



AGENDA

For a meeting of the
COUNCIL
to be held on
THURSDAY, 1 MARCH 2007
at
2.00 PM
in the
COUNCIL CHAMBER, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM
Duncan Kerr, Chief Executive

Members of the Council are invited to attend the above meeting to consider the items of business listed below.

- 1. PUBLIC OPEN FORUM**
The public open forum will commence at **2.00 p.m.** and the following formal business of the Council will commence at **2.30 p.m.** or whenever the public open forum ends, if earlier.
- 2. APOLOGIES FOR ABSENCE**
- 3. DECLARATIONS OF INTEREST**
Members are asked to declare any interests in matters for consideration at the meeting.
- 4. MINUTES OF THE MEETING HELD ON 25TH JANUARY 2007.**
(Enclosure)
- 5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)**
(Enclosure)
- 6. BUDGET 2007/2008 (POLICY FRAMEWORK PROPOSAL)**
(A) Budget Setting 2007/2008
Report number CHF35 by the Corporate Head of Finance & Resources.
(Enclosure)

[Budget Book for 2007/2008 - separate enclosure]

(B) Council Tax setting 2007/2008

7. LINCOLNSHIRE LOCAL AREA AGREEMENT

Report number CEX367 by the Chief Executive. **(Enclosure)**
[A copy of Cabinet minute number CO92 follows this report.]

8. RECOMMENDATION FROM THE CONSTITUTION & ACCOUNTS COMMITTEE: AMENDMENTS TO THE CONSTITUTION

The Council to consider the following recommendation from the committee meeting held on 13th December 2006. *[amendment in italics]*

Minute 42: Appeals Panel Membership

To recommend to Council that Part 3, page 62, point 1 of the Constitution relating to the Appeals Panel be amended to read: "3 members of the Licensing Committee *or the Resources development and scrutiny panel.*"

9. FORMATION OF AN AUDIT & CORPORATE GOVERNANCE COMMITTEE

Report number CHF34 by the Corporate Head of Finance & Resources.

(Enclosure)

[This report is to be considered by the Constitution and Accounts Committee at its meeting on 26th February 2007. The recommendation of that committee will be circulated at the Council meeting.]

10. CORE TRAINING FOR ELECTED MEMBERS

Report number HR&OD87 by the Service Manager, Human Resources and Organisational Development. **(Enclosure)**

11. APPOINTMENT OF RETURNING OFFICER AND ELECTORAL REGISTRATION OFFICER

Report number CEX369 by the Chief Executive. **(Enclosure)**

12. REPRESENTATION OF THE PEOPLE ACT 1983: S.18 (AS AMENDED BY ELECTORAL ADMINISTRATION ACT 2006: S.16) - REVIEW OF POLLING PLACES

Report by the Electoral Registration Officer. **(To follow)**

13. REPRESENTATION ON OUTSIDE BODIES: PRIMARY SCHOOL PROVISION REVIEW PANELS

Report number DLS94 by the Service Manager, Democracy. **(Enclosure)**

14. QUESTIONS WITHOUT DISCUSSION.

15. NOTICES OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:-

(1) From Councillor Mike Taylor:

"This Council deplores the total disregard and disrespect the Minister for Communities and Local Government Yvette Cooper is showing, in failing to respond in any way to a legitimate request from this Council,

which, if implemented would be of great benefit to the rent paying residents of the district.”

(2) From Councillor Teri Bryant:

“This council requests that the constitution and accounts committee debates and determines what steps can be taken on dealing with members who fail to fulfil their role as councillors as clearly envisaged by the remuneration panel. To assist in the debate and provide some guidance to the committee the council recommends a minimum level of full attendance of 10 council run meetings a year before sanctions are imposed. The committee are reminded to be cognisant of the allocation of seats. Extenuating circumstances for non attendance such as Cllr Moore’s accident would be the prerogative of the Chairman of the Council.”

(3) From Councillor Mrs Linda Neal, Leader of the Council

“This Council condemns the pre-emptive action of the ULNHS Trust in withdrawing emergency general surgery from Grantham hospital without any prior consultation with the local community. This Council calls on the Trust to explain why a business plan has not been put into place to recruit new consultants and develop a service that could attract and receive the number of patients needed to make the service viable.

Bearing in mind the importance of these services to a town that has been granted “Growth Status”, this Council demands the immediate re-instatement of these services and their full continuation whilst an independent, appropriately qualified, agency undertakes a full review of the situation and reports accordingly.”

(4) From Councillor Mrs Linda Neal, Leader of the Council

“This Council resolves to:-

1. Support the Sustainable Communities Bill which will devolve more power from Whitehall to Councils and communities by
 - giving councils more power over money spent by national agencies on local matters in their areas; and
 - giving councils and their communities the power to drive government policy to assist them in promoting sustainable communities

And thereby help councils to protect the wellbeing of their communities and citizens.

2. Note that the Bill is promoted in Parliament by a cross party group of MPs led by Nick Hurd MP, David Drew MP, and Julia Goldsworthy MP

and is supported by 363 MPs, well over half the House of Commons.

3. Write to the Secretary of State for Communities and Local Government urging her to support the Bill and to inform the leading MPs of this decision.”

(5) From Councillor Stephen O’Hare

“That this Council has no confidence in councillors Neal, Bryant and Cartwright as members of the executive Cabinet being respectively the Leader of the Council, portfolio holder for Finances and portfolio holder for Housing. This is due to their continued failure, individually and jointly, over a period of at least one and a half years between May 2005 and 15th November 2006. The failure was to take any constructive action to protect the council housing stock of SKDC, being the single greatest financial asset of this Council. Specifically, their failure to tackle the issue of the “loss” to the Housing Revenue Account of this council of over £4 million every single year which started from the 1st April 2004 and still continues.”

(6) From Councillor Stephen O’Hare

“That this Council lacks confidence in Councillors Auger, Carpenter and John Smith as members of the executive Cabinet. This is due to their continued joint failure, over a period of nearly one and a half years between May 2005 and 15th November 2006. The failure was to take constructive action to protect the council housing stock of SKDC, being the single greatest financial asset of this Council. Specifically, their failure to ensure that their other Cabinet Colleagues with more specific responsibilities for this issue tackled The issue of the “loss” to the Housing Revenue Account of this Council of over £4 million every single year which started from 1st April 2004 and still continues.”

16. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.

**DEADLINE FOR NOTICES OF MOTION
TO COUNCIL ON 19TH APRIL 2007:**

2.00PM WEDNESDAY 4TH APRIL 2007



MINUTES

COUNCIL

THURSDAY, 25 JANUARY 2007

2.00 PM

PRESENT

Councillor G Taylor (Chairman)

Councillor R Auger
Councillor H Bisnauthsing
Councillor Mrs P Bosworth
Councillor D Brailsford
Councillor T Bryant
Councillor P Carpenter
Councillor Mrs F Cartwright
Councillor Miss E Channell
Councillor G Chivers
Councillor R Conboy
Councillor N Craft
Councillor Mrs D Dexter
Councillor M Exton
Councillor B Fines
Councillor D Fisher
Councillor Mrs J Gaffigan
Councillor B Helyar
Councillor S Hewerdine
Councillor R Howard
Councillor Mrs M Jalili
Councillor K Joynson
Councillor Mrs R Kaberry-Brown

Councillor A Kerr
Councillor J Kirkman
Councillor P Martin-Mayhew
Councillor A Moore
Councillor Mrs L Neal
Councillor A Parkin
Councillor S Pease
Councillor Mrs A Percival
Councillor Mrs M Radley
Councillor B Sandall
Councillor I Selby
Councillor R Shorrock
Councillor J Smith
Councillor Mrs J Smith
Councillor M Taylor (Vice-Chairman)
Councillor J Thompson
Councillor F Turner
Councillor T Webster
Councillor G Wheat
Councillor A Williams
Councillor M Williams
Councillor Mrs A Woods

OFFICERS

Chief Executive
Legal Services Manager
Democracy Services Manager
Scrutiny Officer

OFFICERS

Strategic Directors (2)
Corporate Head of Finance and
Resources
Corporate Head Sustainable
Communities

99. PRAYERS AND SANDRA MULLIN MBE

The Chairman opened the meeting at 2.00pm with prayers led by the Reverend Sally Myers.

The Chairman on behalf of the Council congratulated Sandra Mullin, Estate Supervisor in Tenancy and Neighbourhood Services, on her recent award of the Member of the British Empire (MBE).

100. PUBLIC OPEN FORUM

Question from Mr J N Cockroft, Proprietor, The Castlegate to Councillor Teri Bryant

Mr Cockroft:

Councillor Bryant, why is this Council not selling a piece of land to The Castlegate?

Reply (Councillor Bryant):

The Council have recently appointed King Sturge as their selling agent for the East Street site and they will be obtaining sealed offers for purchasing the site.

Mr Cockroft (supplementary question):

I feel that the request has been ignored, no opposition to purchasing it through a broker, why are the Council not supportive when there is a community issue of crime and disorder?

Reply (Councillor Bryant):

The Council has a duty, on behalf of the taxpayer, to obtain best price in respect of all land transfers unless there is a good reason to sell at under value or for the benefit of the community. Any bids made by a prospective purchaser will be considered as part of the tender process in due course.

101. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Gibbins, F Hurst, J Hurst, Lovelock, Nadarajah, Nicholson, O'Hare, Radley, Steptoe, Stokes, Mrs Wheat and Wood.

