

# Minutes

Cabinet

Tuesday, 7 February 2023



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

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**The Leader:** Councillor Kelham Cooke, The Leader of the Council (Chairman)

**The Deputy Leader:** Councillor Adam Stokes, The Deputy Leader of the Council (Vice-Chairman)

## **Cabinet Members present**

Councillor Annie Mason, Cabinet Member for People and Safer Communities

Councillor Nick Robins, Cabinet Member for Planning and Planning Policy

Councillor Mark Whittington, Cabinet Member for Waste Services and Climate Change

Councillor Linda Wootten, Cabinet Member for Corporate Governance and Licensing

## **Officers**

Karen Bradford, Chief Executive

Nicola McCoy-Brown, Director of Growth and Culture (Deputy Monitoring Officer)

Craig Spence, Acting Director of Housing

Richard Wyles, Chief Finance Officer (Section 151 Officer)

Anne-Marie Coulthard, Assistant Director of Operations and Public Protection

Graham Watts, Assistant Director of Governance (Monitoring Officer)

Karen Whitfield, Assistant Director of Culture and Leisure

Chris Prime, Communications Manager

Debbie Roberts, Head of Corporate Projects, Policy and Performance

James Welbourn, Democratic Services Manager

Patrick Astill, Communications Officer

Sam Fitt, Corporate Project Officer

## **76. Register of attendance and apologies for absence**

Apologies for absence were received from Councillor Robert Reid.

## **77. Minutes of the previous meeting**

The minutes of the meeting held on 10 January 2023 were confirmed as a correct record.

## **78. Disclosure of Interests**

Councillor Adam Stokes declared that he was a Director of Environment SK Ltd. and therefore would leave the Chamber and take no part in item 86 – Grounds Maintenance, Future Arrangements.

Councillor Mark Whittington declared that he would leave the Chamber and take no part on item 82 due to his involvement with a third party connected with this development.

## **79. Budget Proposals for 2023/24 and indicative budgets for 2024/25 and 2025/26**

### Purpose of report

The Council was required to set a balanced budget and agree the level of Council Tax for 2023/24 and this report contained a summary of the proposals that had been considered for inclusion. The proposals were considered and scrutinised in detail by the Budget Joint Overview and Scrutiny Committee on 9 January 2023. The proposals had been consulted upon by residents and businesses during the period 16 – 30 January 2023.

### Decision

Cabinet recommended that Full Council:

1. Set a General Fund budget requirement of £16.800m for 2023/24 detailed at section 2 of the report and shown in detail at Appendix A (inclusive of special expenses).
2. Propose a Council Tax level of £178.58 for 2023/24 (Band D property) after taking into consideration the consultation findings.
3. Notes the indicative base estimates for 2024/25 and 2025/26 as detailed at Appendix A.
4. Approves Housing Revenue Account (HRA) dwelling rent increases of 7% in accordance with Government guideline rent providing an average rent of £92.90 per week.
5. Approves an increase in HRA garage rents of 5%.
6. Approves an increase in shared ownership rents by 7%.
7. Approves the HRA Revenue Summary for the year 2023/24 and notes the indicative budgets for 2024/25 and 2025/26 shown at Appendix A of the report.
8. Approves the fees and charges detailed at section 4 of this report and shown at Appendix B.

9. Approves the General Fund Capital programme for 2023/24 to 2025/26 as detailed at section 5 of this report and shown at Appendix C.
10. Approves the General Fund Capital Financing statement detailed at Appendix C of this report.
11. Approves the General Fund Capital Programme budget carry forward of £2.513m from 2022/23 shown at Appendix C of this report.
12. Approves the Housing Capital Investment programme for 2023/24 to 2025/26 detailed at section 5 of this report and as shown at Appendix C.
13. Approves the HRA Capital Financing statement detailed at Appendix C of this report.
14. Approves the Housing Revenue Account Capital Investment Programme budget carry forward of £3.515m from 2022/23 shown at Appendix C of this report.
15. Approves the movements in General Fund Revenue and Capital reserves and balances detailed at section 7 of this report and shown at Appendix D.
16. Approves the movements in HRA revenue and Capital reserves and balances detailed at section 7 of this report and shown at Appendix D.

#### Alternative options considered and rejected

There was no option not to set a Budget for 2023/2024.

#### Reason for decisions

The Council was legally required to set a balanced budget each financial year.

