Finance and Economic Overview and Scrutiny Committee

Tuesday, 20 February 2024 at 10.30 am
Council Chamber - South Kesteven House, St. Peter's Hill, Grantham. NG31 6PZ

Committee Members: Councillor Bridget Ley (Chairman)
Councillor Lee Steptoe (Vice-Chairman)

Councillor Ben Green, Councillor Tim Harrison, Councillor Gloria Johnson, Councillor Robert Leadenham, Councillor Nick Robins, Councillor Max Sawyer and Councillor Murray Turner

Agenda

This meeting can be watched as a live stream, or at a later date, via the SKDC Public-I Channel

1. Public Speaking
The Council welcomes engagement from members of the public. To speak at this meeting please register no later than 24 hours prior to the date of the meeting via democracy@southkesteven.gov.uk

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 Joint Finance and Economic & Culture and Leisure Overview and Scrutiny Committees meeting held on 9 January 2024 (Pages 3 - 18)

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5. **Minutes of the meeting held on 15 January 2024** (To Follow)

6. **Updates from previous meeting** (Page 19)
To consider updates on actions agreed at the meeting held on 15 January 2024.

7. **Announcements or updates from the Leader of the Council, Cabinet Members or the Head of Paid Service**

8. **Budget Monitoring Q3 Forecast** (Pages 21 - 51)
To present the Council's forecast 2023/24 financial position as at end of December 2023. The report covers the following areas:

- General Fund Revenue Budget
- Housing Revenue Account Budget
- Capital Programmes – General Fund and Housing Revenue Account
- Reserves overview – General Fund and Housing Revenue Account

9. **Section 106 Update and proposed administration and monitoring fees for Section 106 planning obligations** (Pages 53 - 62)
The purpose of this report is to provide an update regarding the Council's monitoring and administration of Section 106 planning obligations. The Committee is asked to review the proposed amendments to the adopted Supplementary Planning Document in relation to administration and monitoring fees for Section 106 (S106) planning obligations.

10. **Findings of Car Parking Utilisation & Capacity Study** (Pages 63 - 123)
This report sets out the findings of the recently published car parking study in respect of the Council car parks across the South Kesteven District.

11. **Markets Operational Review - Update** (Pages 125 - 134)
To provide an update on the Council's Market Service Operational Action Plan.

12. **ICT Cyber Security Update** (To Follow)

13. **Corporate Plan 2024 - 2027 Provisional Key Performance Indicators** (To Follow)

14. **Work Programme 2023 - 2024** (Pages 135 - 136)
To consider the Work Programme 2023 – 2024.

15. **Any other business, which the Chairman, by reason of special circumstance decides is urgent**

Minutes

Joint Meeting of the Finance and Economic and Culture and Leisure Overview and Scrutiny Committees

SOUTH KESTEVEN DISTRICT COUNCIL

Tuesday, 9 January 2024, 2.00 pm

Council Chamber – South Kesteven House, St. Peter's Hill, Grantham. NG31 6PZ

Committee Members present

Councillor Bridget Ley (Chairman)
Councillor Paul Fellows (Vice-Chairman)

Councillor Emma Baker
Councillor Harrish Bisnauthsing
Councillor Tim Harrison
Councillor Gloria Johnson
Councillor Gareth Knight
Councillor Robert Leadenham
Councillor Paul Martin
Councillor Chris Noon
Councillor Susan Sandall
Councillor Max Sawyer
Councillor Murray Turner
Councillor Helen Crawford
Councillor Phil Gadd
Councillor Graham Jeal
Councillor Anna Kelly
Councillor Paul Wood

Cabinet Members present

Councillor Richard Cleaver (Leader of the Council)
Councillor Ashley Baxter (Deputy Leader of the Council)
Councillor Patsy Ellis(Cabinet Member for Environment and Waste)
Councillor Paul Stokes (Cabinet Member for Culture and Leisure)
Councillor Rhea Rayside (Cabinet Member for People and Communities)
Councillor Phil Dilks (Cabinet Member for Planning and Housing)

Other Members present

Councillor Pam Byrd
Councillor James Denniston
Councillor Ian Selby

Councillor Charmaine Morgan

Officers

Richard Wyles (Deputy Chief Executive & S151 Officer)
Graham Watts (Assistant Director for Governance and Public Protection, Monitoring Officer)
Alison Hall Wright (Deputy Director of Finance)
Karen Whitfield (Assistant Director of Culture and Leisure)
Amy Pryde (Democratic Service Officer)

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1. Election of Chairman

Following nomination, it was proposed, seconded and **AGREED** for Councillor Bridget Ley to act as Chairman, for this meeting.

2. Election of Vice - Chairman

Following nomination, it was proposed, seconded and **AGREED** for Councillor Paul Fellows to act as Vice-Chairman, for this meeting.

3. Public Speaking

It was agreed that the public speaker be given 20 minutes to present their statement.

4. Apologies for Absence

Apologies for absence had been received from Councillors James Denniston, Lee Steptoe, Ben Green and Matt Bailey.

Councillor Phil Gadd substituted for Councillor Lee Steptoe.

Councillor Anna Kelly substituted for Councillor James Denniston.

Councillor Helen Crawford substituted for Councillor Ben Green.

Councillor Graham Jeal substituted for Councillor Matt Bailey.

Councillor Paul Wood filled the vacancy for the SK Coalition Group.

Councillor Murray Turner would arrive late to the meeting, due to work commitments.

5. Disclosure of Interests

There were none.

6. Deepings Leisure Centre - Request for a Financial Contribution

The Deputy Leader of the Council provided the Committee with a presentation. The presentation included the history of Deepings Leisure Centre

The Deepings Leisure Centre Community Interest Company (CIC) had requested a one-off contribution of £850,000 towards refurbishment and reopening of the Deepings Leisure Centre.

The Committee were requested to focus the debate on the desirability, legality, affordability, achievability, value for money, risks and benefits.

The Cabinet Member for Culture and Leisure congratulated the CIC for presenting a viable business plan and highlighted certain aspects of the Officer's report.

The Chairman informed the Committee that there had been an amendment to 1.38 on page 12 of the report. The East Midlands Building Control Manager had stated that paragraph 1.38 be disregarded.

The Assistant Director of Culture and Leisure clarified that the East Midlands Building Control Manager had reconsidered the advice. The advice in paragraph 1.38 would stand should there be no existing heating at all within the building and a heating source be introduced but as a change of heating status, it was not necessary to bring the whole of the building up to current building standards.

(Councillor Murray Turner joined the meeting at 14:45)

Two Directors of the Deepings Leisure Centre Community Interest Company (CIC) provided their statement:

'Good Afternoon and thank you for giving me the opportunity to present this request for funding towards the renovation and re-opening of The Deepings Leisure Centre and for your time this afternoon to give it your consideration. I have been an SKDC Councillor for Market & West Deepings for the past 5 years but today I am addressing you in my role as a Director of the Deeping Community Leisure Centre CIC. I have with me Martin Reilly who is the Director with responsibility for the refurbishment programme.

I don't intend to go through the years long history of how we came to this position as it is well documented. This request is looking for this council's support to reinstate leisure facilities to thousands of residents of The Deepings and beyond, facilities that they have enjoyed for over 50 years and which will bring parity with the other three towns of South Kesteven. Throughout all our previous battles to retain facilities we have had the unending support of residents and this has never wavered. The Deepings is truly the least supported area within SKDC and we have watched over the years as one service or facility after another has been taken away. We have no arts centre or large events venue, our community centre is run by volunteers, we now run our own immensely successful library (again with *volunteers), we looked after ourselves during the pandemic through volunteers, we recently updated a miserable little SKDC play park again with money raised by volunteers and so it goes on. We now wish to be given the means to run our leisure centre, again by volunteers on a not for profit basis.*

I'd now like to comment on various aspects of the documents before you. Our Business Plan gives you an outline of the services we hope to provide, the repairs required and the funding sources for those repairs. I will say that to date the support we have received from Lincolnshire County Council has been very much appreciated. At the closure and handing back of the centre to them by SKDC, they could have simply torn the building down and handed the land to the school, they didn't, nor did they want to. In addition to giving us the opportunity to buy the land and buildings they also offered us considerable financial support towards those repairs. Their stipulations were that the amount of that offer was kept confidential and we have done our utmost to ensure that was adhered to. Hence why we asked that the plan was kept on pink papers and we would be grateful if that confidentiality was adhered to by those attending today. LCC also stipulated that we employed a professional leisure company to run the centre and that we accommodate the schools requirements for use of the sports hall. We were happy to comply with both as they were our intentions anyway. We are also grateful to Sir John Hayes, out local MP, for his consistent support.

The plan also includes our costs of renovation. This are dramatically different from those provided to SKDC in the past. There are several reasons for this. The first one is that the figures provided to SKDC were based on a formula which meant that each item of expenditure was based on the square meterage of the footprint of the building, this was patently flawed, so any comparison with those figures is a nonsense. We have provided written quotations from local suppliers which show exactly what the cost of each item is. The second reason our costings are so low is that we have the benefit of several of the companies doing the large items of work, such as the roof, electrical work and the new heating, solar and ventilation system being done at cost. We also benefit from various professional services which are being provided free of charge, these include an architect, a solicitor and a barrister. Please don't think for one second that this will mean inferior quality of work, quite the reverse, these are local well-qualified people who want this centre open again, for their own benefit, for their children and grandchildren's benefit and for the community as a whole. This is how Deepings people operate. SKDC Officers appear to have taken the view that because our prices are low that we won't be complying with building regulations, insurance or health and safety requirements. I don't know why they would think that, why would we not be providing the best possible facilities for ourselves and our families? There is also mention in the report that we will not be providing a full refurbishment. No room in the centre will remain untouched. They have also mentioned in meetings that we have no budget for exterior upgrading. That is correct. That doesn't mean that we don't intend to do it in the future. Frankly, nobody minds about the fact that the cladding is a bit rusty. What matters are the facilities inside and that is where we are concentrating our efforts.

We have also outlined the other professional leisure centre providers we are hoping to work with and presented our estimation of the income that the centre will generate. At the outset of this initiative we didn't want to fall into the trap which a lot of community groups fall into which is enthusiastically over-estimating our income and we have based our figures on the minimum amount of support that we would expect the achieve. Every single provider who has seen these figures has expressed the opinion that we have severely under estimated, particularly in respect of gym membership and our recent public consultation backs up that opinion. We did this on purpose because we need to assure ourselves that we could run the centre effectively at the lowest take up. There is a strong reliance on swimming which is due to the fact that we are the only publicly accessible deep water 6 lane 25m pool for some considerable distance.

In the past, due to the agreement between SKDC and The Anthem Trust the Deepings Leisure Centre was unable to reach it's full potential. The agreement gave the school the vast majority of pool use during the day in term time which resulted in a lack of public and club use. The residents of Deeping frequently bemoaned the fact that the pool would be empty for hours on end. The school simply didn't need the amount of hours it was allocated and, whilst the school often offered time back to SKDC, SKDC wouldn't accept these hours as they were outside of published times. We have met with the Trust on numerous occasions and they no longer require any pool time on a permanent basis, if they do then this would be booked on an ad hoc basis through the normal channels. They have asked for daytime use for around 38 weeks of the sports hall for PE and examinations and we are happy to accommodate them, together with ad hoc usage for special events during the evening at a discounted rate. Dependent upon the result of this meeting and Thursday's Full Council we will be meeting them again at the end of the month, hopefully with our prospective partner to finalise hours and costs. We will also be finalising our car park requirements, joint access to the site and the breakdown of any repair costs to that joint access.

We are very grateful for Martin Hill's letter to you all and have discussed our exit strategy briefly with him in past meetings. All of you should have had our written response to that letter regarding so I won't comment further on that.

Finally on the Business Plan, I'd like to tell you where we are up to with funding sources. At present we require just short of £2m to complete all the works, however, this includes a contingency of almost half a million. The contingency is there to cover any items which we become aware of, although the asbestos in the building is currently contained, it may be that we decide it is preferable to remove it. Should we need to provide additional cladding to comply with insulation then that will come from this contingency as well. Minor items such as re-lining our area of the car park is also included. We have today's request for £850k from this Council, LCC have indicated that they would be prepared to contribute and we have a Community Ownership Fund bid in, currently for around £450k. We have been allocated a consultant by the COF who is there to assist us in completing our bid successfully, there are a couple of reports that the COF require but they are providing us with the funding required to obtain these reports. We have commitment *from various local parish Councils, including some in Peterborough who recognise that the Deepings Leisure Centre will benefit their residents. We also have plans for crowdfunding and business sponsorship which will be announced as soon as we have secured the building and main grants. So, provided we receive the other funding requested we are covered for a full refurbishment as outlined.*

Some of you may be wondering why we are asking SKDC to contribute a larger amount than we expect from LCC. This is purely and simply due to the appalling state that the leisure centre was handed over in. At the time of closure all Councillors has the opportunity to visit the centre and many did. It looked, at that time, exactly the same as it had for years, dated yes, grubby and old fashioned, yes, functional, also yes. When we came to view the building again immediately after the handover we were speechless. There wasn't a single room which hadn't suffered from what can only be described as wanton vandalism. Ceilings ripped down, holes punched in walls, wiring ripped out, custom made stainless steel pool steps removed and sent for scrap. It was heartbreaking to see. Large receptacles had been placed where the worst of the water ingress was and the one upstairs, which we estimated contained 10 tons of water had been left, upstairs, unemptied. The staff at LCC were appalled and stated that they had never ever had a building handed back to them in this dreadful condition. It seemed to us that someone had been determined to make the centre appear impossible to re-open. Happily, we have retrieved the custom made steps and added a plasterer to our costs.

Also within the papers is our Dear Councillor booklet. This was prepared prior to the decision not to pursue a new leisure centre. It was our way of letting Councillors at the time know how this was impacting residents as they had been denied a voice at various meetings, including one in Grantham where no-one was allowed to speak in the public session. I asked residents to write to me outlining the impact the loss of leisure facilities would have and the booklet contains a selection from the enormous amount of replies I received.

What isn't included in the pack is the Equality Impact Assessment which was produced in November 22. There are 11 groups within that report which need to be addressed and an answer given on what the effect of the closure would be. Every single category shows a negative impact – the conclusion stated that SKDC accepted the negative impact across the board but that the next available centre was 11 miles away and there was limited public transport but residents of Deepings has three other centres to choose from...

There are some aspects of the officers report that I would like to comment on.

We find it bizarre that they have gone to such great lengths insist that the monies we have asked for are a 'subsidy', yet by their own admission LeisureSK receive a subsidy, SKDC has also provided what amounts to a subsidy to various other companies in the past and to outside groups. I well remember the tens of thousands that was given to a particular dance group in Grantham and there has been a subsidy paid for many years to a football club in Grantham. Were any of these other subsidies treated as subsidies – not to my knowledge. SKDC does not *have one single entry on the Governments subsidy list. By their own admission at items 1.21 and 1.22 this Council has the power to provide these monies as a 'grant'. At 1.23 it states the Council should, quite rightly, balance the risks against the potential rewards. Almost no account of the potential rewards of providing a grant of this amount and for this purpose has been mentioned. Thousands and thousands of residents will receive enormous real mental and physical benefits from this proposal. Our mantra of providing facilities for all, especially those with mental and physical difficulties has simply not been acknowledged.*

Great store has been placed in the SLC report. I think we are all aware that, particularly in business consultants tell you what you want to hear. I am convinced that if we (the CIC) had gone to SLC for a report in support of this proposal that they would have waxed lyrical for page after page about it's benefits just as they did for the 10m leisure centre. If you tell a consultant (however obscurely) that you "have concerns about the viability of a project" they will provide you with the evidence to support those concerns.

Constant comparisons with LeisureSK have been made. Why are we being compared to a company which has failed for the entirety of it's existence and continues to do so? A Company which officers are actively looking to close and replace. Why not compare us with any of the successful leisure centres that all of our proposed partners run? Spalding, for instance, have been given £20m to build a new leisure centre – do you really believe that they would have been awarded this for them to create a money pit? Very many of the leisure centres around the country are run well and at a profit year in year out – please allow Deepings to be one of them.

Today, I believe you have a real one off opportunity to move things forward .

We've worked day and night on this plan. It really is viable and well thought out...We know we can make it work and we know what a real difference we can make to the lives and well being of thousands of our residents.

But we can't do it without your support today..

Everyone in this room knows Deepings has been dealt more than its share of letdown and despair.

I'm asking you right now, from the bottom of my heart,

All we are asking for is the chance to do what's right.'

Following the statement, Members raised the following questions to the public speakers:

- That Deepings Swimming Club had recently travelled approximately 30 miles to attend a gala at Grantham Meres Leisure Centre and whether the Deepings Leisure Centre would be as popular if it was to reopen.

Deepings Swimming Club were eager to return to the Deepings Leisure Centre for swimming lessons. Local Schools had also shared interests in utilising the Leisure Centre.

- One Member queried the progress on the transfer of the freehold of the building and whether the Anthem Trust had been liased with on the amount of contribution they should make going forward.

It was clarified that the CIC were awaiting heads of agreement on the freehold, the heads of agreement would only be agreed if the financial contribution from the Council was agreed. The relationship between the CIC and the Anthem Trust was mutual and they were working in a joint approach.

- The refurbishment costings of £2.2m were questioned due to the Leisure Centre being left in a bad state. The costing did not seem enough to substantiate a satisfactory building.
- What was the commitment and liability to the CIC company?

The bad state of the building was fairly minimal and could be rectified by decorating.

- It was queried how committed the Council and CIC were to the site in regard to private investors e.g. banks. It was noted that other large leisure centres had received grant funding.
- How would the centre be set up and whether the possibility of a private facility had been explored?

The CIC had liased with private funders. However, since the pandemic, the hospitality and leisure sector had struggled to receive funding and were reviewed on a case-by-case basis regardless of how strong the viability of a business case.

The Council had previously explored other refurbishment and new build site options and did not come up with a resolution. The option proposed by the CIC was deemed viable as the building foundations were strong.

The CIC clarified that they would work in conjunction with a delivery partner, who would be running the Leisure Centre and the CIC would not be directly involved within the day-to-day running of the Centre.

The Deputy Leader of the Council discussed the alternative options. The private and public sector had the opportunity to bid for the Leisure Centre during Lincolnshire County Council's expression of interest bid, which included Leisure SK Ltd.

- Whether the CIC were expecting conditions and requirements placed on any condition of funding from the Council.

The CIC were expecting conditions from South Kesteven District Council and Lincolnshire County Council. The company were willing to be open and transparent, for instance, the annual accounts would be published on their website.

- Whether the CIC acknowledged the need for business failure insurance, if the Deepings Leisure Centre was to fail and specified demolition in the worst-case scenario.
- Concern was raised on the expected opening date of August 2024 for the Deepings Leisure Centre, as part of the business plan.
- It was noted that the proposed cost of air source heat pumps was approximately 40 times less than the cost of Grantham Meres Leisure Centre air source heat pumps. Grantham Meres Leisure Centre was double the size of the Deepings Leisure Centre.
- The roof inspection document was three years old. Were the CIC expecting further deterioration of the roof and would an updated roof inspection take place?
- Whether any pre-application consultation had taken place with building control inspectors and whether there would be a budget for building control?
- Whether the CIC had thought about generating pre-sales?

The CIC had a fundraising Committee who had come up with ideas to raise additional funds. For example, pre-sales, schemes for crowdfunding, offers of local businesses to sponsor a room.

A nominated asset locked company would take over CIC and its assets in the event of business failure. The CIC regulator would decide the outcome of the asset, in case of failure which was in negotiations.

The August 2024 opening date was set when the Joint Overview and Scrutiny Committee meeting was scheduled for November 2023. It was planned to have the sports hall, swimming pool and gym to be open first, alongside the roof repairs.

The structural integrity of the roof inspection report at the time stated that the roof was in a steady state. The proposed roof would avoid the original structure of the roof and would merely be a lightweight steel roof with solar panels.

The air source heat pumps would be used to generate heat for the swimming pool and hot water supply. The rest of the Leisure Centre would be run by an air condition/heat pump system.

Building control and the CIC had been liaising primarily about the insulation and building regulations. The main contractor was responsible for any building control applications that were required.

One Member suggested that pledges from support in the local community be brought to the Full Council meeting, alongside the costings of building control and a possible phasing of the scheme.

It was queried how the funding process would work in accordance with government tendering requirements and whether another business case had been explored.

In regard to purchasing and procurement, the intentions of the CIC was that any services would be made available on framework and anyone considering tendering the framework would be reviewed. The tender process may be timely, costly and cannot always give the value for money required to be successful.

The following queries were raised:

- How the governance, fees and the running of the Leisure Centre would be set.
- How critical a timeframe was on making a decision on the future of the Leisure Centre.
- Whether any approximate figures had been received from Parish Council's and what feedback and support had been provided from them.
- Clarification was sought over the VAT position and how this would be monitored with any new funds or income received.
- What was the estimated lifespan of the building following the proposed refurbishment?

The CIC representative confirmed that although the CIC was a not-for-profit organisation, the vast majority of its business activities were VATable. The only exemptions were any business activity directly related to education, for example, schools use of the swimming pool. There was a minimum 15 year life expectancy for the swimming pool. There would be planned maintenance at various points but work to a high specification would ensure the shortest possible closure time.

Miss Moran informed Members that a partnership would ensure that all involved had an equal involvement in the governance of the service. As an alternative, a management fee could be paid but billing would be directed to the CIC. A proposed partner company, which was also not-for-profit had proposed a sinking fund be put aside for repairs when necessary. The implementation of a monthly meeting would ensure responsibility for fees was maintained as necessary. The building was to remain a community asset. The Parish Councils had been contacted and requests for £3.50 donations per resident was requested from each and £1.50 per resident from the more remote areas. Some support had been confirmed. Public consultation would be sought once each parish council precept was set.

The Deputy Leader confirmed that the decision on what to do with the building was for Lincolnshire County Council. If they chose to demolish, this work would need to be carried out within the school holiday period. A decision on the proposal brought before the meeting today was urgent and required to be made within a week.

(The Committee paused for a break at 16:00)

During discussion, Members raised the following points:

- What support had the project received from residents of the whole district of South Kesteven? It was acknowledged that residents in Grantham, for example, would not have such an interest as a resident in the Deepings area.

- Was the Council able to afford the refurbishment of the Deepings Leisure Centre alongside the maintenance of older Leisure Centres at Grantham, Bourne and Stamford?

- If funds for the project were agreed, would there be further scrutiny throughout the process?

- Where were the funds coming from and was there a market risk premium (MRP)?

- Were the Council able to confirm attendance figures for the last 5 years at the Deepings Leisure Centre.

- Had South Holland and Peterborough Local Authorities been consulted as to the impact of the reopening of services at the Deepings? Were the Council at risk of a legal challenge?

- Had the Council applied for large grants, similar to neighbouring Local Authorities such as Newark Council?

- Were private companies sufficiently considered to undertake the running of the Leisure Centres?

- Did the Deepings Leisure Centre Community Interest Company (CIC) consider a partnership with South Kesteven District Council at any point and what is on offer for the funding proposed?

- Attendance at Leisure Centres within the district was still below 80% of levels before the Pandemic. Funding also needed to be set aside to ensure they all remained open. The opening of Deepings Leisure Centre would impact LeisureSK Ltd.

- Many residents within the Deepings area had limited means to travel to access leisure services elsewhere. The area was rapidly expanding, bringing more residents, including children who were wanting the use of such services.

- Members recognized the hard work by Officers and LeisureSK Ltd to increase attendance at the Leisure Centres within South Kesteven. Could the Officers give assurance that Stamford and Bourne Leisure Services will not be vulnerable if the proposal to fund the refurbishment of Deepings Leisure Centre proceeded.

- Was the legal advice received sufficient and supported by legal indemnity insurance?

- Was the Business Plan well-received? Was the proposed timetable for the completion of the work, including several legal agreements, realistic?

- Potential demolition of the building would prove costly to taxpayers. £850,000 would supply leisure services for those residents. Community sports contributed substantially to the local economy as well as improving the nation's health.

- Historically, the Council had failed to sufficiently invest the funds required to maintain the Deepings Leisure Centre. Morally there was a duty to support, provide and sustain public services and leisure amenities were a significant part of those services.

- A Member considered there were too many risks to viability of the proposal, particularly overall cost and potential reputational damage to the Council.

- Great care should be taken to ensure that strict governance procedures are adhered to by the CIC as well as the Council.

- If the refurbishment proposal was not agreed today, what was the Council going to do to ensure the residents of the Deepings are not missing out on leisure services that are supplied to the rest of the district? The residents of the Deepings are taxpayers too.

- Delays in confirming legal agreements could delay the start of work and in turn increase costs.

- Concerns within the officers report needed to be addressed.

- What reserve funds were in place if attendance when open was lower than expected?

The Deputy Leader confirmed that a consultation was completed through the community group and via Facebook. 1200 responses were received which was thought to be positive. The Cabinet Member acknowledged that Members were elected to represent the whole district and the level of services all residents are provided with needed to be taken into account. Grantham had a number of privately-owned gyms alongside a leisure centre with a stadium. The Deputy Leader agreed that the Council should continue to maintain the existing leisure centres so as not to risk the facilities becoming derelict like the situation faced at the Deepings. Funding was being applied for from various grant opportunities as they became available. Funds had been allocated to Bourne Leisure Centre for a replacement roof and parts of The Meres Leisure Centre at Grantham were being updated too.

The Deputy Leader confirmed there were 5 conditions to be met prior to the funds being released. If the Committee wished to add further conditions, these would be considered. The Local Priority Reserve was to supply the funds and this would avoid a market risk premium. As with any business plan, there was no guarantee of success. Footfall of over 200,000 per year had been confirmed at the Deepings Leisure Centre before it closed, making it the second most popular Leisure Centre in the district. The Cabinet Member informed Members that there was no other local means of providing the Deepings with leisure services including competitive and school swimming.