102. DECLARATIONS OF INTEREST

Councillor John Smith declared a personal interest in minute 110 (Bourne Core Area) as he was a member of a club which met within the Bourne town centre.

103. MINUTES OF THE ORDINARY MEETING HELD ON 26TH OCTOBER 2006 AND THE TWO EXTRAORDINARY MEETINGS HELD ON 30TH NOVEMBER 2006

The minutes of the meeting held on 26th October 2006 and the two meetings held on 30th November 2006 were signed as a correct record by the Chairman.

As a matter of accuracy, Councillor Thompson advised that, with regard to minute 79, he was indeed the Father of the House, (ie the longest serving

member) but only in respect of wisdom.

Councillor Howard replied that he was glad to give up the claim to be Father of the House.

104. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

Councillor M Williams advised that the Chairman's Variety Show would be held on 15th February 2007. Tickets were on sale and attendance by all members and officers was compulsory.

Councillor Bryant suggested that the Council should look sympathetically at the number of engagements carried out by the Chairman and Vice-Chairman using their own transport.

105. LEADER'S REPORT ON SPECIAL URGENCY DECISIONS

DECISION:

To note the Leader's report on urgent non-key decisions taken since the last ordinary meeting of the Council on 26th October 2006.

In accordance with the Access to Information Procedure Rule 17.3, the Leader submitted her quarterly report to Council on key and non key decisions that had been taken under special urgency provisions. Details of these decisions and background reports had been published and were publicly available via the Council's website.

The motion was duly proposed, seconded and carried.

106. OUTCOME OF INAUGURAL PARISH COUNCIL CONFERENCE

DECISION:

That the schedule of meetings prepared for presentation to the Council at its AGM in May 2007 includes provision for a Parish Council Conference to be held on 8th November 2007 and that the Council thanks all Parish Councils who participated in this innovative event.

The Council had before them report number CEX363 by the Chief Executive.

The Council had staged its first Parish Councils Conference on 7th December 2006. It had been attended by 75 delegates representing 33 Parish and Town Councils and had been chaired by Councillor Gerald Taylor. Feedback on the day was very positive and there was a good interchange of ideas and suggestions at each of the workshops. Experience had identified a number of areas where the conference could be improved and these would be taken on board for the next meeting.

The motion was duly moved, seconded and carried.

107. OVERVIEW & SCRUTINY ANNUAL REPORT TO COUNCIL

DECISION:

- 1) That the Council notes and endorses the Annual Scrutiny Report 2005/06; and**
- 2) That the 2006/07 Annual Scrutiny Report be submitted to Full Council by September 2007.**

The Council had before them report number DLS91 by the Scrutiny Officer which outlined the work of the Council's Development and Scrutiny Panels (DSPs) during the municipal year 2005/06. The report highlighted the continued improvement in the Council's scrutiny arrangements, which had continued beyond May 2006 up to the present time.

The motion was duly proposed, seconded and carried.

108. DATE OF ANNUAL MEETING OF THE COUNCIL

DECISION:

That the next annual meeting following the District Council elections on 3rd May 2007 be held at 2pm on Thursday 17th May 2007.

The Council had before them report number DLS90 by the Service Manager, Democracy on the date for the next annual meeting of the Council.

Councillor Shorrocks suggested that the Council should examine when council meetings were held in view of the number of people who were not able to attend meetings held during the day. He advised that he had asked for an equalities impact assessment on decision making to take place. He moved an amendment that "the date of the annual general meeting of the Council be set as Saturday 19th May 2007". This was duly seconded.

Councillor Bryant referred to the Local Government Act 1972 and he suggested that the Act prescribed certain dates when meetings could not be held, including Saturdays. The officers were not aware of any such provision in the 1972 or any other Act, but the Council adjourned in order for legal advice to be obtained.

Upon the resumption of the meeting, the Monitoring Officer advised that there were no dates prescribed when meetings could not be held.

During the course of the ensuing debate it was pointed out that the local forums met during the evening which gave members of the public the opportunity to participate in meetings outside of normal working hours.

After further discussion, the amendment was put to the vote and lost.

The Chairman of Engagement DSP indicated that the question of the timing of meetings would appear on the agenda for a future meeting of the DSP.

After further discussion, the motion was duly proposed, seconded and carried.

109. GROUPING ORDERS - PARISHES OF COLSTERWORTH, GUNBY & STAINBY AND NORTH WITHAM

DECISION:

- 1) That the Chief Executive be authorised to take necessary action to make an order in accordance with section 11 of the Local Government Act 1972 to group the parishes of Colsterworth, Gunby & Stainby and North Witham and a common parish council to be known as the Colsterworth and District Parish Council;
- 2) That representatives on the Parish Council should comprise eleven from Colsterworth, two from Gunby and Stainby and two from North Witham; and
- 3) That the first parish councillors for the combined area should be elected at the ordinary election of parish councillors on 3rd May 2007.

The Council had before them report number DLS092 which advised of a request from North Witham and Colsterworth, and Gunby and Stainby Parish Meetings for a grouping order to combine the two parish councils into one.

Councillor Thompson suggested that parish councillors and clerks were finding it increasingly difficult to undertake their duties, partly because they were being inundated with paperwork from central government. Was there anything the District Council could do to bring the attention of the government to this issue? Perhaps our concerns should be voiced through the Local Government Association. The Chairman advised that this should be done outside of the Council meeting.

The local government white paper anticipated devolving powers and duties to parish councils and it was clear that there was a problem around resources.

After further discussion, the motion was duly proposed, seconded and carried.

110. BOURNE CORE AREA

DECISION:

That the Council:

- 1) Indicates a willingness to contemplate the use of compulsory purchase order (CPO) powers for the Bourne Core Area project where the Council deems it necessary and appropriate in accordance with and subject to point two below, provided that all reasonable endeavours to acquire the site by negotiation have been exhausted and where it is deemed for the greater public good;
- 2) Receives a further report on an evaluation of the impact of the use of CPO powers to establish whether the use of the powers are necessary and appropriate, taking into account an appraisal of the financial, legal and planning implications and risks to the Council of making such an order; and
- 3) Subject to two above, receives a further report detailing the work plan required to proceed with consideration of a resolution to make a CPO.

The Chairman gave notice that he would allow this item to be considered as urgent business because the District Council would receive information from the East Midlands Development Agency imminently on the status of the grant

request, at which point the Bourne Core Area project could go live. In order to move the project forward, agreement to consider the use of compulsory purchase order powers would be sought from the Council.

Councillor John Smith declared a personal interest in this matter as he was a member of a club which met within the Bourne town centre area. He took no part in the voting or discussion thereon.

The Council had before them report number EDTCM005 of the Service Manager (Economic Development and Town Centre Management) which set out the issues regarding the development of the Bourne Core Area project and the requirements and tools needed for South Kesteven District Council to support the developer in regenerating Bourne town centre. It was confirmed that the Bourne town centre project had been the subject of extensive consultation, both at the Bourne area local forum and in exhibitions at the Bourne Corn Exchange and local supermarkets, the project had received full support from local residents. Bourne Town Council were also fully supportive of the proposed development.

The motion was duly moved, seconded and carried.

111. QUESTIONS WITHOUT DISCUSSION

One question had been submitted prior to the meeting. Verbatim details of the question, together with supplementary question and answer, are set out in the appendix to these minutes.

(Council adjourned for tea from 3.15 – 3.30pm)

112. NOTICES OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:

From Councillor Stephen O'Hare

Two motions had been submitted by Councillor Stephen O'Hare for consideration. Councillor O'Hare not being present, his group leader (Councillor K Joynson) decided not to proceed with these motions.

Councillor Brailsford then moved Councillor O'Hare's second motion as follows:

"That this Council lacks confidence in the Cabinet due to their continued failure for a period of over two and a half years between February 2004 and November 2006 to take any constructive action to protect the council housing stock of SKDC, being the greatest single financial asset of this council, by tackling the issue of the "loss" to the Housing Revenue Account of this council of over £4 million every single year starting from 1st April 2004 and continuing."

Councillor Bryant then indicated his intention to move an amendment to the motion as follows:

"That this Council lacks confidence in Councillor O'Hare due to his continued failure for a period of over two and a half years between February 2004 and November 2006 to take any constructive action at DSP or Council meetings to tackle the issue of the "loss" to the Housing Revenue Account of this council of

well over £4 million every single year into “government coffers”.”

Upon further explanation by Councillor Joynson, both the amendment and the original motion were withdrawn.

113. MEETING CLOSURE

There being no further business, the Chairman concluded the meeting at 4.03pm.

COUNCIL 25th JANUARY 2007

QUESTIONS WITHOUT DISCUSSION

QUESTION 1

TO: COUNCILLOR RAY AUGER

Do you agree with me that it is not an unreasonable request for a resident to ask for some hard standing at a waste recycling bin so that the residents can recycle their waste without getting their clothes and footwear dirty in the process? Furthermore, as the District Council nor County Council want to take any responsibility whatsoever for such a request, can you therefore give me a definite answer as to whether the District Council or the County Council to whom such a request for hard standing should be addressed to for a small waste recycling site such as the one near the A1 at Colsterworth? This I suggest is a typical case of bureaucrats passing the buck!