The Budget proposals were first scrutinised in detail by the Joint Budget Scrutiny Overview and Scrutiny Committee on 9 January 2023. Both the initial proposals, and proceedings from the Joint Budget Scrutiny meeting were then considered by Cabinet at their meeting on 10 January 2023.

The draft fees and charges increases were consulted upon during the period 16-30 January 2023 and the results from this consultation were:

- Those that agree or strongly agree with a £5 increase to green waste charges were 28% of respondents
- Those that neither agreed nor disagreed represented 11% of respondents
- Those that disagreed, or strongly disagreed represented 61% of respondents.

There were 264 respondents to the consultation, and the strongest representation was from the PE6 postcode area, which represented 45% of all responses.

The 2023/2024 Budget proposals and those indicative budgets for the years beyond had been prepared in the context of significant financial events that were having a detrimental impact on the Council's financial outlook, such as inflationary increases, an increase in energy prices and employee pay proposals. These unforeseen pressures had seriously impacted the assumptions that had underpinned the Medium-Term Financial Plan (MTFP).

The Budget Stabilisation Reserve was created to fund short-term Budget pressures either from unforeseen expenditure or from unbudgeted exceptions; this would be utilised for one year only and was a one-off event. The balance of this reserve as at 31 March 2023 was forecasted to be £2.904 million, and it would be necessary to use £1.534 million of this reserve in order to achieve a balanced Budget for 2023/2024.

The Deputy Leader of the Council further summarised the contents of the report:

- A balanced position for 2023/2024 would be achieved after using reserves, but the Budget would be unbalanced following this based on current financial forecasts.
- There were two key elements to the HRA budget proposals; the rent setting proposals and maintaining investment in the housing stock.
- To ensure services to housing tenants remained of a high quality, further investments totalling £1.3 million were proposed, to be met in part by a 7% increase in rents. This increase was necessary, based on government guidance. For those residents in receipt of various forms of welfare, benefit support was increased by over 10%, to fund the increased rent in these instances.
- Broadly, discretionary charges have been increased in line with inflation and were on a cost recovery basis.
- The focus of the General Fund had been on continued investment in the Council's assets, and the procurement of assets to maintain service delivery.
- The capital programme contained a number of projects funded by government grants, including Disabled Facilities Grants (DFGs), Future High Streets Fund (FHSF), and the newly created UK Shared Prosperity Fund (UKSPF).
- The HRA capital programme focused on investment in housing stock, driven by the knowledge of the stock conditions survey.
- The 2023/2024 Treasury Management Strategy was considered by Governance and Audit Committee at their meeting on 30 January 2023 and recommended for approval by Full Council.

Members and officers were thanked for their work on these proposals.

## **80. Transfer of Public Conveniences, South Street Bourne - Bourne Town Council**

### Purpose of report

The recommendation of the freehold transfer of the public conveniences at South Street, Bourne, to Bourne Town Council following the installation of the Changing Places equipment.

## Decision

That Cabinet:

1. Approves the freehold transfer of the public conveniences at South Street, Bourne, to Bourne Town Council for a nominal consideration of £1.
2. Delegates authority to the Chief Finance Officer, in consultation with the Deputy Leader of the Council to agree Heads of Terms for the disposal.

## Alternative options considered and rejected

South Street Bourne was the preferred location for the changing places equipment as the original site at the Bourne Community Access Point was deemed unsuitable following a structural survey.

## Reason for decisions

The Deputy Leader had responsibility for the report as the Cabinet Member for Housing and Property was involved in discussions as a Bourne Town Councillor and would have taken no part in Cabinet's decision if he had been present.

Preliminary survey work had determined that extensive structural changes would have been required at the Bourne Community Access Point to locate a Changing Places Facility; this had been the location originally earmarked for the work. An alternative site at South Street Public Toilets had been offered by Bourne Town Council. The Public Toilets had remained closed since the investment into the design stage of the works.

The building was in the ownership of South Kesteven District Council but was deemed surplus to requirements and Bourne Town Council had expressed an interest in taking the asset on, once the works on the Changing Places equipment had been completed.

Bourne Town Council had been awarded £40,000 of funding from the Department for Levelling Up, Housing and Communities.

Heads of Terms had been negotiated and agreed as part of discussions with Bourne Town Council.

Members noted that it was important to transfer assets down to Town and Parish Councils, where appropriate. It was also important across the District to install Changing Places equipment, where investment allowed.