The Assistant Director of Leisure, Culture and Place confirmed that South Kesteven District Council was a tier 3 local authority and as deemed quite an affluent district, has missed out on big government funding through Levelling-Up.

The Deputy Leader informed Members that Lincolnshire County Council received control of the Deepings Leisure Centre building upon its closure and invited bids on the open market. One bid (from the Deepings Leisure Centre Community Interest Company (CIC)) was received and every opportunity was given to all interested parties to consider a partnership. The request for funding was solely for the refurbishment of the Deepings Leisure Centre to enable it to reopen. Over the last 2 years, LeisureSK Ltd had received funding requests of more than £1 million, another operator within the district providing leisure services was surely a positive situation. The Cabinet Member continued that for private companies, the context around the refurbishment as well as local authority control could be seen as problematic. The proposal was not a vote to close the other Leisure Centres, it was a vote to increase the provision across the district. Competition would be healthy and would enable LeisureSK to remain a sustainable business alongside supporting the residents to lead healthier lives in the community.

The Deputy Leader informed the Committee that the subsidy legislation was relatively new and case law was limited. The Government website provided a list of organisations that they have subsidised.

The Assistant Director of Leisure, Culture and Place informed Members that many conversations had taken place with legal advisors but it was for the Council to assess whether the subsidy was legal and whether it could withstand any legal challenges. The advice which had been provided was that further evidence was required to show that a subsidy could lawfully be provided.

The Deputy Leader confirmed that there were currently a number of experienced Leisure Providers willing to work alongside the CIC, supporting the business plan.

The Leader of the Council confirmed that he was fully supportive of any decision that enabled the Council to meet its corporate objectives.

*(It was proposed, seconded and **AGREED** that the meeting be extended to continue after 3 hours).*

The Cabinet Member for Culture and Leisure informed Members that he did not think attendance at Bourne or Stamford Leisure centres would be significantly impacted by the reopening of The Deepings Leisure Centre. The business plan was 'more than reasonable' in his opinion.

The Deputy Chief Executive clarified that in reference to the business plan, officers had raised concerns through meetings with the CIC about the acceleration of the income profiles as they were not in line with post-Covid attendance nationally. The leisure sector was volatile and that was why concerns about the accuracy of the income projections had been raised. Potential third parties who supported the income profiles have not been able, so far, to validate the information. If the income projections were out of step with the current market and targets were not reached, the leisure centre would be in a deficit position and this would be challenging to recover. It was essential to ensure that sufficient governance and protection was in place.

A Member requested that the Leader of the Council repeat his statement from the Culture and Leisure Overview and Scrutiny Committee on 9 January 2024 for information and clarity:

At the earliest opportunity, The Deputy Leader and I will ask the Cabinet in the short term:

- To request Officers to write to LeisureSK Ltd to request a mitigating recovery plan for the financial years 2023-2024 and 2024-2025 in response to the management fee request with a view to seeking the level of management fee being requested reducing further in 2024-2025.

- To request that the Cabinet Member for Finance and the Cabinet Member for Leisure receive regular detailed budgeted forecast reports from LeisureSK Ltd between now and the end of the financial year 2023-2024.

- To request an urgent independent assessment of the business plan and profit and loss account for the financial year 2023-2024 and 2024-2025 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 already underway and to ask the Council's S151 Officer to undertake a review of the financial information for review of the Board minutes and level of financial support being provided to LeisureSK Ltd and to recommend to Cabinet any corrective actions that may be required.

- In the Medium term 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.

The Deputy Leader confirmed that if the resolution agreed was to demolish Deepings Leisure Centre, the intention was to complete this work over the summer holiday period. Delays in confirming legal agreements could delay the start of work.

It was proposed, seconded, and **AGREED** that the meeting was extended to 18:00.

The joint meeting of the Finance and Economic and Culture and Leisure Overview and Scrutiny Committees was asked to:

1. Review the Business Plan submitted by Deepings Community Leisure Centre CIC

2. Review the level of the capital costs projected relating to the refurbishment of Deepings Leisure Centre

3. Review the income and expenditure projections for Deepings Leisure Centre

4. Give consideration to a level of funding subject to all the following conditions:

a. Any funds would only be released after the statutory period for a potential challenge in accordance with the Subsidy Control Act 2022 has expired.

b. Confirmation that the other major funding contributions set out in the Business Plan have been committed and approved by those contributors.

c. A satisfactory undertaking of due diligence of the Deepings Community Leisure Centre CIC including a review of their Financial Regulations.

d. Evidence that proposed refurbishment works will comply with Building Regulations.

e. Completion of transfer of lease or freehold ownership of the site from LCC to the Deepings Community Leisure Centre CIC.

It was proposed, seconded, and AGREED:

The joint meeting of the Finance and Economic and Culture and Leisure Overview and Scrutiny Committees recommended to Full Council to provide one-off funding to The Deepings Leisure Centre Community Interest Company for the sum of £850,000 based on the conditions set out in paragraph 4 of the recommendations and subject to additional information as requested in the questioning of the Finance and Economic and Culture and Leisure Overview and Scrutiny Committees.

(There were 7 votes FOR and 7 votes AGAINST. The Chairman had the casting vote FOR the recommendation.

7. Close of meeting

The Chairman closed the meeting at 17:40.

ACTION SHEET

Finance and Economic Overview and Scrutiny Committee

To provide members with an update on actions agreed at the meeting held on 15 January 2024.

Min No	Agenda Item	Action	Assigned to	Comment/Status	Deadline
62	Grantham Future High Streets Fund Update	To circulate costs in relation to the launch of the Grantham Town Team on 6 September 2023.	Director of Growth and Culture	Email circulated to all Committee Members on 9 February 2024.	COMPLETE

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SOUTH KESTEVEN DISTRICT COUNCIL

Finance and Economic Overview and Scrutiny Committee

20 February 2024

Report of Councillor Ashley Baxter
Leader of the Council

Finance Update Report: April – December 2023

Report Author

Alison Hall-Wright Deputy Director (Finance and ICT)

alison.hall-wright@southkesteven.gov.uk

Purpose of Report

To present the Council's forecast 2023/24 financial position as at end of December 2023. The report covers the following areas:

- General Fund Revenue Budget
- Housing Revenue Account Budget
- Capital Programmes – General Fund and Housing Revenue Account
- Reserves overview – General Fund and Housing Revenue Account

Recommendations

It is recommended that Finance and Economic Overview and Scrutiny Committee:

1. **Reviews and notes the forecast 2023/24 outturn position for the General Fund, HRA Revenue and Capital budgets as at the end of December 2023**
2. **Identifies any variances that might require action or investigation.**

Decision Information	
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?	All

1. Implications

Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, 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 financial implications are included throughout the report.

Completed by: Richard Wyles, Deputy Chief Executive and Section 151 Officer

Legal and Governance

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

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

Risk and Mitigation

1.3 A risk register is at Appendix G and shows that all known current risks are recognised and associated mitigating actions are in place.

Completed by: Tracey Elliott, Governance and Risk Officer

2 Background to the Report

2.1 During the current financial year, Finance and Economic Overview and Scrutiny Committee is provided with regular finance reports. These monitor and forecast the expenditure and income compared with the budgets approved by Council and provide explanations for any material variances.

3 Revenue Budget 2023/24 – General Fund

3.1 The budget set by Council on 1 March 2023 was £22.256m. Table 1 shows the summary of movements.

Table 1 – General Fund Revenue Budget Amendments

Date of Approval	Revenue Budget amendment	£'000
		22,256
March 2023	ICT Reserve – Asset Management	58
March 2023	Coronation Celebrations	7
March 2023	ICT Reserve – Play Equipment Inspection Software	11
June 2023	Grantham Special Expense Area – Christmas Lights	28
July 2023	2022/23 Budget Carry Forwards	1,960
July 2023	Pay Award Reserve	461
July 2023	ICT Reserve – Pool Car Management	10
July 2023	ICT Reserve – Replacement Document Management System – Revenues & Benefits	67
August 2023	ICT Reserve – Replacement CRM System	32
September 2023	Local Priorities Reserve – CCTV relocation	17
October 2023	ICT Reserve – Finance system archive/laptops	168
November 2023	ICT Reserve – CRM Data Extract	35
January 2024	Council – LSK Management Fee	123
January 2024	Cabinet – LSK Management Fee	150
Total		**25,383**

3.2 The approved budget amendments (shown at Table 1 above), together with forecast changes since the previous budget update report, indicates a projected reduction in the use of reserves for 2023/24 of £1.393m. This is a reduction in use of reserves of £312k since quarter 2 budget update report presented to the Finance & Economic Overview and Scrutiny Committee in November and Cabinet in December.

3.3 Since the quarter 2 report, it has been confirmed there will be no further salary award payments to be made following the national settlement and as such, there is a reduction in the required approved funding of £86k.

3.4 Changes to the Corporate team structure were implemented from 2 October 2023. As such, the directorate titles and appropriate budgets have been transferred as shown in Table 2. This is in addition to the Grounds Maintenance and Street Cleansing being integrated within the Growth Directorate from the Corporate Directorate from 1 July 2023.

3.5 Table 2 shows the forecast outturn position as at 31 December 2023:

Table 2 – General Fund Forecast Outturn Position

Description	2023/24 Original Budget	2023/24 Current Budget	2023/24 Forecast Spend	Forecast Variance	Forecast Variance
	£'000	£'000	£'000	£'000	%
Corporate, Governance & Public Protection	3,731	4,092	4,187	95	2.3%
Finance, Property & Waste Services	9,975	11,561	10,671	(890)	(7.7%)
Growth & Culture	9,242	9,397	9,200	(197)	(2.1%)
Housing & Projects	1,251	1,706	1,589	(117)	(6.9%)
HRA Recharge	(2,814)	(2,814)	(2,814)	0	0.0%
Drainage Rates	871	871	902	31	3.6%
Investment Income	(760)	(760)	(950)	(190)	(25.0%)
Net Cost of Service	**21,496**	**24,053**	**22,785**	**(1,268)**	**(5.7%)**
Minimum Revenue Provision	126	126	126	0	
Revenue Contribution to Capital	37	333	333	0	
Depreciation	(4,859)	(4,859)	(4,859)	0	
Net Budget Requirement	**16,800**	**19,653**	**18,385**	**(1,268)**	
Total Funding	**(15,560)**	**(15,560)**	**(15,685)**	**(125)**	
Transfers to/(from) earmarked reserves	(1,240)	(4,093)	(2,700)	1,393	
Net Budget (Surplus)/ Deficit	**0**	**0**	**0**	**0**	

3.6 Table 3 shows the significant forecast variances which impact across all directorates for the General Fund revenue for 2023/24 as at 31 December 2023.

Table 3 – General Fund Revenue – Significant Variances

Explanation of Significant Variances	£'000
Utilities - Electricity Whilst there continues to be inflationary price increases during the year, the increases are significantly less than budgeted and more competitive prices are	(582)

being secured through our supplier procurement framework. Electricity prices and consumption continue to be monitored on a monthly basis.	
Business Rates Following a review of property rateable values, a number have reduced resulting in a forecast underspend for 2023/24.	(93)
Fuel A further reduction in predicted price increases has resulted in an increased forecast underspend for the remainder of 2023/24. This is monitored on a weekly basis.	(165)
Salary vacancy factor The Council's salary budgets are prepared with an assumed 3% vacancy factor in order to reflect the turnover of staffing during a financial year. Currently, the Council has a relatively stable workforce and where there are vacancies temporary staff have often been employed. The vacancy factor will continue to be monitored during the course of the financial year	452
Investment Income Base rate changes have resulted in an increase on the interest rates available for investments. The Council is now able to secure investment interest rates above 5% compared with the budgeted rate of 4%.	(190)

3.7 Appendix A provides further details of the outturn revenue position for each Directorate along with service specific variance comments other than those detailed in table 3.

4 General Fund Capital Programme 2023/24

The budget set by Council on 1 March 2023 for the 2023/24 General Fund Capital programme is £12.147m. Table 4 shows the summary of movements:

Table 4 – General Fund Capital Programme Budget Adjustments

Date of Approval	GF Budget amendment	£'000
		12,147
March 2022	UKSPF	50
December 2022	Gonerby Hill Foot Grantham Play Park – (grant funded)	119
March 2023	UK Shared Prosperity Fund	296
July 2023	2022/23 Budget Carry Forwards	580
September 2023	Depot	8,000
October 2023	Financial System Upgrade	24
December 2023	Disabled Facilities Grant	400

December 2023	Coronation Living Heritage Fund Community Orchard Scheme	46
December 2023	Long Bennington Car Park	27
Total		**21,689**

4.1 Table 5 summarises the General Fund Capital forecast outturn position as at 31 December 2023.

Table 5 – General Fund Capital Forecast Outturn Position

Capital Scheme	2023/24 Original Budget £'000	2023/24 Current Budget £'000	2023/24 Forecast spend £'000	Forecast Variance £'000	Forecast Variance %
Corporate, Governance & Public Protection	1,328	1,813	1,813	0	0%
Finance, Property & Waste Services	3,662	12,117	3,744	(8,374)*	(69.1%)
Growth & Culture	5,466	6,058	6,058	0	0%
Housing & Projects	1,691	1,701	420	(1,281)	(75.3%)
Total Expenditure	**12,147**	**21,689**	**12,035**	**(9,655)**	**(44.6%)**

* this underspend primarily relates to the depot as construction will not commence until 2024/25

4.2 A full breakdown of schemes with project update and variance comments is detailed in Appendix B.

5. General Fund Reserves

5.1 Appendix C details the General Fund forecast reserve movements for 2023/24. The appendix shows the balances as at 31 March 2023 and their projected use for the current year.

6. Revenue Budget 2023/24 – Housing Revenue Account

6.1 The budget set by Council on 1 March 2023 for the 2023/24 HRA Revenue Budget was £7.519m. The budgeted surplus is fully utilised to fund future investment in stock growth and property maintenance. Table 7 shows the summary of movements:

Table 7 – HRA Revenue Budget Adjustments

Date of Approval	HRA Budget amendment	£'000
		(7,519)

March 2023	HRA budget bids approved as part of Council Report	1,359
May 2023	Relocation of HRA Team	90
July 2023	2022/23 Budget carry forwards	307
July 2023	Pay Award	150
December 2023	Grantham West Community Centre	100
Total		**(5,513)**

6.2 Table 8 shows the HRA forecast outturn position for 2023/24 as at 31 December 2023.

Table 8 – HRA Revenue Forecast Outturn Position

Description	2023/24 Original Budget £'000	2023/24 Current Budget £'000	2023/24 Forecast spend £'000	Forecast Variance £'000	Forecast Variance %
Income	(28,403)	(28,403)	(27,666)	737	2.59%
Expenditure	19,306	21,312	22,309	997	4.21%
Net Cost of HRA Services	**(9,097)**	**(7,091)**	**(5,357)**	**1,734**	**24.45%**
Interest Payable	2,238	2,238	2,238	0	
Investment Income	(660)	(660)	(825)	(165)	
Surplus for the year	**(7,519)**	**(5,513)**	**(3,944)**	**1,569**	

6.3 Table 9 shows the significant forecast variances for the HRA Revenue fund schemes for 2023/24 as at 31 December 2023.

Table 9 – HRA Revenue – Significant Variances

Explanation of Significant Variances	£'000
Income Void rates are higher than budgeted due to ongoing contractor resources, supply chain issues and an increased percentage of major void works. The void rate was 3.55% at the end of September (budgeted at 1.5% and projected at 2% from October to March 2024).	**887**
Major Void Repair Costs There has been a significant increase in the numbers of properties coming back to the authority in a very poor condition requiring substantial works to relet. Due to the extent of works required these works are placed with external contractors to complete. Labour and material price increases have also impacted on the budget.	**100**
Heating During the period building up to the heating replacement programme, there	**260**

has been an increased dependency on revenue repairs to existing systems. Alternative heating systems such as air source heat pump systems incur higher servicing costs than the standard solid fuel systems.	
Damp & Mould Additional costs have arisen due to the priority given to treating damp and mould in Council properties of £140k which will be incurred during the current financial year in order to respond to the required works following the introduction of new legislation. To date 329 properties have been identified for improvement. Positive Input Ventilation (PIV) units have been installed in 240 properties with a further 89 scheduled in before the end of the financial year.	**140**
Utilities - Electricity & Gas Although there continue to be inflationary price increases during the year, these are significantly less than budgeted and more competitive prices are being secured through our supplier procurement framework. Electricity prices and consumption are monitored on a monthly basis.	**(86)**
Salary vacancy factor A reduction in vacant posts across the Council and increases in agency provision will have a direct impact on the achievement of the salary vacancy factor. This will continue to be monitored during the year and the forecast amended accordingly.	**149**
Investment Income Changes to base rates have resulted in increased interest rates available for investments. The Council is now able to secure investment interest rates above 5% compared with the budgeted rate of 4%.	**(165)**

6.4 Appendix D provides further details of the HRA revenue forecast outturn position.

7. HRA Capital Programme 2023/24

The budget set by Council on 1 March 2023 for the 2023/24 HRA Capital programme is £18.479m. Table 10 shows the summary of movements:

Table 10 – HRA Capital Programme Budget Adjustments

Date of Approval	**HRA Budget amendment**	**£'000**
		18,497
March 2023	Local Authority Housing Fund – Round 1	4,483
July 2023	2022/23 Budget Carry Forwards	1,669
September 2023	New Builds	1,000
September 2023	Local Authority Housing Fund – Round 2	2,144
Total		**27,793**

7.1 Table 11 summarises the HRA Capital forecast outturn position as at 31 December 2023.

Table 11 – HRA Capital Forecast Outturn Position

Capital Scheme	**2023/24 Original Budget £'000**	**2023/24 Current Budget £'000**	**2023/24 Forecast spend £'000**	**Forecast Variance £'000**
Energy Efficiency (including Social Housing Decarbonisation Fund)	5,398	5,474	3,000	(2,474)
ICT	470	740	740	0
Purchase of Vehicles	0	81	20	(61)
New Build Programme	4,500	5,500	2,900	(2,600)
Refurbishment & Improvements	8,129	9,371	7,750	(1,621)
Local Authority Housing Fund – Rounds 1 & 2	0	6,627	6,366	(261)
Total Expenditure	**18,497**	**27,793**	**20,776**	**(7,017)**

7.2 A full breakdown of schemes with commentary is shown at Appendix E**.**

8. HRA Reserves

8.1 Appendix F details the HRA forecast reserve movements for 2023/24. The appendix shows the balances as at 31 March 2023 and their projected use for the current financial year.

9. Collection Rates

9.1 Table 13 details the current collection rates against target for 2023/24.

Table 13 – Collection Rates

Target Rates	**Council Tax**	**Business Rates**	**Rents**
Target Annual collection rate	98.48%	98.32%	97.35%
Target collection rate to end of December 2023	83.02%	79.37%	71.51%
Actual collection rate to end of December 2023	82.81%	82.68%	71.20%

9.2 Council Tax:

- Collection of £83.731m as at 31 December 2023 against an annual debt of £99.900m. As shown in the table above the collection rate was 0.21% below the expected target at 31 December 2023 which equates to a reduction in the collection of Council Tax £210k.
- Residents continue to face the impacts of Cost of Living and support is being provided by the Council's Cost of Living Team.
- The service continues to issue reminders and summonses in line with the recovery timetable and provide advice & support for those council taxpayers who are struggling to meet their obligations.

9.3 Business Rates:

- Collection of £33.760m as at 31 December 2023 against an annual debt of £40.834m. As shown in the table above the collection rate was 3.31% above the expected target at 31 December 2023 which equates to an increase in the collection of business rates of £1.352m.
- The business rates base remains volatile – which is resulting in notifications of successful appeals (this have the effect of reducing rateable values).

9.4 Rent:

- Collection of £20.077m as at 31 December 2023 against an annual debt of £28.197m. As shown in the table above the collection rate was 0.30% below the expected target rate at 31 December 2023 which equates to a reduction in the collection of rent of £86k).
- Our Income Recovery Team continue to provide advice & support for those tenants who are struggling to meet their obligations.

10. Reasons for the Recommendations

10.1 Members should be kept updated on the financial position of the Authority, as effective budget management is critical to ensuring financial resources are spent in line with the budget and are targeted towards the Council's priorities. Monitoring enables the early identification of variations against the plan and facilitates timely corrective action.

10.2 This report provides an overview of the forecast 2023/24 financial position for the Council and focuses on the position as at the end of December 2023.

11. Consultation

11.1 This report was presented to Cabinet on 6 February 2024 for review and to identify any variances that might require action or investigation.

11.2 Reports will be presented at each Finance and Economic Overview and Scrutiny Committee (OSC) to ensure that members are kept regularly updated regarding the projected financial outturn position.

12. Background Papers

12.1 Determination of Budget 2023/24 and indicative budgets for 2025/26 – General Fund, Housing Revenue Account and associated Capital Programmes Report.

Council Budget Report 23-24.pdf (southkesteven.gov.uk)

12.2 Finance Update Report: April to September 2023

Cabinet 2023-24 Finance Update Apr - Sept.pdf (southkesteven.gov.uk)

13. Appendices

Appendix A – 2023/24 General Fund Revenue Significant Variance Analysis

Appendix B – 2023/24 General Fund Capital Programme

Appendix C – 2023/24 General Fund Reserves

Appendix D – 2023/24 HRA Summary

Appendix E – 2023/24 HRA Capital Programme

Appendix F – 2023/24 HRA Reserves

Appendix G – 2023/24 Finance Risk Register

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2023/24 General Fund Revenue Significant Variance Analysis

Corporate, Governance & Public Protection Service						
Service Area	Current Expenditure Budget	Current Income Budget	**2023/24 Current Budget**	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	£	£	£	%
Corporate Management	451,000	(1,750)	**449,250**	455,950	6,700	1.5%
Human Resources & Organisational Development	450,860	(7,100)	**443,760**	436,660	(7,100)	(1.6%)
Legal & Democratic	2,110,141	(390,691)	**1,719,450**	1,826,500	107,050	6.2%
Ops & Public Protection Mgmt	117,000	0	**117,000**	126,800	9,800	8.4%
Public Protection	1,754,900	(392,000)	**1,362,900**	1,341,370	(21,530)	(1.6%)
TOTAL	**4,883,901**	**(791,541)**	**4,092,360**	**4,187,280**	**94,920**	**2.3%**

Explanation of Significant Variances	**£'000**
Legal & Democratic Land Charges - Additional search fee costs together with an increase in non-chargeable personal searches and significant reduction in official searches based on previous years has resulted in a forecast overspend of £80k. This has been partially mitigated by transition funding in relation to the migration of land registry to His Majesty's Land Registry national platform as work on this project is currently being contained within the existing staffing budget	**87**

Finance, Property & Waste Services						
Service Area	Current Expenditure Budget	Current Income Budget	**2023/24 Current Budget**	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	**£**	£	£	%
Community Engagement	346,600	(19,000)	**327,600**	334,100	6,500	2.0%
Finance	1,820,533	(171,250)	**1,649,283**	1,633,548	(15,735)	(1.0%)
Finance Management	261,292	(16,850)	**244,442**	251,842	7,400	3.0%
ICT Services	2,112,809	(41,750)	**2,071,059**	2,040,109	(30,950)	(1.5%)
Property Services	5,308,403	(2,482,165)	**2,826,238**	2,245,785	(580,453)*	(20.5%)
Revenues, Benefits, Customer & Community Services	18,799,000	(18,127,050)	**671,950**	634,865	(37,085)	(5.5%)
Waste Depot	270,000	0	**270,000**	270,000	0	0.0%
Waste & Markets	6,115,710	(2,615,000)	**3,500,710**	3,261,210	(239,500)*	(6.8%)
TOTAL	**35,034,347**	**(23,473,065)**	**11,561,282**	**10,671,459**	**(889,823)**	**(7.7%)**

***** variance explanation included in table 3 of the report

Explanation of Significant Variances	£'000
Finance The annual insurance renewal has been procured below the budgeted level resulting in an underspend of (£33k). Further procurement support has incurred additional costs of £29k External audit costs have increased by £50k due to the complexity of the scope of audit now required. The audit fees are set by the Public Sector Audit Appointments so the Council does not have control over the charges that are incurred.	**(15)**
ICT Services Costs for additional data links to the new Council offices have been mitigated by roles remaining vacant whilst the service area has undergone structure changes	**(31)**
Revenues, Benefits & Customer Services The number of summonses being issued has reduced and the summons cost the Council is able to charge has been reduced by Government which have resulted in a net forecast reduction in court cost income of £66k. The cost of collection allowance provides billing authorities with income to help meet the cost of administering the rating system. The award for 2023/24 is £25k less than	**(37)**

budgeted. There is a reduced income forecast of £70k for benefit overpayments due to national changes to the benefit system which has resulted in Housing Benefit recipients being transferred to Universal Credit. The recovery approach has been amended accordingly. Additional in-year awards of external grants of £143k including a further £70k of Local Council Tax Support Scheme based on an increased caseload	
Waste & Markets Commercial Waste - (net additional income £96k) additional income of £181k has been forecast because of in year price increases and continued growth in the customer base since the budget was set. The customer base has now stabilised with little capacity for further growth without significant additional investment in the service. Garden Waste - Additional income of (£64k) has been received with 30,578 households renewing their subscription for 2023/24 (29,961 at this point last year) and 811 new households joining the service	**[illegible]**