COUNCILLOR IAN SELBY

REPLY: COUNCILLOR RAY AUGER

The land in question belongs to Lincolnshire County Council, they have looked at this problem in the past, as you know, and have advised that as the area serves no highway purpose, other than for the use of the recycling banks, they have no budget to fund such hard standing. There is a further problem with the drainage, which would have to be addressed by the County Council to improve the site.

Similarly SKDC has no budget to fund any hard standing. Perhaps your parish council could enter into joint funding with Lincolnshire County Council.

SUPPLEMENTARY REPLY: COUNCILLOR SELBY

This is typical passing the buck. Councillor Auger has not Answered my Question and we are getting s*****d up in the process...

CHAIRMAN

Councillor Selby, you will apologise for using that unsuitable word.

COUNCILLOR SELBY

I apologise.

COUNCILLOR AUGER

My answer has not changed.

Agenda Item 5

Chairman's Civic Events **26.1.07 to 1.3.07**

Ref	Date	Host	Event	Transport
GT98	26 Jan	Showmen's Guild Annual Civic Luncheon	Gateway Hotel, Nuthall Road, Nottingham	Chauffeur
GT100	28 Jan	Peterborough C.C. Chinese Banquet	Emperor Restaurant, Peterborough	Own
GT92	2 Feb	Swimarathon 2007	Meres Leisure Centre	Own
GT94	3 Feb	Installation of Canon Philip Buckler as Dean of Lincoln	Lincoln Cathedral	Chauffeur
GT104	3 Feb	Art Exhibition Boston Borough Council	Hubbert's Bridge Community Centre, Boston	Chauffeur
GT103	9 Feb	Newark & Sherwood Musical Charity Evening	Carriage Court, Kelham Hall, Newark	Chauffeur
MT33	9 Feb	Peterborough C.C. Charity Burns Night	Town Hall, Peterborough	Rep. by Cllr Kirkman
GT111	12 Feb	Stamford Town Council ' Charter Day '	Town Hall, Stamford	Own
GT111A	15 Feb	Chairman's Own Charity Concert	Guildhall Arts Centre	Own
GT102	16 Feb	Harborough District Council Civic Dinner	Three Swans Hotel, Market Harborough	Chauffeur
GT101	17 Feb	Market Rasen Charity Dinner & Dance	Festival Hall, Caistor Road, Market Rasen	Chauffeur
GT112A	24 Feb	The Poachers presentation	Sobraon Barrack, Lincoln	Chauffeur
GT115	27 Feb	Boston B.C. Charity Chinese Banquite	Wide Bargate, Boston	Chauffeur
GT113	28 Feb	RAF Band Charity Concert	St. Wulfram's Church	Own

REPORT TO COUNCIL

REPORT OF: Corporate Head of Finance and Resources

REPORT NO.: CHFR35

DATE: 1 March 2007

TITLE:	BUDGET 2007/8 – Part A <ul style="list-style-type: none"> Revenue Estimates 2007/08 Capital Estimates 2007/8 – 2011/12 COUNCIL TAX SETTING – Part B
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	15 November 2006
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	BUDGET POLICY FRAMEWORK DECISION

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cabinet Assets and Finance Portfolio Holder Councillor T Bryant	
CORPORATE PRIORITY:	Corporate Governance and All Priorities	
CRIME AND DISORDER IMPLICATIONS:	Not Applicable	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's web site www.southkesteven.gov.uk via the local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required? No
BACKGROUND PAPERS:	CHFR15 medium term financial strategy CHFR26 Budget 2007/2008 CHFR29 Budget 2007/2008	

1. INTRODUCTION

Part A of this report deals with the budget proposals for South Kesteven District Council for the financial year 2007/2008 for both the revenue and capital expenditure and part B of

this report deals with the setting of the Council Tax for 2007/2008 in accordance with the relevant statutory requirements.

Part A

2. RECOMMENDATIONS

Recommendations relating to Part A of this report

In considering the budgets of 2006/2007 the Cabinet at its meeting on the 12 February 2007 made the following recommendations to council. It is recommended that council:

- a. Set a general fund budget requirement of £15.137 million for 2007/2008 (inclusive of special expenses)
- b. Approve a 4.94% Council Tax increase (excluding special expenses and parish precepts) for 2007/2008 which equates to an average increase of 4.88% when including special expenses for comparative purposes.
- c. Approve the revised revenue estimate for 2006/2007; original base estimate for 2007/2008; an indicative base estimate for 2008/2009 and 2009/2010 as detailed Appendix A page 1.
- d. Approve increases for fees and charges for 2007/2008 in accordance with the fees and charges strategy and summarised in Report CHFR26 to Cabinet and provided in detail within the council's budget book.
- e. Subject to confirmation local authority business growth initiative to make provision within the revenue estimates to provide:-
 - i. an estimate to support one off bids for "invest to save" which will be allocated according to the submitted business case, the proposed efficiency and CIPFA council's priorities.
 - ii. an estimate for one off bids totalling £184,000 as identified in paragraph 5.3
 - iii. a revenue contribution to capital programme to be applied to town centre development schemes in accordance with Category A priorities.
- f. The approval of the revised capital programme for 2006/2007 and programme for 2007/2008, 2009/2010, details Appendix A page 10 - 12
- g. Authorise the capital programme funding proposals subject to an annual review of financial options by the Corporate Head of Finance and Resources, in consultation with a portfolio holder, during the preparation of the Statement of Accounts to optimise the use of the council's resources.
- h. Approve the forecast balances of revenue and capital reserves contained at Appendix A page 2
- i. Approve the adoption of prudential indicators and limits for 2007/2008 to 2009/2010 contained within part A of Appendix B to this report.
- j. Approve the treasury management strategy for 2007/2008 and the treasury prudential indicators contained within part B of Appendix B to this report.
- k. Approve the investment strategy 2007/2008 contained in the treasury management strategy (part b of appendix b) and the detailed criteria included in annex B1 to appendix B of this report.

Housing Revenue Accounts (HRA)

- l. Approve that dwelling rents are increased in accordance with government guidance. The average rent will increase by 4.1% (a maximum increase of 4.1% plus £2 for individual cases).
- m. Approve an increase of 4.1% for garage rents and services charges.

3. BACKGROUND

- 3.1 The 2007/8 Budget has been drawn up to take account of the Council's various strategies and policies, in particular:

- The Corporate Plan
- The Council's priorities
- The Medium Term Financial Strategy (MTFS)
- Service Strategies

In addition the Budget has taken account of the impact of:

- The outcome of the Local Government Finance Settlement
- Budget Consultation
- Use of Resources Assessment.

The budget has been prepared on the basis of principle 4 of the Council's MTFS, "to maintain a sustainable Revenue Budget".

- 3.2 The Budget has been prepared at a time of organisational change; the reorganisation of officer structure; the continued redirection of resources to priority areas, providing for the third year of investment in priority areas; and the ongoing implementation of changes in the way that services are being delivered by modern technology.
- 3.3 Further development of integrated service planning and budget preparation has been undertaken to enable the devolvement of service budget management to Service Managers in 2007/8.

3.4 Budget Presentation

The budget presentation reflects the corporate themes allocated to Corporate Heads in the new organisational structure rather than the Development and Scrutiny Panel (DSP) format previously utilised. This will enable the devolvement of Service Budget management to Service Managers within the corporate financial strategy and enable clear accountability and responsibility for Budgets.

3.5 Capital Charges

Where Services benefit from the use of assets, the Revenue expenditure includes a charge for the use of the capital in line with standard accounting practices. There is corresponding credit shown in the General Fund summary (Appendix A page 1). A rolling programme of valuations is undertaken by the valuer to the Council to keep the asset register up to date. Any change in the use of assets, or revised valuation, or additional Capital Expenditure will affect the capital charge made to the Revenue Budget.

3.6 Prudential Code

The Council complies with the Prudential Code for controlling Local Government Capital Finance. The key objectives of the code are to ensure that:

- Capital Investment Plans are affordable, prudent and sustainable
- All external borrowings and other long term liabilities are within prudent and sustainable levels
- Treasury Management decisions are taken in accordance with good practice and in a manner that supports prudence, affordability and sustainability
- The Local Authority is accountable for decisions made
- It supports local strategic planning, local asset management planning and proper option appraisal.

Council's Current Financial Planning Systems demonstrate the affordability of the Capital Programme and the 2007/8 estimates have been prepared in the context of these plans and controls.

3.7 Integrated Service and Financial Planning

This is the second year of integration of service planning and financial planning. There has continued to be an increased opportunity for members and officers to be involved in the process.

The Gateway Reviews which were introduced last year have been refined to enable all members of the appropriate Development and Scrutiny Panels (DSPs) to have an input into service and financial planning through three separate Gateway Reviews at various stages of the Budget preparation process. Service planning has focussed on linking the proposals for service delivery to the Council's vision and priorities and has taken account of a current position statement to evaluate the needs for the future based, on this analysis. Action plans have been compiled with targeted outputs and outcomes, together with an assessment of the potential risks and resources required. Service planning has also had regard to the efficiency agenda with service managers identifying both cashable and non-cashable efficiencies. An assessment of the development needs and the potential procurement options for the service have also been included together with an overall assessment of potential risks.

4. PROJECTED OUTTURN - 2006/7

- 4.1 The original budgets for 2006/7 have been re-aligned based on Corporate themes to enable a comparison of budget heads against projected outturn for 2006/7.

