

## South Lakeland Annual Report 2020-21

### Introduction

1. This report describes in brief how South Lakeland District Council has performed in Financial Year 2020-2021 (the period between April 1<sup>st</sup> 2020 and 31<sup>st</sup> March 2021). It looks at how the Council has shaped and responded to events during the year, the progress we have made implementing our Council Plan, how we have managed our finances and how we have responded to the needs of our customers and communities.

### Summary and Overview

2. Like communities and councils all over the country, 2020-21 has been one of the most challenging ever for South Lakeland District Council and its residents and businesses. It is a year dominated by the COVID emergency and all that this has meant in our response. For example, co-ordinating the community response, organising business support and grants, managing the outbreak at local level through test and trace, managing the impacts on our visitor economy and National Parks and planning for recovery and rebuilding. We have transformed the way we work with remote working and virtual meetings whilst maintaining performance and delivery of essential services and business as usual as well as tackling climate change, biodiversity loss and the impact of financial inequalities and improving playgrounds.
3. We are also in the middle of a Local Government review process, initiated by Government, which could result in very different arrangements for local government in South Lakeland, Cumbria and North Lancashire.
4. Brexit has meant new arrangements and processes for many of our local businesses as well as issues around farm subsidies and rural land management. Many businesses have been adversely affected by COVID, a significant proportion of employees in the District have been furloughed. It is important that affected businesses are supported as lockdown eases.
5. The need for urgent action on climate change and related issues such as biodiversity has become ever more pressing and local authorities need to be in the vanguard of the response. The past year has also seen increased concerns about exclusion, inequality and social justice.
6. South Lakeland is a Council which relishes a challenge. We have maintained high quality services throughout, we have adopted a Council Plan which sets out an ambitious vision, priorities to tackle our key challenges and a road map to deliver on them. We are helping to

lead the response to climate change in Cumbria. We are working through the Local Government review process to create an optimal solution for Local Government based on the requirements for improved services, local support and a credible geography (The Bay), delivering all local government services with South Lakeland and its communities at its heart. We continue to progress our innovative transformation programme. We are simplifying and streamlining our processes every day and our new customer reception and Town Hall in Kendal will open shortly.

7. With a fit for purpose plan and a transformed organisation South Lakeland District Council has risen to the most extreme of challenges and is able to face the future with confidence.

### **South Lakeland District**

8. South Lakeland lies at the heart of the Morecambe Bay Economic Region between our two partner authorities of Lancaster and Barrow. Together, we are a critical mass with a population of more than 320,000, more than 13,000 businesses, 18,000 advanced manufacturing jobs and two universities, aligned with economic, environmental, cultural and health geographies.
9. South Lakeland is home to 105,000 people. It is the northern part of the Morecambe Bay area and the southern, and most outward looking, part of Cumbria and the Lake District. It includes the historic towns of Kendal and Ulverston, much of the central Lake District including Windermere, Grasmere and Coniston, parts of the Yorkshire Dales and a long stretch of England's coastline from the Arncliffe Silverdale Area of Outstanding Natural Beauty to the Duddon Estuary.
10. Whilst renowned for its visitor economy, South Lakeland has a strong and diverse economic base with strengths in advanced manufacturing, food and drink, electronics, marine technologies, environmental technologies, culture, construction and creative industries. It lies on the M6 and the West Coast Main Line. Kendal is less than 3 hours from London and an hour and a half from Manchester Airport by rail. Connections to the knowledge economy are primarily through the nearby University of Lancaster and the University of Cumbria which has campuses in Ambleside and Lancaster as well as Kendal and Furness Colleges.