Growth & Culture						
Service Area	Current Expenditure Budget	Current Income Budget	**2023/24 Current Budget**	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	**£**	£	£	%
Arts & Culture	2,821,216	(1,070,250)	**1,750,966**	1,690,520	(60,446)	(3.5%)
Building Control	1,018,600	(859,400)	**159,200**	106,333	(52,867)	(33.2%)
Communications	335,544	(4,300)	**331,244**	281,027	(50,217)	(15.2%)
Culture & Leisure Mgmt	304,134	0	**304,134**	313,700	9,566	3.1%
Development & Policy	1,936,566	(1,453,100)	**483,466**	480,966	(2,500)	(0.5%)
Economic Development	1,471,529	(535,429)	**936,100**	930,900	(5,200)	(0.6%)
Growth Management	241,700	0	**241,700**	251,100	9,400	3.9%
Leisure	3,194,300	(418,550)	**2,775,750**	2,727,491	(48,259)	(1.7%)
Parks & Open Spaces	667,275	(121,450)	**545,825**	653,825	108,000	19.8%
Street Scene	1,923,050	(54,500)	**1,868,550**	1,763,950	(104,600)	(5.6%)
TOTAL	**13,913,914**	**(4,516,979)**	**9,396,935**	**9,199,812**	**(197,123)**	**(2.1%)**

***** variance explanation partially included in table 3 of the report

Explanation of Significant Variances	£'000
Arts & Culture Changing habits of customers post-COVID has resulted in Stamford Arts Centre film rent expenses and income being reduced. This is in line with the national picture for cinema operators and has been further exacerbated by the roof works to the building which resulted in the cancellation of matinee performances. In 2019, there were 215 films with a total of 564 screenings compared with 190 films with a total of 351 screenings in 2023. This is a reduction in films of 12% and 38% reductions in screenings. This loss in net income of £82k has been partially mitigated by a related reduction in casual staff wages of £20k. Explanations regarding the underspend variances for utilities (£99k) and business rates (£18k) are provided in Table 3 of the report	**(60)**
Communications Establishment roles remaining vacant in-year due to a service area restructure has resulted in underspends	**(50)**
Leisure Grant funding of £344k has been received from The English Sports Council – Swimming Pool Support Fund to contribute towards the increased utilities and pool chemical costs which resulted in the requirement of a £500k management fee for LeisureSK Ltd. The management fee has increased by £273k during the year which is due to a number of operational difficulties including an ongoing issue of irrecoverable VAT. This cost is linked to the significant increase in utility costs and the associated VAT which cannot be reclaimed due to percentage of exempt income the company receives. The increased management fee will be funded by the Budget Stabilisation reserve in accordance with the approval given by Cabinet and Council.	**(48)**
Parks & Open Spaces £100k of the budgeted saving following the integration of Grounds Maintenance and Street Scene services has not yet been achieved due to the ongoing review of the service area.	**108**
Street Scene In accordance with the report presented to Cabinet in February 2023, £149k of establishment savings had been identified from the integration of the Grounds Maintenance and Street Cleansing teams. The unforeseen exaggerated growing season however has increased the number of required grass cuts beyond that of the costed specification resulting in £50k of this saving being re-allocated to increase staffing resources	**(105)**

Housing & Projects						
Service Area	Current Expenditure Budget	Current Income Budget	**2023/24 Current Budget**	2023/24 Forecast Outturn	Forecast Variance	Forecast Variance
	£	£	**£**	£	£	%
Centralised & Business Support	481,700	(3,200)	**478,500**	485,650	7,150	1.5%
Corporate Projects & Performance	898,500	(140,400)	**758,100**	596,700	(161,400)	(21.3%)
Health & Safety	132,000	0	**132,000**	141,250	9,250	7.0%
Housing Services	2,021,807	(1,684,860)	**336,947**	365,440	28,493	8.5%
TOTAL	**3,534,007**	**(1,828,460)**	**1,705,547**	**1,589,040**	**(116,507)**	**(6.8%)**

***** variance explanation included in table 3 of the report

Explanation of Significant Variances	**£'000**
Corporate Projects & Performance The 14 schemes within the Blue/Green Witham Corridor project have all been delivered and an independent summative assessment was completed and approved by the awarding bodies. In year secondments from within the service area have increased the underspend	**(161)**
Housing Services Homelessness – An increase in the use of emergency accommodation combined with health and safety works required on SKDC homelessness units has resulted in a forecast pressure of £200k in 2023/24. Whilst additional Flexible Supported Homelessness Grant has been received in year which has enabled temporary funding to be made available, as this is a demand led service it is not clear whether this one-off funding will be sufficient to respond to ongoing demand which is currently at unprecedented levels. It is expected that this will continue to be a budget pressure area and will be kept under review	**28**

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Appendix B

2023/24 General Fund Capital Programme

	Description	Proposed Funding Source	Original Budget £'000	Current Budget £'000	Forecast £'000	Variance £'000	Comments
	Corporate, Governance & Public Protection						
1	Disabled Facilities Grants	Grant	975	1,460	1,460	0	The planned programme for Disabled Facilities Grants has already been delivered and a further £400k has been added to this budget.112 grants have been approved of which 65 were complete as at the end of December.
2	CCTV Camera Replacement	Local Priorities Reserve	353	353	353	0	The Council are awaiting final revised pricing from BT for the upgrade of the current CCTV network.
			1,328	**1,813**	**1,813**	**0**	
	Finance, Property & Waste Services						
3	Financial System Upgrade	Capital Receipts	250	274	313	39	This overspend is due to specialist support procured to ensure implementation of the new system progresses in line with the project plan. The scheduled go-live date for the system is April 2024.
4	Wheelie Bin Replacements	Capital Receipts	127	127	127	0	The programme is on target for full delivery by 31 March 2024.
5	Trade Waste Bins	Capital Receipts	24	48	0	(48)	No expenditure is expected in 2023/24 as sufficient stock is already held and there is currently limited capacity to provide the service to additional customers due to vehicle capacity.
6	Street Scene Vehicle Procurement	Capital Receipts	706	617	893	276	The planned vehicle procurement for 2023/24 has been completed.
7	Vehicle Replacement Programme	Capital Receipts	696	920	700	(220)	
8	Stadium Gas Boiler	Capital Receipts	65	81	81	0	The boiler replacement at the Stadium in Grantham has been completed
9	Cycle Shelter & Changing Facilities	Local Priorities Reserve	40	40	0	(40)	A site for the replacement cycle shelter and changing facilities has not been identified - the scheme is under review with delivery expected during 2024/25
10	Stamford Arts Centre - Roof	Capital Receipts	400	351	355	4	Works have been completed on the renovation of Stamford Arts Centre Roof

11	Welham Car Park	Capital Receipts	275	275	275	0	Phase 1 of improvement to Welham Street Car Park have been completed. Phase 2 structural works are to due commence in February 2024.
12	Guildhall Arts Centre - Roof	Capital Receipts	156	200	100	(100)	Works have commenced on the renovation of the Guildhall Arts Centre roof
13	Cattle Market - Stamford	Regeneration Reserve	0	70	20	(50)	Feasibility and design works have begun on the Cattle Market Stamford project
14	Property Maintenance	Capital Receipts	500	440	440	0	This budget has been fully allocated to Mechanical & Electrical programme of works which are anticipated to completed by 31 March 2024
15	Empingham Road - Outdoor Gym	S106	55	55	0	(55)	Alternative options within the terms & conditions of the S106 are being reviewed in respect of this budget as the Council no longer retains responsibility for the Empingham Road facility following it’s transfer to Stamford Town Council
16	Empingham Road - S106 Grants	S106	248	248	20	(228)	The distribution of this grant has been approved by Cabinet and work is underway with the grant recipients to ensure that the conditions are met prior to any sums being released
17	Depot	Borrowing	0	8,224	224	(8,000)	The Depot project is progressing with pre construction and planning applications completed and procurement is now underway. Constuction will commence in 2024/25
18	Changing Places - South Street Toilets	Grant	40	40	62	22	Following the successful installations of facilities at Grantham Meres Leisure Centre and Wyndham Park,Grantham. A facility will be installed at South Street, Bourne before the end of the financial year.
19	Changing Places - Wyndham Park	Grant	40	40	67	27	
20	Changing Places - The Shack	Grant	40	40	40	0	Following the Stamford Town Council's decision not to financially contribute towards the scheme there will no longer be a facility in Stamford.
21	Long Bennington Car Park	S106	0	27	27	0	S.106 funding is to be used to provide funding for improved car parking at Long Bennington playing field.
			3,662	**12,117**	**3,744**	**(8,374)**	
	Growth & Culture						
22	Future High Street Fund	Grant	5,109	5,190	5,190	0	An extension has been approved for the delivery of the Future High Street Fund scheme which will be completed by September 2025

23	Shop Front Scheme	Reserves & Grant	125	125	90	(35)	Negotiations are underway with 2 key heritage buildings located in Grantham Town Centre. The projects are unlikely to be completed by the end of the financial year. The £35K underspend will be used to fund contribute towards HAZ projects
24	HAZ	Regeneration Reserve / Grant	107	107	142	35	The programme is on course for the grant to be fully utilised within the timeframe. The projected overspend will be funded from the underspend on the shop front scheme budget
25	UK Shared Prosperity Fund - Mobile Food	Grant	0	102	102	0	UKSPF has provided £102K contribution to Mobile Food Hub
26	UK Shared Prosperity Fund - Connected T	Grant	0	244	244	0	The Council are awaiting final revised pricing from BT for the upgrade of the current CCTV network.
27	South Kesteven Prosperity Fund	Grant	125	125	125	0	SK Prosperity Fund – Over £100k grants have been approved and full commitment of the £125K budget is anticipated by the end of the year
28	Gonerby Hill Foot Play Park	Grant	0	119	119	0	A new play area has been delivered at Gonerby Hillfoot working in partnership with the local community.
29	Coronation Orchard	Grant	0	46	46	0	£46k Grant funding has been secured from the Coronation Living Heritage Fund to deliver grants for community orchards
			5,466	**6,058**	**6,058**	**0**	
	Housing & Projects					0	
30	Sustainable Warmth Grants	Grant	1,430	1,430	410	(1,020)	The Sustainable Warmth Grant programme has been completed with 73 homes benefitting from the scheme, resulting in improvement to their home's EPC rating
31	Decarbonisation Scheme	Grant	261	261	0	(261)	The Council has applied for grant funding from the Decarbonisation Fund, launched in October 2023. This budget will be required for match funding if the Council is successful in securing grant funding. This will be carried forward to 2024/25.
32	St Martins Park	Borrowing	0	10	10	0	This project is currently under review to determine how to progress with the development of the site
			1,691	**1,701**	**420**	**(1,281)**	
			12,147	**21,689**	**12,035**	**(9,654)**	

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2023/24 General Fund Reserves Statement

		Balance as at 31 March 2023 £'000	Forecast Movement	Forecast Balance as at 31 March 2024 £'000
	General Fund			
	Discretionary Reserves			
1	Climate Change	331	(41)	290
2	Training and Development	15	0	15
3	Street Scene	331	(45)	286
4	ICT investment	499	(460)	39
5	Local Priorities Reserve	5,507	(818)	4,689
6	Leisure Reserve	0	850	850
7	Invest to Save	816	(513)	303
8	Housing Delivery	2,105	(1,947)	158
9	Property Maintenance	1,285	(253)	1,032
10	Regeneration	1,199	(712)	487
		12,088	**(3,939)**	**8,149**
	Governance Reserves			
11	Insurance Reserve	211	0	211
12	Pensions Reserve - Former Employees	277	(33)	244
13	Budget Stabilisation	1,654	(244)	1,410
14	Section 31 Grant Reserve	3,531	0	3,531
15	Pay Award Reserve	500	(375)	125
16	Rev Grants c/fwd	72	(72)	0
17	Building Control	84	(46)	38
18	Football 3G Pitch	150	25	175
19	Special Expense Area Reserve	339	(91)	248
		6,818	**(836)**	**5,982**
20	**Total General Revenue Reserves**	**18,906**	**(4,775)**	**14,131**
21	**Government Grants Received**	**1,064**	**(487)**	**578**
22	**Working Balance**	**1,986**	**(28)**	**1,958**
23	**Total Revenue Reserves**	**21,956**	**(5,290)**	**16,667**
	Capital Reserve			
24	LAMS Reserve	18	(18)	0
25	General Fund Capital Reserve	34	18	52
26	Useable Capital Receipts Reserve	3,502	(1,411)	2,091
27	**Total Capital Reserves**	**3,554**	**(1,411)**	**2,143**
28	**Total General Fund Reserves**	**25,510**	**(6,701)**	**18,810**

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Appendix D

2023/24 HRA Revenue Summary

	Description	2023/24 Original Budget £'000	2023/24 Current Budget £'000	2023/24 Forecast Spend £'000	2023/24 Forecast Variance £'000
	Expenditure				
1	Repairs and Maintenance	7,836	9,675	10,610	935
2	Supervision and Management - General	1,994	2,399	2,485	86
3	Supervision and Management - Special	1,867	1,985	1,961	(24)
4	Depreciation and Impairment of Fixed Assets	3,944	3,944	3,944	0
5	Debt Management Expenses	35	35	35	0
6	Provision for Bad Debts	394	394	394	0
7	Other Expenditure (Pension Deficit)	422	66	66	0
8	Earlesfield 2022/23 Project	0	0	0	0
9	Support Recharge from General Fund	2,814	2,814	2,814	0
10	**Total Expenditure**	**19,306**	**21,312**	**22,309**	**997**
	Income				
11	Dwelling Rents	(27,283)	(27,283)	(26,548)	735
12	Non Dwelling Rents	(300)	(300)	(304)	(4)
13	Charges for Services and Facilities	(750)	(750)	(797)	(47)
14	Other Income	(70)	(70)	(17)	53
15	**Total Income**	**(28,403)**	**(28,403)**	**(27,666)**	**737**
16	**Net Cost of HRA Services**	**(9,097)**	**(7,091)**	**(5,357)**	**1,734**
17	Interest Payable and Similar Charges	2,238	2,238	2,238	0
18	Interest and Investment Income	(660)	(660)	(825)	(165)
19	**Net Position Before Reserve Movements**	**(7,519)**	**(5,513)**	**(3,944)**	**1,569**
20	**Movement on the HRA Reserve Balance**				
21	**Housing Revenue Account Balance at start of Year**	**2,041**	**1,762**	**1,762**	
22	Net position as at 31 March	7,519	5,513	3,944	
23	Repayment of Principal	(3,222)	(3,222)	(3,222)	
24	Funding from HRA Priorities Reserve	0	647	647	
25	Major Repairs Reserve Transfer	(3,248)	(3,248)	(3,248)	
26	**Housing Revenue Account Balance at end of Year**	**3,090**	**1,452**	**(117)**	
27	**Major Repairs Reserve Balance at Start of Year**	**16,430**	**19,553**	**19,553**	
28	Depreciation & MRR Transfer	7,192	7,192	7,192	
29	Capital Financing & Loan Repayment	(12,492)	(12,492)	(7,992)	
30	**Major Repairs Reserve Balance at End of Year**	**11,130**	**14,253**	**18,753**	

31	Working Balance:	3,090
	Current Bids:	
	Council Tax Voids	(33)
	Pest Control	(25)
	Tenant Engagement	(15)
	General Maintenance	(15)
	Window Cleaning	(8)
	Tunstall	(33)
	Stock Condition	(90)
	Legal Charges	(8)
	Systems	(45)
	Compensation	(35)
	Specified Works	(69)
	Power Tools	(35)
	Materials	(113)
	Protective Clothing	(3)
	Legal Fees	(15)
	Compensation	(17)
	Compliance	(500)
	Radon	(300)
		(1,359)
	New Working Balance	**1,731**

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Appendix E

2023/24 HRA Capital Programme

	Description	Proposed Funding Source	Original Budget £'000	Current Budget £'000	Forecast £'000	Variance £'000	Comments
	Energy						
1	Central Heating, Ventilation and boiler replacements	Major Repairs Reserve / SHDF Grant	5,398	5,474	3,000	(2,474)	Heating replacements are underway with approximately 151 completed and a further 50 gas heating systems programmed with the contractor. Engagement has commenced with E.ON regarding the Social Housing Decarbonisation Fund (SHDF) bid which will see a further 100 heating system improvements delivered by the end of March 2024.
			5,398	**5,474**	**3,000**	**(2,474)**	
	ICT						
2	Housing System Enhancments	HRA Priorities Reserve	470	630	630	0	The new housing system is progressing well with the rent module successfully going live in January 2024
3	Choice Based Letting	HRA Priorities Reserve	0	110	110	0	The Choice Based Lettings system has been installed and went live in October 2023.
			470	**740**	**740**	**0**	
	New Build						
4	Housing Development Investment	Capital Receipts	4,500	5,500	2,900	(2,600)	Site works have commenced at Swinegate in Grantham. The development at Elizabeth Road in Stamford is scheduled to commence within the coming weeks. The proposed development at Larch Close Grantham is progressing although the scheme will not commence before next financial year.
			4,500	**5,500**	**2,900**	**(2,600)**	
	Refurbishment						
5	Re-roofing	Major Repairs Reserve	1,069	1,069	440	(629)	The annual estimated programme is to replace 112 roofs, 2 have been fully completed at this time with a further 8 properties at the quotation stage. We are in progress of procuring a new contractor from framework to complete the delivery of this programme.
6	Re-wiring	Major Repairs Reserve	1,203	1,369	1,550	181	An estimated 267 re-wires have been budgeted for, currently around 160 have been programmed in with contractors and to date 45 have been completed. SHDF related works have commenced which is leading to a overspend position, which is compensated by the underspend on Heating.
7	Passenger Lifts, Supported Housing Scheme	Major Repairs Reserve	120	700	120	(580)	The new lift installations at Church View and Riverside are now complete. A further 6 lifts have been identified for replacement and procurement to secure a contractor is now complete . Due to the lead in time for materials it is unlikely any further installations will be completed this year.
8	Doors & Windows	Major Repairs Reserve / SHDF Grant	1,014	1,014	1,014	0	A new contractor has been appointed for replacement doors and windows with 125 completed to date and a further 105 programmed in before the end of the year.
9	Exterior Refurbishment / Fencing	Major Repairs Reserve	350	350	130	(220)	This scheme includes fencing, car park, access roads and pathway works. A contractor is currently being sought to undertake this programme of works and it is anticipated that the programme will be undertaken during the remainder of 2023/24 and into 2024/25.
10	Communal Rooms	Major Repairs Reserve	115	115	0	(115)	A Sheltered Housing review is underway to develop a programme of works.

11	Door Entry System	Major Repairs Reserve	100	100	100	0	A contractor has now been appointed and works have begun with the majority of works occuring in Q4.
12	Compliance Works	Major Repairs Reserve	100	100	25	(75)	This project will not be completed until early 2024/25. The Council are currently awaiting the appointment of a contractor for radon gas detection works.
13	Fire Prevention	HRA Priorities Reserve	1,035	1,035	977	(58)	This scheme includes compartmentation, fire doors, emergency lighting and fire alarm replacement. A contractor has been appointed and a programme of works is now in place. Due to the delayed start, the programme will not complete until early 2024/25
14	Local Authority Housing Fund	HRA Prioirities Resrve / Grant	1,469	4,483	4,222	(261)	21 properties have been purchased. The forecast underspend is due to the negotiated purchase price being less than the average valuation used by Government in calculating the grant funding. LAHF 1 funding expired at the end of November 2023. LAHF 2 is forecast to be fully utilised by March 2024.
15	Kitchen Refurbishments	Major Repairs Reserve	871	1,119	996	(123)	We have completed circa 162 kitchens with a further 24 programmed. Procurement of an additional contractor is progressing to start April 2024.
16	Bathroom Refurbishments	Major Repairs Reserve	952	1,200	782	(418)	We have completed around 137 bathrooms to date, with a further 15 programmed in before the end of the year. Procurement of an additional contractor is progressing with the contract expexted to commence in April 2024.
17	Alarms	Major Repairs Reserve	125	125	125	0	The contractor (Tunstall) has started works on this years programme.
18	External Wall Finishes	Major Repairs Reserve	625	625	841	216	Based on current costs the budget is sufficient to complete improvements to approximately 35 properties. The Council has currently identified 31 properties for improvement. Engagement has commenced with Eon regarding the SHDF bid which will see improvements delivered by the end of March 2024. The overspend on this scheme is due to the impact of SHDF, this is mitigated by the underspend on Heating programme.
19	Structural Refurbishment	Major Repairs Reserve	150	150	350	200	A full structural survey has been ccompleted on 17 defective properties throughout the district, with a full programme of works prepared for the required remedial actions. These works will result in a projected overspend so a virement will be required.
20	Physical Disabled Adaptations	Major Repairs Reserve	300	300	300	0	39 assessments have been completed and are currently with the contractors for quotations
21	Repair Vehicles	Major Repairs Reserve	0	81	20	(61)	The procurement of the vehicles will be undertaken during 2024/25 and therefore it is anticipated that the budget underspend will be carried forward.
			9,598	**13,935**	**11,992**	**(1,943)**	
			19,966	**25,649**	**18,632**	**(7,017)**	

2023/24 **Appendix F**

HRA Reserves Statement

		Balance at 31 March 2023 £'000	Forecast Movement £'000	Forecast Balance at 31 March 2024 £'000
	Revenue Reserves			
1	HRA Priorities Reserve	14,784	(4,594)	10,190
2	Residents Involvement	630	(630)	0
3	Working Balance	1,762	(1,879)	(117)
4	**Total HRA Revenue Reserves**	**17,176**	**(7,103)**	**10,073**
	HRA Capital Reserve			
5	HRA Capital Receipts Reserve	12,155	557	12,712
6	Major Repairs Reserve	19,553	(800)	18,753
7	**Total HRA Capital Reserves**	**31,708**	**(243)**	**31,465**
8	**Total HRA Reserves**	**48,884**	**(7,346)**	**41,538**

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Appendix G – Finance Risk Register

Risk	Likelihood	Impact	Residual Risk Score	Mitigating Action
1. Capital programmes requiring borrowing in the medium term	4	3	12 Very High	Continue to undertake financial modelling to identify consequences of undertaking borrowing and align this with savings that will need to be approved before borrowing is undertaken in order to ensure ongoing affordability and financial sustainability. The capital programme can currently be financed without borrowing although this is kept under review.
2. Lack of clarity for funding levels from 2025/26 and beyond	3	3	9 High	The Government announced a one-year settlement for 2024/25. Any changes to the assumed levels will need to be modelled to assess their impact.
3. Increase in bad debts as a result of economic circumstances	3	2	6 High	The Council has pro-active debt management procedures in place.
4. Increased maintenance costs of fixed assets	3	2	6 High	The budget proposals for 2023/24 include an approved budget for asset maintenance and the budget carry forward proposals include a further £357k. The medium-term outlook is a continuation of high levels of maintenance that will require financing
5. Fuel price volatility	1	3	3 Medium	Weekly monitoring of fuel charge and proactive interventions to ensure optimisation of fuel consumption.
6. Inflation increases beyond budgeted levels	2	2	4 Medium	Budget assumptions kept up to date with most recent projections and monthly sensitivity analysis is produced to monitor the impact of inflationary increases.
7. Fee Income volatility	2	2	4 Medium	Early monitoring of deviations and regular reporting to both budget holders and members.

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SOUTH KESTEVEN DISTRICT COUNCIL

Finance and Economic Overview and Scrutiny Committee

20 February 2024

Report of Councillor Phil Dilks, Portfolio Holder for Housing and Planning

Section 106 Update and proposed administration and monitoring fees for Section 106 planning obligations

Report Author

Emma Whittaker, Assistant Director Planning and Growth

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Purpose of Report

The purpose of this report is to provide an update regarding the Council's monitoring and administration of Section 106 planning obligations. The Committee is asked to review the proposed amendments to the adopted Supplementary Planning Document in relation to administration and monitoring fees for Section 106 (S106) planning obligations.

Recommendations

That the Committee:

1. **Notes the update regarding Section 106 Monitoring, including the publication of the Infrastructure Funding Statement.**
2. **Recommends that Cabinet review and recommends to Full Council that the charging mechanism for the administration and monitoring of Section 106 agreements currently set out in the "Planning Obligations Supplementary Planning Document (2012)" is updated.**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	• Enabling Economic Opportunity • Housing • Effective Council
Which wards are impacted?	All 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 and Procurement

1.1 The introduction of a monitoring fee will enable the Council to recover the staffing and other associated costs involved in the monitoring of S106 obligations. The work involved in properly monitoring S106 agreements is complex, and it is essential that a robust process is in place to ensure that obligations are complied with. Having a robust system will also support spending any financial contributions that are secured.

1.2 Whilst the post of Infrastructure Delivery Officer has been created to carry out this role, any income generated will be linked to development rates and there will be a lag between income being received and the introduction of this monitoring fee. Therefore, the income should not be budgeted as a guaranteed income stream.

1.3 Fees will need to be monitored to ensure they are reflective of the true costs of administration and monitoring of S106 agreements.

Completed by: Richard Wyles (Deputy Chief Executive and S151 Officer)

Legal and Governance

1.4 Section 93 of the Local Government Act Council and the Community Infrastructure Levy (Amendment) (England) (No. 2) Regulations 2019 provide the legislative basis upon which the Council can charge for the monitoring and administration of S106 agreements.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

2.1 The planning process supports the delivery of the Council's economic growth and sustainable neighbourhood ambitions, as identified in the Corporate Plan (2024-2027). This includes housing and economic development objectives identified in the Local Plan. The purpose of the planning system is to contribute to the achievement of sustainable development which means balancing economic, social and environmental objectives.

