

Our Position Statement **UPDATE**

Corporate Peer Challenge



JUNE 2022



North Kesteven
DISTRICT COUNCIL

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WELCOME

In early November last year we were delighted to welcome a team of local government peers to undertake our Corporate Peer Challenge.

The Corporate Peer Challenge was a positive exercise: an opportunity to reflect on the achievements of the organisation, and explore opportunities for learning, development and continuous improvement.

As Council Leader and Chief Executive, we reflected on the feedback given, which was and continues to be of great value. Founded in the observations of six critical friends from other councils and in the lived experience of our own peers, colleagues and associates, it has proved very instructive.

Six months on, we are delighted to welcome the Peers back to consider the progress that the Council has made in terms of the recommendations set out by the Peer team and assess how these are helping to further shape the future of our priorities, our services and our plans for investment.

Accordingly we are pleased to share with you an update to our original Position Statement that sets out the current context for the Council, the challenges and opportunities that have arisen since the November visit, our key milestones and achievements over the past six months. Included is a summary of progress against your original recommendations with this then set out in more detail in the separate "CPC Recommendations: NKDC Action Plan Progress Assessment" document.

As the Peer Team recognised on its initial visit, North Kesteven District Council has big ambition, clear strategic direction, excellent plans, focused place leadership, a track record of delivery and a strong financial position. We believe that these are ever-more relevant given the global events and economic challenges that have unfolded since your original visit, and that they will continue to provide strong foundations to meet the new challenges ahead.



A handwritten signature in dark ink, appearing to read 'Richard Wright'.

Cllr Richard Wright
Leader of the Council



A handwritten signature in dark ink, appearing to read 'Ian Fytche'.

Ian Fytche
Chief Executive of the Council

CHALLENGES AND OPPORTUNITIES

The Council had long recognised that the exit from the Covid-19 pandemic would create global supply-chain challenges as economies either fully re-opened with consumer and business demand returning; or, as with China, hampered by a zero-covid approach impacting on both manufacturing and logistics. Supply and demand challenges have then led into significant inflationary pressures which are presenting challenges to customers, local businesses and in the provision of services.

The Council also recognises wider opportunities, particularly in its partnership work across economic development, housing and regeneration, and in health and wellbeing; with all of these ultimately feeding to the response to the over-arching climate challenge.

Economy – Rising Inflation; Slowing Growth; Cost of Living

In its Monetary Policy Summary published on 16th June the Bank of England confirmed that its Monetary Policy Committee had voted to increase the Bank Rate by a further 0.25% to 1.25%. The publication re-confirmed the Bank's statements in its Monetary Policy Report published 5th May observing that CPI inflation now stood at 9% and was expected to rise further to around 11% in October. The Bank noted that whilst Russia's invasion of Ukraine has led to more large increases in the price of both energy and food that not all of the excess inflation can be attributed to global events and signalled that further increases to the Base Rate may be expected

In its June release the ONS reported (13th June) that GDP fell by 0.3% in April, after a decline of 0.1% in March, and no growth in February. The recent the OECD 'growth' forecasts have been extremely challenging for the UK downgrading GDP growth to 0% for 2023. Similarly the CBI has also downgraded its forecasts. In addition to these economic headwinds the Centre for European Reform assesses UK economy to be 5.2% smaller than it would otherwise be had UK stayed in the EU, with consequences for tax revenues and investment in public services.

OFGEM had previously announced the energy price cap rise on 1st April, taking for a typical household paying by direct debit the annual bill from £1,277 to £1,971, a 54% increase. In evidence to the BEIS Select Committee the OFGEM chief Executive indicated that the cap is likely to significantly increase again to around £2,800 in October.

The UK Government had announced an initial round of support measures ahead of the April energy cap increase including a £150 payment to every council tax band A-D household. On 26th May the Chancellor announced a further support package including:

- **A one-off "cost of living " payment to some 8m households in receipt of welfare benefits**
- **A "pensioner cost of living" payment of £300 to 8m pensioner households**
- **Doubling the original repayable loan of £200 to £400 and turning it into a grant**

It also announced a “temporary targeted profits levy” to tax the extraordinary profits of energy companies, whilst still incentivising investment. The levy will be phased out when high prices fall, with a “sunset clause” written into the legislation.

