034 Outcomes

- Housing delivery matches the needs of communities, homes are affordable, private rentals are high quality and homelessness is reduced. ✓
- The Council's housing and planning services are nationally regarded as exemplary models of delivery. ✓
- Housing services are fully compliant with all regulations and best practice. Repairs and complaints are actioned promptly and to a high standard. The Council's tenants feel their concerns and priorities are recognised and are satisfied with the service provided. ✓
- Successful delivery of the ongoing new build pipeline continues to contribute towards meeting the housing need in the district. ✓



What we have delivered:

- Ground broken on the construction of 20 properties at Swinegate, Grantham. This is part of a pipeline of the Council building 65 affordable properties over the next two to three years.
- Successfully delivered the Housing Improvement Plan after self-referring to the Regulator of Social Housing. The Regulatory Notice has been lifted.
- Delivering a £3.2 million programme of renovation works to 143 properties in the Earlesfield Estate, Grantham.

- Acquired 21 properties through the first tranche of Local Authority Housing Fund money allocated to the Council. These will house Ukrainian and Afghan refugees and will ultimately be added to Council's social housing stock.
- Introduced new housing management and choice-based letting systems.
- Commenced an early review of the Local Plan with a confirmed five year housing land supply.
- Completed 336 adaptions through the Disabled Facility Grants scheme worth a total of £2.9 million.

What we will do:

- Review the quality of existing properties across all tenures and seek to reduce the impacts of poor housing on residents and communities.
- Ensure services to support residents to remain living in their community with as much independence as possible, ideally within their own home, with the right support.
- Review and rationalise the Council's assets portfolio to ensure an optimal return for the Council.
- Deliver the £3.3 million decarbonisation programme.
- Ensure the Council's housing stock is high quality and suitable for the needs of tenants now and into the future. Seek to dispose of properties which are economically unviable.
- Continue to improve the turnaround period and standard of properties.
- Deliver a high-quality, planned and responsive repairs service.
- Deliver a pipeline of new build housing following a hybrid approach of construction and acquisition when appropriate to maximise funding streams.
- Seek opportunities to improve the energy efficiency of the Council's own housing stock and continue to support private retrofit projects to reduce energy costs, lower carbon emissions and create a more sustainable future.
- Develop a joint approach to bringing empty homes back into use.
- Ensure the Local Plan continues to facilitate sustainable growth across the district and the Local Plan Review is successfully completed in 2026.
- Ensure the planning process is effective, efficient, high quality and timely.

Priority 5: Effective Council

Mission: To deliver trusted, high quality and value-for-money services that fulfil the needs and expectations of all our residents.

Ambitions

We will:

- Provide excellent, value-for-money and financially sustainable services.
- Manage our resources and assets effectively with open, transparent, and accountable decision making.
- Actively and effectively engage with and listen to our residents, placing their needs and concerns at the heart of everything we do.
- Embrace and maximise opportunities for innovation, improvement and securing external funding.
- Through #TEAMSK retain a highly skilled, empowered, motivated and professional workforce.
- Uphold a healthy and robust local democracy, where Elected Members champion their wards, communities and the District as a whole.

Why?

The key to delivering local growth, thriving communities and a healthy local democracy is effective political and administrative leadership. This requires a clear vision and set of priorities, and the will and ability to champion the area.

Effective leadership is open and accountable, this is the foundation of a positive relationship between the Council and residents and businesses.

Trust should never be taken for granted. Our residents and businesses rightly have high expectations of us. We must and will demonstrate that we are worthy of trust through action. In a period where there have been high profile national failures across local government it is more important than ever that the Council delivers on its duty to provide best value for its residents. This means a Council that is responsible in its handling of public money and makes prudent use of its resources to achieve financial sustainability. This means delivering the excellent services that are expected, in partnership and collaboration with other organisations where possible. This means having robust governance and management structures in place.