## **81. Transfer of Jubilee Park Deeping St James to Deeping St James Parish Council**

### Purpose of report

The report recommended the freehold transfer of Jubilee Park, Deeping St. James to Deeping St. James Parish Council.

### Decision

That Cabinet:

1. Approves the freehold transfer of Jubilee Park Deeping St. James to Deeping St. James Parish Council for a nominal consideration of £1.
2. Delegates authority to the Chief Finance Officer in consultation with the Cabinet Member for Housing and Property to agree Heads of Terms for the disposal.

### Alternative options considered and rejected

South Kesteven District Council could have decided to retain Jubilee Park.

### Reason for decisions

With the Cabinet Member for Housing and Property having given apologies, the Leader of the Council introduced the report.

Heads of Terms had been negotiated with Deeping St. James Parish Council – these included:

- Freehold transfer for a nominal consideration of £1
- Pre-emption right in favour of the District Council to re-purchase the site at the original sale price should the Parish Council wish to sell the land
- Both parties responsible for their legal costs

The proposal was that disposals should be at nominal consideration of £1. This could have amounted amount to an undervalue against a strict 'open market' valuation of the asset, however, the Council had the benefit of a general consent from the Secretary of State for such disposals if the undervalue was less than £2million (which it would be in this case), and the proposal contributed to promoting economic, social, or environmental wellbeing in its area. It was considered that placing ownership and maintenance of this sort of asset in the hands of the local community through its Parish Council was justifiable as contributing to social and environmental wellbeing.

The District Council would no longer be incurring the ongoing financial responsibility for the operational and maintenance aspects of the asset and this cost saving would offset the disposal of Jubilee Park for a nominal consideration.

It was proposed that both parties would meet their own respective legal costs

associated with the transfer.

## **82. Proposals to develop a new Customer Services Hub located at the Picture House St Catherine's Road, Grantham**

**Note:** Councillor Mark Whittington left the Council Chamber for the duration of this item due to his involvement with a third party connected with this development.

### Purpose of report

This report set out the details for the proposed development of a Customer Services Hub at the Picture House, St. Catherine's Road, Grantham.

### Decision

That Cabinet:

1. Delegates authority to the Chief Finance Officer to agree the Heads of Terms for joint occupancy by a public sector organisation, with respect to the funding contribution and operational criteria.
2. Recommends to Council an allocation of £900k in order to fit out the vacant units at the Picture House St Catherine's Road, Grantham in order to provide a Customer Services Hub.
3. Delegates authority for the Chief Finance Officer, in consultation with the Cabinet Member for Housing and Property, to approve a funding agreement with the public sector organisation that will ensure both parties contribute a proportionate share of the fit out and operational costs based on occupancy and usage.
4. Approves entering into a lease agreement for the units with the public sector organisation.
5. Delegates authority for the Chief Finance Officer, in consultation with the Cabinet Member for Housing and Property to allocate funds (following approval) and enter into a contract for the construction and fit-out works required to the agreed specification.

### Alternative options considered and rejected

An alternative option was to find identify a location for a new Customer Services Hub in an alternative location, but this would remove the advantage of hosting the Centre adjacent to the new Council Offices. Furthermore, the vacant units provided sufficient space to enable the development of a multi-purpose Customer Hub.

To no longer have a face-to-face customer services function - this was not considered a viable option as the Council's Customer Experience Strategy supported a face-to-face service for those residents who preferred this customer offer.

To retain the service at the Guildhall Arts Centre – this was not considered a viable option as the space is limited and therefore the service offer was reduced accordingly.

### Reason for decisions

A front facing customer service function was essential for the residents of South Kesteven District, and with the current St. Peters Hill offices closing, and officers being relocated to a new office space, a new customer services space was also needed. The two empty units below the new office space were an ideal fit for size, location and links to back-office employees.

Sharing the space with a public sector partner organisation providing public sector services would create a central hub in the town for residents to visit and access services. The costs of creating this Hub would also be shared across the two parties; however, it was confirmed that South Kesteven District Council would not bear the significant share of the costs for this project.

### **83. Contract Award for Microsoft Licences**

**Note:** Councillor Mark Whittington returned to the Council Chamber.

### Purpose of report

To approve the contract award for the Microsoft Subscription Agreement.

### Decision

That Cabinet approves the award of the contract for the Microsoft Subscription Agreement for a period of three years commencing on 1 April 2023 at an annual budgeted cost of £115,000.

### Alternative options considered and rejected

The Council could have completed a competitive procurement process, but Microsoft pricing was fixed so any cost savings would have been minimal.