## Key events in South Lakeland in 2021-22

April 2020	SLDC commences administering lockdown business grants. To date more than 34,000 grants totalling more than £120m has been paid to support businesses in the District
May 2020	Introduction of My Account providing rapid access to tailored local information and digital services. To date local residents have set up more than 4500 accounts.
June 2020	SLDC Carbon reduction target and action plan is adopted
July 2020	Natural Flood Management in Town View fields commences
August 2020	New footbridge is opened in Cartmel
September 2020	Refurbishment of Kendal Town Hall commences
October 2020	Poverty emergency is declared
November 2020	South Lakeland, Barrow and Lancaster Councils support proposals for a new Unitary Authority around Morecambe Bay
December 2020	500 <sup>th</sup> affordable home to rent in the District since 2015 is completed at Ulverston Town Hall
January 2021	Vaccination centres are announced at Westmorland Shopping Centre and GSK sports centre
February 2021	South Lakeland Council Plan is adopted
March 2021	Environment Agency begins work on Kendal flood defences

## What does South Lakeland District Council do ?

11. South Lakeland is currently a lower tier local authority. This means that its statutory functions include being the **Local Planning Authority** responsible for planning for new housing and other development through the Local Plan and determining applications for planning permission. The Lake District and Yorkshire Dales National Parks have their own planning powers which apply to parts of the District within them. It is also the **licencing authority** with a variety of environmental and public health functions including food safety, taxi licencing, events management and pollution control.
12. Although Social Housing is provided and managed in in South Lakeland by Housing Associations, the Council remains the **Local Housing Authority**, responsible for housing policy and strategy, enabling new affordable housing and preventing homelessness.
13. As the **Billing Authority**, South Lakeland is responsible for collecting Council Tax although only about 10% is retained by SLDC. Most of the rest goes to Cumbria County Council. The Police and Crime Commissioner and Parish and Town Councils also get a share.

14. South Lakeland is also the waste collection authority for domestic waste and recyclables. At present, the recycling and processing of the collected waste is the responsibility of Cumbria County Council
15. In addition to its statutory role, South Lakeland has the responsibility of **Civic and Community leadership** and undertakes a great deal of activity over and above its statutory role. These include economic development including business promotion, business support, promoting business and infrastructure development and delivery of economic development projects. These also include the management of many parks, open spaces, cemeteries recreation and leisure facilities and support for cultural facilities, activities and events in the District.
16. At the present time, Cumbria County Council is responsible for Adult social care provision, Childrens Services, libraries, education and roads /highways etc. The funding and provision of most healthcare services is the responsibility of Morecambe Bay Clinical Commissioning Group (CCG). Proposals for Local Government Reform may result in South Lakeland forming part of a unitary authority which will combine upper (County) and lower (District) functions.

### **South Lakeland District Council – The Organisation**

17. South Lakeland District Council has 51 elected members representing 18 wards and employs around 400 people.
  - The Council has a Leader and Cabinet model and the Cabinet together with our Councillors provide overall political direction and champion their communities.
  - Our leadership team, strategists, housing, planning, economic development assets and public health specialists and forward planners map out the route and build the relationships we need to achieve our vision and priorities.
  - Our statutory and customer facing services – such as public health, housing, planning, waste collection and recycling and car parking management are oriented to delivering on our and the community’s priorities and achieving the vision .
  - Our locality and customer services team is embedded in our communities, helping deliver services locally, listening to people and feeding back peoples’ views into improving our services.
  - Our support services, finance, legal, IT, human resources, property services and assets provide much of the resource, technology and knowhow to succeed.
18. Following the transformation through Customer Connect, South Lakeland no longer has vertical departmental structures. Instead the Council is organised into customer service and locality workers who work closely with communities and customers. Their work is enabled

by case managers who draw on the skills of high level specialist services dealing with strategy, finance, legal services, HR, IT, planning, housing and environmental health.

19. In addition to SLDC members, South Lakeland is represented by 18 County Councillors, some of whom are also District Councillors. Most places in South Lakeland will have a Town or Parish Council which will run some services locally – like allotments, some playgrounds, flower beds etc. Smaller communities may only have a Parish meeting and there will be local Councillors and representatives on these.