The cost-of-living challenges are keenly felt within North Kesteven and whilst consumers have some level of protection through the energy price cap and government support packages, businesses have no such protection from rising and uncapped energy costs. With this equally applying to the Council itself.

As the Peers will know the Council has a 2030 Community Strategy in place, with the five priorities – Communities, Council, Economy, Environment and Homes reflected in our rolling three-year corporate plan – the NK Plan. The current 2022-25 NK Plan received unanimous approval from Full Council in March 2022 and continues to maintain the same focus for the five priorities and their supporting ambitions with these remaining wholly relevant to the economic challenges set out above.

Members have commissioned a study to understand more about the pattern of inequalities between our communities with the specific purpose of establishing whether there are clear gaps in the provision of community support services. If so, there is opportunity for the Council to review the way in which it sponsors community activities to help allocate support where required. At the same time the Council is currently reviewing its approach to supporting communities with the cost-of-living crisis. This is likely to lead to the development of a new strategy within the next few weeks.

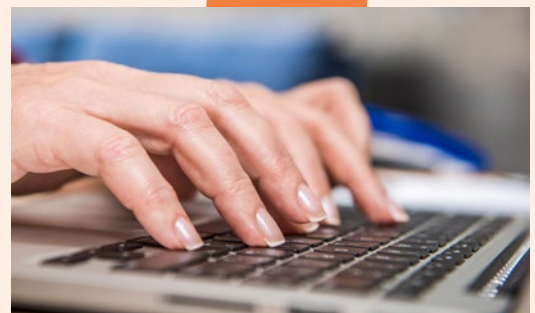


War in Ukraine – Safety and Sanctuary

The war in Ukraine has, beyond the economic impacts already referenced, created a wider humanitarian crisis. Communities within the District, supported by the Council working at the lead of a Lincolnshire partnership, have responded to ensure guests arriving from Ukraine receive a warm and supportive welcome. The Council has taken a leading role at the heart of the Lincolnshire Resettlement Partnership with various service areas committed to a range of responses in welcoming to the District refugees displaced by war. More than 3,200 households across Lincolnshire have offered accommodation in response to the Government’s Homes for Ukraine programme with a proportionate number of offers and arrivals settling in locally.

Agile Working

As the immediate impacts of the Covid-19 pandemic begin to ease the Council is formally moving to its future agile-by-design model, with the formal consultation on agile due to conclude just ahead of the CPC six-month review meeting. The Council is aiming at 40% occupancy of its offices but with a flexible approach to meet the needs of services, teams and individuals.



Partnership Opportunities - Vision 2050 & Integrated Care System

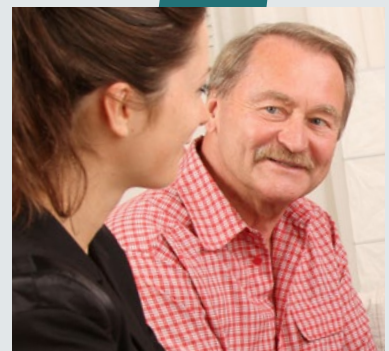
The peer team recognised the Council as “a strong and positive partner to work with ... constructive, respectful, productive and collaborative” when it visited last November. Two key initiatives bear testament to this.

The Council is working with partners to develop common purpose for Greater Lincolnshire – the Lincolnshire County Council area plus the North and North East Lincolnshire unitary authorities – through a ‘Vision for 2050’, a project to imagine what Lincolnshire looks like three decades from now. A net zero, more equal, more just, more democratic, more connected, healthier future must be the goal, championing people, place, and planet. Whilst the project is at a quite early stage the key milestones are:

- **Partner workshops x 3 (April, May, June)**
- **Consultation facilitated by the GLLEP, due to complete June**
- **Draft Vision statement – end June**
- **Presentation of vision statement to Leaders and CEOs of local authorities x 10, plus GLLEP – second week July 2022.**

The timeline is designed to ensure the Vision 2050 provides one part of the evidence base to support the finalisation of a devolution proposal from September onwards.