Projected outturn on the General Fund for 2006/7 financial year is summarised in the following table:

Comparison of original estimate and revised base for 2006/7

	Original estimate 2006/7 £k	Revised base 2006/7 £k	Variation £k
Corporate & Customer Services	1,974	1,871	(103)
Finance & Resources	4,399	5,228*	829
Healthy Environment	6,255	6,383	128
Partnerships & Organisational Improvement	1,286	1,015	(271)
Sustainable Communities	2,935	3,354	419
Special Expense Areas	619	632	13
Efficiencies	(250)	0**	250
Net Service Expenditure	17,218	18,483	1,265

* Reflects use of Pension reserve referred to below

** efficiencies have been shown within service areas for the revised base

4.2 The main reasons for the changes in Budget Expenditure on Services are shown below:

- The impact of settling the pension capital costs in advance of the triennial review – funded from the Current Employee's pension reserve (appendix A page 2) (shown in estimate sheets within Finance and Resources)
- The impact of realignment of budgets to reflect the new corporate structure
- The one off costs of the corporate restructuring
- The impact of the redevelopment of Welham Street Car Park on Car Parking income
- Change in accounting for support bases
- Review of salary oncost bases
- Accounting for the general fund element of the pre-Stock Transfer work (£370,000 included within Sustainable Communities and financed by the Stock Options Reserve Appendix A page 2.

4.3 Investment income is expected to be £300,000 more than the original estimate. The average interest rate assumed in the original estimate was 4.75%. Investment returns have been higher than expected as a result of the increasing base rate and amended spend profile on the capital programme

4.4 During the year the Council has approved a supplementary budget to enable the corporate restructuring to proceed whereby an additional £700,000 provision has been made available for one-off expenditure during the year to facilitate the corporate restructuring in accordance with Minute 33 of the Council, this expenditure will be financed from the Pension and Capacity Building Reserves. As a result the original base plus the supplementary budget provides an overall base of £17.918million for comparative purposes.

5. ESTIMATES 2007/8

5.1 The Budget's assumptions used in compiling the 2007/8 estimates are set out below:

- Salary Inflation for 2007/8 2.5%
- Employees efficiency estimate 2.0%
- Utility Cost increases (average) 10.0%
- Business Rate increases 3.6%
- Interest Rates 5.2%

5.2 Analysis of changes to base budget and budget pressures

The budget proposes a net service expenditure of £17.895million broken down by Service themes as follows:

Summary of Net Service Expenditure				
	Revised base 2006/7 £'000	Estimated base 2007/8 £'000	Indicative base 2008/9 £'000	Indicative base 2009/10 £'000
Corporate and Customer Services	1,871	2,267	2,257	2,336
Finance and Resources	5,228	4,501	4,244	4,416
Healthy Environment	6,383	6,842	6,976	7,125
Partnerships & Organisational Improvement	1,015	626	643	690
Sustainable Communities	3,354	3,271	3,128	3,232
Special Expenses	632	660	662	667
Efficiency Savings	0	(300)	(300)	(300)
Under allocation of Support Services	0	28	0	0
Net Service Expenditure	18,483	17,895	17,610	18,166

A balanced budget has been produced, however, current and future resources are tight reflecting the fact that the four main income streams for the Council: Government Grant, Specific grant, Fees and Charges and Council Tax are, and will continue to be constrained, at a time when ambitions and customer expectations are increasing. In addition, the Council faces pressures resulting from pay, pensions and the efficiency agenda.

In particular there are a number of key issues addressed within the 2007/8 budget:

- The impact on Car Parking income as a result of capital programme works to the Welham Street Grantham and Wharf Road Stamford
- The increase in concessionary travel usage and potential impact of proposed changes to travel scheme
- A change in accounting treatment of Communications from a front line service to support service - Partnerships and Organisational Improvement
- Salary inflation assumed at 2.5% subject to the outcome of the pay settlement
- Utility cost inflation
- Efficiency savings overall of £300,000 representing 2% of overall salary budget
- Continued investment in priorities
 - Access to Services - Corporate and Customer Services
 - Recycling – Healthy Environment
 - Communications – Partnerships & organisational improvement

- Anti-social behaviour – Partnerships and organisational improvement shown within Partnerships and Community Development budget)

5.3 One off Budget requirements

There are a number of one off budget requirements, which have been included in the proposed budget for 2007/8. The key items are summarised below:

- Elections - holding the District Elections during May 2007 £50,000
- Leisure Procurement Options – cost of exploring options
(Cabinet Minute CO96 - funding financial years 2006/7 & 2007/8) £100,000
- Arts Development - Stamford Arts Centre replacement fire alarm system £40,000

When compiling the Revenue Estimates for 2007/8 a number of bids for one-off expenditure were unable to be included within the Revenue Estimates within the current financial year. At the time of writing the Report the Council is still awaiting the Government's announcement on the level of allocation for Local Authority Business Growth Initiative (LABGI) Funding, (the second of a 3 year grant provision which is referred to within the Section on Local Government Finance below). Subject to the announcement of the level of Grant funding, which is anticipated during February, the Cabinet have requested Council to consider an amendment to the Budget to make provision within 2007/8 for the following one-off items:

Bids for One-Off Budget provision within 2007/8	
	£000
Deepings Leisure Centre	
Pool Handling Units	49.0
Water Filtration System	12.5
Bourne Leisure Centre - Plant Upgrade	14.0
Stamford Leisure Pool - Water Filtration System	37.5
Bourne Area Office - Fire Alarm System	12.0
Wyndham Park Grantham - compost bin	14.0
Communications Priorities *	45.0
Total of One Off Bids	184.0

* to be allocated subject to the approval of a priority action plan as identified within the communications strategy to be approved by Cabinet.

5.4 Special Expense Areas

This makes use of provisions under the Local Government Finance Act 1992 which provide for different amounts of council tax to be calculated for different parts eg parished and unparished areas, of the district, depending on what, if any special items related to those parts. A special item is an item which relates to only part of the district's area. Treating expenses as special expenses does not affect the overall amount that the council needs to raise through council tax across the whole of the

district. It simply means that, compared with what would happen if the expenses were not treated by the district council as special expenses, the council tax is:

- relatively lower for areas where the parish council performs the concurrent function; and
- relatively higher for areas where the district council performs the concurrent function.

The district seeks to fully recover the net expenditure of the special expense areas however, increases in the special expense precepts count towards the overall council tax capping calculation for the district. It is proposed that a full review of the special expense areas expenditure and funding is undertaken during 2007/8 to explore how the district council can achieve its objective, a report will be provided to the Cabinet at the end of the first quarter in 2007/8.

5.5 Overall General Fund Position 2007/8

The overall General Fund position for 2007/8 (Appendix A) may be summarised as follows. The total service expenditure (net of income), for 2007/8 is estimated at £17.895 million. Interest and investment income has been estimated at £800,000 based on the proposed use of Capital Resources whilst also taking into account expected movements in interest rates. Further details of the Council's investment strategy are contained in Appendix B to this report (which will be circulated separately).

In preparing the Budget consideration of the use of reserves has been taken into account. It is proposed to use the reserves as follows:-

	£k
• Pension - to cover former employee pension liabilities	65
• Building Control	35
• Capacity Building, Priority Setting & Service Improvement	476

With regard to the use of the Capacity Building, Priority Setting and Service Improvement reserve, it is proposed to utilise £476,000 for continued investment in the Council's Priorities. It is essential that the use of this reserve is kept under review to ensure it is being applied in a sustainable manner. Particular caution should be exercised where the potential use of the reserve is to grow base service budgets year on year. In addition, where investment is made on an ongoing basis to category A and B priorities any subsequent review of the level of priority should take account of the need to manage realignment of resources as required, to ensure that the prioritisation process remains sustainable.

The summary of the projected use of Reserves is attached to this report at Appendix A page 2. The Budget assumptions result in a net Budget requirement of £15.137 million (including special expense areas).

5.6 Budget Monitoring

Monthly monitoring and management of Service budgets will continue to be undertaken by Service Managers with support from Accountancy Services under the arrangements to devolve Service Budget Management. In addition, it is proposed that the Corporate Monitoring Reports will be presented to Cabinet and the appropriate DSPs to review the overall position and also to take account of cross cutting themes, such as the performance of fees and charges and investment income.

6 GENERAL FUND INCOME

6.1 Partnership Funding

The Council has historically accessed several partnership funding streams and during the year officers will continue to take advantage of any bidding and partnership opportunities that may arise in order to maximise resources available to the Council in accordance with Principle 6 of the Council's Medium Term Financial Strategy.

6.2 Fees and Charges

In accordance with Principle 11 of the Council's Medium Term Financial Strategy a revised fees and charges strategy has been adopted by the Council and proposals for the level of fees and charges for 2007/8 have been shown in detail within the Revenue estimates book in the section entitled fees and charges, these have been based on the proposals contained within report CHFR26 and as detailed in the budget book. The chart below shows the level income received from the Council's main sources of fees and charges, this is compared with the previous year. Members will notice that whilst this is an important resource base for the delivery of the Council's services there is little projected increase between the two financial years for the level of fees and charges for key services. Whilst a number of the fees and charges are statutorily determined the Council should keep under review all fees and charges in line with the Council's strategy to protect this resource base.

Error! Not a valid link.