2.2 A Section 106 (S106) agreement is a legally binding agreement or 'planning obligation' between a local planning authority, like South Kesteven District Council and a property owner or developer. The purpose of a S106 agreement is to mitigate the impact of the development on the local community and infrastructure. Typically, these agreements address issues such as:

- Affordable housing
- Highways
- Education
- Public open space and leisure
- Town centre improvements

2.3 When planning obligations are negotiated, it is necessary to ensure the Planning Authority consider the requirements of the Community Infrastructure Levy Regulations (2010) (CIL Regulations), the National Planning Policy Framework (NPPF) and the Local Plan. The NPPF applies only to England and was first published in 2012. It provides the framework for producing Local Plans for housing and other development, which in turn provide the background against which applications for planning permission are decided.

2.4 The CIL is the Government's chosen approach to set a mandatory tariff on development. Regulation 122 of the CIL Regulations sets out the three legal tests that must be complied with when entering into a planning obligation. Essentially, any obligation must be;

(a) Necessary to make the development acceptable in planning terms;

(b) Directly related to the development; and

(c) Fairly and reasonably related in scale and kind to the development.

2.5 The Council can recover costs associated with the monitoring and administration of S106 agreements. This report provides a service staffing update and sets out the current arrangements for monitoring S106 agreements, the rational for a monitoring fee and why it should be updated.

Infrastructure Delivery Officer

2.6 During a restructure of the Planning Department (Winter 2022-2023), the role of Infrastructure Delivery Officer was created, replacing a more administrative monitoring role. Following a competitive recruitment process, the role was successfully recruited to in September 2023. The role involves monitoring and recording obligations, as well as liaising with stakeholders to ensure any financial contributions are appropriately spent. This is a positive and important role for the Council, highlighting the contribution both planning and planning obligations play in shaping our communities and delivering the Council's growth aspirations.

2.7 Currently the Infrastructure Delivery Officer (IDO) is working with the Assistant Director of Planning & Growth, Development Management and Enforcement Officers to review the current processes and practices to identify opportunities for improvement. At its meeting of 7 December 2023, the Planning Committee was provided with an update regarding this work and resolved to receive an update in six months (see **Background papers**).

2.8 The work currently being undertaken to review the current processes and practices is taking place in parallel with a scheduled audit.

Infrastructure Funding Statement

2.9 Local authorities are required to produce an Infrastructure Funding Statement (IFS) on an annual basis. The Community Infrastructure Levy Regulations 2010 (CIL Regulations) require that from the financial year 2019/2020 onwards, any local authority that has received developer obligation (either through Section 106 planning obligations or the Community Infrastructure Levy (CIL)) must publish an IFS by 31 December each year.

2.10 The Planning Committee (7 December 2023) received an update and reviewed the IFS for the financial year 2022-23 prior to its publication on the website. The IFS sets out what has happened in the reporting year across the following four main categories of data:

- Obligations which have been entered into;
- Money received in any year and not spent;
- Monies allocated yet not spent during the reported year;
- Money spent during the reported year.

2.11 The 2022-2023 IFS has been published on the Council's website (see **Background papers**).

S106 Monitoring and Administration Fees

2.12 The Council is able to set charges to the recover cost of delivering discretionary services. For the Planning Service, this means the Council can recover costs associated with monitoring Section 106 agreements. The legal basis for this charge can be found in the Local Government Act 2003 (Section 93) and clarified in an amendment to the Community Infrastructure Levy Regulations (CIL) (2010 as amended) in 2019.

2.13 The CIL Regulations set out that any monitoring or administration fee should be fairly and reasonably related in scale and kind to the development and does not exceed the authority's estimate of its costs of monitoring the development over the lifetime of the planning obligations relating to that development.

2.14 The Council has an adopted Supplementary Planning Document (SPD) relating to planning obligations (see **Background Papers**). Whilst the document sets administrative costs, these have not been reviewed since 2012, despite costs of monitoring (principally staffing costs) increasing.

2.15 The SPD suggests a monitoring or administration charge should be applied for proposals of more than five dwellings and 1,000 Square Metre (sqm) for commercial developments. Whilst an administrative charge is included in the SPD, a court case in 2015 cast doubt on the ability of a Planning Authority to apply a monitoring fee. This has since been superseded by the amendment to the CIL Regulations (2019) as referenced above (paragraph 2.2).

2.16 At the February 2023 (the then) Finance, Economic Development and Corporate Services Overview and Scrutiny Committee agreed a new charging framework for the monitoring of S106 agreements would be presented at a future meeting.

2.17 Proper administration of the S106 monitoring regime is resource intensive and it is considered appropriate to ensure monitoring is cost neutral to the Council.

Why a monitoring fee is necessary

2.18 By updating and consistently applying a monitoring fee, the Council will be able to provide a more efficient service for all matters related to the monitoring of S106 planning obligations. This will be of benefit to all parties involved in the process.

2.20 It is acknowledged developments need to be viable to be delivered and any monitoring fees will be added to the cost of the development. The legislation requires monitoring fees to be proportionate and cover the costs associated with the delivery of the service i.e. aiming for a cost neutral position.

2.21 There are two distinct forms of monitoring within S106 agreements:

- Monitoring of commencement and phasing triggers to ensure financial contributions are collected; and
- Physical monitoring of compliance with the terms of the agreement e.g. monitoring the physical delivery of infrastructure on site or delivery of affordable housing.

2.22 Obligations relating to highways and education are usually a County Council matter. Where Lincolnshire County Council (LCC) is a party to the agreement and responsible for collecting and monitoring obligations, it will be a matter for this authority to set its own monitoring fees. South Kesteven District Council will only charge monitoring fees for those elements that it is responsible for monitoring, collecting and using and not for those elements which LCC will be responsible for.

2.23 The Planning Practice Guidance (PPG) sets out Local Planning Authorities (LPAs) are required to keep a copy of any planning obligation, along with details of any modifications or discharge of the obligation. Every LPA in receipt of developer contributions is required to publish an Infrastructure Funding Statement (IFS) at least annually (**referred to above**).

2.24 To ensure a development is delivered in line with its planning permission, it is important the Council effectively monitors planning obligations. This includes ensuring in circumstances where contributions have been secured in lieu of on-site infrastructure provision, this is spent appropriately. Unspent contributions should be repaid back to the developer in accordance with any agreed clawback clauses.

2.25 The PPG states that *"monitoring fees can be a fixed percentage of the total value of the s106 agreement or individual obligation; or they could be a fixed monetary amount per agreement obligation (for example, for in-kind contributions", and* confirms that Authorities should consider setting a cap to ensure any fees are not excessive.

2.26 Work involved in monitoring S106 planning obligations includes:

- Recording the details of the S106 planning obligation on an IT system,
- Recording triggers for the obligation contained within the agreement,
- Monitoring the progress of the development to identify when obligations are due to be paid, this includes site visits to monitor development progress,
- Writing to developers to request financial contributions and ensuring that they are paid by the relevant deadline, this also includes calculating any indexation and late payment amounts,
- Working with the enforcement team where there are breaches of any obligation,
- Liaising with third parties to ensure that they are aware of any contributions that have been secured,

- Manage the process through which third parties can request financial contributions are released to them, ensuring this complies with requirements of the planning obligation,
- Recording how financial contributions are spent,
- Working with the planning policy team to prepare the Infrastructure Funding Statement and report as appropriate on delivery of infrastructure.

Setting a proportionate fee

2.27 In setting any fees, the Council is required to be proportionate and should not exceed the overall estimated costs of delivering the service. Officers have reviewed the approach taken by other Local Authorities to ensure the proposed fees is similar.

2.28 Many Authorities apply a 5% fee for financial contributions to cover the costs of monitoring. The Government also allows 5% of CIL receipts to be used for administration of the Community Infrastructure Levy, as it considers this a proportionate fee for CIL given requirements to effectively monitor collection and spending.

2.29 Given Government considers 5% is a reasonable monitoring fee, Officers consider this would be a reasonable fee for the monitoring of Section 106 agreements.

2.30 Not all obligations relate to financial contributions yet there are still requirements to monitor those agreements. For example, in relation to affordable housing, the Council will need to ensure the agreed mix is provided at the relevant triggers and a suitable registered provider is on board to manage the affordable housing.

2.31 As illustrated in **Table 1**, itis proposed the total monitoring fee per agreement is capped at £15,000. This is an uplift from the £10,000 cap set out in the 2012 SPD and has been calculated by applying indexation to the 2012 cap. The use of a cap will ensure the monitoring fee is reasonable and does not exceed the actual cost of monitoring.

2.32 Larger developments (over 1,000 dwellings or 5,000 sqm floorspace) are ordinarily complex, with multiple obligations payable at several trigger points spanning many years. Recent and current examples include the urban extensions to Grantham and Stamford, as well as the Designer Outlet schemes. In these cases, to ensure any administration and monitoring fee covers the costs of monitoring, all fees will be calculated on a case-by-case basis.

2.33 There are some initial administration costs associated with monitoring S106 agreements which are similar, regardless of the number of dwellings or the amount of floor space proposed. For this reason, a one-off charge of £1,500 to monitor agreements is proposed where there are no financial obligations secured. This amount will also be the minimum monitoring fee in all other cases.

2.34 To ensure the fee continues to cover the costs of monitoring Section 106 planning obligations, it is recommended the proposed monitoring fees are reviewed on an annual basis and increased in line with the indexation factor set by the Building Cost Information Service All-in Tender Price Index (BCIS TPI). This will ensure monitoring fees are kept up to date, in-line with other financial obligations required by S106 Agreements.

2.35 The proposed monitoring fees are set out in **Table 1**, as follows:

Table 1: Proposed monitoring fees

	Fee 2023/2024	**Comment**
Section 106 – Non-Financial Up to 1,000 dwellings or 5,000 sqm floorspace	£1,500	One-off fee for any Section 106 agreements with non-financial clauses. This will be reviewed on an annual basis and subject to indexation
Section 106 – Financial Up to 1,000 dwellings or 5,000 sqm floorspace	£1,500 minimum monitoring fee plus 5% of financial obligations	Monitoring fee capped at a maximum of £15,000 per agreement. This will be reviewed on an annual basis and subject to indexation
Section 106 agreements with over 1,000 dwellings or 5,000 sqm of non-residential floorspace	Variable, to be agreed on a case-by-case basis.	Each development over 1,000 dwellings or more than 5,000 sqm floorspace will be worked out on an individual basis based on the amount of monitoring work involved. Any agreed monitoring fee will be subject to indexation

3. Key Considerations

3.1 The updates regarding the appointment of the Infrastructure Delivery Officer, the review of processes and practice including the audit and publication of the Infrastructure Funding Statement are included for noting. Further actions associated with the outcomes will be reported to the Governance and Audit and Planning Committees accordingly.

3.2 The Committee is requested to review the proposed updated monitoring and administration fees proposal and recommend to Cabinet that the adopted SPD for planning obligations is updated accordingly. There are no budget setting implications for this in the next financial year because there will be a lag between the amended fees and their collection meaning that the budget does not require amendment.

4. Other Options Considered

4.1 In relation to the monitoring and administration fees, the alternative is to retain, as set out in the adopted Planning Obligations SPD, the existing fees. However, this has not been reviewed in the last 12 years, despite costs of monitoring (principally staffing costs) increasing since the previous charge was agreed in 2012. Therefore the 'do nothing' option has been discounted.

5. Reasons for the Recommendation

5.1 The reason for the recommendation is to ensure the Council can recover the costs associated with the monitoring of S106 planning obligations. This will ensure the Council can robustly provide this service. The amended monitoring charge would update the overall cap applied and provide clarity about when to apply the charge.

5.2 As the Council's adopted SPD relating to S106 agreements requires updating to reflect the proposed administration and monitoring charges, Cabinet followed by Full Council will be required to review and subsequently amend the adopted policy.

5.3 Whilst the fees and charges for 2024/2025 will be agreed by Full Council on 29 February 2024 when the budget is agreed, any income received from these amended charges is linked to development rates which are not controlled by the Council. As a result it is not proposed to budget for any income in 2024/2025; this will be monitored and may change in future years. This means that the SPD can be reviewed and amended outside of the normal budget setting process.

6. Background Papers

6.1 *Planning Obligations Supplementary Planning Document: June 2012*, available online at:
https://www.southkesteven.gov.uk/sites/default/files/2023-08/INF8_Planning_Obligations_SPD_2012.pdf

6.2 *Section 106 (Planning Obligations) Agreement Monitoring Update Report* - Report to Finance, Economic Development and Corporate Services Overview and Scrutiny Committee, published 21 February 2023, available online at:
https://moderngov.southkesteven.gov.uk/documents/s36955/S106%20Report.pdf

6.3 *Annual Infrastructure Funding Statement (2022-2023) and Section 106 Update (as of November 2023)* – Report to Planning Committee, published 7 December 2023, available online at:
https://moderngov.southkesteven.gov.uk/documents/s39842/6%20S106%20and%20IFS%20Committee%20Report.pdf

6.4 *South Kesteven District Council Infrastructure Funding Statement 2022/2023*, published December 2023, available online at:

https://www.southkesteven.gov.uk/sites/default/files/2023-12/Infrastructure%20funding%20statement%202022-2023.pdf

SOUTH KESTEVEN DISTRICT COUNCIL

Finance and Economic Overview and Scrutiny Committee

20th February 2024

Report of Councillor Richard Cleaver, Deputy Leader of the Council

Findings of Car Parking Utilisation and Capacity Study

Report Author

Richard Wyles, Deputy Chief Executive and s151 Officer

Richard.wyles@southkesteven.gov.uk

Purpose of Report

This report sets out the findings of the recently published car parking study in respect of the Council car parks across the South Kesteven District.

Recommendations

The Finance and Economic Overview and Scrutiny Committee is asked to:

- **Consider the findings of the car parking study.**
- **Make any observations in relation to the Survey findings and the current car parking tariff proposals.**
- **Support the extension of the Cattle Market car park in Stamford in order to provide additional parking.**
- **Agreed to commission a further car parking study six months after the implementation of the new car parking tariffs to assess their impact.**
- **Requests that further work is undertaken with respect to:**
  - **The future car parking arrangements in Bourne and the Deepings**
  - **The current parking arrangements for Blue Badge holders**
  - **The future capacity requirements for Grantham and Stamford**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities? ***(delete as appropriate)***	Connecting Communities Sustainable South Kesteven Enabling Economic Opportunity Housing Effective Council
Which wards are impacted?	All 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 and Procurement

There are no specific financial comments arising from the car parking study although any changes to the car parking arrangements will have a financial implication that will require financial modelling before approved.

Completed by: Alison Hall-Wright, Deputy Director and Deputy s151 Officer

Legal and Governance

There are no significant legal or governance implications arising from this report which are not already highlighted in the report.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection) and Monitoring Officer

2. Background to the Report

2.1 The Finance and Economic Overview and Scrutiny Committee recently recommended that an independent car parking study is carried out to assess the utilisation of the Council operated car parks in the four market towns – Grantham, Stamford, Bourne and Market Deeping.

The purpose of the study is to ensure that the provision of parking is aligned to the objectives of the council, which are to:

- Ensure South Kesteven has an appropriate supply of public parking in the four town centres in the study.
- Ensure SKDC's public car parks are attractive, safe, and accessible for all users by having appropriate tariff and management regimes in place.
- Ensure SKDC's public car parks are assets that support the economic vitality and vibrancy of South Kesteven's town centres.

The report provides a detailed analysis of car parking usage and the data analysis was supported by on-site observations during a typical peak usage days of Friday and Saturday.

In summary the report covers the following areas:

- Review of existing conditions
- Forecasts of Change
- Assessment of Potential Parking Solutions
- Action Plan
- Conclusion and Recommendations

Summary of Findings

- There is excess parking capacity in Grantham in the public car parks while demand exceeds the available capacity in the Morrisons free customer car park.
- There is a lack of available space at peak times in all car parks in Stamford.
- On-street parking spaces in the town centres are very well used and it is difficult to find a space during the busy periods of day.
- Traffic congestion in Stamford makes it more difficult to find the remaining parking spaces, which in turn adds to the congestion.
- Public parking in Bourne and Market Deeping is limited compared with the number of spaces provided by private operators and on-street parking. Bourne car parks are approaching capacity at busy times but there is ample space in Market Deeping.
- Issues with the payment machines can cause significant queues at many times in different car parks. Some payment machines do not have level access.
- There are inconsistent parking charges in Grantham, Stamford, Bourne and Market Deeping.

- Most car parks are in good or reasonable condition. A small number would benefit from some maintenance or improvement, e.g. St. Leonards Street and Wharf Road multi-storey. Some car parks could benefit from new infrastructure, including waste bins, direction signs for drivers and pedestrians, information boards, cycle and motorcycle parking spaces, Parent and Child spaces and CCTV.
- The demand for electric vehicle charging facilities will inevitably increase and more parking spaces will need to be converted for this purpose.

The on-site observations showed the following analysis:

Grantham

Grantham Car Park Occupancy – Friday 3rd November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	70%	68%	79%	89%	83%	66%
Guildhall Street	93%	97%	98%	100%	97%	75%
Watergate	34%	77%	67%	62%	61%	57%
Welham Street	26%	24%	27%	23%	23%	15%
Wharf Road	28%	20%	22%	25%	23%	18%
SKDC Total	37%	40%	41%	41%	39%	31%
Morrisons	97%	98%	92%	86%	91%	70%
Total	51%	53%	53%	51%	51%	40%

Grantham Car Park Occupancy – Saturday 4th November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	28%	38%	49%	36%	23%	19%
Guildhall Street	98%	100%	90%	86%	82%	78%
Watergate	90%	90%	90%	85%	67%	56%
Welham Street	21%	21%	21%	21%	20%	16%
Wharf Road	28%	26%	27%	19%	16%	14%
SKDC Total	40%	41%	41%	36%	32%	28%
Morrisons	99%	100%	98%	97%	93%	81%
Total	54%	55%	54%	50%	46%	40%

2.2 The observations results are unsurprising and mirror the ongoing analysis of car parking ticket sales and income levels. Due to the range of parking offers in town by private operators, supermarkets and retail parks, the Council provided car parks are a minority offer when compared to the total amount of parking.

Therefore for the town there is an oversupply of car parking generally leading to poor performance of the Council car parks. Occupancy was generally low in SKDC car parks, but the free, private car park at the Isaac Newton Centre (Morrisons) was very busy, especially in the morning. The largest car parks at the Wharf Road and Welham Street multi-storeys had low levels of occupancy. The results of the Saturday survey in Grantham show that occupancy was similarly low across the SKDC car parks as a whole, but there were differences from the Friday usage in specific car parks. Watergate was used more than on Friday, but Conduit Lane was used less on a Saturday. This can be explained that there is a high number of long stay season ticket holders who use Conduit Lane during the working week. The Morrisons / Isaac Newton Centre customer car park continues to be fully occupied for a long period of the day.

Proposed Tariff Changes

2.3 The survey results show an interesting conflict with some of the current tariff proposals that are currently subject to consultation. For example, it is currently being proposed to introduce free 2 hours parking on a Saturday morning at Guildhall Street, Watergate and Conduit Lane. Whilst the analysis shows a strong rationale for doing this at Conduit Lane, the data does not support such a proposal at Watergate or Guildhall Street where occupancy on a Saturday is at peak capacity. Introducing any element of free parking will have a financial implication for the Council and could lead to congestion in these already fully occupied car parks if motorists attempt to take advantage of free parking.

The remaining proposals, such as free 2-hour parking at Wharf Road multi storey and charging reductions at the Welham Street multi storey should help stimulate demand in order to address the current under occupancy at these car parks.

Stamford

Stamford Car Park Occupancy – Friday 3rd November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	24%	81%	91%	100%	55%	43%
Bath Row	96%	101%	100%	98%	90%	95%

North Street	98%	99%	97%	94%	89%	90%
Scotgate	82%	97%	96%	87%	81%	82%
St. Leonards St.	94%	100%	100%	100%	79%	62%
Wharf Road	73%	97%	97%	96%	71%	49%
Total	63%	92%	95%	97%	71%	60%

Stamford Car Park Occupancy – Saturday 4th November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	15%	31%	42%	58%	59%	46%
Bath Row	74%	93%	99%	99%	96%	95%
North Street	82%	97%	99%	95%	91%	82%
Scotgate	61%	72%	94%	94%	93%	88%
St. Leonards St.	71%	94%	88%	91%	94%	68%
Wharf Road	54%	64%	73%	81%	89%	72%
Total	47%	61%	70%	78%	80%	68%

2.4 The results of the Friday survey show that occupancy was high in all car parks until it began to fall from 2pm onwards. There were very few available spaces during the midday peak. The small car parks were effectively full from 10am onwards while the larger, long stay car parks filled up later as more visitors arrived.

In addition to the car parks, on-street parking was also recorded at Bath Row. There are 102 free, time restricted parking spaces and these were full for the whole day on Friday. Drivers were observed circulating the area waiting for a space to become available and parking outside the marked bays.

On Saturday the occupancy was lower, and the peak was later in the day. There was plenty of available space in the Cattlemarket all day, the smaller car parks were almost full all day and Wharf Road filled up for an hour in the early afternoon.

The Bath Row on-street spaces were full for the whole day on Saturday and the 105 spaces in Broad Street were available to use and these were virtually full for the whole day.

<u>Proposed Tariff Changes</u>

2.5 In overall terms, the analysis does not contradict with the current car parking tariff proposals that are subject to consultation as these proposals should deter longer term parking in the short stay car parks and have the effect of encouraging those motorists to move the long stay car parks at Wharf Road and Cattlemarket. However, it is recognised that Fridays will continue to be the busiest day for the town and town centre parking will continue to be a challenge where the Council is the main car parking provider.

The analysis also supports the current proposal to provide further car parking capacity in Stamford by extending the Cattlemarket car park although signage and promotion will be needed to ensure motorists of aware of this increased provision as the Cattlemarket currently has capacity on all days with the exception of Friday so additional spaces could add to the under occupancy.

<u>Bourne and Market Deeping Analysis</u>

2.6 In relation to Bourne and Market Deeping, whist there is some evidence that capacity is being reached at certain periods of the week, the business case to introduce paid parking is weaker at this time if the primary objective is to secure a financial return from paid parking given the associated set up costs and ongoing operational costs. From this perspective, there is no immediate proposal to introduce charges at this time. However, there are different motivations for introducing paid parking such as controlling parking duration and segregating different parking needs (e.g. longer stay parking contained to the outer town centre) and OSC may express a view whether further studies should be undertaken in relation to Bourne and Market Deeping.

3. Key Considerations

3.1 Members of the Committee are asked to consider the findings of the car parking study taking into consideration the current car parking tariff proposals.

4. Reasons for the Recommendations

4.1 The reasons for the recommendations are set out in the report.

5. Background Papers

5.1 Proposed revision to Car Park Tariffs - Grantham and Stamford.pdf (southkesteven.gov.uk)

[Microsoft Word - Fees and charges 2024.25 - final.docx (southkesteven.gov.uk)]

6. Appendices

6.1 Car Parking Study

South Kesteven Parking Study

Study Report (Confidential)

South Kesteven District Council

December 2023

Document prepared on behalf of Tetra Tech Limited. Registered in England number: 01959704

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1 INTRODUCTION

1.1 BACKGROUND

1.1.1 Tetra Tech is appointed to undertake a review of public car parking facilities in Grantham, Stamford, Bourne and Market Deeping. A review of parking provision is required to ensure that the car parks serve the needs of those who live, work, and visit these town centres.

1.1.2 A Strategic Parking Plan was produced by Tetra Tech in 2021 that created a robust evidence base which was used to assess the parking issues that existed, consider the merits of potential solutions and identify the best way to achieve the Council's objectives. This study updates the evidence base with new surveys of parking and tickets sales to create a new baseline to quantify the recovery from the Covid 19 pandemic that was impacting on parking demand in 2021 and provide updated recommendations.

1.1.3 The charging tariff is expected to be amended by SKDC for the 2024/25 financial year. This report provides an assessment of those changes but also looks further ahead to the medium- and long-term timescales.

1.1.4 The aim of the study is to improve the way public parking is provided by SKDC in the four town centres. Private parking, residential parking and on-street parking are not controlled directly by SKDC but the role of these within the towns overlaps with the role of public car parks. These interactions are recognised in this review and the issues and actions relating to these types of parking have been identified wherever SKDC has a role to play.

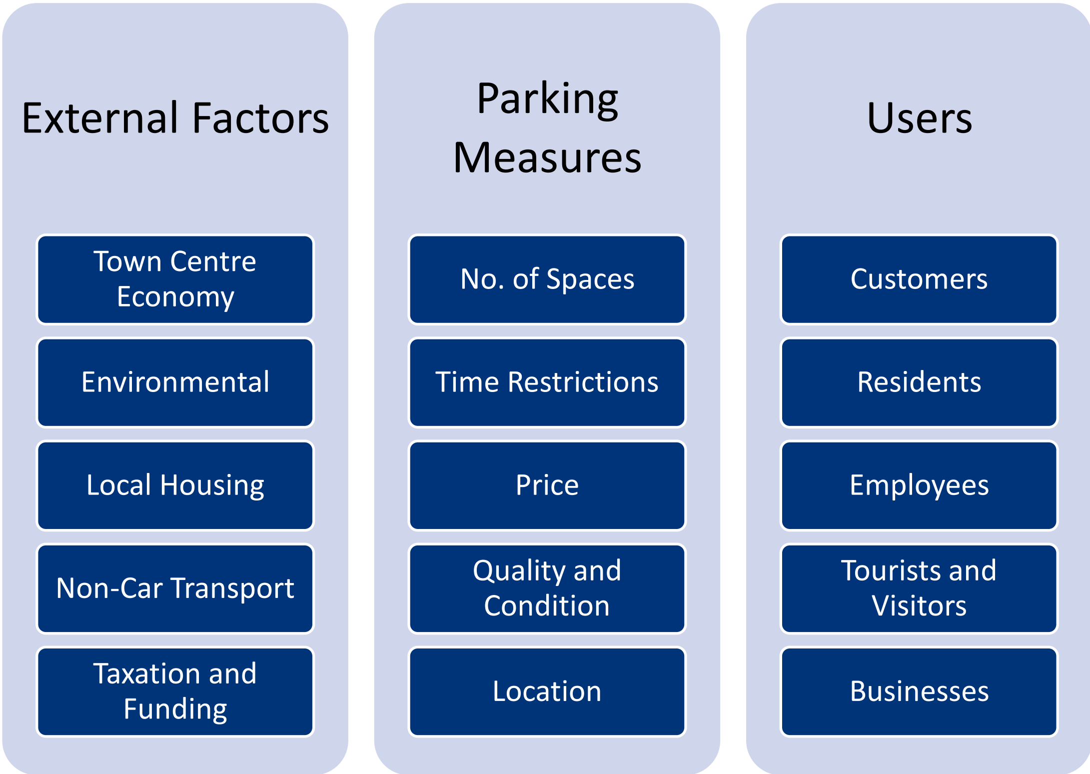
1.2 OBJECTIVES AND PURPOSE

1.2.1 The purpose of the study is to ensure that the provision of parking is aligned to the objectives of the council, which are to:

- Ensure South Kesteven has an appropriate supply of public parking in the four town centres in the study.
- Ensure SKDC's public car parks are attractive, safe, and accessible for all users by having appropriate tariff and management regimes in place.
- Ensure SKDC's public car parks are assets that support the economic vitality and vibrancy of South Kesteven's town centres.