### Reason for decisions

A Microsoft Subscription Agreement was required to ensure the Council was able to continue to use Microsoft applications.

The Council's current subscription would expire on 31 March 2023, so approval had allowed the Council to continue to use Microsoft applications.

The annual cost of £115,000 per year was based on the current amount of licences in use.



#### **84. Use of the Lincolnshire Community Equipment Services (LCES) contract for the supply of stairlifts for modular access ramps via disabled facilities grants**

##### Purpose of report

The current contract for the supply of stairlifts and modular access ramps expires on 31 March 2023. This report sought agreement to enter into a new arrangement to utilise the Lincolnshire Community Equipment Service (LCES) to provide these items for eligible persons under Disabled Facilities Grants.

##### Decision

That Cabinet approves the use of the Lincolnshire Community Equipment Services (LCES) contract for the supply of stairlifts and modular access ramps from 1 April 2023 until the expiration of the contract on 31 March 2028.

##### Alternative options considered and rejected

The Council could have gone directly out to the market, however, it was considered that this was unlikely to lead to a more competitive alternative, as the benefits of the economies of scale bought about by using the LCES framework would not have been available.

##### Reason for decisions

With the Cabinet Member for Housing and Property being absent, the Leader of the Council introduced the report.

Disabled facilities grants supported people to live independently and remain in their homes where appropriate. The use of the Lincolnshire Community Equipment Service (LCES) for the supply of stairlifts and modular access ramps supported an integrated approach and would help to streamline the process for clients.

Stairlifts and modular access ramps were eligible works and were currently installed via a contract with a single supplier, which would end on 31 March 2023.

The LCES was jointly commissioned by Lincolnshire County Council and Lincolnshire Clinical Commissioning Group (CCG) – the contract provided equipment and services to meet the healthcare needs of those who required it.

It was intended that the Council would procure the stairlifts and ramps from the LCES via Lincolnshire County Council utilising a Memorandum of Understanding. The service response levels provided for the installation of straight stairlifts within two weeks of approval of the grant by the Council and curved stairlifts and modular access ramps within four weeks.

South Kesteven District Council would be the first district council to pilot this approach.

## **85. St. Martin's Park, Stamford - Additional Costs**

### Purpose of report

To inform the Cabinet that the demolition works at the former Cummins factory site were complete whilst seeking additional funding for the project overspend with the contract and additional monies for ongoing project management support from Avison Young.

### Decision

That Cabinet:

1. Approves the additional costs from the demolition contract with GF Tomlinson of £52,249.11 along with £49,000 for ongoing project management support.
2. Approves a reserve movement of £100,000 from the Local Priorities Reserve to the Regeneration Reserve in order to provide funding for the costs outlined in resolution 1.
3. Approves the funding of these additional costs from the Council's Regeneration Reserve, having approved recommendation 2.

### Alternative options considered and rejected

The Council was contractually required to settle the final invoice with GF Tomlinson. It could have decided not to progress with external project management support, but the Council did not have in-house expertise to support the progression of such a complex project.

### Reason for decisions

The Council was contractually required to pay GF Tomlinson the remainder of the contract sum as the works had been instructed and completed. The initial sum granted for £1.3 million had no contingency monies built into it for unforeseen works, such as asbestos removal.

The Council did not have the internal knowledge or resources to internally project manage this complex infrastructure/construction scheme. The lack of knowledge and continuation of a project manager would be a risk to the Council.

In the report to the Finance, Economic Development and Corporate Services Overview and Scrutiny Committee in September 2022 it was identified to the Committee at that time that the contract was overspent due to unforeseen works that were not included in the original contract

Cabinet on 18 October 2022 approved an additional £192,630.23. The final account (after detailed scrutiny) showed a contract overspend requiring Cabinet to approve the sum of £52,249.11 to pay this final invoice and conclude the contract.

Project Management support had been ongoing from Avison Young with weekly meetings with the Head of Corporate Projects, Policy and Performance yielding advice regarding the complex demolition works required to the site.

Cabinet approved the sum of £49,000 to continue this support due to the complex nature of the site and the lack of internal resource within the Council that had knowledge and skillset in this area.

## **86. Grounds Maintenance – Future Arrangements**

**Note:** Councillor Adam Stokes left the Council Chamber for the duration of this item as he was a Director of EnvironmentSK Ltd.