6.3 Local Area Agreement (LAA)

During 2006/7 the County Council, the seven Lincolnshire Districts and other members of the Lincolnshire Strategic Partnership (LSP) have been negotiating with Government Office East Midlands regarding the development of a Local Area Agreement. The Local Area Agreement is a three year agreement, based on local Sustainable Community Strategies, that sets out the priorities for a local area agreed between Central Government, and the local areas, represented by the LSP.

The LAA is structured around four blocks: children and young people; safer and stronger communities; healthier communities and older people; and economic development and enterprise. The draft agreement refers to some mandatory pooling of partnership funding for example, that relating to the Crime and Disorder Partnership and the alignment of partners budgets in other areas.

The Government are seeking for LAAs to drive forward the principles of the Devolved Decision-making review in terms of the rationalisation of funding streams, therefore, members will need to ensure that these developments are kept under review and the potential impact of them analysed in relation to the Council's resource base.

7 CAPITAL PROGRAMME

- 7.1 The recommended Capital Programme (Appendix A page 10-12) provides a revised estimate for 2006/7 together with a further 3 year programme to 2009/10. It is proposed that in future years an additional year will be added to the programme to provide for a 5 year Capital Programme based on a revised estimate for the current financial year plus 4 further years.

7.2 The Programme has been compiled based on the Council's priorities, the Council's Asset Management Plan and in accordance with the Council's Capital Scoring mechanism. Bids for the Capital Programme have been assessed by members of the Capital Asset Management Group who have provided advice to the Portfolio Holder Group for Assets and Finance, in compiling the Programme. The Programme comprises of both General Fund and Housing Revenue Account (HRA) Schemes.

7.3 Revised Programme 2006/7

A revised Capital Programme for 2006/7 was approved by Council in October 2006. As part of the preparation of the Capital programme for 2007/8 a review of the current programme has taken place and the following key issues should be noted:

- No additional allocation for Disabled Facilities Grants was awarded by GOEM, therefore, the estimate for DFGs and Private Sector Renewal has been revised to £350,000 and the level of Capital Grants and contributions revised to £150,000.
- The disposal of the site at Worth Court Bourne to facilitate the development of an Extra Care Affordable Housing scheme in partnership with Lace Housing has been shown as a £425,000 contribution to affordable housing (gift of land) based on the fettered valuation of an equivalent amount being included within the capital receipts used to finance the programme.

7.4 Programme 2007/8 to 2009/10

Key areas to note in relation to the 2007/8 programme include:

HRA

- Provision for continued investment in the Council's Housing Stock to achieve the decent homes standard. Details of the Revenue Budgets for the Housing Revenue Account are provided later in this report, however, Members should note, at this point, that provision has been made for a full Stock Condition Survey, once the results of this have been analysed there is likely to be the need to revise the future year's Capital Programme to reflect priorities identified by the Survey.

General Fund

- Provision for the continued replacement of fleet vehicles as required to maintain the Fleet in good working order. The Portfolio Holder has requested a review of the Council's Fleet Management programme be undertaken, the outcome of this review will be reflected in future revision of the capital programme.
- The disposal of the site at Aire Road Grantham to facilitate the development of an Affordable housing scheme in partnership with Nottingham Community Housing has been shown as a £475,000 contribution to affordable housing (gift of land) with the fettered valuation of an equivalent amount being included within the capital receipts used to finance the programme.
- Detailed estimates have been provided for 2007/8. At this stage bids for future years have only been forthcoming in relation to an annual £1million provision for Town Centre Projects in line with the Council's Category A priorities for Town Centre Regeneration and a provision for a £500,000 annual Programme of Works to maintain the Council's Assets in line with the Asset Management Plan. A provisional allocation of the £500,000 per annum has been prepared by the Assets and Facilities Service Manager. It is anticipated that additional bids for future years, may come forward during the year, these will be subject to consideration when the Capital Programme is reviewed.
- Increased provision in future years for Disabled Facility Grants reflecting the increase in need for this service. It should be noted that Disabled Facility Grants are mandatory and currently there is some Government funding support via specified Capital Grant £213,000 for 2007/8 equivalent to 60% of the expenditure within agreed allocations. The provision within the Capital Programme (made up of £50,000 for private sector renewal and £450,000 for DFG) exceeds this allocation and therefore the balance of £57,000 will be fully supportable by the District Council in 2007/8 and similar amounts in future years (based on a continued allocation of £213,000 specified capital grant).

- 7.5 The detailed Capital Programme contained within the Appendix also identifies the proposed method of financing the Capital Programme which will be reviewed by the Corporate Head of Finance and Resources when preparing the Statement of Accounts for each financial year to enable the most effective form of financing to be adopted by the Council.
- 7.6 Based on the current projections and existing policies regarding the use of Capital Receipts, there is an estimated need for unsupported borrowing during 2007/8. Should the Council wish to avoid the need to enter into borrowing in the short-term it may consider reviewing the existing policy regarding the use of Housing Receipts. Historically the Council has adopted a policy of utilising Housing Capital Receipts for Housing purposes, including supporting the provision of affordable housing. Capital Receipts may be applied to the overall General Fund Capital Programme, as a result unsupported borrowing would not be required until 2009/10.
- 7.7 To enable the greatest flexibility in using the Council's resources to finance the Capital Programme it is recommended that the Council requests the Corporate Head of Finance and Resources to review the options and report back to Members once the Statement of Accounts has been produced for 2006/7 to reflect the actual spend on the Capital Programme during the current financial year, and in light of the projections for the potential Capital Receipts or the sites currently being marketed.

7.8 Forecast of Capital Receipts

In accordance with Principle 7 of the Council's Medium Term Financial Strategy "to manage the Council's assets, reserves, balances of receipts to optimise financial returns for future investment in the Council's priorities for the benefit of the community", estimates of the likely Capital Receipts to be generated during 2007/8 and subsequent years have been made based on the Council's Asset Management Plan. The likely level of receipts anticipated during 2007/8 is £4.425million (made up of £3.2m General fund and £1.225m HRA receipts) of which £2.696m will be applied to finance the Capital Programme in 2007/8; and £0.5million in each subsequent year.

- 7.9 To ensure that the Council optimises its Capital Receipts and returns on existing assets it is essential that all assets are kept under review in line with the Asset Management Plan and Medium Term Financial Strategy, therefore, it is proposed that regular reporting will be introduced to Cabinet on the performance of assets and in particular non-operational assets. The review of assets will identify any potential surplus assets that do not meet Council needs and may be considered for disposal.

8 TREASURY MANAGEMENT AND INVESTMENT STRATEGY

In accordance with the requirements of Local Government Act 2003 a Treasury Management Strategy is provided within Appendix B. This appendix provides

- the reporting requirements of prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Part A of Appendix B)
- the Treasury Strategy in accordance with CIPFA Code of Practice on Treasury Management (Part B of Appendix B)
- the investment strategy in accordance with the Department of Communities and Local Government Investment Guidance (Part B of Appendix B).

9 RESERVES AND PROVISIONS

The Local Government Act 2003 requires the Chief Financial Officer to report on the adequacy of financial reserves when consideration is given to the General Fund budget requirement for the year. Under the Local Government Finance Act 1988, all balances held by the Council are at the direct disposal of the General Fund with the exception of the Housing Revenue Account balance, the Collection Fund or any funds held in trust. A statement showing the forecast balances of revenue and capital reserves is provided at appendix A page 2 .

Justification of balances

The **General Fund balance** comprises two elements: the working balance and an amount held as a contingency against unforeseen events. A working balance is required so that the council has sufficient funds available to meet its cash flow requirements. The forecast of revenue reserves reflects the Council's policy of maintaining the General Fund balance at between 4% to 5% of gross turnover, or between 10% to 15% of net expenditure to provide adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year.

The **Insurance Reserve** is maintained at £500,000. This reserve is held to meet potential and contingent liabilities arising from the high level of 'self insurance' used by the Council to reduce external premiums. The insurance contract is due for renewal during 2007/8 so the balance on this reserve will be kept under review during the closure of accounts process to ensure that it remains adequate.

Whilst the Council does not currently operate a Pension policy with 'added years', the **Former Employee Pension reserve** provides for matching added years payments in respect of former employees when such a policy operated. The requirement to draw on this reserve will continue and a further contribution of £150,000 is proposed to ensure there is adequate provision in future years to reflect the fact that the pension recipients are living longer than originally estimated. Taking account of this proposed contribution, the balance as at 31st March 2007 is estimated to be £392,000 and £327,000 as at 31st March 2008.

A triennial valuation of the Pension fund is due to take place in 2007/8 and in anticipation of this it is proposed to use resource from the **Current Employees Pension reserve** to clear the outstanding capital costs of pensions for employees who have been granted early retirement since the last triennial review. The estimated capital cost is £1.259million; a contribution of £527,000 is proposed from the Capacity Building Reserve to provide for the one off costs relating to pensions arising out of the corporate restructuring as provided for within the supplementary estimate reported to Council in May 2006. The balance as at 31st March 2007 is estimated to be £1.384million, whilst providing for potential capital costs of any future early retirements the reserve will also help to protect the Council from large changes in Council Tax resulting from unanticipated rises in the employer's contribution rate following the triennial valuation.

Annual surpluses from the chargeable element of Building Control activities are set aside in the **Building Control reserve** and used to finance service improvements and offset any future deficits. The statement shows a modest use of this reserve to provide for service improvements of £35,000 per annum, giving an estimated balance as at 31st March 2007 of £377,000 and £342,000 as at 31st March 2008. It is proposed that a review of the potential use of this reserve be undertaken during 2007/8 to ensure that the use of this reserve is optimised to provide for continued service improvements.