Integrated Care System. This was already in train at time of the main CPC visit. Subsequent to this, the Council is working with partners to implement a shared health and wellbeing strategy for Lincolnshire, focused on housing, employment, physical activity, and environment.



Levelling Up – UK Shared Prosperity Fund

The Council has received a potential allocation of just under £3.2m and is developing the necessary plans to submit to the DLUHC to meet the 1st August deadline. The Council initially compiled a long list of potential projects with a view to then shortlisting them for the final investment plan submission – with this in process at the time of developing this updated Position Statement. The Council has already held one stakeholder event to date to get wider community and business input, with a further event planned for later in June. The key focus is on regeneration initiatives to support the revitalisation and recovery of Sleaford Town Centre, with the River Slea as a primary opportunity.

PROGRESS AND ACHIEVEMENTS

Whilst it is barely six months since the Peer Team were welcomed to the District and the Council, much has happened in terms of progress and achievements.

National Awards Recognition

The Council has been shortlisted in three of the most prestigious local government awards for 2022. In addition to selection as a finalist in the MJ Achievement Awards as Local Authority of the Year and in the LGC Awards as Council of the Year, Chief Executive Ian Fytche is also shortlisted for the MJ's Chief Executive of the Year award. The outcomes will become known in late June and early July. It follows on from a further Investors in People gold accreditation for our consideration of colleague wellbeing; proving the case that a healthy and happy workforce is a productive one that delivers service excellence efficiently and effectively.

These awards nominations and successes are a recognition of all that we do as a collaborative team but they also reflect on what our partners, communities and residents do to make our District a great place to be.



Local Plan Review – moving to a net zero local plan

Our Local Plan review has continued to progress, reflecting the significant effort on behalf of the Central Lincolnshire partnership to develop a suite of policies to ensure the revised local plan - insofar as it relates to new proposals - could be regarded as a net zero carbon plan. It sets out policies for energy efficiency, renewable energy production, a position on fossil fuels, embodied carbon, carbon sinks, EV charging and design. The Plan has been subject to two rounds of public consultation, with the last formal 'Regulation 19' consultation completed this April. The Plan is now due to be submitted for examination in June and we anticipate an examination in public either in late 2022 or early 2023 (set up by the Planning Inspectorate).

The policies and evidence will be subject to scrutiny by the independent Inspector who will examine the evidence and representations, ultimately making a determination if the policies meet the test of soundness. The challenge will be that we are at the leading edge and pushing the boundaries of Government policy, so will need to convince the Inspector of the merits of the plan, as a whole, in exceeding that which is currently set in statute.



Keys Projects – Local Economy

Sleaford Moor Enterprise Park is a key development for the Council, however is not immune from the challenges of rising material costs and a tight labour market. Detailed highway and site-wide drainage drawings have now been submitted to the statutory bodies for technical approval, in advance of the commencement of works scheduled for July/August 2022.

Other projects we are progressing with include the completion of the Sleaford Masterplan Refresh. The final document was received in May 2022. An action plan will now be developed to deliver some of the key recommendations for the Masterplan Refresh. We are also working with consultants to deliver an information/tourism information signage strategy for the town centre, following which we will look to deliver new information signs within the town centre.

Work has commenced on the habitat improvements to Lollycocks Field in Sleaford, with over £80,000 of works to deliver better fauna and flora habitats including delivery of new hedgerows, board walks, kingfisher bank, wetland scrapes, and bat boxes. This is part of the EU-funded PA project. Tenders have also been assessed for the in channel works on the Slea and works will start later this summer on that element of the project.