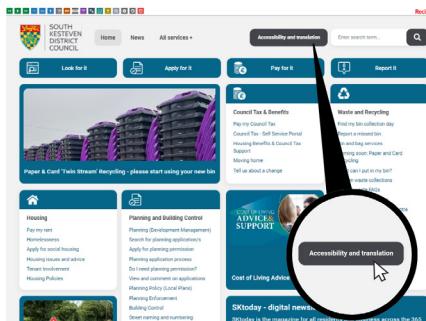
This means having an energetic organisational culture committed to high performance and continuous improvement. Above all, this means a confident and outward looking Council that is always open to honest scrutiny and challenge and listens to our residents. It is in this spirit that we have produced this Plan and will approach all our priorities and ambitions. To ensure that strategic focus and momentum towards the realisation of our ambitions is maintained, we have described what we want our Council to look like in 2034:

2034 Outcomes

- The Council's service delivery provides exceptional quality and value for money and is nationally regarded as exemplary in its approach when compared to peer authorities. 
- The Council's governance offers exceptional quality and assurance and is nationally regarded as an exemplary model in its approach when compared to peer authorities. 
- The Council's financial management offers exceptional quality and value for money and nationally regarded as an exemplary model in its approach when compared to peer authorities. 



Waste freighter raising awareness of breast cancer



Providing inclusive and accessible services for residents



Enhancing the environment

What we have delivered:

- A successful Corporate Peer Challenge resulted in a review of governance structures and rationalised the amount of council-owned companies to improve efficiency and effectiveness.
- Adopted a People Strategy, vastly improving staff engagement, retention, training and satisfaction.
- Completed a full review of the Health & Safety policy and plans to strengthen risk control and accident awareness across the Council.
- Pursued a policy of 'grow your own' employing

23 apprentices and awarded Apprenticeship Employer of the Year 2023 by Grantham College.

- Saved £300,000 per annum by moving into modern, open plan office accommodation in Grantham.
- Implemented and embedded a new Constitution and Committee structure, including a new Housing Overview & Scrutiny Committee and Standards Committee.
- Completed 2021-22 and 2022-23 Statement of Accounts audit. An unqualified opinion was received for 2021-22. The same is expected for 2022-23.

What we will do:

- Continue to work in partnership with relevant partners to deliver and support targeted initiatives across the district to help communities to be more self-sufficient.
- Ensure the administration of licenses and approvals relating to both national legislation and discretionary, are effective, efficient, timely and consistent.
- Continue to implement and embed a one team approach to deliver effective services.
- Produce and deliver a Councillor Development Strategy and accompanying programme to achieve accredited Councillor Development Charter status.
- Deliver the refreshed Customer Experience Strategy and accompanying action plan.
- Ensure the tax collection process is always effective, efficient, timely and fair.

- Deliver a balanced, sustainable financial plan over the medium term.
- Implement and embed the new finance system.
- Deliver the IT Roadmap, ensuring all systems meet the needs of internal and external customers, and explore opportunities for new technologies and innovation.
- Seek opportunities to maximise value for money in all services.
- Deliver the Internal Audit Plan and drive continuous organisational improvement.
- Ensure procurement is always compliant, fair and delivers value for money.
- Continue to embed the People Strategy and accompanying action plan.
- Develop and deliver Planned Maintenance Strategy and accompanying action plan.

The Foundations: Financial Sustainability

South Kesteven District Council continues to work hard to ensure that high quality and cost-effective services are delivered and that savings and efficiencies are achieved which will assist with achieving financial sustainability.

There is a clear focus on identifying how a balanced budget can be achieved over the medium term in order to ensure that services continue to receive the investment required to deliver a quality offer to our residents.

The Council continues to drive forward its plan to achieve financial sustainability against a backdrop of significant amount of uncertainty regarding future funding from government. This year is the sixth in succession that Councils have received a one-year only funding settlement which makes financial planning extremely challenging and national changes to the way in which Councils will be funded in future further adds to the uncertainty.

The latest budget forecasts show that the Council needs to save £1.15m over the next three years, based on government funding assumptions, in order to be in a position where a balanced budget will be achieved. The Council is fully committed to achieving this target and will continue to adopt approaches which include streamlining the organisation, so that it is ready for the challenges ahead, modernising processes and procedures, and rationalising assets and operating costs where possible.

The delivery of the Council's priorities set out in the Corporate Plan remains its key focus.

Underpinning this is a pledge to provide quality services, a strong commitment to investing in sustainable growth, meeting the challenge of climate change, improving leisure facilities and delivery of an ambitious housing programme that meets the needs of the social housing sector.