### **Membership of Partnerships**

20. A key area of activity is influencing others and South Lakeland is part of many partnerships including economic partnerships like the Cumbria Local Enterprise Partnership who promote economic development and business across Cumbria, and the Council's Joint Committee with Barrow and Lancaster to promote the Lancaster and South Cumbria Economic Region.
21. South Lakeland is also a key member of the partnerships which manage the Lake District and Yorkshire Dales National Parks as well as the Arnside and Silverdale Area of Outstanding Natural Beauty. Another critical partnership is the Zero Carbon Cumbria partnership which seeks to achieve a Carbon Neutral Cumbria and the Morecambe Bay Partnership which seeks to ensure the whole of the Bay's environment is well managed
22. There are also a range of housing partnerships including the Housing Advisory Group, the Cumbria Housing Supply Group, Cumbria Choice and the Cumbria Housing Group – which co-ordinate approaches to housing delivery and housing policy.
23. There are partnerships around health such as the Morecambe Bay Population Health Strategic Group, the South Lakeland Health and Wellbeing Partnership and the Cumbria Public Health Strategy implementation group. There are also partnerships around social issues such as the South Lakeland Equality and Diversity partnership, the South Cumbria Community Safety Partnership and the South Lakeland Building Financial Resilience Partnership.
24. 2021/22 has seen the Councils full participation with the Cumbria Local Resilience Forum, participating in the strategic and tactical response to manage the impact of the Pandemic.

### South Lakeland's Vision and Priorities

25. The Council's priorities are set out in the Council Plan adopted in February of this year. The Council's vision is of South Lakeland as '**The Best Place to Live, Work and Explore**'. It has four priorities. These are

- 1) **Working Across boundaries – Delivering Sustainable Regional Growth across Morecambe Bay.** This is about working with partner authorities to deliver sustainable economic growth, high quality jobs and infrastructure across the Morecambe Bay economic region;
- 2) **Delivering a Balanced Community – A South Lakeland For All Ages;** One of the biggest issues facing South Lakeland is an ageing population and a shrinking workforce. The Council is seeking to retain and attract economically active peoples in the District and ensure that the District meets the needs of older people;
- 3) **Delivering a Fairer South Lakeland – A South Lakeland for Everyone;** This is about reducing disadvantage, reducing income, housing and health inequalities and reducing poverty in the District.
- 4) **Addressing The Climate Emergency – A Carbon Neutral South Lakeland;** This is about responding to the Climate crisis in terms of reducing its own emissions, in terms of working to achieve a carbon neutral District and in terms of being resilient to the impacts of climate change.

### Progress on Working Across Boundaries

26. The Council seeks to place South Lakeland at the centre of a Morecambe Bay Economic Region at the cutting edge of delivering sustainable economic growth in the North of England with homes, high value jobs, world class knowledge and exceptional quality of life. 2020 to 2021 has seen major progress in our work across the sub-region. Key areas include

- The establishment of a Lancaster and South Cumbria Joint Committee to work together on economic development, climate change, health and inequality across the Morecambe Bay sub-region.
- The development and submission to Government of a Bay Prosperity and Resilience Strategy setting out the ask of Government to support a Growth Deal.
- The development and submission to Government of a proposal for a Morecambe Bay Unitary Council, with the support of all three Morecambe Bay authorities as part of the Government's invitation to review Local Government in Cumbria.
- Securing of funding between SLDC, the Highways Agency, Cumbria County Council and Cumbria LEP to deliver a new roundabout on the A590(T) at Swarthmoor to enable 1000 new homes;
- Commissioning of consultants to prepare a Master Plan for the strategic GSK site in Ulverston

- Extensive early engagement and stakeholder consultation on the South Lakeland Local Plan;
27. Housing delivery has been significantly impacted by the COVID with only around 120 dwellings completed in 2021. In its early stages, lockdown restrictions required the complete cessation of construction work and housing market activity. Ensuring safe spacing on sites has also had an impact. However the housing market has remained strong and at the present time there are 15 large housing schemes under construction in the District outside the National Parks totalling 1135 dwellings of which around 400 will be affordable.