1.2.2 Parking plays a role in many aspects of public life and there can be a tension between some of the council's objectives and the outcomes. For instance, parking is essential in supporting the town centre economy and generating income for the council, but it also plays a role in supporting efforts to promote sustainable travel modes and environmental objectives.

1.2.3 The following diagram shows the main factors that are considered in developing a parking plan. There are external factors that largely determine the demand for parking and there are measures that can be adopted to better manage parking. Finally, there are different groups of users that have their own requirements who are affected differently by external factors and parking measures. The plan considers these different inputs and outputs to achieve the most balanced approach.



1.2.4 The relationships between these different factors can be complicated and sometimes contradictory. The provision of parking services aims to balance the different factors and objectives.

1.2.5 Parking needs to be appropriately located and of sufficient scale and cost to support the existing and emerging functions of the town. The space allocated to parking should not be excessive enough to damage the local public realm or undermine sustainable transport initiatives. The key objective is to improve efficiency and better manage the parking resources, especially in multi-functional areas such as town centres where car parks are used for different purposes at different times of the day and week.

1.2.6 Parking can be used as a policy tool to influence travel behaviour in order to help achieve environmental and transport objectives. This can be where a parking plan causes conflicts, if people feel they are being 'forced' to act in ways they would prefer not to and they decide to visit the town less frequently, for a shorter time or go elsewhere.

1.2.7 The requirements of particular groups need to be considered alongside the supply and demand for general town centre parking. Blue Badge holders have specific requirements, and this study examines how these are currently provided and if any changes will be appropriate.

1.2.8 SKDC aims to provide a good match between the supply and demand of parking spaces while balancing efforts to improve the public realm and encourage sustainable modes of travel. An over-supply of parking spaces is a poor use of valuable town centre land and does little to promote alternative modes of travel while too little parking can constrain the local economy and cause frustration for drivers.

1.3 REPORT STRUCTURE

1.3.1 The structure of this report is as follows:

Chapter 2 – Review of existing conditions

Chapter 3 – Forecasts of Change

Chapter 4 – Assessment of Potential Parking Solutions

Chapter 5 – Action Plan

Chapter 6 – Conclusion and Recommendations

2 EXISTING CONDITIONS

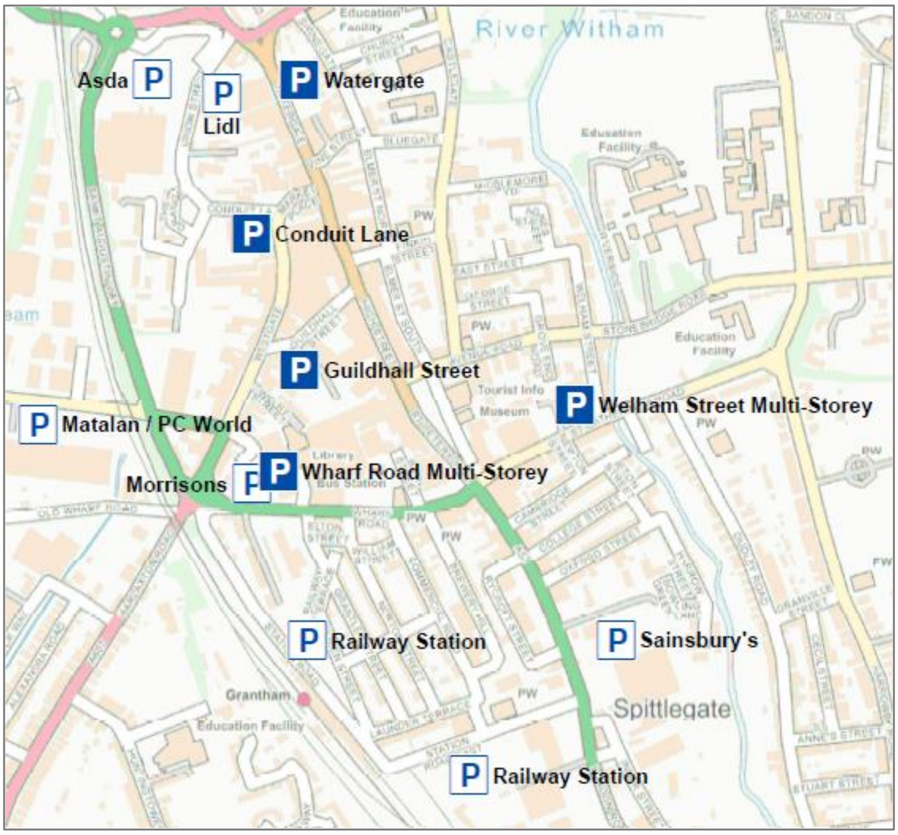
2.1 LOCATIONS

2.1.1 The focus of the study is the four town centres of Grantham, Stamford, Bourne and Market Deeping. The towns have different issues and priorities and the measures to address parking problems need to be tailored to each location.

2.1.2 Grantham is the largest town in the district and second largest in Lincolnshire. The town centre has a mixture of historic streets and new development, bounded by the railway, the A52 and A607 on three sides, although some town centre development has extended across these boundaries. Watergate and Westgate provide access into the core of the town centre which contains a mix of large retail units and traditional shops and businesses. Grantham is expected to grow further, with large employment and housing developments in the pipeline and the completion of the Southern Relief Road linking the A1 and A52.

2.1.3 Grantham car parks are shown in **Figure 1.** Public car parks are provided across the town, including surface and multi-storey car parks. Private car parks (white box) are used by the public, rail passengers and customers of the retail units. There is some on-street parking, but many of the streets have restrictions that prevent parking or apply a time limit.

Figure 1 – Grantham Town Centre



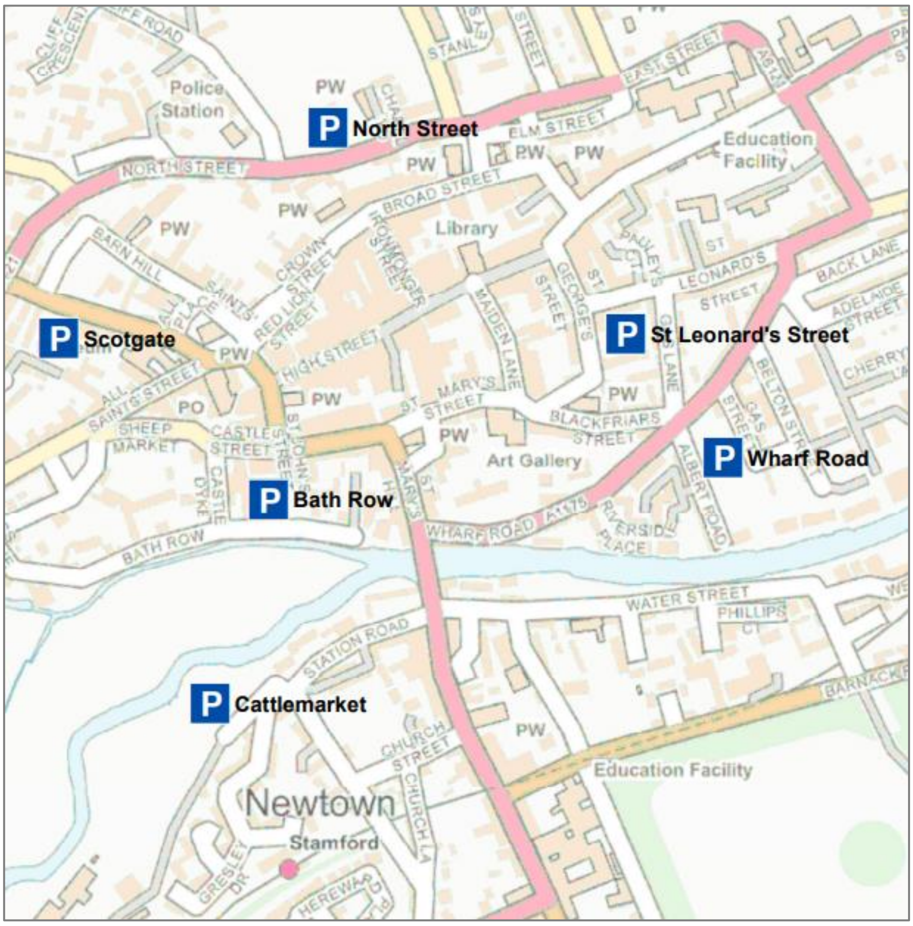
2.1.4 Stamford is an historic town located at the south west boundary of the district and of Lincolnshire, close to the boundaries with Rutland, Cambridgeshire and Northamptonshire. The town centre retains its historic layout and road network with recent development situated largely outside of the centre.

2.1.5 Most of the town, including the main retail centre is north of the river while the railway station, some historic streets, new developments, and Burghley House are to the south. Access to the A1 is provided to the north, south and west of the town and housing growth is planned at the northern edge.

2.1.6 Stamford town centre and car parks are shown in **Figure 2**. All public car parks are provided by SKDC. These are all surface level car parks, and they include four small car parks and two large. The railway station has a dedicated car park, and a new school car park has recently been built adjacent to the Cattlemarket car park.

2.1.7 There is a significant amount of on-street parking in the town centre but no private car parks for public use. Bath Row includes a small car park, a row of Pay and Display bays and time-limited on-street parking.

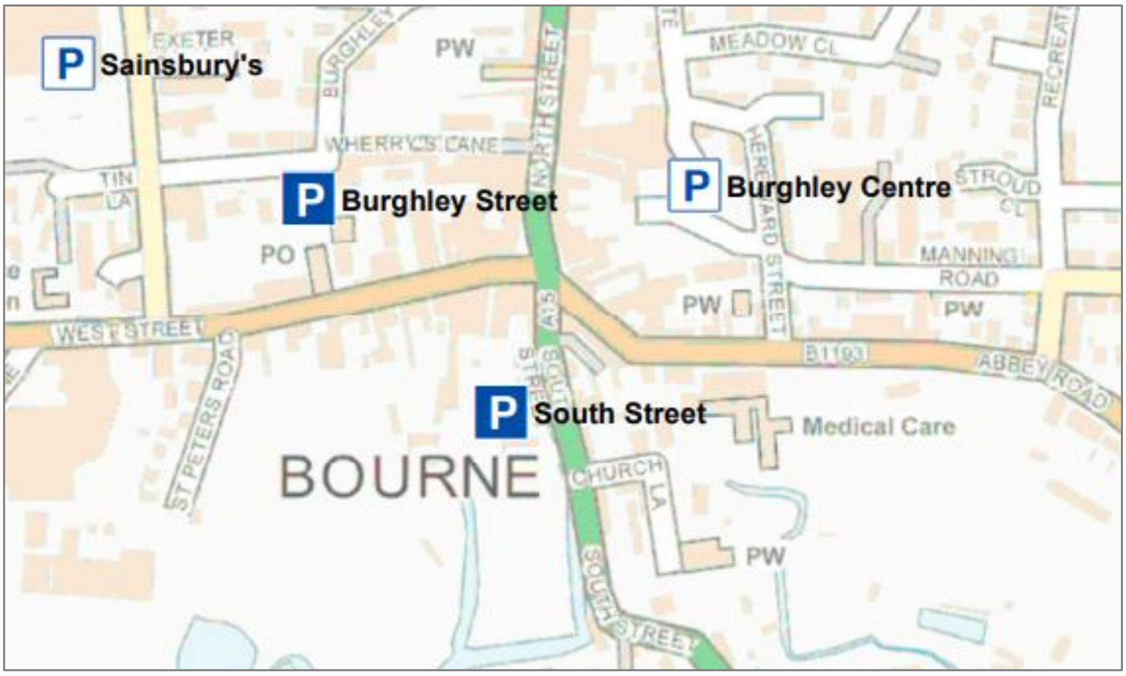
Figure 2 – Stamford Town Centre



2.1.8 Bourne is a market town located in the south east of the district and is bisected by the A15. The historic town centre includes a traditional streetscape alongside some large retail units and green spaces. Commercial development and employment is concentrated on the east side of the town and further housing and employment development is proposed in the Local Plan.

2.1.9 Bourne town centre and car parks are shown in **Figure 3**. Two small car parks are provided by SKDC close to the centre, while large car parks are provided by Sainsburys and the Burghley Centre within walking distance of the town centre.

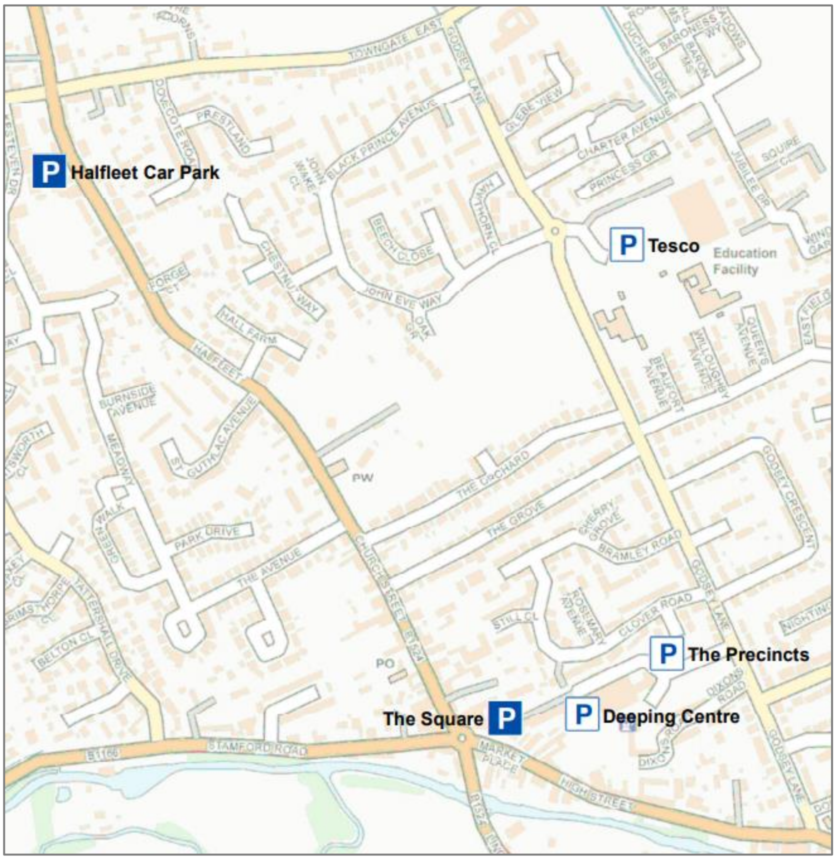
Figure 3 – Bourne Town Centre



2.1.10 Market Deeping is the largest of a group of adjoining settlements known as the Deepings, located at the southern boundary of the district and the county, close to the edge of Peterborough. The town is laid out on a grid system with an historic centre and an adjacent, modern retail centre. New development is proposed to the east of the town.

2.1.11 Market Deeping town centre and car parks are shown in **Figure 4.** No car parks are provided within the town centre by SKDC, but large car parks are provided at Tesco and the Deeping Centre/The Precincts. Some on-street parking is available close to the town centre, particularly in The Square and High Street.

Figure 4 – Market Deeping Town Centre



2.2 PUBLIC CAR PARKS

2.2.1 Details of the town centre car parks shown on the previous plans are presented in **Table 1**.

Table 1 – Town Centre Car Parks

Location	Car Park	Capacity (surveyed spaces)
Grantham	Conduit Lane	47
	Guildhall Street	88
	Watergate	100
	Welham Street	328
	Wharf Road Long Stay	240
	Sub-Total	803
Stamford	Bath Row P&D	84
	Cattlemarket	288
	North Street	103
	Scotgate	67
	St. Leonards St.	34
	Wharf Road	238
	Sub-Total	814

Bourne	Burghley Street	62
	Burghley Street Permits	38
	Burghley Centre	145
	South Street	66
	Sub-Total	320
Market Deeping	Halfleet	24
	Deeping Centre	143
	The Precincts	107
	Sub-Total	274

2.2.2 Stamford and Grantham have a similar number of off-street public parking spaces. Welham Street and Wharf Road in Grantham are multi-storey car parks while all other car parks are surface level.

2.2.3 Grantham also has privately-operated public car parks (e.g. Greenwood's Row) and large retail units within the town centre (e.g. Morrisons / Isaac Newton centre). These are customer car parks, but they also perform a town centre parking function. Approximately 10 spaces in the Watergate car park were unavailable for use at the time of the surveys.

2.2.4 There are no significant private car parks in the centre of Stamford but there are large privately-run public car parks in the centres of Bourne and Market Deeping are operated by the Burghley shopping centre and the Community Centre.

2.3 PARKING CHARGES

2.3.1 Charges are levied for the car parks in Grantham and Stamford while the SKDC car parks in Bourne and Market Deeping are free to use. The current charges are presented in **Table 2**.

Table 2 – South Kesteven Charging Tariff

Time Period (up to)	30 Mins	1Hr	2Hr	3Hr	4Hr	6Hr	All Day
Grantham							
Guildhall Street, Watergate	90p	£1.20	£1.90	£2.50	£4.10		£5.30
Wharf Road	90p	£1.20	£1.90	£2.50	£8.00		£10.40
Conduit Lane				£2.50	£3.40		£4.10
Welham Street				£1.20	£1.70	£3.20	£10.40
Stamford							
North Street, Bath Row, Scotgate, St. Leonards St.	£1.00	£1.30	£2.00	£2.60	£4.20		£5.40
Wharf Road, Cattlemarket				£2.60	£3.50		£4.20

2.3.2 Charges apply between the hours of 8am and 6pm in all car parks, from Monday to Saturday. Sundays and Bank Holidays are currently free. The maximum period of parking is 10 hours, so that parking is permitted overnight but the 10 hours maximum is a constraint on how residents can use the car parks for overnight parking. Blue Badge holders are permitted to use the dedicated spaces or the standard spaces free of charge. Payment by app is available at all car parks through the RingGo mobile app.

2.3.3 Some car parks provide a long stay function by offering a relatively low tariff for all day parking and no reductions for short stay. These are located on the edges of the town centres e.g. Conduit Lane in Grantham and Wharf Road and Cattlemarket in Stamford. Welham Street is a new multi-storey car park that has a very low tariff for short stay but a high charge for stays longer than 6 hours.

2.3.4 Greenwoods Row is a private car park in the centre of Grantham that offers a lower tariff than the adjacent SKDC Conduit Lane car park and is therefore very popular. Grantham Estates on Elmer Street North provides a Saturday-only public car park.

2.4 CAR PARK FACILITIES AND CONDITION

2.4.1 During the site visits an audit of the existing infrastructure was undertaken to record what is provided on-site and highlight any issues that exist. A summary of the audit results is presented in **Appendix A**.

2.4.2 Most car parks are standard surface level with marked bays and Pay and Display ticket machines. Direction signing is provided to most and all have signs explaining the time limits, regulations, and charges. All have streetlights inside the car park or on the adjacent street and some have CCTV. Cycle and motorcycle parking are provided in many car parks, and most have disabled parking bays in accessible locations.

2.4.3 Some Electric Vehicle (EV) charging bays are provided by SKDC in the car parks at Welham Street in Grantham, North Street in Stamford, the Community Centre in Market Deeping, and Burghley Street in Bourne. Privately operated EV charging bays are also provided.

2.4.4 The condition of the Wharf Road multi-storey has deteriorated in recent years, and it is not a very attractive environment for users. By contrast, the Welham Street multi-storey is relatively new and is in good condition.

2.5 SURVEYS OF EXISTING PARKING

2.5.1 Occupancy surveys were carried out on Friday 3rd November and Saturday 4th November 2023. These show how busy the car parks were during the busiest days of a typical week (i.e. not a school holiday period). Beat surveys were used to provide an hourly figure for car park occupancy in Grantham and Stamford. Bourne and Market Deeping were surveyed during the Friday lunchtime peak.

2.5.2 The surveys were held on market days in Grantham (Saturday) and Stamford (Friday). This is particularly significant in Stamford because the market is held in Broad Street, which has a large amount of on-street parking on non-market days, so that Friday is a worst-case scenario in terms of increased demand and reduced parking spaces.

2.5.3 The number of bays and vehicles includes disabled parking bays and standard bays. In many cases some of the remaining vacant spaces are restricted for Blue Badge holders only.

2.5.4 A search of local events was undertaken to ensure that the surveys were not being undertaken on atypical days. It is recognised that there are always some events happening in an area on any particular day, but dates were found when there were no major events that would invalidate the surveys.

2.5.5 The results show how many vehicles were parked at hourly intervals and how full the car parks were during the surveys. Occupancy above 85% is considered as being at-capacity because this is recognised by the Chartered Institution of Highways and Transportation and the British Parking Association as the level at which it becomes difficult for drivers to find the remaining spaces and to manoeuvre in, out and around the car park.

2.6 GRANTHAM CAR PARK SURVEYS

2.6.1 The results of the Grantham surveys are presented in the following tables.

Table 3 – Grantham Car Park Survey – Friday 3rd November 2023

Car Park	Bays	Parked Vehicles					
		10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	47	33	32	37	42	39	31
Guildhall Street	88	82	85	86	88	85	66
Watergate	100	34	77	67	62	61	57
Welham Street	328	84	79	88	76	74	50
Wharf Road	240	66	47	52	59	54	44
SKDC Total	803	299	320	330	327	313	248
Morrisons	243	235	238	223	209	221	171
Total	1046	534	558	553	536	534	419

Table 4 – Grantham Car Park Occupancy – Friday 3rd November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	70%	68%	79%	89%	83%	66%
Guildhall Street	93%	97%	98%	100%	97%	75%
Watergate	34%	77%	67%	62%	61%	57%
Welham Street	26%	24%	27%	23%	23%	15%
Wharf Road	28%	20%	22%	25%	23%	18%
SKDC Total	37%	40%	41%	41%	39%	31%
Morrisons	97%	98%	92%	86%	91%	70%
Total	51%	53%	53%	51%	51%	40%

2.6.2 The results of the Friday survey show that occupancy was generally low in SKDC car parks but the free, private car park at the Isaac Newton Centre (Morrisons) was very busy, especially in the morning. The largest car parks at the Wharf Road and Welham Street multi-storeys had low levels of occupancy.

Table 5 – Grantham Car Park Survey – Saturday 4th November 2023

Car Park	Bays	Parked Vehicles					
		10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	47	13	18	23	17	11	9
Guildhall Street	88	86	88	79	76	72	69
Watergate	100	90	90	90	85	67	56
Welham Street	328	68	70	69	68	66	53
Wharf Road	240	66	62	65	46	38	34
SKDC Total	803	323	328	326	292	254	221
Morrisons	243	240	243	239	236	226	198
Total	1046	563	571	565	528	480	419

Table 6 – Grantham Car Park Occupancy – Saturday 4th November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	28%	38%	49%	36%	23%	19%
Guildhall Street	98%	100%	90%	86%	82%	78%
Watergate	90%	90%	90%	85%	67%	56%
Welham Street	21%	21%	21%	21%	20%	16%
Wharf Road	28%	26%	27%	19%	16%	14%
SKDC Total	40%	41%	41%	36%	32%	28%
Morrisons	99%	100%	98%	97%	93%	81%
Total	54%	55%	54%	50%	46%	40%

2.6.3 The results of the Saturday survey in Grantham show that occupancy was similarly low across the SKDC car parks as a whole, but there were differences from the Friday usage in specific car parks. Watergate was used more than on Friday, but Conduit Lane was used less. The Morrisons / Isaac Newton Centre customer car park was fully occupied for a long period of the day.

2.6.4 The weather was particularly poor during the morning of the Saturday survey which may have affected the results and the occupancy may be higher on a dry Saturday.

2.7 STAMFORD CAR PARK SURVEYS

2.7.1 The results of the Stamford surveys are presented in the following tables.

Table 7 – Stamford Car Park Survey – Friday 3rd November 2023

Car Park	Bays	Parked Vehicles					
		10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	288	69	233	261	288	158	125
Bath Row	84	81	85	84	82	76	80
North Street	103	101	102	100	97	92	93
Scotgate	67	55	65	64	58	54	55
St. Leonards St.	34	32	34	34	34	27	21
Wharf Road	238	174	230	231	228	169	116
Total Car Parks	814	512	749	774	787	576	490

Table 8 – Stamford Car Park Occupancy – Friday 3rd November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	24%	81%	91%	100%	55%	43%
Bath Row	96%	101%	100%	98%	90%	95%
North Street	98%	99%	97%	94%	89%	90%
Scotgate	82%	97%	96%	87%	81%	82%
St. Leonards St.	94%	100%	100%	100%	79%	62%
Wharf Road	73%	97%	97%	96%	71%	49%
Total	63%	92%	95%	97%	71%	60%

2.7.2 The results of the Friday survey show that occupancy was high in all car parks until it began to fall from 2pm onwards. There were very few available spaces during the midday peak. The small car parks were effectively full from 10am onwards while the larger, long stay car parks filled up later as more visitors arrived.