Financed from a combination of reserves and grants, the Council has committed over £20 million to fund the delivery of new build social and affordable housing and stock acquisition programmes over the next three years. Over the same time period it will also continue to maintain its existing housing stock, by investing over £36 million in a range of programmes including compliance works, re-roofing, external wall insulation, structural refurbishment and the replacement of kitchens and bathrooms.

The environment in which the Council set out its medium-term financial plan remains challenging and there is a great deal of uncertainty regarding future government funding, however the council remains committed to providing high quality services to all its residents and delivering the actions set out in the Corporate Plan.



The Foundations: Managing Performance

Effective performance management is essential to progress in delivering the ambitions and actions of the Corporate Plan. This requires monitoring whether initiatives are having the intended positive impacts on the district. There are two suites of performance indicators to support the Corporate Plan – Key performance indicators and strategic socio-economic Indicators.

The Key Performance Indicators (KPIs) will monitor the delivery of the Corporate Plan Actions and the overall performance of the Council. Each KPI is SMART (Specific, Measurable, Attainable, Relevant & Timely) and agreed via the scrutiny committees to which quarterly reports will be presented.

The selected metrics will be wholly within the Council's control and will offer accountability and stimulate continuous improvement. The suite will be reviewed annually.

The Strategic Socio-Economic Indicators (SSEIs) will monitor the progress towards the fulfilment of the Council's Vision, 2034 Outcomes, and the overall performance of the district. Each SSEI is benchmarkable against other local authorities, aligned to the Office for Local Government (OFLOG) suite, and will be reported in the annual State of the District (SOTD). The SSEIs provide the evidence base of the Corporate Plan, underpinning the district SWOT analysis which has informed the Council's Priorities and Ambitions.

The Council has only very limited influence over the SSEIs. Reporting will evidence whether the district is on the right trajectory and provide insight into the Council's operating environment, enable the identification of challenges and shape the service response. The table below sets out some examples of SSEIs for each priority:

Priority Area	Example SSEI
Connecting Communities	Crime rate per 1000 residents
	Prevalence of Child Poverty
	Physically Active Adults
Sustainable South Kesteven	Household waste recycling rate
	Air Quality
	Total Territorial CO2 Emissions
Housing	Affordability Ratio (Median Earnings/House Prices)
	Net Additional Homes Delivered
	Households in Temporary Accommodation
Effective Council	Council Tax Collection Rate
	Total core spending power per dwelling
	Level of Band D council tax rates
Effective Council	Council Tax Collection Rate
	Total core spending power per dwelling
	Level of Band D council tax rates

The Foundations: Values and Equalities

The values of the Council determine how we behave and deliver services to residents and businesses and how we interact with each other. They are the 'true north' that underpins the culture of **#TEAMSK**.



Our values are:

- **Trust** - Trust is the foundation of all positive relationships – between colleagues, management, officers and Elected Members, and our residents trusting us. It is about fostering a culture of honesty and openness.
- **Empowerment** - Colleagues are encouraged and supported to take initiative and contribute to the betterment of our services and our communities.
- **Accountability** - We are transparent in and take ownership of our actions and decisions.
- **Making a Difference** - Recognising that the Council is driven by a purpose to create a positive impact and improve the lives of all our residents and communities.
- **Supportive to All** - Putting the residents at the heart of everything we do.
- **Kindness** - Being emphatic and understanding of others and always going the extra mile.



Equality, Diversity and Inclusion

Our commitment to equalities is about long-term, continuous improvement.

It is the responsibility of all Officers and elected Members to implement the principles of equality, diversity and inclusion.

Our equality objectives will be supported by a

delivery plan as part of the People Strategy, which will include actions from all service areas.

This will ensure consideration of the needs of our staff and our residents is at the heart of what we do – from the earliest stage of development, through to decision-making and implementation.