### Purpose of report

To provide information to Members on the results of the grounds maintenance options appraisal undertaken, and in consideration of the results consider recommendations from the Joint Meeting of the Environment and Rural and Communities Overview and Scrutiny Committees.

### Decision

That Cabinet:

1. Approves the insourcing of the Council's grounds maintenance service back to South Kesteven District Council as soon as possible.
2. Is mindful that the replacement of handheld kit for Grounds Maintenance should be electric, green and does not use fossil fuels.
3. Approves that the insourcing takes place as soon as possible in 2023/2024 following a TUPE consultation.
4. Approves the proposed changes to the grounds maintenance specification (as detailed in Appendix Two, Amended Grounds Maintenance Specification and Associated Savings) are adopted from 1 April 2023.
5. Approves the integration of an insourced grounds maintenance service with Street Scene and the Big Clean Team, such integration taking place as soon as possible during financial year 2023/2024.
6. Approves the dissolution of the Council's wholly owned companies EnvironmentSK Ltd. and EnvironmentSK Commercial Services Ltd. at the earliest opportunity.

### Alternative options considered and rejected

A full explanation of the options considered was provided within the committee report.

## Reason for decisions

Three options had previously been agreed to form the basis of an options appraisal, these being:

- To retain the services of EnvironmentSK
- To secure an external provider under a contract arrangement
- To insource the grounds maintenance service, to include integration with wider Council services

In sourcing the grounds maintenance service would provide the Council with full operational control over how the service was delivered. The service could be increased or reduced in line with service requirements, whilst taking account of seasonal fluctuations, without incurring any contractual penalties or additional costs.

The timeline for the service to be insourced would need to be identified in line with the Council's obligations relating to the transfer of employees under Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) regulations. In addition to the necessary TUPE consultation with the current employees of EnvironmentSK Ltd. an integration of the insourced service and Street Scene would also require consultation with the existing Council employees. In line with Council procedures, affected employees would be fully consulted on the proposed changes to their employment with support from the Council's HR team.

TUPE Regulations provide that transferring employees transfer to a new employer on their existing terms and conditions, their length of service also being protected. However, receiving employers can propose to make changes to the employees' terms and conditions if these represent an improvement, and if the employees are fully consulted and agree to the proposed changes.

Options were being explored to introduce charging for HRA assisted gardens and communal area maintenance. Any changes proposed to the service would require full consultation with the Council's tenants.

The savings identified from insourcing the grounds maintenance service included harmonisation of the transferring employees onto Council terms and conditions. This includes adopting Council pay grades, a reduction in the weekly hours worked from 40 to 37, and an increased holiday allowance. The transferring employees would also benefit for being able to join the Local Government Pension Scheme. As well as ensuring they are remunerated and rewarded appropriately for their work, this will also aid the recruitment and retention of staff which has proved difficult in the past.

A realistic timeline would be to have the service insourced by 1 May 2023 and fully integrated with Street Scene by 1 June 2023. To date efficiencies have been identified in relation to:

- A reduction in the number of vehicles required
- Workforce efficiencies, a larger team would provide flexibility and avoid a reliance on temporary seasonal staff and agency workers

- Enhanced training for the team could negate the use of tree specialists for smaller tree works
- Opportunities around commercialisation of services

The current budget for Street Scene and Big Clean was £1.4m. Financial modelling undertaken to date had established that a prudent annual saving of £200,000 would be achieved with the integration of Street Scene and the Big Clean Team into an insourced grounds maintenance service. The exact level of savings would need to be assessed for financial year 2023/24 depending on when the insourcing and integration was completed.

EnvironmentSK Ltd. currently undertake work for Parish Councils within the District, with the contracts being renewed on an annual basis. Quotes had already been generated to customers for financial year 2023/24; the Council would engage with the Parish Councils to honour the work at the price quoted.

Together with the savings previously identified in relation to insourcing the grounds maintenance service, a total projected annual saving of £352,000 could be achieved from an integration of the services.

The Joint Meeting of the Environment and Rural and Communities Overview and Scrutiny Committees, held on 6 February 2023 considered the future arrangements of the Grounds Maintenance service. This was a high-profile service, and residents would expect a high level of provision. There was healthy discussion, questioning, and good examples of scrutiny in action. The Joint Meeting proposed recommendations 1 and 2 above.

## **87. Cabinet's Forward Plan**

**Note:** Councillor Adam Stokes returned to the meeting.

The Forward Plan for Cabinet was noted.

The meeting closed at 2:30pm.