Tackling the Climate Challenge

Whilst the Council was recognised in the Climate Emergency UK assessment (January 2022) as having one of the best climate emergency action plans, it has also acted on key points identified at the original peer review visit.

Both the Climate Strategy and Climate Emergency Action Plan are being refreshed with final drafts planned for mid-July ahead of formal approvals in the Autumn. Much has happened in the last two years with increased urgency front and centre of the most recent IPCC reports.

As such our longer-term Climate Strategy has been refreshed to both better reflect the latest international and national position and the progress that the Council has made since the original strategy was developed. The Council has detached the Climate Emergency Action Plan, moving this into an annual review cycle to more-easily enable progress to be measured and completed actions removed; as new opportunities and technologies emerge, new actions to be added; and perhaps most importantly greater levels of engagement to be developed both within the Council and across our wider communities.

Successfully weaving the 'Green Thread' into all our – both Council and District – activities is key. An example of this is the progression of the CPC recommendation around re-establishing local business forums with an event focused on meeting the climate challenge being developed for this Autumn.

The CPC also recommended the development of a costed roadmap for our climate aspirations. Whilst this is a technical approach to change, as opposed to the emergent characteristics of the change approach needed to address the climate challenge, the Council has resource in place and is moving to develop a variety of costed pathways toward decarbonisation – for its own housing stock; our leisure, arts, retained venues and commercial buildings; the depot and refuse fleet; and our Sleaford office accommodation. Within the Housing and Property team a restructure has recently been completed to create dedicated resource focus on the retrofit challenge.



Air quality – school engagement

Since the original CPC visit we have been developing new approaches to air quality improvements and specifically working with our largest local primary school on a clean air lesson plan and have located a solar-powered digital air quality monitor on one of the main Sleaford arterial roads which is close to the school gates 'going live' with the project on Clean Air Day (16 June).



Housing delivery

During 2021/ 22 the Council completed the greatest number of new homes since we restarted the construction programme in 2009. In total 88 units were completed that are either managed by the HRA or through Lafford Homes. Our largest new development site at Waddington of 40 properties will also shortly complete with properties let 'off plan' as part of the Lafford Homes investment programme. Six properties were completed to the CO2-sy standard and as such they benefit from exceedingly high insulation levels aimed at minimising carbon usage and running costs for the tenants.

The Council's investment programme has delivered more than 400 properties with a number of new sites now moving into a delivery phase in order to maintain this momentum.



Key Corporate and Financial Plans

Whilst the Peer Team will already be aware that the long-term direction for the Council is set by its 2030 Community Strategy, early March of this year saw the unanimous approval by Full Council of the NK Plan 2022-25 plus approval of the NK Financial Plan (both medium and long-term).

The NK Plan 2022-25, through the Council's Strategic Planning framework, underpins the Council's 'Green Thread' linking vision and aspirations to meet the climate challenge, corporate priorities and ambitions into delivery of both high quality and resilient day to day services - to support and further improve a Flourishing District. As a three-year rolling plan, its core remained unchanged from 2021-24: setting out the focus for the Council's five priorities and their supporting ambitions and actions whilst reconfirming the direction required for the full range of plans and strategies to deliver against the Council's 2030 Community Strategy.

The Financial Plan continued to present a balanced and sustainable General Fund over the next 10 years and included a viable Housing Revenue Account over a 30 year business plan. Financial resilience was supported by reserves, targeted interventions and a healthy capital programme. The budget presented before the Council also recognised challenges and uncertainties which existed through the continued impact and future consequences of the Covid-19 pandemic, rising cost pressures and anticipated significant changes that would reform Local Government finance.

The Corporate Peer Challenge highlighted the strength and clarity of the strategic plans – describing them as a 'strong suite' that fit together 'like a complete jigsaw, with all the required pieces in place' to achieve aims and aspirations – and the NK Plan and the Financial Plan remain fully aligned for delivery of economic development, regeneration, housing, arts and culture.