Objective	How this will be achieved
Continue to maintain an inclusive, diverse workforce that feels valued.	<p>In all parts of your work life we will work in a fair and equitable manner.</p>
	<p>Encourage celebration and support our differences.</p>
Continue to build and promote a culture of equality and inclusion into all the services, functions and projects we deliver.	<p>Develop a network of equality allies across the Council who are empowered to support and advise their colleagues on matters of equality, diversity and inclusion.</p> <p>Ensure all projects, policies strategies and reports which have a direct impact on people are accompanied by a robust equality impact assessment.</p>
	<p>Consult with residents on all aspects of the Council's work that have a direct impact on them as our customers</p>
	<p>Ensure the Council's services are responsive to different needs and treat service users equitably, with dignity and respect.</p>
	<p>Involve, listen and respond to our communities effectively.</p>
	<p>Engage with communities to promote opportunities for funding and project support.</p>



Bourne

Alternative formats are available on request:
audio, large print and Braille

**South Kesteven
District Council**

You can contact the council about benefits, rent or other issues

01476 406080

Out of hours 01476 590044

customerservices@southkesteven.gov.uk

www.southkesteven.gov.uk

Find us on social media:

f Search South Kesteven District Council

X @southkesteven





SOUTH
KESTEVEN
DISTRICT
COUNCIL



Cabinet

18 January 2024

Report of Councillor Ashley Baxter,
Deputy Leader of the Council

Budget Framework Amendments 2023/2024

Report Author

Richard Wyles, Deputy Chief Executive and s151 Officer

 Richard.wyles@southkesteven.gov.uk

Purpose of Report

This report is seeking approval to make in-year amendments to the Budget Framework for the financial year 2023/2024.

Recommendations

That Cabinet:

1. Recommends to Council for following budget amendments to the 2023/24 Budget Framework:

- Increase to the Capital General Fund Decarbonisation Scheme contribution to £492,500.
- Delegate to the Deputy Chief Executive in consultation with the Deputy Leader of the Council to accept the Phase 3c Public Sector Decarbonisation Scheme funding if the grant application is successful.
- Provide an additional management fee of £123,000 to LeisureSK Limited for the current financial year only.

2. Notes the actions taken by the Council in response to the impact of Storm Henk in the South Kesteven District.

3. Approves the following actions in response to the request from LeisureSK Ltd for additional funding for the current financial year:

- **To request officers write to LeisureSK Ltd to request a mitigation and recovery plan for the financial years 2023/24 and 2024/25 in response to the management fee request with a view to seeking the level of management fee being requested reducing further for 2024/25.**
- **To request that the Cabinet member for Finance and Cabinet member for Leisure receive regular detailed budget forecast reports from Leisure SK Ltd between now and end of financial year 2023/24.**
- **To request an urgent independent assessment of the business plan and profit and loss account for the financial years 2023/24 and 2024/25 and propose any corrective action or mitigations that can be undertaken.**
- **To initiate an independent assessment of the existing governance model and operational financial management controls to ensure they are fit for purpose and effective.**
- **To note that an independent review of the VAT and taxation implications is underway.**
- **To ask s151 Officer, on behalf of the Council, to undertake a review of the financial information, a review of the Board minutes and level of financial support being provided to Leisure SK Ltd and to recommend to Cabinet any corrective actions that may be required.**
- **Accelerate the options appraisal for the future delivery model of SKDC's Leisure Services including insourcing and full market testing by tender with leisure providers. This to be undertaken within the shortest of timelines.**

Decision Information	
Is this a Key Decision?	No
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Growth and our economy Housing that meets the needs of all residents Healthy and strong communities Clean and sustainable environment High performing Council
Which wards are impacted?	Wards

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance

- 1.1 The additional budget requests for this financial year as detailed in the report are not currently included in the 2023/24 approved Budget Framework. Should these proposals be supported then the additional funding for the Decarbonisation Fund contribution will be funded from the Local Priorities Reserve. In respect of the additional leisure management fee then the funding can be financed from the Budget Stabilisation Reserve or from the recently received Swimming Pool Support Fund.

Completed by: Richard Wyles, Deputy Chief Executive and s151 Officer

Legal and Governance

- 1.2 Any amendments to the Council's budget as recommended in this report requires the approval of Full Council.

Completed by: Mandy Braithwaite, Legal Executive

Climate Change

- 1.3 The allocation of funding to the decarbonisation scheme for Grantham Meres Leisure Centre would allow the Council to significantly reduce the energy consumption and carbon emissions from the site, if the bid is successful.