The **Stock Option Ballot Reserve** was set up to offset any abortive costs arising from the ballot of tenants, to protect the General Fund from any impact. During 2005/6 £198,000 was offset against this reserve and the abortive costs accrued in the current financial year will be offset against this balance during the closure of accounts process these are currently estimated at £370,000. It is proposed that the remaining balance estimated at £432,000 be allocated to the Capacity building reserve, as a result the balance on this reserve will be nil as at 31st March 2007 and the reserve will be closed.

The **Capacity building, priority setting and service improvement reserve** – there was a planned £500,000 use of this reserve during 2006/7 with a supplementary estimate proposing to utilise a further £700,000 relating to one off costs of implementing the new corporate structure. However, taking account of better than anticipated performance on investments and the overall spending patterns on the General Fund it is anticipated that £700,000 will be utilised to support the one off costs of the corporate and customer services restructure (made up of £527,000

transfer to current employees pensions reserve and £173,000 to finance other one off costs contained within the revised base for 2006/7). In addition, it is anticipated that as part of the closure of accounts process it will be possible to make a contribution to the reserve of £403,000 subject to the outturn position on the General Fund overall. Taking account to these movements it is estimated that the balance as at the 31st March, 2007, will be £1.513m. It is anticipated in future years that this reserve will need to be utilised to support the one off costs of delivering the Council's Priorities and service improvements, it is proposed that in these instances applications to draw on the reserve will be assessed on the basis of the business case and fit with priorities.

Capital Reserve – It is anticipated that the £5.057million balance on the General Fund Capital Reserve will be fully utilised to finance the delivery of the Capital Programme in the current financial year, resulting in a nil balance as at 31st March 2007. The Capital Programme is providing investment in the Council's priorities, for example: Recycling and the introduction of Wheelie bins and Town Centre Development in Grantham with the development of the Welham Street Car Park.

HRA Major Repairs Reserve – This is a mechanism whereby the Council is required to account for the resources provided through the Major Repairs Allowance, which is provided through Housing Revenue Account Subsidy and is available to fund capital expenditure on HRA assets. During 2006/7 there will be a contribution to the reserve of £3.449million Major Repairs Allowance (MRA) but the current capital programme will require the use of £7.432million to finance it, leaving a balance as at 31st March, 2007 of £5.141million. The balance as at 31st March 2008 will be reduced to £2.598million after taking account of the notified amount of MRA due and the use of the reserve to finance proposed capital programme. Members will note that based on the submitted capital programme, it is anticipated that the Major Repairs Reserve will be fully utilised by 31st March 2010, at this stage it is anticipated that the Council will need to enter into borrowing to support the ongoing Housing Revenue Account capital programme.

The Working balance on the HRA – The submitted estimates show a deficit year on year on the HRA resulting in a reducing working balance in future years. However, in the current financial year reduced net cost of services against the original estimate has resulted in an estimated increase in the working balance to £6.502million, but the working balance is anticipated to be reduced to £6.046million at the end of 2007/8. It will be necessary to keep this situation under review and model the impact over the 30 year life of the business plan, prior to entering into future commitments arising out of the current work of the working group looking into options for future service improvements and the peer review due to be undertaken in 2007/8.

Useable Capital Receipts Reserve – This reserve is utilised to finance the capital programme and the balance brought forward contains both receipts from the sale of General Fund assets and the sale of HRA properties under the Right to Buy. It is estimated that the balance will be £3.624million as at 31st March 2007 and £5.353million as at 31st March 2008, this reflects the proposals in the report CHFR20 to Cabinet and subsequent report CHFR21 to Council, relating to the review of the Capital Programme 2006/7 and proposals to utilise Housing receipts as a temporary internal financing source to support the General Fund programme and make the resource available for housing purposes in the future once anticipated General Fund receipts are received during 2007/8.

Historically, Housing receipts have been used for Housing purposes, including support the provision of affordable housing. Paragraph 7.7 above explains that based on the current projections and existing policies regarding the use of Capital Receipts, there is an estimated need for unsupported borrowing during 2007/8. Should the Council wish to avoid the need to enter into borrowing in the short-term it may consider reviewing the existing policy regarding the use of Housing Receipts. Useable capital receipts may be applied to the overall General Fund Capital Programme; as a result unsupported borrowing would not be required until 2009/10.

To enable the greatest flexibility in using the Council's resources to finance the Capital Programme it is recommended that the Council authorise the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Resources, in consultation with the Portfolio Holder, during the preparation of the Statement of Accounts.

10 COLLECTION FUND

All transactions associated with Council Tax are shown in the Collection Fund. The legislation requires a calculation to be made of the estimated surplus or deficit on the Collection Fund as at 31st March 2007 in order to distribute these amounts in 2007/8.

Any surplus or deficit arising from Council Tax transactions is shared between South Kesteven District Council, Lincolnshire County Council and Lincolnshire Police (the precepting bodies) in proportion to their demands on the Collection Fund.

It is estimated there will be a surplus of £39,000 on the Council Tax Collection Fund at 31st March 2007.

Since 2004/5 Council billing authorities have had the powers to reduce the discount on second homes from 50% to a minimum of 10%, this has the effect of generating additional income, for the billing authority and the precepting authorities (the County Council and the Police Authority). In 2005/6 the discount was reduced to the minimum 10%. The County Council and the Police Authority agreed that the additional income would be spent within the district on agreed schemes of mutual benefit.

As South Kesteven excluded the additional tax base from its submission to the County Council, it was agreed that the grant for 2005/6 would be paid during 2006/7. The amount due from the County Council is £64,000 and £78,000 for 2005/6 and 2006/7 respectively. It is estimated that the amount for 2007/8 will be £77,642, this will be used to continue to the work of the Local Strategic Partnership including the employment of a Local Strategic Partnership Co-ordinator.

11 LOCAL GOVERNMENT FINANCE SETTLEMENT 2007/8

Report CHFR26 presented details of the provisional Local Government Settlement for 2007/8. The final announcement was made on 18th January 2007. The allocation of Formula Grant for 2007/8 is for the second of a two year settlement and the figures have remained unchanged. The main features of the system are summarised below.

Formula Grant

Formula Grant is the name for the cash that the Council receives from the Government. The Council's entitlement to Formula Grant is based on the following elements:

SKDC's Formula Grant from the Government in 2007/8		
	2006/7 £million	2007/8 £million
Relative Needs assessed by ascribing values to a range of demographic indices	3.2160	3.266
Relative Resource Amount A deduction, calculated by assessing the authority's taxbase in relation to its population	(2.2130)	(2.411)
Central Allocation Paid on a population based formula	8.3000	8.837
Floor Damping Provides protection to those authorities whose entitlement would otherwise fall below increase announced by the Government (and paid for by reducing the entitlement of authorities whose increase is more	(0.0308)	(0.066)
FORMULA GRANT	9.272	9.626

The allocation of £9.626million is as previously anticipated within the Medium Term Financial Strategy forecast. This amount will be paid partly in the form of re-distributed National Non-Domestic Rates, £8.243million and partly in Revenue Support Grant £1.383million, representing an increase of 3.82% on the level of grant for 2006/7.

No change has been anticipated to the Formula Grant for 2008/9 in line with the prudent projections contained within the MTFS until the outcome of the Comprehensive Spending Review 2007 and the three year allocation of Formula Grant is announced later in 2007.

This is the final year of an initial two year settlement; in the future the Government will introduce a three year settlement. The three year settlement will reflect the outcome of the Comprehensive Spending Review 2007 currently been undertaken by the Government, details of which are due to be reported in the summer. The forecast is for a tough settlement for the three years, particularly for district councils. Also the Pre-Budget Statement in December included an efficiency requirement of 3% cashable savings from the public sector for the three years commencing 2008/9.

Specific Grants

Specific grants continue to provide an important source of funding for Local Government, the specific grants notified as payable to South Kesteven District Council are summarised below.

Specific Grants payable to SKDC in 2007/8	
Description	£'000
Housing Benefit Administration Grant	745
Planning Delivery Grant – 1 st Tranche	28
Smoke free legislation implementation Grant	52
Waste Performance and efficiency grant*	109
Total Specific Grants (announced at time of writing report)	934

*The Council has been informed that this allocation will be made to the LAA and Lincolnshire County Council as administering body believe that this will be made available to SKDC.

At the time of writing the report, the Council is still awaiting the announcement of the second year of a three year allocation for Local Authority Business Growth Initiative Grant, which is due in February. No provision has been made within the estimates for this grant currently, however, it is anticipated that the level of grant may be substantial, reflecting the Business Growth within the district, an update will be provided at the meeting. The cabinet has recommended the Council that the grant be used for the following three purposes, subject to the amount of grant announced:

- To provide an estimate within budgets 2007/8 to support one-off bids for “Invest to Save”, which will be allocated to services according to the business case, the efficiency proposed and fits with the Council’s priorities
- To provide an estimate within budget 2007/8 for One-off bids for budget as identified within paragraph 5.3. of this report.
- To provide a revenue contribution to the capital programme to be applied to Town Centre Development schemes, in accordance with the Council’s Category A priority.