2022-23 PLANNING CYCLE

The Council is now moving into the 2022-23 planning cycle, with the first update of our local evidence base already completed, and with the outline frameworks for both the NK Plan 2023-26 and the Financial Plan due to corporate away days in July, ahead of formalisation for the October meeting of the Council's Executive Board, consultation thereafter and final approvals through Executive Board and ultimately Full Council in February and March 2023.

The fast moving economic situation and the developing cost of living challenges will require that our evidence base and insight driven approach – picking up on the insight and engagement recommendation from the original Peer visit - remains fluid and agile providing the latest pertinent information and data trends to support decision making.



RESPONSE TO THE CORPORATE PEER CHALLENGE RECOMMENDATIONS

As required by the CPC process for our six-month review, the Council has prepared a more detailed progress assessment against the recommendations arising from the Peer team visit last November and their final report received just before the Christmas break. Our Action Plan developed from this was approved by Full Council in January of this year, with our "CPC Recommendations : NKDC Action Plan Progress Assessment" setting out our progress made as at mid-June 2022.

This document therefore simply provides a brief outline to reinforce the Council's commitment to recognising and addressing the recommendations made and delivering our resulting Action Plan, whilst also highlighting the most significant progress made. Aligning with the planned structure of the six-month progress meeting with the peer team the table below sets out the five themes for that meeting along with a high level progress summary – on a Red-Amber-Green basis - for the recommendation(s) within each theme.

Theme	Recommendation	Status	R-A-G
Financial Planning	1. Financial Planning boldness	In progress; on track	G
Climate Action / Pathway	3. Costed and funded roadmap development	In progress; off track*	A
Inclusion and Succession Planning	6. Equalities standard and diversity assessment	In progress; on track	G
	7. Senior leadership succession planning	In progress; on track	G
Insight and Engagement	2. Engagement with younger people	In progress; on track	G
	4. Consultations and surveys review	In progress; on track	G
	5. Local business forum	Completed	G
Governance	8. Scrutiny review	Completed	G
	9. Executive portfolios consideration	In progress; on track	G
	10. Member diversity and skills	In progress; on track	G
	11. Planning Committee	Completed	G
	12. Constitutional innovation support	Completed	G
	13. C19 protocol opportunities and meeting access / effectiveness	In progress; on track	G

*based on the original highly aspirational timeline set. This has been subsequently revised given the scale of work required.

Whilst good progress is being made against all the recommendations, two in particular stand out as being both completed and operational:

- Planning Committee. The Council has approved and implemented a streamlined Planning Committee structure in line with the CPC recommendation. The new structure was approved at the Council meeting of March 3rd 2022 with the first meeting of the new planning committee held on 7th June 2022
- Scrutiny Review. The Council has completed the review of the scrutiny function. At its meeting of 28th April 2022 Full Council approved the move from the previous three overview and scrutiny panel structure to two new panels – Resources Overview and Scrutiny Panel with an internal scrutiny focus for example on performance; and Flourishing Overview and Scrutiny Panel which will have a purely external focus.

FINAL THOUGHTS

At the conclusion of our original Position Statement we wrote:

“the journey continues and we invite you to join us in exploring opportunities and challenges for North Kesteven”



This core sentiment remains. Our journey does continue. And once again we look forward to the challenge and insight that the Corporate Peer Challenge Team will bring to North Kesteven.

KEY DOCUMENTS

The council provided a comprehensive suite of documents for the original CPC. Set out below are a links to the latest key documents approved since the CPC visit such as the NK Plan and NK Financial Plan.

- **The NK Plan 2022-25**
<https://www.n-kesteven.gov.uk/your-council/facts-and-figures-about-the-council/council-performance/the-nk-plan>
- **NK Financial Plan (see item 74b)**
<https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=297&MIId=8617&Ver=4>
- **Constitution and Governance Arrangements (see item 74d)**
<https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=297&MIId=8617&Ver=4>
- **Standards Committee Annual Report**
<https://democracy.n-kesteven.gov.uk/ieListDocuments.aspx?CId=297&MIId=8617&Ver=4>





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