Completed by: Serena Brown, Sustainability and Climate Change Officer

2. Background to the Report

Decarbonisation Fund

- 2.1 South Kesteven District Council conducted an analysis of the Council's carbon emissions in 2020, including the operation of the leisure centres within the district. The carbon emissions arising from the centres were found to account for 41% of the Council's operational carbon emissions, representing the single largest area. This is principally a result of energy used for heating and hot water, as well as electricity to power the centres.
- 2.2 Grantham Meres Leisure Centre, as the largest centre in the district, has a number of facilities including a 25m pool, learner pool and two leisure pools, alongside a gym facility, exercise studios, sports hall and outdoor facilities including 3G football pitch and outdoor running track.
- 2.3 The Centre also has significant utility costs as a result of energy used on site. Under current tariff rates for gas and electricity, an annual cost of over £500k is anticipated for the main Centre for the 2023/2024 financial year.
- 2.4 A detailed energy review of the Council's leisure facilities was undertaken by LeisureSK Ltd in July 2023, providing an analysis of on-site energy consumption for each of the three centres operations and recommendations for various energy conservation measures and decarbonisation of heating systems.
- 2.5 To achieve a significant reduction in a centre's carbon emissions, all gas consumption for heating systems will need to be replaced. The predominant technology to facilitate this is heat pumps. The high efficiencies of electric heat pumps enable a, net reduction in energy consumption and carbon emissions. Nevertheless, as the technology is electrically powered and electricity remains around four times more expensive (per kWh) than gas, efforts need to be made to design a new system optimally to reduce running costs.
- 2.6 Phase 3 of the Public Sector Decarbonisation Scheme (PSDS), worth £1.425bn, was launched by Salix on behalf of the Department for Energy Security and Net Zero in 2021. Phase 3c has up to £230m available for 2024/2025.
- 2.7 Leisure Energy were commissioned to support the Council in developing a detailed application into PSDS, targeting the Grantham Meres Leisure Centre as the site with highest energy consumption. The focus of the bid is on complete removal of the existing gas boilers and Combined Heat and Power (CHP) units,

and installation of a new Air Source Heat Pump (ASHP) system with supporting design, infrastructure and project management.

2.8 Applicants are expected to provide a minimum co-funding contribution of at least 12% or equivalent to the cost of installing a new fossil fuel based heating system. The application developed includes only the measure of the new air source heat pump system and no other energy efficiency upgrades for the site.

Total grant funding request	£3,587,500
Applicant funding contribution	£492,500
TOTAL project value	£4,080,000

2.9 An application to phase 3C of PSDS was made in November 2023 for a total project value of £4,080,000. Applicants were advised to expect an announcement of the outcomes of bids in late January or February 2024, following technical review of all applications submitted.

2.10 An existing provision to support a decarbonisation scheme has been made for the 2023/24 budget. In order to support a successful application to phase 3C of PSDS, an additional contribution is required:

2023/24 decarbonisation scheme budget	£261,000
Total PSDS applicant contribution for successful bid	£492,500
Required increase to existing decarbonisation scheme	£231,500

LeisureSK Ltd

2.11 In the latter months of 2022, the Board of Directors of LeisureSK Ltd made the Council aware of the difficult trading conditions and the financial challenges being experienced. These were predominantly related to increased utility costs and staffing costs. Following consideration and recommendation by the Council's (then) Companies Committee on 1 December 2022, on 7 February 2023 Cabinet agreed to financially support LeisureSK Ltd by circa £500,000, all of which related to the forecast increase in utility costs which could not be offset by income generation (see **Background Papers**).

2.12 Leisure SK Limited presented a report to the Culture and Leisure Overview and Scrutiny Committee (OSC) on 30th November which confirmed there was a management fee requirement of £738,942 ([LeisureSK Ltd Management Fee Request 2024 2025 Report.pdf \(southkesteven.gov.uk\)](#)) for the current financial year (which is partly offset by the approved £500k fee). This projected deficit has since increased to £772,949 and was included in the latest report to the OSC presented on 9 January 2024. This deficit is primarily due to the impact of utility costs, the amount of irrecoverable VAT, software and professional fees and minimum wage increases. This has led to LeisureSK Ltd requesting an additional management fee of £273k.

2.13 However LeisureSK Ltd has also formally requested that the additional fee is split into two parts to enable funds to be released to meet cashflow challenges in the short term. This is proposed split is: £123k as a budget amendment; and £150k as an immediate funding request. This latter is being dealt with as an 'Urgent Item' elsewhere on the Cabinet agenda.