2.7.3 In addition to the car parks, on-street parking was also recorded at Bath Row. There are 102 free, time restricted parking spaces and these were full for the whole day on Friday. Drivers were observed circulating the area waiting for a space to become available and parking outside the marked bays. There was no parking in Broad Street because of the large street market.

Table 9 – Stamford Car Park Survey – Saturday 4th November 2023

Car Park	Bays	Parked Vehicles					
		10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	288	42	88	122	167	169	133
Bath Row	84	62	78	83	83	81	80
North Street	103	84	100	102	98	94	84
Scotgate	67	41	48	63	63	62	59
St. Leonards St.	34	24	32	30	31	32	23
Wharf Road	238	129	153	173	192	211	172
Total Car Parks	814	382	499	573	634	649	551

Table 10 – Stamford Car Park Occupancy – Saturday 4th November 2023

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	15%	31%	42%	58%	59%	46%
Bath Row	74%	93%	99%	99%	96%	95%
North Street	82%	97%	99%	95%	91%	82%
Scotgate	61%	72%	94%	94%	93%	88%
St. Leonards St.	71%	94%	88%	91%	94%	68%
Wharf Road	54%	64%	73%	81%	89%	72%
Total	47%	61%	70%	78%	80%	68%

2.7.4 On Saturday the occupancy was lower, and the peak was later in the day. There was heavy rain on the morning of the survey which might have reduced and delayed the peak of demand until later in the afternoon. There was plenty of available space in the Cattlemarket all day, the smaller car parks were almost full all day and Wharf Road filled up for an hour in the early afternoon.

2.7.5 The Bath Row on-street spaces were full for the whole day on Saturday and the 105 spaces in Broad Street were available to use and these were virtually full for the whole day.

2.8 BOURNE CAR PARK SURVEY

2.8.1 The results of the snapshot survey are presented in the following table.

Table 11 – Bourne Car Park Occupancy – Midday, Friday 3rd November 2023

Car Park	Bays	Parked Vehicles	Occupancy
Burghley Street	62	60	97%
Burghley Street Permit	38	32	84%
South Street	75	72	96%
Burghley Centre	145	118	81%
Total Car Parks	320	282	88%

2.8.2 The results show that the car parks were very well used at the time of the survey. There was a limited amount of spare capacity in the Burghley Centre. There is a strong likelihood that there are busier times of the week or year when the occupancy levels would be even higher.

2.9 MARKET DEEPING CAR PARK SURVEY

2.9.1 The results of the snapshot survey are presented in the following table.

Table 12 – Market Deeping Car Park Occupancy – Midday, Friday 3rd November 2023

Car Park	Bays	Parked Vehicles	Occupancy
The Square	24	24	100%
Deeping Centre	143	119	83%
Halfleet	24	16	67%
The Precincts	107	20	19%
Total Car Parks	274	179	60%

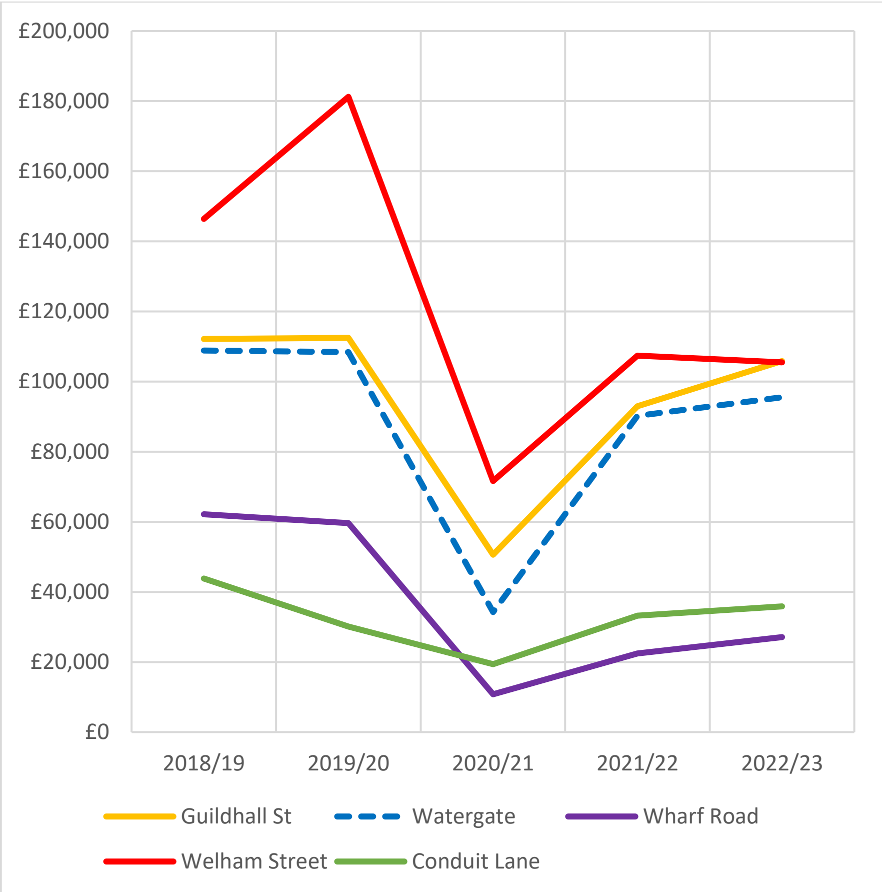
2.9.2 The results show that the short stay car parks closest to the town centre had high levels of occupancy but there was plenty of available space in the private car parks within a short distance. Again, there is a strong likelihood that there are even busier times of the week or year when the occupancy levels would be higher.

2.10 TICKET SALES DATA

2.10.1 Ticket sales data has been made available for different time periods in Grantham and Stamford. These show how monthly ticket sales have changed between 2018 and 2023 along with a detailed breakdown of typical ticket sales at the time of the occupancy surveys in 2023.

2.10.2 **Figure 5** shows how annual income has fluctuated from Grantham car parks over the last five years, from pre-COVID-19 up to the most recent complete year (2022/23).

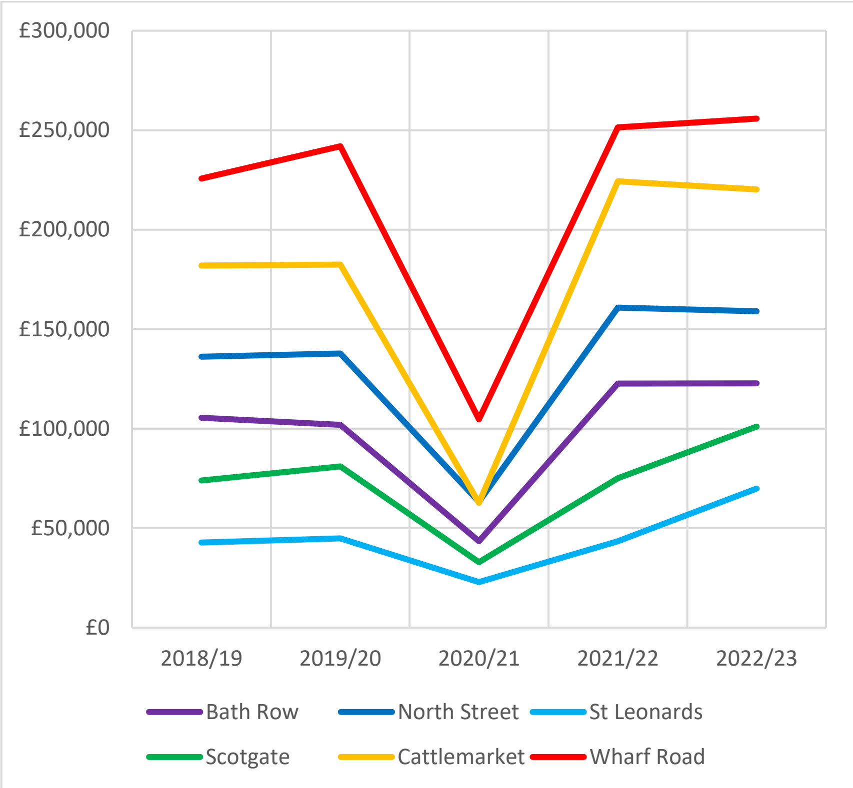
Figure 5 – Annual Car Park Income - Grantham (2018/19 - 2022/23)



2.10.3 The chart shows how car park income declined during 2020/21 when the Covid-19 restrictions were at their height and how it has recovered in the two full years since then. It also shows that income in the Welham Street and Wharf Road multi-storey car parks has not recovered to pre-pandemic levels, unlike the smaller car parks.

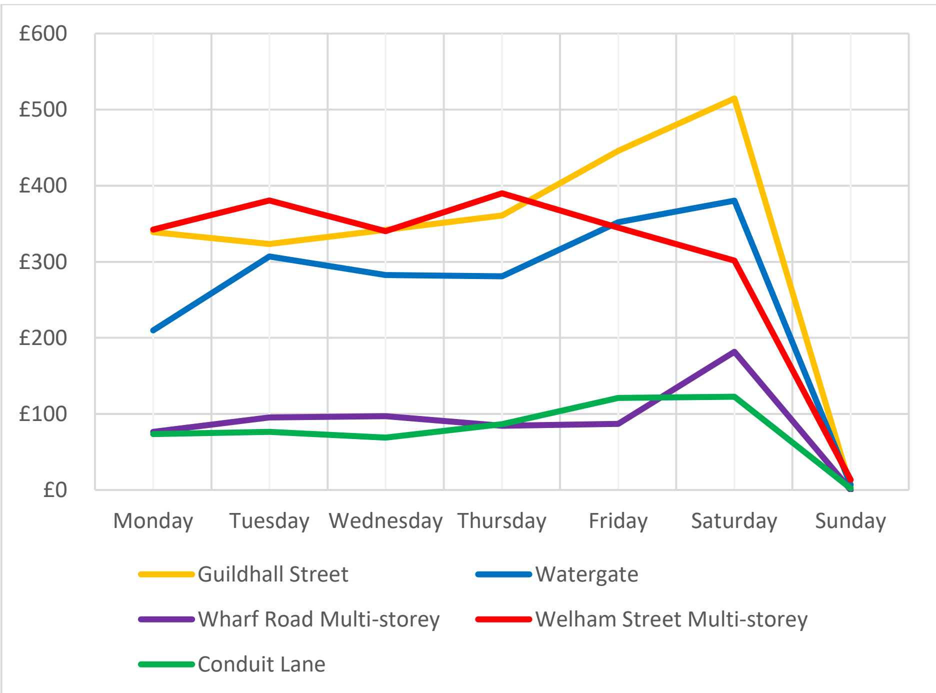
2.10.4 **Figure 6** shows the annual income from Stamford car parks. All car parks are now generating significantly more income than pre-Covid-19. This is generated by more ticket sales and a slightly increased tariff.

Figure 6 – Annual Car Park Income - Stamford (2018/19 - 2022/23)



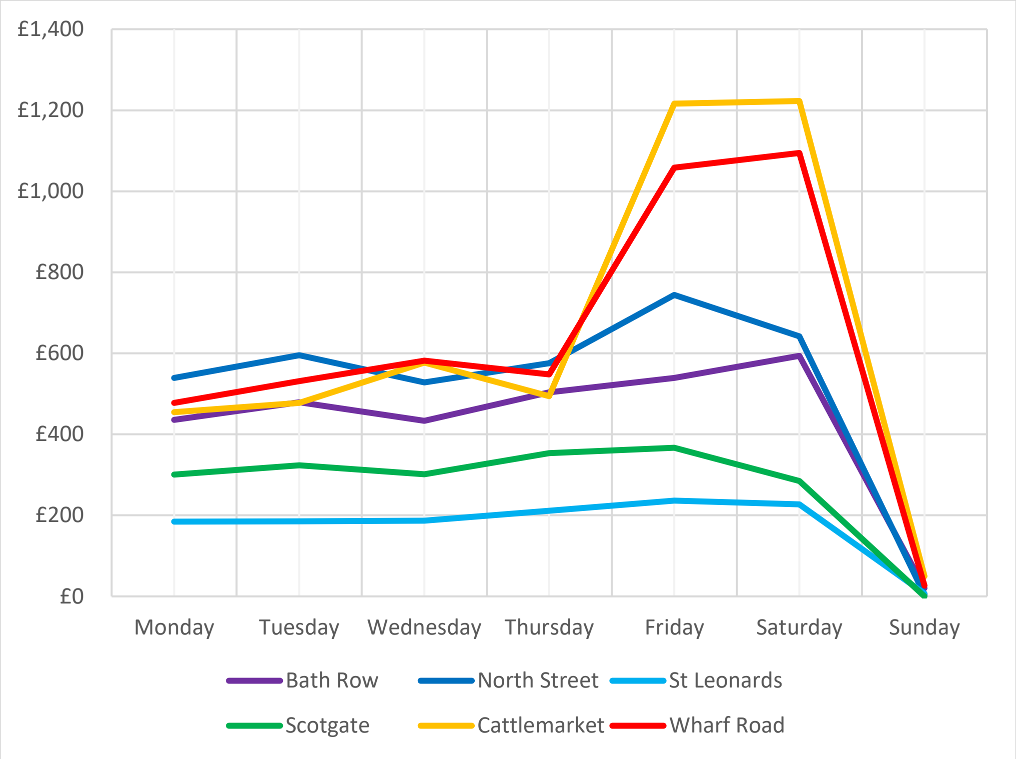
2.10.5 **Figure 7** shows how many tickets were sold during each day of a typical week in 2023 in Grantham. Guildhall Street and Wharf Road are busiest on Saturdays but the variation between days in the other car parks is smaller.

Figure 7 – Daily Ticket Sales - Grantham (23-29 October 2023)



2.10.6 **Figure 8** shows how many tickets were sold during each day of a typical week in 2023 in Stamford. Friday and Saturday are particularly busy in the long stay car parks while the other car parks are more consistent across the week.

Figure 8 – Daily Ticket Sales - Stamford (23-29 October 2023)



2.10.7 **Table 13** shows the proportion of ticket sales in each time band of the tariff in 2022/23 in each car park. It shows how the car parks are being used.

2.10.8 Most Grantham short stay users stay for 3 hours or less but in Stamford there is a larger proportion of long stay within the short stay car parks. This reduces capacity and turnover. The 4-hour stay is not very common in short stay car parks.

2.10.9 Most users of long stay car parks stay for 3 hours or less and smaller proportions stay for 4 hours or all day. There are small proportions of long stay parking in Grantham, except in Conduit Lane.

Table 13 – Ticket Sales by Tariff (2022/23)

	30 Mins	1Hr	2Hr	3Hr	4Hr	6Hr	All Day
Short Stay							
Guildhall St Grantham	17%	28%	32%	16%	3%	-	4%
Watergate Grantham	14%	24%	30%	19%	5%	-	8%
Wharf Rd Grantham	8%	20%	32%	38%	1%	-	1%
North St Stamford	10%	14%	32%	21%	6%	-	17%
St Leonards Stamford	11%	17%	31%	20%	6%	-	15%
Bath Row Stamford	8%	12%	30%	25%	6%	-	19%
Scotgate Stamford	9%	14%	29%	21%	7%	-	20%
Long Stay							
Conduit Ln Grantham	-	-	-	47%	10%	-	43%
Welham Street	-	-	-	65%	26%	8%	1%
Cattlemarket Stamford	-	-	-	56%	22%	-	22%
Wharf Rd Stamford	-	-	-	60%	16%	-	24%

2.10.10 SKDC has analysed ticket sales and calculated the turnover of each parking space (i.e. how many times it is used each day). **Table 14** presents the results of this analysis taken from the SKDC Finance and Economic Overview and Scrutiny Committee report (28/11/23).

2.10.11 It shows that the short stay car parks have a turnover of approximately two cars per day, except for Wharf Road, Grantham. The long stay are lower, with each space being used once per day or less, on average. Within this average, the most convenient spaces will be used multiple times while the spaces further away may not be used at all.

Table 14 – Turnover of Parking Spaces (2022/23)

	Average Turnover of Spaces per day
Short Stay	
Guildhall St Grantham	2.40
Watergate Grantham	1.67
Wharf Rd Grantham	0.17
North St Stamford	2.28
St Leonards Stamford	2.38
Bath Row Stamford	1.75
Scotgate Stamford	2.12
Long Stay	
Conduit Ln Grantham	0.71
Welham Street	0.62
Cattlemarket Stamford	0.82
Wharf Rd Stamford	1.12

2.11 SEASON TICKETS

2.11.1 Season tickets are available for the long stay car parks in Grantham (Welham Street and Conduit Lane) and Stamford (Cattlemarket and Wharf Road) for periods of three months or six months. Weekday (Mon-Fri) tickets and Mon-Sat tickets are available. The current costs are presented in the following table.

Table 15 – Season Ticket Prices

Period	Days	Grantham	Stamford
3 Months	Mon-Fri	£135	£140
	Mon-Sun	£159	£165
6 Months	Mon-Fri	£258	£265
	Mon-Sun	£309	£315

2.11.2 If four permits are purchased another one will be provided free of charge. These prices represent excellent value for money if they are used on most days. The use of season tickets makes it difficult to compare ticket sales with occupancy surveys because their use is not quantified by the ticket system and permit holders can come and go as they wish. It has therefore not been possible to quantify how these tickets are being used on the ground.

3 FORECASTS OF CHANGE

3.1 CHANGE IN PARKING DEMAND

3.1.1 The situation with regards to parking will change in the future and the provision of parking services will need to be proactive in preparing for change. The previous chapter quantified the current patterns of parking, and it is now necessary to make forecasts about how the parking demand and the supply of spaces is likely to change in the future. This will inform decisions about parking and land use with the aim of avoiding an oversupply or undersupply of parking spaces.

3.1.2 There are many variables that affect the demand and supply of parking, including:

- Growth in the Local Plan area and the wider region (housing, employment, and traffic)
- Changes in the number of parking spaces; public, private and residential.
- Economic changes in town centres (retail, leisure, and employment)
- Vehicle technology changes
- Information and payment technology
- Internet shopping and working practices
- Vehicle taxation and fuel costs
- Modal shift
- Charging tariffs and the availability of spaces
- Changes in behaviour in response to COVID-19

3.1.3 Many of these factors are outside the control of SKDC and/or difficult to quantify but the Council still has an important role in helping to influence travel and parking behaviour and respond to the impacts of other changes.

3.2 NEW DEVELOPMENTS AND SCHEMES

3.2.1 A key factor in changing demand for parking is local growth, in terms of new housing and employment. Growth is expected in the towns that form part of this study and this will impact on the demand for town centre parking. Specific developments of note include:

- Grantham Housing (Local Plan references GR3-H1, H2, H3 and H4)
- Grantham Retail Outlet Villages
- Grantham Southern Bypass
- Stamford Housing at Barnack Road and Stamford North
- Expansion of the Cattlemarket car park by 100+ spaces

3.2.2 These are selected, specific schemes but there will be many more new developments and land use changes that impact on the demand for town centre parking. New housing will increase the demand in a proportional way but proposals such as the new bypass and the two proposed retail outlet villages will have more specific impacts.

3.2.3 The Grantham Designer Outlet Village is now expected to open in 2024, close to the junction of the A1 and the Grantham Southern Bypass. A second outlet village is proposed at the site of the existing Downtown superstore at the junction of the A1 and B1174, north of Grantham. These schemes will draw in customers from a wide geographical area but are also likely to have an impact on the retail centres of Grantham and Stamford by attracting local customers.

3.2.4 The Grantham Southern Bypass is a phased project that is partially constructed and expected to be fully complete in 2025. The impacts of the scheme on parking are difficult to forecast. Traffic reduction in the town centre will make it a more pleasant environment to work, live and visit, but a reduction in through traffic could reduce parking demand.

3.2.5 The Cattlemarket car park in Stamford is expected to expand by approximately 100 spaces. This will provide extra capacity to meet existing and future demand and generate additional income for SKDC. It will also attract additional traffic to the site.

3.3 TECHNOLOGY CHANGE

3.3.1 Changes in vehicle specification and technology are likely to have an impact on the demand for parking. This includes simple factors such as the increased size of vehicles requiring more space, to more complex changes like the increased use of electric vehicles and, in the longer term, autonomous vehicles.

3.3.2 The average size of vehicles has increased in recent years with the growth of the SUV market. This means that many car parks with smaller bays are difficult to use for some people and it is possible that the size of parking spaces will have to be increased in the future. This would reduce the number of spaces available.

3.3.3 Electric vehicles require bays to be converted to provide EV charging, as has already begun to be implemented in the district. The number of EV bays will increase over time, but this may impact on the number of bays available for general parking.

3.3.4 Longer-term, the emergence of new driverless technology has the potential to have a transformational effect on the scale and location of both short and long stay parking activity. Whilst the advent of fully automated, driverless cars remains some time away, some driverless functions are likely to be fitted as standard to the next generation of vehicles and well within the medium-term planning horizon.

3.3.5 This study does not propose policies that address the opportunities provided by driverless technology, but it is worth acknowledging that a rapid uptake of this technology would have significant implications for transport systems in the future, including the demand for parking and methods of providing it.

3.4 FORECASTS OF DEMAND GROWTH

3.4.1 Population and economic growth in the area and changes in travel behaviour will impact on the demand for town centre parking. Forecast changes in traffic are provided by the Department for Transport (DfT) and these have been used as a proxy for the change in parking demand to ensure that all the factors are given the right amount of significance.

3.4.2 A software program produced by the DfT called TEMPro provides traffic growth factors for each area of the country. It is based on a national model of trips derived from planned future development detailed in adopted Local Plans and combined with regional and national trends in travel behaviour. The current version of TEMPro (8.1) has been used to provide a forecast of expected traffic growth in South Kesteven.

3.4.3 Growth factors for the period 2023-2028 have been obtained from the TEMPro database using the areas ‘South Kesteven 003 and 015’ to define the local area (the Middle Super Output Areas covering Grantham and Stamford).

3.4.4 The resulting TEMPro growth factors from 2023 to the 2028 assessment year are presented in **Table 16**. The factor is an average of the AM and PM peak periods, and it predicts traffic growth of approximately 1% per year in Grantham and slightly less in Stamford.

Table 16 – TEMPRO Traffic Growth Factors (2023-2028)

	TEMPRO Factors
Grantham	1.048 (4.8%)
Stamford	1.039 (3.9%)

3.5 FUTURE CAR PARK OCCUPANCY

3.5.1 If the growth factors presented in the preceding section are applied to the latest surveys of car park occupancy it shows where the remaining capacity is expected to be in the future assessment year of 2028, assuming there is no change in the number of parking spaces. **Table 17** shows the results for the busiest day in Grantham and **Table 18** shows that for Stamford.

Table 17 – Forecast Grantham Car Park Occupancy – Saturday in November 2028

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Conduit Lane	29%	40%	51%	37%	24%	20%
Guildhall Street	101%	104%	93%	90%	85%	81%
Watergate	93%	93%	93%	88%	69%	58%
Welham Street	21%	22%	22%	21%	21%	17%
Wharf Road	29%	27%	28%	20%	16%	15%
SKDC Total	42%	42%	42%	38%	33%	29%
Morrisons	102%	104%	102%	101%	96%	84%
Total	56%	57%	56%	52%	48%	42%

3.5.2 The forecasts show that by 2028 there will still be an excess of vacant parking spaces in Grantham, but certain car parks will exceed capacity. Some people will relocate to park in different car parks where it is easier to find a space, provided that the charges are not prohibitive. This could be to another Pay and Display car park or an alternative free car park. Conduit Lane would be a suitable alternative for many short stay visits.

Table 18 – Forecast Stamford Car Park Occupancy – Friday in November 2028

Car Park	Car Park Occupancy (%)					
	10-11	11-12	12-1	1-2	2-3	3-4
Cattlemarket	25%	83%	93%	103%	57%	45%
Bath Row	99%	104%	103%	101%	93%	98%
North Street	101%	102%	100%	97%	92%	93%
Scotgate	85%	100%	98%	89%	83%	85%
St. Leonards St.	97%	103%	103%	103%	82%	64%
Wharf Road	75%	100%	100%	99%	73%	50%
Total	65%	95%	98%	100%	73%	62%

3.5.3 The situation in Stamford is expected to worsen in relation to capacity. Demand in some car parks is forecast be over 100% of capacity and these users would have few alternative spaces to switch to during the busiest times of day. In this situation the options available to users would be to:

- Park further from the town centre, either on-street or in alternative car parks
- Cancel their visit to Stamford
- Go to an alternative town or destination
- Use non-car modes of travel
- Visit Stamford on different days or at different times of day

3.5.4 These responses have different levels of likelihood and impacts on the town. Outcomes where people visit less often would be negative, parking further from the town centre could have negative impacts on local residents and represent lost income for SKDC. Changing mode could have positive impacts in terms of congestion, noise, and air quality but some people may resent being ‘forced’ to use other modes. Modal shift does happen in many other towns and cities, but good quality alternative travel modes must be in place.

3.5.5 There is a proposal to expand the Cattlemarket car park by 100+ spaces. This would relieve the parking pressure in the short term by reducing the occupancy level down to approximately 90% across the town centre as a whole.