12. Budget Consultation

12.1 The Council consulted on its budget proposals during December and January, via its online survey. The online survey closed on 31st January. In addition, the Local Forums held during January and early February were also used for consultation on the budget proposals, including a joint consultation meeting with Lincolnshire County Council and Lincolnshire Police Authority held at Bourne. An analysis of the results for the online survey and budget consultation meetings is set out below:

Online Consultation

- 18 responses received results are analysed as follows:

o Option A increase Council Tax by 5% per Band D property	45%
o Option B increase Council Tax by 2.5% per Band D	11%
o Option C no increase in Council Tax	44%
- The question was asked do you think SKDC offers value for money, 34% responded yes and 56% responded no. It should be stressed that with only 18 responses being received it is not a statistically sound survey result.

Local Forum Meetings

- Rural South – Support for proposed increase of 4.94%
- Rural North – Support for proposed increase of 4.94%
- Grantham – Support for proposed increase of 4.94%
- Deepings - Recommended an increase of 2.5%
- Bourne – 51% present felt that the proposed increase was too expensive and 49% felt the increase was about right.
- Stamford – Support for proposed increase of 4.94%.

13 The District's basic amount of Council Tax 2007/8

- 13.1 The calculation of the Council's basic amount of Council Tax is made by deducting from the Budget Requirement £15.137million (including special expense areas, but excluding parishes), the external support that will be received from the Government from Formula Grant £9.626million, together with any surplus on the Collection Fund.
- 13.2 The result is divided by the Council Tax Base of 44,366.3. The basic amount of Council Tax of £110.88 equates to the charge on properties in band D in SKDC but excluding special expense areas and parishes, an increase of 4.94%.
- 13.3 The Government has reserved powers to cap local authority budget requirements where it judges authorities to have set excessive increases. Capping action was taken against 14 authorities in 2004/5, against 9 authorities in 2005/6 and against 2 authorities in 2006/7. The Government announced in December 2005 that average increases in Council tax should be less than 5% for 2007/8. The cost of re-billing is estimated at £60,000. A specialist at the Department of Communities and Local Government has advised the Council that whilst Parish precepts are not taken into account when considering capping, special expense area precepts are. In addition, they advised that Council Tax levels should be kept down and therefore Ministers may consider the impact of parish precepts in the future.

14 Housing Revenue Account (HRA)

- 14.1 Housing Revenue Account Subsidy Determination - The HRA budget has been prepared taking account of the HRA subsidy determination issued on 19th December 2006. This is the second of a two year settlement and there have been no major changes in methodology.
- 14.2 The Management and Maintenance allowance has been increased by 3.7% for South Kesteven compared to a national increase of 2.3%.
- 14.3 The Guideline rent for South Kesteven is £54.97 an increase of 7.1%, the average rent (after capping) for 2007/8 for South Kesteven is £54.81, an increase of 6.4% compared to the national average of 5.6%. The Rental Constraint Allowance introduced by the Government in 2006/7 has been repeated. This compensates, in year, for the difference in rent assumed in the Subsidy and authority rent caused by the impact of the 5% cap on rent increases. The compensation calculation was confirmed on 5th October 2006, the new allowance added £0.11m to the subsidy payable for 2006/7 and the allowance has increased to £0.32m for 2007/8.
- 14.4 Taking account of all relevant factors, South Kesteven's total subsidy for 2007/8 will amount to a negative £4.73million, a decrease of £0.32million (7.3%) on 2006/7, (any change in subsidy, should be offset by an approximately equal and opposite change in expenditure or income should any of the base information change for example charges for capital).
- 14.5 The Department of Communities and Local Government have recommended a 4.1% rent increase for 2007/8 based on 3.6% RPI or items inflationary element plus 0.5% real cash increase. Individual rents are not to be increased by more than 4.1% plus £2 from 2006/7. Sorry to say the Cabinets decision in January to approve an indicative rent increase of 4.1% or a maximum of 4.1% + £2.00 in individual cases, the tenant compact has been consulted and has supported the proposals.

- 14.6 Garage rents are set locally, but in past years have followed the guideline rent increase to avoid charge erosion. Thus, it is proposed to increase garage rents and all other service charges by 4.1% in line with the rental proposals used within the subsidy determination.
- 14.7 Analysis of HRA budget proposals – The proposed budget for 2007/8 provides for some additional posts based on the phase 2 structure proposals contained within the draft 2007/8 budget submitted last year. The proposed budget also contains some provision to be allocated, subject to the outcome of the Working Group looking into the options for the HRA and the Peer review the outcome of both should be known by mid Summer. This allocation will also be subject to a review of the impact of the proposals on the 30 year HRA business plan.
- 14.8 The 2007/8 also provides for a full stock condition survey to be undertaken. A review of the capital programme and revenue estimates for repair and maintenance will be undertaken in light of the results of the survey. However, based on current proposals it is estimated that the Major Repairs Reserve will be fully utilised by 2009/10 at which time it is anticipated borrowing will be required to support future improvements as referred to in paragraph 9.10 above.
- 14.9 Overall, the submitted estimates show a deficit year on year on the HRA resulting in a reducing working balance in future years. A more detailed analysis is contained in paragraph 9.11 above. It will be necessary to keep this situation under review and model the impact over the 30 year life of the business plan, prior to entering into any ongoing future commitments arising out of the current work of the working group looking into options for future service improvements and the peer review due to be undertaken in 2007/8.

15 Statement by Chief Finance Officer

- 15.1 The purpose of this statement is to comply with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Council's case the Corporate Head of Finance and Resources must report on:
- (a) the robustness of the estimates made for the purposes of the budget calculations, and
 - (b) the adequacy of the proposed financial reserves.
- 15.2 In recommending the budget to council, the Cabinet has taken account of the advice of the Corporate Head of Finance and Resources in respect of the above. For 2007/8 I can advise that the budget presented to the council is robust in its formulation and the level of reserves is adequate for the organisation.
- 15.3 Risks to the budget
In formulating my opinion the following risks and factors have been taken into account.
- a. The Government will cap the level of Council Tax increase for Local Authorities. The Government has reserve capping powers and has used them in each of the last three years. There is an indication from the Minister that it is expected that Council Tax increases will be kept below 5%.

South Kesteven is a low taxing Council being in the lowest 30 in the Country. The proposed increase of 4.88% for a band D inclusive of special expenses will be in line with the Government target. Given no Government guidance on capping any resultant impact from capping measures would need to be found from balances. The cost of re-billing if capping did occur would be £60,000.

- b. The estimates assume that efficiency savings of £300,000 will be found during 2007/8. Careful monitoring will be required to ensure savings are forthcoming.
- c. The Capital programme for 2007/8 continues to be maintained at the relatively high level established in 2006/7, when compared to recent years. It will be necessary to actively review levels of capital receipts to ensure reliance on borrowing is minimised.
- d. Most specific grants come to an end at the end of the financial year 2007/8. However, there are ongoing discussions between Local Government and Central Government regarding the challenges of the Comprehensive Spending Review 2007 (CSR07). Therefore, it will be necessary to keep under review the potential impact of the CSR07 on the Council's budget requirement for the future.
- e. Fees and charges provide a significant income stream for the Council, these will need to continue to be kept under review, particularly to take account of any impact from the Lyons review.
- f. The impact of the court judgement on the treatment of VAT on car parking income continues to be monitored for future years Council Tax assessments.
- g. With regard to the use of the Capacity Building, Priority Setting and Service Improvement reserve, it is proposed to utilise £476,000 for continued investment in the Council's Priorities. It is essential that the use of this reserve is kept under review to ensure it continues to be applied in a sustainable manner. Particular caution should be exercised where the potential use of the reserve is to grow base service budgets year on year. In addition, where investment is made on an ongoing basis to category A and B priorities any subsequent review of the level of priority should take account of the need to manage realignment of resources as required, to ensure that the prioritisation process remains sustainable.
- h. The Housing Revenue Account will require a review once the Working Group has made its proposals and also to take account of any recommendations of the Peer Review. The impact of any proposals will be modelled over the 30 year life of the business plan, prior to entering into any ongoing future commitments arising out of the current work of the working group looking into options for future service improvements and the peer review due to be undertaken in 2007/8.

16 Comments of the Monitoring Officer

The budget forms part of the Council's Budgetary and Policy Framework. Members should have regard to the comments of the Corporate Head of Finance and Resources as the Council's Chief Financial Officer which are set out in section 15 when considering the budget proposals in accordance with the Local Government Act 2003

17 Summary and Conclusion

17.1 Overall it has been possible to produce a balanced budget. However, current and future resources are tight. This particularly reflects the fact that the four main income streams for the Council:

- Government Grant,
- Specific grant,
- Fees and Charges and
- Council Tax

are, and will continue to be constrained, at a time when ambitions and customer expectations are increasing. The Council also faces budgetary pressures from pay, pensions and the efficiency agenda with proposed Government targets of 3% per annum with effect from 2008/9. Members will also note that subject to the delivery of the projected Capital Programme the Council is planning to fully utilise its Capital Reserve, having the impact of reducing its overall General Fund Reserves to around a half of the opening balance for the year, this will not be able to be repeated in future years and will also have an impact on the Council's interest earning capacity.