2.14 Although the request for 2023/24 has increased, the request from LeisureSK Ltd for 2024/25 is set at £447k (and therefore lower than the current financial year) due to the following assumptions: an additional £238k of income expected from fitness and swimming activities and a projected utility cost decrease of £136k. Once these are accounted for, along with an expected staff costs increase of £129k, the result is a reduced overall deficit of £245k when compared to 2023/24.

Flood Response and Recovery Fund

2.15 The Chief Executive, in consultation with the Leader of the Council, published an Officer Delegation Report on 5th January 2024 to create a £35,000 Flood Response and Recovery Fund in order to ensure there are funds available to respond to the devastation caused by Storm Henk.

2.16 Parts of South Kesteven that were particularly affected from heavy flooding in the aftermath of Storm Henk were areas of Stamford, Greatford, Tallington, Corby Glen, Creeton, Little Bytham, Baston and an area to the west of the South Forty Foot Drain. At the time of compiling this report, 73 properties were reported as being affected by flooding of which 3 were within the Council's housing stock and 5 were local businesses.

2.17 The Council responded in a proactive way and the Chief Executive led the coordination of the response setting up a dedicated incident room to monitor the continuing impact of the storm and how it might be affecting communities in order to co-ordinate its response. The particular areas of activity and response have been:

- Council housing – 3 properties in Greatford were affected by internal flooding and those tenants were fully supported by housing colleagues including arranging temporary accommodation and regular ongoing welfare support.
- Over 850 sandbags were ordered and delivered to the affected areas
- 7 Portaloos were hired and delivered to the worst affected areas of Greatford and Tallington
- 400 information leaflets were produced and hand delivered to residents that live in the worst affected areas
- 5 businesses that were affected have been contacted and financial support will be given in accordance with the recently announced Government Flood Funding Scheme [Government payments for communities affected by flooding - GOV.UK \(www.gov.uk\)](http://www.gov.uk)

- Residents are being contacted in order to ensure they have the opportunity to apply for funds that have been made available by Government
- 6 skips have been hired and issued to worst affected areas to allow residents to dispose of damaged personal items.
- The setting up and hosting 2 rest centres in the worst affected areas

2.18 At the time of compiling this report the incurred and ongoing committed costs were being collated: some of these are direct new costs and some of these are existing costs that have been diverted to respond to the urgent matters. This report confirms that a one-off fund of £35k has been made available and will be the primary source to fund the activities that are summarised above.

2.19 The Council continues to undertake responsive works to those affected communities and is liaising directly with ward members, Parish Councils and those residents and businesses directly impacted to ensure the response is comprehensive.

3. Key Considerations

3.1 Leisure SK Ltd - The main driver for the establishment of LeisureSK Limited was to secure the ongoing provision of leisure across the District. Without the requested increase to the management fee, LeisureSK Limited will suffer cashflow problems and may need to cease trading, resulting in the loss of leisure provision across South Kesteven. This may also have implications on funding awarded by the Swimming Pool Support Fund of £344k, with the risk of the Council having to repay funding awarded. Therefore, the 'do nothing' option has been discounted.

3.2 There are no other key considerations that are relevant to the other items in the report.

4. Other Options Considered

4.1 LeisureSK Ltd - Councils receive no dedicated funding from Government to provide sports and leisure services and facilities. Without the requested additional funding, the Council could decide to close some or all of the leisure centres.

4.2 As the current contract with LeisureSK Limited is nearing the end of its period a thorough options appraisal will be undertaken to establish the most appropriate delivery model going forwards.

5. Reasons for the Recommendations

- 5.1 The Council is required to provide match funding of £492,500 for the Decarbonisation Fund application so creating this budget provision will ensure that the Council is able to accept the funding if the bid is successful.
- 5.2 The allocation of an additional management fee to LeisureSK Ltd will ensure that the Company can continue to operate.

6. Background Papers

- 6.1 *Swimming Pool Support Fund (Phase One – Revenue)* – Report to Cabinet, published 7 November 2023, available online at:
<https://moderngov.southkesteven.gov.uk/documents/s39436/SPSF.pdf>
- 6.2 *Budget Proposals for 2023/24 and indicative budgets for 2024/2025 and 2025/26* – Report to Cabinet, published 7 December 2023 and available online at:
<https://moderngov.southkesteven.gov.uk/documents/s36830/Cabinet%20Budget%20Report%202324.pdf>