3.5.6 In Bourne the forecast growth in parking demand would further increase the pressure on the car parks that are already at or close to capacity at busy times. In Market Deeping there would still be plenty of spare capacity, located mainly in The Precincts car park.

3.5.7 The forecasts suggest that the current facilities and parking demand will result in some capacity shortfalls and excesses in the future and steps need to be taken now to better manage town centre parking.

3.6 SUMMARY OF PARKING ISSUES

3.6.1 The evidence base has highlighted various issues with regards to parking in the four towns in South Kesteven. These include some distinct parking issues as well as relationships with traffic, economy, environment, public realm, land use, heritage, sustainable transport, and Council operations/budget.

3.6.2 Using the evidence base the issues can be summarised as follows:

- There is excess parking capacity in Grantham in the public car parks while demand exceeds the available capacity in the Morrisons free customer car park.
- There is a lack of available space at peak times in all car parks in Stamford.
- On-street parking spaces in the town centres are very well used and it is difficult to find a space during the busy periods of day.
- Traffic congestion in Stamford makes it more difficult to find the remaining parking spaces, which in turn adds to the congestion.
- Public parking in Bourne and Market Deeping is limited compared with the number of spaces provided by private operators and on-street parking. Bourne car parks are approaching capacity at busy times but there is ample space in Market Deeping.
- Issues with the payment machines can cause significant queues at many times in different car parks. Some payment machines do not have level access.
- There are inconsistent parking charges in Grantham, Stamford, Bourne and Market Deeping.
- Most car parks are in good or reasonable condition. A small number would benefit from some maintenance or improvement, e.g. St. Leonards Street and Wharf Road multi-storey. Some car parks could benefit from new infrastructure, including waste bins, direction signs for drivers and pedestrians, information boards, cycle and motorcycle parking spaces, Parent and Child spaces and CCTV.
- The demand for electric vehicle charging facilities will inevitably increase and more parking spaces will need to be converted for this purpose.

4 ASSESSMENT OF POTENTIAL PARKING SOLUTIONS

4.1 INTRODUCTION

4.1.1 A wide range of policy and operational tools exist to improve the provision of parking that supports town centre initiatives and growth. These potential interventions have been assessed on an independent basis without any pre-conceptions and all possibilities have been considered. An assessment of the impacts of these measures and their appropriateness to South Kesteven is presented in this section. The types of potential measures are presented in **Table 19**.

Table 19 – Potential Parking Measures

	Parking Measures
1	Car Park Capacity
2	Charging Tariff
3	Sustainable Transport and Travel Behaviour
4	Parking Equipment and Infrastructure

4.1.2 The potential measures have been assessed to demonstrate their likely effects in the context of the towns and parking operations. Many of the measures are related, for instance the availability of parking spaces has a direct relationship with demand and other factors also affect demand, so these factors have been considered together. This section brings together elements of these measures into a package of recommended actions.

4.2 CAPACITY IN STAMFORD

4.2.1 The parking survey data has highlighted a lack of available car park capacity in Stamford and the forecast indicates that this will get worse as traffic and parking grow in the future. There is little or no spare capacity in Stamford during the busiest periods on market days and the short stay car parks are also at capacity on Saturdays. The surveys are unlikely to have been the highest level of occupancy during the year, so some days are likely to be even busier than those observed.

4.2.2 Current occupancy is up to 97% with only a few spaces remaining in the town centre. This makes it difficult for visitors to find spaces in the town without having to drive around different car parks and across the busy river bridge. This problem is made worse by the weekly Market which increases demand as well as occupying a major parking area on Broad Street. On-street parking in the town centre is also fully occupied. The level of actual parking demand is likely to be well over 100% and the excess vehicles are parked on-street either in the town centre or on the fringes of it.

4.2.3 Saturday occupancy is between 80%-90% which is approaching the operational maximum beyond which it becomes difficult to find a space. The smaller, short stay car parks are effectively full for long periods and drivers circulate the car parks seeking or waiting for a space to become available.

4.2.4 The forecasts for the year 2028 suggest that occupancy will be well over 100% and even more parking will be displaced to other locations, probably on-street. Eventually the lack of available parking space and the associated traffic issues will impact on the attractiveness of the town for visitors, residents, and businesses.

4.2.5 One solution is to provide more parking spaces in Stamford. SKDC is already progressing such a proposal and 100+ additional spaces are likely to be provided on vacant land adjacent to the Cattlemarket car park, increasing its capacity to approximately 400 spaces.

4.2.6 When this is provided, the occupancy of that car park will be reduced and the average across the town would also reduce, assuming that the extra capacity is not just absorbed by new visitor trips. The additional spaces should relieve pressure on the other car parks and on-street parking if people transfer to the Cattlemarket car park.

4.2.7 If overall car park demand remains the same, the 100 extra spaces may not generate additional income. However, vehicles that currently park for free are transferred into the Pay and Display car parks and if more visitors are attracted to the town, then extra revenue would be generated. The current difficulty of finding a parking space at busy times may be deterring some people from visiting by car, or visiting at all, so the additional spaces could help to meet the suppressed demand that exists.

4.2.8 Car park capacity is the largest issue during the Friday market day peak period, so the new spaces might only be required on that day and during other very busy periods such as Christmas or other special events. If the spaces are only used on Fridays, they would not generate as much income per space as the existing car park but would still provide relief during that short peak period. Measures to remove long stay parking from other car parks and encourage on-street parking to use the car parks are also likely to increase the use of Cattlemarket.

4.2.9 To achieve an average car park occupancy across the town of 85% during the busiest day (the recommended maximum) would require a further 60 spaces. This assumes that all other factors remain unchanged. Changes to the charging tariff or on-street time limits, for instance could also influence overall occupancy so the package of measures has to be considered as a whole.

4.2.10 Providing additional capacity will help to relieve the problem but it could also have negative consequences for traffic growth, air quality, noise, and policies to encourage sustainable transport. By providing more capacity it could encourage more people to drive into the town who currently visit at quieter times or use sustainable modes. This needs to be factored into the decision-making process.

Key Actions – Capacity in Stamford

- Develop a business case that gives consideration to the provision of additional long stay parking capacity at the Cattlemarket, up to 100 spaces.
- A small amount of additional capacity may be required in the future to reduce the maximum occupancy to 85% across the town centre, even after the new spaces are provided at the Cattlemarket.
- Reduce or remove long stay parking from the small, central car parks where space is at a premium (i.e. Scotgate, Bath Row and North Street) by adjusting the tariff or by restricting the duration of stay available. This will increase the turnover of spaces and short-stay capacity.

4.3 CAPACITY IN GRANTHAM

4.3.1 The survey data has identified an excess of parking supply in Grantham, even during the busiest times. The maximum occupancy in the SKDC car parks as a whole was 41% and the lowest levels of use were in the Wharf Road multi-storey which had a maximum occupancy of just 28%. Although still low, this is a significant increase in occupancy compared with the survey data collected in 2021.

4.3.2 The free shopper's car park on the ground floor of Wharf Road is very busy with all spaces occupied at the busiest times and many of the nearby private car parks are very well used.

4.3.3 The low level of use in SKDC car parks means they are not generating sufficient revenue to meet ongoing management and maintenance costs. It also means there is a lack of incentive to use sustainable modes of travel, because there is always plenty of parking available. If more users cannot be attracted to these poorly used car parks the land should be redeveloped for more productive purposes.

4.3.4 The solutions to this excess of parking space are:

- Adjust the time limits and/or charges to attract more users.
- Offer other incentives or initiatives to attract users, such as resident parking, relocation of on-street parking or season ticket holders.
- Sell the car park land for redevelopment.
- Surrender the lease and return the Wharf Road car park to its owner.

4.3.5 With the maximum current occupancy at 41% it would be possible to lose 200 parking spaces in Grantham and still have an overall maximum occupancy of 70%, even accounting for future growth.

4.3.6 An alternative approach will be to adjust the tariff to attract more users to Wharf Road and Welham Street. Having a car park on the ground floor that is free of charge for up to 2 hours means that most short stay users will try to find a space there first and only move to the higher levels if there are no spaces. The car park is unattractive to short stay (<3hrs) and long stay (>4hrs) because of the high long stay charges.

4.3.7 This is a fundamental issue with the car park and as a result it will be difficult to increase patronage. However, the car park is leased by SKDC, and the terms of the lease specify that the car park should be for short stay visits only. It may be possible to provide some cheaper long stay spaces on the top floors, but the terms of the lease agreement will need to be examined in detail.

4.3.8 The current tariff is very high for long stay in Wharf Road and Welham Street (£10.40 for all day). The 2019 tariff was £8.00 for the same time period. The annual income at Wharf Road was £60,000 in 2019/20 and only £27,000 in 2022/23 while Welham Street fell from £181,000 to £105,000. The occupancy surveys reflect this lack of use.

4.3.9 Reducing the charges for long stay parking in Welham Street and Wharf Road would attract more users and may generate more revenue in total. The current tariff is prohibitive for long stay and a reduction could be beneficial.

4.3.10 If long stay parking can be removed from Conduit Street (as proposed in the SKDC Committee Report on the 2024/25 tariff) it could be relocated to Wharf Road and/or Welham Street.

4.3.11 It may also be possible to reduce the amount of on-street parking in the town centre and transfer that demand into the multi-storey car parks. Westgate is a short walk from Wharf Road and Guildhall Street so it may be possible to reduce the amount of on-street parking, improve the public realm, loading areas, walking and cycling environment and still provide the parking capacity nearby.

4.3.12 On-street parking users would then have to pay for short visits instead of having free parking on-street up to 2 hours as they do now, and they would be unable to park close to their destination. There is likely to be dissatisfaction from users and businesses, but an improved public realm could offset that effect. This would rely on co-operation from the County Council who manage on-street parking.

Key Actions – Capacity in Grantham

- It is unlikely that the amount of capacity that exists is going to be required in the short term. Operations would not be compromised even if up to 200 spaces were removed. Consider the options for releasing this capacity in the most cost-effective way for SKDC.
- Reducing the tariff for long stay parking in Welham Street and Wharf Road in Grantham could generate additional demand and provide an attractive option for long stay parking removed from other car parks.
- Consider the merits of a wider car parking review taking into consideration both private sector parking and public highway leading to a relocation of this demand into the car parks. Consultation will be required to identify all issues.

4.4 CAPACITY IN BOURNE AND MARKET DEEPING

4.4.1 The situation in Bourne and Market Deeping is different to Stamford and Grantham because most of the parking is owned and managed by private operators, even though it is parking available to the public.

4.4.2 In Bourne there are two small SKDC car parks that are busy on most days, most likely with a high proportion of long stay users who park all day. There is usually some spare capacity in the time-restricted private car parks. The SKDC car parks are popular because they are free and close to the town centre. Bourne would benefit from additional parking, but the provision of more capacity does not necessarily mean the construction of more spaces, but better use of the existing ones.

4.4.3 Applying time limits to one or both of the SKDC car parks in Bourne could effectively create additional capacity by removing long stay parking and replacing it with higher turnover short stay parking. Applying charges for long stay parking could also achieve a similar result and would continue to provide a long stay option, at a cost.

4.4.4 There does not appear to be a capacity issue in the centre of Market Deeping because of the spaces provided by the Deeping Centre, the Precincts and in the Town Square and on-street. There are no proposals for SKDC to provide any additional car parks.

Key Actions – Capacity in Bourne and Market Deeping

- Capacity could be increased in Bourne by implementing time restrictions and or charges for parking in the SKDC car parks.
- Additional capacity is not essential in Bourne or Market Deeping, there are an adequate number of spaces, even though most of these are privately operated. The public car parks could be managed more effectively to increase capacity.

4.5 CHARGING TARIFF

4.5.1 Parking charges are a method of managing parking demand in the towns. They help to:

- Reduce parking demand and traffic congestion.
- Increase the turnover of spaces and use the limited space more effectively.
- Provide income to be reinvested in parking, transport, and other services.
- Discourage car use when other modes of travel are possible.
- Influence particular types of users at different times of the day/week/year.

4.5.2 Reducing the parking charges and providing free parking can be used to attract more visitors to a town centre, but there are several consequences of such a policy that need to be considered.

4.5.3 One method of managing the demand for parking and maximising the income to SKDC is to ensure the optimum tariff is being applied in each location. The most flexible way of doing this is to have a different tariff in each car park, but users also appreciate consistency within the town, so the same tariff is usually applied to all car parks within a town centre. Different tariffs between towns in the same district are commonplace.

4.5.4 Economic theory suggests that raising the price of parking will encourage some people to seek alternative places to park, but that most users will continue to park in the same location. Academic research suggests that the 'elasticity' of the response to an increase in the cost of parking is typically in the range -0.1 to -0.3[1]. This means that if the price goes up by 10% the demand will decrease by between 1% and 3%. Total income to SKDC would still increase. There is a limit to how far this approach can be used and some additional factors to consider, such as the impact on the town centre economy and satisfaction levels of users and businesses.

4.5.5 Reducing the tariff or even providing free parking can have the opposite effects, it should encourage more visitors but can also have impacts on car park capacity, income to SKDC, travel choices and congestion on the roads and in the car parks.

4.5.6 Tariffs can be used to permit or incentivise the use of certain vehicles. Blue Badge holders are permitted to park for free and free parking is provided at the EV charging points that are provided in three SKDC locations, although there is a fee to recharge. It would also be

[1] CROW, Feeney (1989), Pratt (1999), Traveler Response to Transportation System Changes Handbook and Lehner and Peer (2018)

possible to give a lower tariff and/or the premium parking spaces to other types of vehicles or users (e.g. low emission vehicles, green number plates, car share/club members).

Stamford Tariff

4.5.7 The tariff has been increased annually in recent years and further price increases in Stamford can be justified on the basis that the demand for parking continues to exceed the available capacity. However, at some point, the increased parking charges may begin to dissuade people from visiting the town or encourage them to choose alternative ways to park or travel.

4.5.8 People who have a viable option to walk, cycle or get the bus into Stamford may be 'nudged' towards that mode by an increase in the parking tariff. However, for those people with no option other than to drive the increased tariff could discourage their visits or increase their costs.

4.5.9 The parking tariff for 2024/25 is currently under review and the proposal is to extend the charging period into the evening and on Sundays and Bank Holidays (capped at a £3 or £5 maximum to be decided). This will generate additional income and help to manage demand at these times. No free parking is proposed because existing demand is already high.

4.5.10 There is also a proposal to construct an additional 100 spaces at the Cattlemarket and when this improvement is completed could be a good time to consider a further increase in the tariff. The data shows that there is a significant amount of long stay parking in the short stay car parks (between 15% and 20% of tickets sold).

4.5.11 The proposal to create additional spaces at Cattlemarket provides the opportunity to relocate the long stay parking from Scotgate, Bath Row, St. Leonard's and North Street by adjusting the tariff in some or all of those car parks. Applying a higher charge for long stay or limiting the car park to short stay would increase the turnover of the spaces closest to the town centre and effectively increase capacity and revenue for SKDC.

4.5.12 In principle, people who are parking all day are often prepared to walk a little further than those undertaking short trips so there may be some scope to move some long stay parking a bit further from the town centre to free up space for more short stay. This would also keep some traffic out of the town centre, unless they have to cross the town to access the long stay spaces. If some long stay parking was moved out of the centre, there could be scope to convert some of these spaces into short stay and increase the daily turnover of each space

Grantham Tariff

4.5.13 The review of the parking tariff for 2024/25 includes the possibility of significant changes for Grantham aimed at encouraging more visitors and extending the duration of stay of existing users. The changes included the following measures:

- Free parking for 1 hour in SKDC car parks except Wharf Road where 2 hours is proposed.
- An expanded charging period from 8am-6pm to 7am-7pm.
- New charges in the evenings, Sundays, and Bank Holidays. A price cap would apply in the evening and possibly on Sundays and Bank Holidays.
- The long stay car park at Conduit Lane would be redesignated as short stay by adjusting the tariff.

4.5.14 The introduction of free parking is expected to generate additional demand in the town centre but could have some cost implications for SKDC because a large proportion of tickets sold are for short stay. User reactions to the free parking are difficult to forecast but it could reduce revenue to SKDC. The proposals to extend the charging hours and introduce new charges in the evenings, Sundays and Bank Holidays aims to mitigate the effects of the free parking by generating some revenue at those times.

4.5.15 A general increase in the tariffs in Grantham is not considered to be advisable in the short term because of the low levels of occupancy in the town centre car parks and the need to encourage visitors. A reduction in charges in specific car parks is more appropriate. This should include reductions to the cost of short stay at Conduit Lane and the cost of long stay parking in Welham Street and Wharf Road which are currently prohibitively high.

4.5.16 A transfer on long stay parking from Conduit Lane to Wharf Road or Welham Street would be beneficial in terms of turnover and capacity at Conduit Lane and increasing income from the multi-storey car parks.

4.5.17 Increasing the free parking period to 2 hours in all Grantham car parks may be beneficial in terms of attracting new visitors but it would have a significant impact on parking revenues. The impacts of the free 1 hour (and 2 hours in Wharf Road) should be beneficial to the town centre, the measure needs to be monitored to quantify its effectiveness.

Bourne Parking Charges

4.5.18 SKDC car parks in Bourne are currently free of charge. In effect, the maintenance and management of these is subsidised by the charges levied in Grantham and Stamford.

4.5.19 Introducing charges in Bourne is feasible in the two SKDC car parks close to the town centre, but there are issues to consider. Most of the parking in Bourne is provided by private operators, primarily Sainsburys and the Burghley Centre. They both provide free parking for up to 2 hours while the Burghley Centre has a Pay and Display scheme with charges of £3.00 for 3 hours and £4.00 for up to 4 hours. There is also a large amount of unrestricted on-street parking close to the town centre.

4.5.20 Applying charges in the SKDC car parks for stays below 2 hours would cause the current short stay users to transfer to the private car parks or to on-street where parking is free.

4.5.21 Charging for longer stays is more feasible. Currently the belief is that many people park in the SKDC car parks all day for free. There is an argument to say that this type of parking is not making the best use of the limited assets and that increasing the turnover of spaces and/or generating some income would be beneficial.

4.5.22 Introducing time limits could increase the turnover and free up spaces for visitors, while introducing charges for stays over 3 hours would increase turnover and raise some revenue for enforcement, maintenance and improvements. Whether the introduction of such charges would pay for the installation of equipment, enforcement, cash collection and the back-office operations would need to be quantified within a business case.

Market Deeping Parking Charges

4.5.23 There is one small SKDC car park in Market Deeping that is free of charge. This is some distance from the town centre and applying charges there would not be advisable.

Blue Badge Parking Charges

4.5.24 Blue Badge holders are currently able to park for free in all of the SKDC car parks with no time limit. Free parking for Blue Badge holders is provided in most local authority car parks but in some places, these are limited to the disabled bays only and for limited durations of stay, beyond which users have to pay the standard charge.

4.5.25 It is assumed that most, if not all Blue Badge holders will use the disabled bays rather than standard bays, if they are available. During the surveys the number of times that all disabled bays were occupied was very small, often the only vacant spaces were the disabled bays. Therefore, it is assumed that the number of standard bays being occupied free of charge by Blue Badge holders was negligible, so that any 'lost' revenue was also negligible.

4.5.26 One option to be considered in the future is whether Blue Badge holders should pay for parking. A charge could be applied for any length of stay but this does not recognise the needs that Blue Badge holders have, and a more common approach in many local authorities is to provide free parking for a limited period of time, e.g. 3 hours and users have to pay for any time beyond that limit. It is also possible to apply Blue Badge charges in some car parks but not others, if that was appropriate.

4.5.27 There are social and equality factors to consider, but in terms of parking this could be seen as a reasonable compromise where parking capacity is constrained. It is also possible to offer a discount on season tickets for Blue Badge holders.

4.5.28 The amount of additional income generated by applying charges to Blue Badge holders is difficult to forecast because of a lack of data about their current durations of stay. The disabled bays are well used but it is not known how many of these are long or short stay, so the number that would need to purchase a Pay and Display ticket is not known.

4.5.29 Physical improvements may be required to the ticket machines. The current machines are relatively new and appear to meet the requirements of disabled users, but level access is not provided to them all.

Parking Charges for Specific Vehicle Types

4.5.30 The additional requirements and opportunities provided by the growth of electric vehicle use are discussed in detail in a later section of this report, but in terms of the charging tariff it is possible to encourage the use of EV through reduced parking charges. Currently there is no parking charge for EVs when they are using the recharge bays, although they do pay for the recharge itself.

4.5.31 It would also be possible to provide free or discounted parking in standard bays for EVs and other low emission vehicles (i.e. those with green number plates) and car share/club members. There are national issues associated with enforcement linked to the green number plates, but it is likely to be a viable option in the future.

Key Actions – Charging Tariff

- Monitor the impacts of the proposed 2024/25 charging tariff on parking and income.
- Review the Stamford tariff when the Cattlemarket car park is expanded and consider making adjustments to relocate the long stay parking out of the short stay car parks (Scotgate, Bath Row and North Street) into the Cattlemarket. Consider a general uplift in the Stamford tariff at the same time.
- Assess the costs and benefits of the proposed changes in Grantham and make further changes to the tariff as appropriate. Reduce the tariff for long stay parking in Welham Street and Wharf Road in Grantham if possible. Consider the merits of expanding the free parking to 2 hours in specific car parks or on Saturday only.
- Implement time limits at one or both car parks in Bourne to increase turnover. Monitor the impacts and consider the merits of applying a charge for long stay parking in the SKDC car parks.
- Produce a costed business case to apply charges for Blue Badge holders, taking into account the social and operational factors. Additional data collection and consultation would be required.
- Provide lower tariffs for electric, zero emission and low emission vehicles, even in standard parking bays. Investigate issues relating to Green Number Plate enforcement and implement a scheme to encourage the use of these vehicles with lower parking charges.

4.6 SUSTAINABLE TRANSPORT AND TRAVEL BEHAVIOUR

4.6.1 Greater use of sustainable transport modes (i.e. rail, bus, walk and cycle) could reduce the demand for parking in the town, reduce road congestion and improve noise and air quality. Increased use of sustainable modes is an alternative to building more parking spaces, but it must be recognised that there is limited scope to satisfy all travel and parking needs through the promotion of non-car modes.

4.6.2 Sustainable modes are vital for supporting the local economy, but their importance is often underestimated compared with car travel. Experience from other areas shows that bus users and pedestrians often spend less money per journey than car users, but they tend to make more journeys so their total contribution to the local economy is higher.

4.6.3 Excessive amounts of parking space do nothing to help promote the use of sustainable modes of travel. A lack of available space or high parking charges can help to persuade some people to use non-car modes. This effect may already happen in Stamford, where some people walk or cycle into the centre rather than try to find a parking space.

4.6.4 Car parks can have a role to play in the improvement of sustainable transport by providing a secure location for cycle and motorcycle parking, Electric Vehicle (EV) charging and dedicated space for Car Clubs.

4.6.5 The inclusion of more EV charging points would support efforts to promote sustainable transport modes and car club / car share spaces could also be provided in priority locations.

4.6.6 Behavioural change will have impacts on the demand for parking, both positive and negative. Covid-19 has affected some people's need to travel for work and for shopping. These impacts along with the changes to town centre functions may result in reduced parking demand, but these are being offset by the observed modal shift from public transport to car travel and the growth in UK tourism.

Actions – Sustainable Transport and Travel Behaviour

- Support sustainable transport policies and initiatives by removing excessive levels of parking capacity and ensuring that the true costs of parking are applied and considered in travel choices.
- Provide sustainable transport facilities in car parks where appropriate, e.g. electric vehicle charging and parking, cycle, motorcycle, maps, travel information, car club / share facilities.

4.7 PARKING INFRASTRUCTURE

4.7.1 The existing SKDC car parks are in a reasonable condition and good facilities are provided in most locations (see **Appendix A**).

4.7.2 There are issues with some of the ticket machines and payment by mobile app. Queues were observed at many ticket machines at busy times. Many of the ticket machines in Grantham and Stamford are relatively new and have vehicle registration number input. They also have contactless card and mobile app payment capability.

4.7.3 One possibility for the future is the introduction of Pay on Foot systems where the users pay for parking at an automated payment station when they return to their vehicle. These are usually barrier-controlled schemes where users do not have to pre-determine their length of stay and do not have to leave the town prematurely because the Pay and Display time is running out. Drivers can vary their length of stay depending on their desire to remain in town rather than being compelled by parking constraints. The increased use of mobile payment capability to extend the length of stay could reduce the benefits of a Pay on Foot scheme.

4.7.4 Pay on Foot would be difficult to justify in Grantham where usage is quite low in the large car parks. In Stamford, Cattlemarket and Wharf Road could be candidates for Pay on Foot technology. More detailed analysis of the layout of the car parks, their use and management/security issues would be required as part of a business plan to justify the expenditure on such a scheme.

4.7.5 Disabled parking bays are provided in most car parks, except in Bourne where there are none in the SKDC car parks but plenty in the Burghley Centre. The spaces were well used but most of the time there was an available space for Blue Badge holders to use. The amount of use should continue to be monitored and the number of disabled spaces increased if necessary. EV charging in disabled parking bays will also be required in the future.

4.7.6 More spaces for EV charging points could be provided in the public car parks. As the use of electric vehicles expands it will be necessary to provide more EV charging points in public car parks. The use of the existing ones should be monitored to establish best practice and the number and type will need to be increased over time to meet demand.

4.7.7 Free parking could be provided for electric vehicles in standard bays in addition to the charging bays (see Charging Tariff section). This would encourage the use and take-up of

EVs, but there would be a cost implication for SKDC in lost revenue and a lack of equity with the users of other vehicles. A reduction in the charge for electric or zero emission vehicles may be more appropriate than free parking, to retain an income stream while still providing an incentive.