### **Progress on Balanced Communities**

28. The Council aims to deliver a more balanced South Lakeland which houses a growing working age population and provides the best possible quality of life for all age groups. Progress has included;

- The completion of 79 affordable homes and the completion of the landmark 500th affordable home to rent as part of the Council's ambitious programme to deliver 1000 new affordable homes to rent –
- The conversion of the former Ulverston Town Hall to deliver 17 affordable homes to rent
- Continuation of a programme of improvements to play areas including the completion of a new play area at North Lonsdale Road, Ulverston;
- Commencement of the construction of 104 new extra care homes in Oxenholme
- The granting of self or custom build status for 16 new homes.
- Provision of workspace for local businesses through Mintworks 2 as part of the Town Hall refurbishment;

29. Affordable housing delivery has slowed as a result of the pandemic. However we are confident that delivery will pick up in 2021-2 and at the present time sites currently under construction outside the National Parks will deliver around 399 new affordable homes.

### **Progress on Fairer South Lakeland**

30. The Council aims to deliver a District where everyone has access to the the same opportunities, life chances and potential to lead safe, healthy, happy and fulfilled lives. Key areas include;
- Distribution of more than £120 million in Covid business support grants
  - Declaration of a poverty emergency

- Reestablishment of the Financial Resilience Partnership to co-ordinate a community based response to poverty and inequality;
- households assisted with energy efficiency measures through Cold to Cosy scheme;
- 495 households assisted with housing costs through Discretionary Housing Payments
- Development of emergency additional temporary accommodation for homeless families at Grange over Sands
- Effective management of the Covid outbreak keeping Covid cases significantly below national average for most of the pandemic;
- Support for 4951 low income households through the Council Tax discount scheme
- Issue of grants to support community and voluntary sector organisations respond to the Pandemic.
- Supporting the provision of disabled toilet facilities in areas of need through the Changing Places scheme;
- Support for refugee resettlement;

31. The Covid crisis has given renewed impetus to this priority. South Lakeland is very dependent on the visitor economy and town centres. These have resulted in very high levels of people on furlough, people falling into financial difficulty and small businesses being placed under pressure.

### **Progress on Carbon Neutral South Lakeland**

32. The Council is working to achieve a more beautiful, quieter and cleaner district leading the way to Net Zero with more comfortable, warmer and safer homes, cleaner air and water, more wildlife, more trees and more jobs in a thriving sustainable economy and an environmental quality and quality of life that is recognised as the best in England. Progress include;

- The adoption of a target and action plan for the Council to become carbon neutral by 2030 and for the District to become carbon neutral by 2037;
- Support for a Cumbria wide target of a carbon neutral Cumbria by 2037 which is now influencing Cumbria County Council, Cumbria Districts and the Lake District National Park authority and many stakeholders across the County;
- The installation of new energy monitoring software;
- The installation of solar panels on Council buildings
- Commencement by the Environment Agency of the construction of new flood defences in Kendal;
- Support for the replacement of Gooseholme Bridge in Kendal

- Grant support for 10 local climate change projects across the District including peatland restoration, woodland management, cycle training and tree planting.
- Supporting the County Council and partners in preparing a local cycling and walking improvement strategy for Kendal.