4.7.8 As discussed in the previous section, Green Number Plates on zero emission vehicles have been introduced to help local authorities to provide discounted parking charges or access to priority parking spaces. Low emission and hybrid vehicles are excluded from the scheme. No schemes of this sort have been implemented to date because of concerns about the fraudulent use of green number plates and the difficulty of enforcement. If those concerns can be addressed through the checking of legitimate eligibility, the scheme would provide further encouragement for the use of these vehicles. Currently, the use of vehicle registration numbers via the DVLA is the only way to enforce restrictions that give priority to zero emission vehicles, through ANPR for example. Many local authorities are using ANPR but there are constraints to the introduction of new ANPR schemes in council car parks.

4.7.9 The possibility of providing more cycle and motorcycle parking was discussed in the previous section on sustainable transport. These should be located in priority locations, sheltered and secure and cycle lockers could be considered. Where a shortfall in the number of facilities exists, they could be installed although car parks are not always the most appropriate location for cycle parking so this would need to be designed appropriately to meet the likely demand.

4.7.10 Some improvements to direction signs for drivers and pedestrians would be beneficial. A review of existing highway signage could identify the gaps in the existing signing and the potential for improvement. Pedestrian routes to the town centres need to be secure, well-lit with a good quality surface.

4.7.11 Streetlights are provided in most of the public car parks and illumination spills over from the adjacent street. There are some CCTV cameras, but they do not cover all the parking spaces or connecting footways. The CCTV system could be improved in the town which could help to increase the sense of security in car parks.

Actions – Parking Infrastructure

- Pay by smartphone app needs to be improved to smooth the payment process and allow visitors to extend their stay as easily as possible.
- Continue to monitor the use and adjust the number of disabled parking spaces and introduce EV charging to some of these spaces.
- Produce a detailed plan for the new EV charging points, including the specification of the charging units, location, number and required upgrade of power supply.
- Consider the costs and benefits of a reduced parking charge for electric or low-emission vehicles in the standard parking bays.
- Implement a Green Number Plate priority scheme that provides benefits for zero emission vehicles in terms of charges and the use of priority spaces, assuming concerns about enforcement can be overcome.
- Install more cycle and motorcycle spaces if there is a local shortfall, including cycle lockers. Parent and Child spaces could also be considered.
- Continue to install and improve CCTV coverage of the car parks.

5 ACTION PLAN

5.1 PARKING ACTION PLAN

5.1.1 **Table 20** brings together the recommendations drawn from the assessment of the potential interventions.

Table 20 – Action Plan

	Key Actions
1	**Capacity - Stamford**
1.1	New long stay parking capacity to be provided at the Cattlemarket, approximately 100 spaces.
1.2	A small amount of additional capacity is likely to be required in the future to reduce the maximum occupancy to 85% across the town centre, even after the new spaces are provided at the Cattlemarket.
1.3	Monitor the impacts of the new spaces and identify potential sites for more parking provision, preferably on the north side of the town centre.
1.4	Remove long stay parking from the small, central car parks where space is at a premium (i.e. Scotgate, Bath Row and North Street) by adjusting the tariff. This will increase the turnover of spaces and short-stay capacity.
	Capacity - Grantham
1.5	It is unlikely that the amount of capacity that exists is going to be required in the short term. Operations will not be compromised even if up to 200 spaces were removed. Consider the options for releasing this capacity in the most cost-effective way for SKDC.
1.6	Reducing the tariff for long stay parking in Welham Street and Wharf Road in Grantham could generate additional demand and provide an attractive option for long stay parking removed from some of the other car parks.
1.7	Compare the costs and benefits of closing or reducing the multi-storey car parks and select the most appropriate option.
1.8	Consider the merits of reducing on-street parking and relocating this demand into the car parks. Consultation would be required to identify all issues.
	Capacity – Bourne and Market Deeping
1.9	Capacity could be increased in Bourne by implementing time restrictions and or charges for long stay in the SKDC car parks.
1.10	Additional capacity is not essential in Bourne or Market Deeping, there are an adequate number of spaces, even though most of these are privately operated. The public car parks could be managed more effectively to increase capacity.
2	**Charging Tariff**
2.1	Monitor the impacts of the proposed 2024/25 charging tariff on parking and income.
2.2	Review the Stamford tariff when the Cattlemarket car park is expanded and consider adjusting it to relocate the long stay parking out of the short stay car parks (Scotgate,

	Bath Row and North Street) into the Cattlemarket. Consider a general uplift in the Stamford tariff at the same time.
2.3	Assess the costs and benefits of the proposed changes in Grantham and make further changes to the tariff as appropriate. Reduce the tariff for long stay parking in Welham Street and Wharf Road in Grantham if possible. Consider the merits of expanding the free parking to 2 hours in specific car parks or Saturday only.
2.4	Implement time limits at one or both car parks in Bourne to increase turnover. Monitor the impacts and consider the merits of applying a charge for long stay parking in the SKDC car parks.
2.5	Produce a costed business case to apply charges for Blue Badge holders, taking into account the social and operational factors. Additional data collection and consultation would be required.
2.6	Provide lower tariffs for electric, zero emission and low emission vehicles, even in standard parking bays. Investigate issues relating to Green Number Plate enforcement and implement a scheme to encourage the use of these vehicles with lower parking charges.
3	**Sustainable Transport and Travel Behaviour**
3.1	Support sustainable transport policies and initiatives by removing excessive levels of parking capacity and ensuring that the true costs of parking are applied and considered in travel choices.
3.2	Provide sustainable transport facilities in car parks where appropriate, e.g. electric vehicle charging and parking, cycle, motorcycle, maps, travel information, car club / share facilities.
4	**Parking Infrastructure**
4.1	Pay by smartphone app needs to be improved to smooth the payment process and allow visitors to extend their stay as easily as possible.
4.2	Continue to monitor the use and adjust the number of disabled parking spaces and introduce EV charging to some of these spaces.
4.3	Produce a detailed plan for the new EV charging points, including the specification of the charging units, location, number and required upgrade of power supply.
4.4	Consider the costs and benefits of a reduced parking charge for electric or low-emission vehicles in the standard parking bays.
4.5	Implement a Green Number Plate priority scheme that provides benefits for zero emission vehicles in terms of charges and the use of priority spaces, assuming concerns about enforcement can be overcome.
4.6	Install more cycle and motorcycle spaces if there is a local shortfall, including cycle lockers. Parent and Child spaces could also be considered.
4.7	Continue to install and improve CCTV coverage of the car parks.

6 SUMMARY

6.1 SUMMARY

6.1.1 This report presents an update to the previous Strategic Parking Plan produced in 2019. New data collection has been carried out that quantifies the changes in parking patterns in Grantham, Stamford, Bourne and Market Deeping town centres since the Covid-19 pandemic.

6.1.2 The provision of parking must balance different, often competing objectives. Efforts to maximise the economic success of a town and generate income to SKDC may conflict with efforts to achieve a net zero carbon emissions and improve the public realm. The aim is to find the optimum balance between these objectives and use the Council’s resources and assets as efficiently as possible.

6.1.3 Using the updated evidence base the key issues were identified and the potential solutions and measures were then appraised. From this assessment a package of recommended actions has been developed.

6.1.4 Parking capacity is constrained in Stamford at busy times while the priority in Grantham is to stimulate activity and parking demand. The report has proposed a range of measures to achieve these aims and to improve the parking infrastructure across the District.

Car Park	Marked Bays	Direction Signs for Drivers	Direction Signs for Pedestrians	Information Boards	Parking Regulation Signs	Time Limits	Toilet	Waste Bin	Recycling Facility	Cycle Parking Spaces	Motorcycle Parking	Disabled Parking Spaces	Streetlights	CCTV	Condition of Surface	Pedestrian Access	Sense of Security / Overlooked?	Electric Vehicle Charging Bays
GRANTHAM																		
Conduit Lane	✓	✓	X	✓	✓	✓	✓	X	X	X	X	✓	✓	X	OK	✓	X	0
Guildhall Street	✓	✓	✓	✓	✓	✓	X	✓	X	✓	✓	✓	✓	X	OK	✓	X	0
Watergate	✓	✓	X	✓	✓	✓	X	X	X	✓	✓	✓	✓	✓	Good	✓	X	0
Wharf Road	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	OK	✓	✓	0
Welham Street	✓	✓	✓	✓	✓	✓	X	X	X	✓	✓	✓	✓	✓	OK	✓	✓	4

TETRA TECH

Car Park	Marked Bays	Direction Signs for Drivers	Direction Signs for Pedestrians	Information Boards	Parking Regulation Signs	Time Limits	Toilet	Waste Bin	Recycling Facility	Cycle Parking Spaces	Motorcycle Parking	Disabled Parking Spaces	Streetlights	CCTV	Condition of Surface	Pedestrian Access	Sense of Security / Overlooked?	Electric Vehicle Charging Bays
STAMFORD																		
North Street	✓	X	X	✓	✓	✓	X	✓	X	✓	X	✓	✓	✓	OK	Good	Yes	4
Bath Row	✓	X	X	✓	✓	✓	X	✓	X	✓	✓	✓	✓	✓	Good	Good	Yes	0
St. Leonards Street	✓	X	X	✓	✓	✓	X	X	X	X	X	X	✓	X	OK	Poor	Yes	0
Scotgate	✓	(1)	X	✓	✓	✓	X	✓	X	X	✓	✓	✓	✓	OK	Good	Yes	0
Wharf Road	✓	✓	X	X	✓	✓	X	✓	X	X	✓	✓	✓	✓	Good	Poor	Yes	0
Cattle Market	✓	✓	✓	✓	✓	✓	X	✓	✓	X	✓	✓	✓	✓	OK	Good	No	0

Car Park	Marked Bays	Direction Signs for Drivers	Direction Signs for Pedestrians	Information Boards	Parking Regulation Signs	Time Limits	Toilet	Waste Bin	Recycling Facility	Cycle Parking Spaces	Motorcycle Parking	Disabled Parking Spaces	Streetlights	CCTV	Condition of Surface	Pedestrian Access	Sense of Security / Overlooked?	Electric Vehicle Charging Bays
Bourne – Burghley Street	✓	✓	X	✓	X	X	X	X	X	X	X	X	✓	X	Good	Good	Yes	2
Bourne – South Street	✓	X	X	X	X	X	X	X	X	X	X	X	✓	X	OK	Good	No	0
Bourne – Burghley Centre	✓	✓	✓	X	✓	✓	X	✓	✓	✓		✓	✓	✓	V Good	Good	Yes	0
Market Deeping - Halfleet	✓	✓	X	X	X	X	X	X	X	X	X	X	✓	X	OK	Good	No	0
Market Deeping – The Square	✓	X	✓	✓	✓	✓	X	✓	X	X	X	✓	✓	X	V Good	Good	Yes	0
The Precincts /Deeping Centre	✓	✓	✓	X	✓	✓	X	✓	✓	✓	✓	✓	✓	✓	Good	Good	(4)	2

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SOUTH KESTEVEN DISTRICT COUNCIL

Finance & Economic Overview Scrutiny Committee

20 February 2024

Report of Councillor Ashley Baxter
Leader of the Council

Market Service Operational Review - Update

Report Author

Kay Boasman Head of Waste Management and Market Services

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Purpose of Report

To provide an update on the Council's Market Service Operational Action Plan.

Recommendations

The Finance and Economic Committee:

1. **Notes the updated position with respect to the Market Operational Action Plan and the progress made to date and provide any feedback.**
2. **Agrees that Markets return to 'business as usual' given the appointment of a new Head of Waste Management and Market Services and a new Market Manager.**

Decision Information	
Does the report contain any exempt or confidential information not for publication?	No
What are the relevant corporate priorities?	Sustainable South Kesteven Effective Council
Which wards are impacted?	All

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 and Procurement

1.1 The Operational Markets Action Plan was introduced following an independent review into the governance and financial issues of the market operations. A number of corrective measures have been implemented to address the concerns raised which are identified within the report and Appendix 1.

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

Legal and Governance

1.2 Markets is not a statutory service, however, there are governance implications associated with them. The report identifies the progress made to date with ongoing action taking place in those areas still outstanding.

Completed by: Graham Watts, Assistant Director (Governance and Public Protection and Monitoring Officer)

Risk and Mitigation

1.3 The mitigation measures implemented within the Action Plan has reduced the exposure of risk to the Council and the recent appointment of a Market Manager will further enforce those requirements. Overall progress is within the report and Appendix 1.

Completed by: Tracey Elliott, Governance & Risk Officer

Health and Safety

1.4 Safety related works have been carried out which include the maintenance of existing equipment/provision of new equipment and ancillaries. Any outstanding work is now being managed and monitored by the new Market Manager, with support from Corporate H&S, so that all Health & Safety requirements are met under the Health & Safety at Work Act 1974 and other relevant safety legislation.

Completed by: Phil Swinton, Emergency Planning and Health & Safety Lead

Human Resources

1.5 Concerns in respect of staff arrangements (contracts of employment, job descriptions, change in pay grades) have now been addressed following consultation with staff. Final contracts were issued on the 8thJanuary 2024. This safeguards both the employees and the Council.

Completed by: Fran Beckett, HR Manager

2. Background to the Report

2.1 South Kesteven's traditional retail open markets at Bourne, Grantham and Stamford have been a focal point of the towns for centuries. They are an integral part of the cultural and economic life of the district.

2.2 However, following an independent review of the market operations in 2023, a number of concerns were raised around the governance of the Market Service, in particular the operational and financial practices of the service.

2.3 An Action Plan identifying required corrective measures was put in place (see updated Appendix 1) and updates have been provided to the Governance & Audit Committee in June 2023 and September 2023.

Employment Arrangements

2.4 The original market review identified several areas of concern, which included the vacant post of a Markets Manager, along with staff not having appropriate job descriptions or contracts of employment which led to their methods of working, not reflecting the Council's pay policy.

2.5 An integral role to any successful market operation is the post of Markets Manager who provides the 'on hand' operational management and is the direct communication point for traders, staff and visitors, whilst also promoting the development of the markets in line with its strategic direction. Following two unsuccessful recruitment processes a new Market Manager was appointed and has been in post since 30th October 2023.

2.6 The arrangements relating to market staff is a complex and highly sensitive area of work especially given the ‘custom and practice’ that has operated for many years. A 30-day consultation (with staff) commenced on the 30th October 2023. Toward the end of the consultation market staff advised of queries about flexibility of contracts. Approval was given to extend the consultation period to accommodate further meetings and discussion.

2.7 Final contracts were issued early in January 2024. There are now 17 market staff on permanent contracts and 3 on casual contracts. The following changes to terms and conditions have been implemented with effect from 1st January 2024

- An updated contract of employment
- A revised job description
- Change in pay grade

2.8 Most of the market workers will now be paid an annual salary at a set grade; this means each will receive a consistent and regular amount of pay each month plus any additional hours worked during the month. They will also be entitled to paid holidays.

Waste Collection and Disposal

2.9 Current waste collection and disposal methods remain; street cleansing and waste disposal functions for the Grantham and Stamford (Friday) markets are undertaken by market staff. The costs of collection and disposal of trade waste has effectively been historically subsidised and should not continue in the long term.

2.10 Traders at the Saturday markets at Stamford and Bourne are required to remove their own waste.

2.11 The appointment of the Head of Service and Market Manager creates an opportunity to introduce more consistent and effective methods of waste management.

2.12 Street cleaning, waste collection and disposal are an intrinsic element of any market operation, and any future markets strategy and operation would need to include this as it impacts on the environment and aesthetic of the markets.

2.13 Under the Environment Act 2021, the principle of ‘producer pays’ and digital waste tracking will be made mandatory. It is essential that traders remove their own waste or establish a trade waste collection contract; otherwise, traders and the council are at risk of being fined by the new scheme administrator.

Income Collection

2.14 A significant area of concern in the original market operations review was that a number of traders were making cash payments for the hire of their stall/pitch. This was a risk to the Council and to the officers designated to collect the fees.

2.15 Following the successful trial of a card payment system, traders are now required to pay either by this method or by direct debit.

2.16 There are still a small number of traders paying by cash but the newly appointed Head of Service (Waste and Markets) is working with the Market Manager to eliminate cash payments.

Operations

2.17 A significant amount of work has taken place in a short period of time by the Market Manager; this work continues. Stalls at Bourne market have been checked and repaired by the original supplier. The stalls used at Stamford are currently being repaired; once completed the operative carrying out the repairs will move to Grantham market. Delays occurred whilst seeking a specialist qualified contractor with the requisite documentation to do the work.

2.18 A new Code of Practice has been drafted and is currently being reviewed. It is hoped this will be available from April 2024.

Health & Safety

2.19 The markets operated in much the same way for many years and risk assessments and method statements had not been reviewed. These are now in progress and should be completed by February 2024. These will be reviewed at least annually and also as and when required (e.g. in response to any accident or near miss) to ensure they remain responsive to the changing health and safety risks and issues relevant to the continuation of markets within SKDC.

3. Key Considerations

3.1 The Action Plan was developed to address concerns and expedite the necessary changes to spoor practices and unsatisfactory arrangements identified by the independent review of markets. Many of these issues have been long running, complex, sensitive and have reduced the resilience of the service whilst increasing the risk to the Council.

3.2 The appointment of a a new Market Manager on 30th October 2023, and a new Head of Waste Management and Market Services on 15th January 2024, will provide a more ‘hands on’ approach to the operational management of the markets, in order to return it to ‘business as usual’ whilst providing a direct communication point for traders, staff and visitors.

3.3 The new staff members will also continue to address any outstanding concerns highlighted in the Action Plan - Appendix 1, and, with colleagues, look at the long-term commercial viability of the market which in turn will influence the future market operations.

4. Other Options Considered

4.1 None. This report is providing an update on a pre-agreed action plan and there is no requirement for other options at this time.

5. Reasons for the Recommendations

5.1 This report is for noting the Market Service Operational Action Plan updates.

6. Consultation

6.1 Consultation with market staff has formalised areas of employment, including job descriptions, contracts of employment (casual / permanent) and pay grades. These arrangements were finalised in January 2024 to bring them into line with the Council’s pay policy.

7. Appendices

7.1 Appendix 1 – Market Service Operational Review – Action Plan

Market Service Operational Review Action Plan

Appendix 1

*Key

Completed		Duplicate		Outstanding / In Progress	

Ref	Task	Status	Date	Comment
	Employment			
1	Establish the working hours and roles necessary to support operation of each market	Complete	March 2023	• Working hours have been established. This links with ref 2.
2	Produce job descriptions for all roles and undertake job evaluations.	Complete	March 2023	The following job descriptions have been drawn up and evaluated. • Market Supervisor - (now Market Manager) • Market Chargehand • Market Operative
3	Advertise vacant Market Supervisor (now Market Manager) post	Complete	October 2023	• Recruitment now complete • Market Manager has been in post since 30th October 2023
4	Agree overall approach to operatives' employment contracts (casual/permanent)	Complete	January 2024	• All market staff have revised and compliant job descriptions, contracts of employment and revised pay grades
5	Review options for vacant Market Supervisor Post	As for 3	October 2023	• As for 3. • Change of Title – Market Manager • Recruitment complete
6	Undertake formal consultation with impacted market operatives	As for 4	October 2023 - January 2024	• As for 4
7	Issue appropriate contracts of employment (subject to consultation)	As for 4	January 2024	• As for 4
	Waste Collection and Disposal			
8	Disposal of market waste to be via the in-house commercial waste arrangements	In Progress	April 2024	• A move towards all traders being responsible for the disposal of their own waste. Currently, there is a small surcharge to remove additional waste. Process under review by Head of Service (Waste & Markets) and Market Manager.

9	Review current waste collection arrangements and associated costs for each market and evaluate options for future provision	Ongoing	As for 8	• As for 8
	Income Collection			
10	Create a master list of current market traders and review the trader waiting list.	Complete	April 2023	• Master list created • New traders processed and waiting list updated on a weekly basis • Copy of waiting list sent to the chargehands on a regular basis
11	Review the trader fees charged against approved fees and charges	Complete	March 2023	• Complete
12	Evaluate options for cashless trader fee collection	Complete	March 2023	• Option appraisal carried out and completed
13	Implement credit/debit card payments across all markets	In Progress	April 2024	• Following the successful completion of the trial for cashless payment letters and Direct Debit forms have been sent to all traders Informing them that, as of Monday 2nd October 2023 the Council will no longer be accepting cash for the payment of stall rents Options for Payment • From that date the options for paying stall and pitch rental payments will be either direct debit or credit or direct debit card only February 2024 Update – • Small number of stall holders still paying cash due to issues with setting up DD (linked to new finance system). Head of Service (Waste and Markets) and Markets Manager to resolve in-line with new system implementation.
14	Review and issue updated Code of Practice for traders	In Progress	April 2024	• Draft completed by Market Manager awaiting review by Head of Service (Waste & Markets) and wider consultation. • To be finalised by April 2024
15	Undertake measurements of all pitch-based trader's units to ensure correct fees are applied	Complete	January 2024	• Advice and guidance provided to stallholders from January 2024. • Persistent offenders will be dealt with accordingly. • Head of Service (Waste Management & Market Services) appointed January 2024 and to oversee
16	Fully implement the approved fees and charges for 2023/24 (as in interim, 5% applied from 1 April 2023 to traders 22/23 fees in line with the overall increase in charges)	In Progress	April 2024	• Head of Service (Waste & Markets) and AD Finance • Part of the Financial Review Process

17	Review structure of fees and charges for 2024/25 to accommodate different payment arrangements e.g. direct debit incentives	In Progress	April 2024	• Head of Service (Waste & Markets) and AD Finance • Part of the Financial Review Process
18	Following implementation of card payments for traders, consider transitioning regular traders to a direct debit arrangement once incorporated into fees and charges and back-office support is in place to administer	In Progress	April 2024	• As for 17 • Head of Service (Waste & Markets) and AD Finance • Part of the Financial Review Process
	Operational			
19	Pop up stalls used for markets at Bourne to be checked and repaired by the supplier	Complete	March 2023	H&S Lead
20	Chargehands to undertake Certificate of Competence in Traffic Management for community events.	Complete	April / May 2023	• Traffic management course undertaken by chargehands in March. • Copies of Certificates on file and records updated. • Tractor Driving Competency Training for four (4) staff – Stamford. • Accreditation cards passed to Chargehands.
21	Road Closure signage to be reviewed and replaced where required	Complete	May 2023	• Signage replaced
22	Re-instatement of the electricity supply at the Stamford market store	Complete	Awaiting Western Power	• Lights and sockets repaired awaiting connection/sign off form Western Power - Property Services Manager dealing
23	Produce options for future welfare facilities for Stamford Market store	In Progress	September 2024	• A temporary solution of welfare facilities has been implemented with several permanent options being explored by the Property Services Manager
24	All operatives to receive manual handling refresher training	In Progress	January – April 2024	• Refresher programmed - H&S Lead Officer / Market Manager
25	Stocks of scaffold pole style stalls (Stamford and Grantham stalls) to be reviewed and repaired or disposal arrangements put in place for redundant items	In Progress	January 2024	• H&S Lead Officer & Market Manager
26	Work with Lincolnshire County Council to ensure effective enforcement of parking restrictions within the Stamford market road closure (new road markings and signage)	In Progress	Yellow line painting TBA by LCC	• New signage is now in place and being used. • Repainting of yellow lines in Broad Street still required
	Health and Safety			
27	Undertake any necessary repairs to the tractor used to move Stamford Market stalls	In Progress	February 2024	• Repairs ongoing and vehicle to be included in the fleet maintenance programme • Drivers only check sheet introduced
28	Complete a review of health and safety arrangements at each market	Complete	March 2023	• Review carried out service advised, and changes implemented
29	Review and update risk assessments and method statements	In Progress	February 2024	• Market Manager & H&S Lead Officer – to complete review

30	Carry out an inspection of the Grantham stall store building and carry out any required works	In Progress	February 2024	• Inspection completed - Property Services Manager • Traders' toilet to be renovated and hot water provided. Work to be completed in February 2024 following inspection

Finance and Economic Overview and Scrutiny Committee
Work Programme 2023-24

Committee Membership: 9

Chairman: Councillor Bridget Ley

Vice-Chairman: Councillor Lee Steptoe

REPORT TITLE	LEAD OFFICER	PURPOSE	ORIGINATED	CORPORATE PRIORITY
8 May 2024				
Council Tax Support Scheme - Veterans	**Lead Officer: Claire Moses (Head of Service (Revenues, Benefits, Customer and Community)**	An update on the proposed Council Tax Support for Veterans	Agreed at Committee in November 2023	High Performing Council
Updated financial position of East Midlands Building Consultancy	Lead Officer: **Emma Whittaker (Assistant Director of Planning)**	To review performance and ensure the service is competitive and able to maintain its market share.	Agreed at Committee	High Performing Council
Maintenance Strategy & Condition survey – Corporate Assets	Lead Officer: **Gyles Teasdale (Property Services Manager)**	To provide the Committee with a summary of corporate assets condition survey findings	Agreed at agenda setting meeting	High Performing Council
Grantham Future High Streets Fund Update	Lead Officer**: (Corporate Project Officer)**	To provide the Committee with an update.	Agreed at Committee	High Performing Council

The Committee's Remit

The remit of the Finance, Economic Development and Corporate Services 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:

- Budget monitoring
- Budget setting
- Business rate relief
- Business transformation
- Car parks, bus stations and town centre infrastructure
- Charitable rate relief
- Council-owned property, assets and maintenance (non-council house)
- Customer access strategy
- Data protection reporting
- Economic development
- Fees and charges
- Large-scale development projects
- Medium term financial planning and national funding proposals
- Performance reporting
- Review of outturn
- Shop front designs and funding
- Street furniture
- Town centre developments and partnerships