**Financial Summary**

33. The Council approves the budget and Council tax annually in February for the financial year starting in April. When the budget for 2020/21 was approved in February 2020 the figures did not anticipate costs of Covid-19. Overall it is expected that Covid-19 will cost the Council around £1.3m in 2020/21 and just under £4m over 5-years:

Estimated Cost of Covid-19	£m
2020/21	1.26
2021/22	0.55
2022/23	1.00
2023/24	0.81
2024/25	0.20
	<hr/> 3.82

34. This cost includes lost income from business rates, council tax and other income such as car parking fees. Additional budgets for Covid-19 were approved in June 2020 and regular updates on the financial position have been provided during the year. The Council has received £1.4m of general Government grant to assist with its costs and a further £1.4m of grant to partially offset lost income. The cost of Covid-19 for 2020/21, after grants, is being met from the Council’s accumulated reserves for 2020/21. This will reduce amounts available to meet other emergency costs.

35. In addition, the Council has received over £100m of grants from Government which it has distributed to businesses in the district during 2020/21. A further £28m of business rate discounts have been issued, funded by Government grant. The table below shows the budgets originally approved in February 2020 and the latest budgets for 2020/21 by department:

2020/21 Budgets Approved February 2020			2020/21 Latest Budgets			
gross expend	income	net expend		gross expend	income	net expend
‘£000	‘£000	‘£000		‘£000	‘£000	‘£000
6,149.3	(624.3)	<b>5,525.0</b>	Director of Strategy, Innovation and Resources	6,294.2	-624.3	5,669.9
1,643.5	(1.1)	<b>1,642.4</b>	Operational Lead Customer and Locality Services	2,269.3	-1.1	2,268.2
27,553.5	(18,109.8)	<b>9,443.7</b>	Operational Lead Specialist Services	99,842.4	-100,758.8	-916.4
2,359.1	(802.0)	<b>1,557.1</b>	Operational Lead Case Management	2,911.6	-1,096.7	1,814.9
13,898.5	(9,319.7)	<b>4,578.8</b>	Operational Lead Delivery and Commercial Services	15,157.9	-8,023.2	7,134.7
51,603.9	-28,856.9	<b>22,747.0</b>	<b>Net Cost of Services</b>	126,475.4	-110,504.1	15,971.3
		-10,011.1	Financing Entries & Statutory Accounting Requirements			277.4
		2,154.2	Net Increase in GF balances and reserves			-1,897.7
		14,890.1	SLDC budget requirement			14,351.0
		-5,512.8	Business Rates			-4,973.7
		-433.0	General Government Grants			-433.0
		8,944.3	SLDC demand on collection fund			8,944.3
		92.0	Grants to Parish Councils			92.0
		85.1	Collection fund surplus/deficit			85.1
		9,121.4	SLDC council tax requirement			9,121.4

36. The following table shows how service expenditure and income has changed during the year:

	Approved	Latest Budget
	2020/21 £000	2020/21 £000
<b>Expenditure</b>		
Employee Costs	13,737.6	14,263.5
Running Costs	9,768.6	91,884.8
<b>Total Service Expenditure</b>	<b>23,506.2</b>	<b>106,148.3</b>
<b>Income</b>		
Car Parking Income	(4,609.7)	(3,457.7)
Contributions from other Local Authorities and Public Bodies	(16.7)	(80.8)
General Income	(3,990.6)	(4,072.4)
Government Grants	(669.1)	(80,467.1)
New Homes Bonus	(338.0)	(338.0)
Lake Income	(1,492.6)	(1,492.6)
Recycling Credits	(1,438.1)	(1,433.1)
<b>Total Service Income</b>	<b>(12,554.8)</b>	<b>(91,341.7)</b>
<b>Net Service Budget before Capital Charges</b>	<b>10,951.4</b>	<b>14,806.6</b>
Capital Charges	11,795.6	1,164.7
<b>Net Service Budget after Capital Charges</b>	<b>22,747.0</b>	<b>15,971.3</b>

37. The accounts for the 2020/21 financial year are still being prepared: the Council is required to produce the accounts by the end of July 2021. When complete the draft accounts will be available on the Council's website. The Council's external audit is due to report to Audit Committee in September 2021. When the audit is complete the audited accounts will also be published on the Council's website.