17.2 In addition, the potential standstill impact of the Comprehensive Spending Review 2007 for District Councils, together with the potential outcome of the Lyons Review will mean that, when taken together with the above factors, the Council will need to be serious about reviewing its Priorities and support bases during 2007/8 to enable a review of the Medium Term Financial Strategy to redirect resources as required to continue to provide a sustainable budget. The Portfolio Holder for Assets and Finance will look to work with the Cabinet Portfolio Holders and Councillors to lead a fundamental review of spending plans, aspirations and priorities to inform the review of Medium Term Financial Strategy.

End of Part A

Council Tax Setting – (Part B)

1. INTRODUCTION

The purpose of this part of the report is to set the level of Council Tax for 2007/8 in accordance with relevant statutory requirement (based on an increase of 4.94% (excluding special expenses and 4.88% (inclusive of special expenses)).

2. RECOMMENDATIONS

The requirements are set out in paragraphs 32 to 36 of the Local Government Act 1992 and it is necessary for the Council to adopt the following formal recommendations:-

- (a) That the following amounts be calculated by the Council for the year 2007/8 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended).
 - a) £69,976,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act.
 - b) £53,804,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.
 - c) £16,172,000 being the amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
 - d) £9,673,000 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant increased by the amount of the sum to be transferred from the Collection Fund to the General Fund.
 - e) £146.48 being the amount at c) above less the amount at d) above, all divided by the Council's tax base of 44,366.3 as recorded in minute 74 of the cabinet meeting of 4 December 2006, in accordance Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2007/2008.

- f) £1,580,000 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- g) £110.88 being the amount of e) above, less the result given by dividing the amount of f) above by the Council's tax base relating to special items as set on 4 December, 2006 calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for year for dwellings in those parts of its area to which no special item relates.
- h) That the amounts stated in column B of Appendix 'A' to this resolution be calculated by adding to the amount at (g) above the amounts of special item relating to dwellings in those parts of the Council's area detailed in Appendix 'A', divided in each case by the individual tax bases as recorded in minute - by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which special item relates.
- i) That the amounts given by multiplying the amounts at g) above and h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in valuation Band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
- j) That it be noted that for the year 2007/8 Lincolnshire County Council has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Act, 1992, for each of the categories of dwellings shown below:-

Valuation Band

A £	B £	C £	D £	E £	F £	G £	H £
658.14	767.83	877.52	987.21	1,206.59	1,425.97	1,645.35	1,974.42

- k) That it be noted that for the year 2007/8 Lincolnshire Police Authority has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Act 1992, for each of the categories of dwellings shown below:-

Valuation Band

A £	B £	C £	D £	E £	F £	G £	H £
TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA

- l) That, having calculated the aggregate in each case of the amounts at i) j) and k) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts in Appendix 'B' as the levels of Council Tax for the year 2007/8 for the categories of dwellings shown in the Appendix 'A'.

1.0 Background

- 1.1 The Council's budget requirement has been recommended by the Cabinet , and is dealt with in Part A of this report. Parish Precepts are added to the District Council's net expenditure requirement. Government support and adjustments to Collection Fund relating to Community Charge and the District Council's share of Council Tax are then deducted from the spending requirement to give a Demand on the Collection Fund.
- 1.2 The Council's tax base of 44,366.3 was approved at the Cabinet meeting held on 4 December 2006, and the budget requirements will be spread by reference to the tax base previously approved, taking into account the precepts of individual Parishes recoverable over the Parish tax base.
- 1.3 The Council Tax Bill for 2007/8 includes the requirements of Lincolnshire County Council and the Lincolnshire Police Authority which are responsible for setting their own Council Tax levels.
- 1.4 Lincolnshire County Council determined its Council Tax requirement at the meeting held on 16th February, 2007, as follows:-

Council Tax Requirement £222,965,561 (Total) £43,798,866.02 (SKDC precept element)

Band 'D' Tax £987.21

- 1.5 Lincolnshire Police Authority will determine its Council Tax requirement at the meeting to be held on 21 February, 2007 as presented below (an addendum to this report will be circulated to members following confirmation by Lincolnshire Police Authority)

Council Tax Requirement TBA (to be announced)

Band 'D' Tax TBA

- 1.6 The overall increases for Band D tax payers, by Authority, are shown in the table below:-

Council Tax Increase 2007/2008				
	2006/2007 Band 'D'	2007/2008 Band 'D'	increase	increase
Lincolnshire County Council	£944.73	£987.21	£42.48	4.5%
Lincolnshire Police Authority	£125.37	TBA	TBA	TBA
South Kesteven District Council	£105.66	£110.88	£5.22	4.94%
SKDC + Special Expenses				4.88%
SKDC + Special Expenses + Parishes				5.41%

2.0 Setting the Council Tax

- 2.1 The Local Government Finance Act 1992 requires the Council to set Council Tax across the 8 Valuation Bands , and all precepting Parishes. The levels of overall Council Tax by Parish are attached at **Appendix 'B'**.

3. COMMENTS OF S151 OFFICER

The financial implications of this section are included in Part A of the report above.

4. COMMENTS OF MONITORING OFFICER

The Local Government Act 1992 sets out the requirements placed upon the Council in relation to making formal recommendations relating to the setting of Council Tax.

Contact Officer:
Sally Marshall
Corporate Head of Finance and Resources
01476 406511
s.marshall@southkesteven.gov.uk

REPORT TO COUNCIL

REPORT OF: Duncan Kerr

REPORT NO.: CEX367

DATE: 5th February 2007

TITLE:	Local Area Agreement	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Linda Neal, Leader	
CORPORATE PRIORITY:	N/A	
CRIME AND DISORDER IMPLICATIONS:	Detailed in the Local Area Agreement	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available from the council's website via the local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	None	

Introduction

1. Attached is a copy of the final draft of the Local Area Agreement which was endorsed by the Cabinet on the 5th of February and is now being presented to Council for approval
2. This agreement is the culmination of a partnership approach between all the Councils and statutory agencies in Lincolnshire who have worked together to develop a document which can deliver tangible improvements to the residents of the county.
3. There may need to be some further changes in order to reach agreement with the Government Office on this document.

Recommendation

4. That the Council approves the Local Area Agreement and delegates authority to the Leader to be consulted about, and agree, any further changes necessary to secure sign off of this Agreement from GOEM.

Duncan Kerr
Chief Executive

LOCAL AREA AGREEMENT FOR LINCOLNSHIRE

FINAL DRAFT

19-01-07

CONTENTS

This final draft of the Local Area Agreement (LAA) consists of this main document, appendices and the background working papers listed below.

Lincolnshire LAA	Page
1. Introduction	3
2. The evidence for the key priorities and headline challenges for Lincolnshire	5
3. The Lincolnshire Approach – key features	10
4. Developing and delivering the LAA – governance, performance management, funding	15
5. Statement of community involvement	21
6. Summary of outcomes	24
Appendices	
Outcomes, indicators and targets for the 4 LAA blocks of: - Healthier Communities and Older People (HCOP) - Economic Development and Environment (EDE) - Safer and Stronger Communities (SSC) - Children and Young People (CYP)	
Background papers	
1. Governance details, 2. Evidence base, 3. Year 1 Action Plan. Background papers can be found on the Lincolnshire Assembly website www.lincolnshireassembly.com	

1. Introduction

The Local Area Agreement (LAA) for Lincolnshire has been developed through a participative and inclusive process with a wide range of partners. The Lincolnshire Assembly, the countywide Local Strategic Partnership (LSP), has provided a focal point for the development of the LAA. Working through the Lincolnshire Assembly, we have agreed the strategic direction of the LAA and aligned the core corporate objectives of partner agencies with a common vision for Lincolnshire.

The LAA is an agreement between local partners and national government to deliver key outcomes for Lincolnshire over the next 3 years. The LAA provides a framework for improved joint working that will address Lincolnshire's priorities through better use of existing resources and strengthened partnership working.

The priorities in the LAA are built on the Sustainable Community Strategy for Lincolnshire (adopted in September 2006) and we see this LAA (and future LAAs) as a key delivery mechanism for our long-term vision. The Strategy was developed following extensive public and stakeholder consultation and there is clear synergy with the Community Strategies of the seven Lincolnshire District Councils.

Anticipating the development of the LAA, the Sustainable Community Strategy for Lincolnshire was designed around the four LAA Blocks (see the contents page of this LAA for details of the 4 blocks, listed under appendices). Local Strategic Partnerships across the County have been working to align their Community Strategies and action plans to this structure, and to the objectives set out in the Strategy. During the consultation and development of the Sustainable Community Strategy four cross-cutting themes emerged as key issues for Lincolnshire. In the Local Area Agreement these cross-cutting themes are set out as the following Headline Challenges:

- Improved access to services - and to information about services in ways that are appropriate for all
- Environment and climate change – protection of existing natural and built heritage and effective response to the challenge of climate change
- Community cohesion – valuing and incorporating the contributions that everyone can make
- Affordable housing – encouraging and enabling people to preserve existing housing stock to good standards, and providing a wide range of attractive and affordable places for people to live

The focus on these cross-cutting themes as headline challenges in our LAA ensures that we prioritise working across blocks and ensures that issues impacting on more than one block are tackled comprehensively.

Our approach to the LAA aims to focus resources most effectively across the County. Many parts of Lincolnshire enjoy a high quality of life that attracts investment and makes it a destination for people from other parts of the UK. At the same time there are areas that suffer from multiple deprivation and smaller areas where there is hidden rural deprivation that is difficult to analyse

through standard measures. The challenge for Lincolnshire's LAA is to ensure that our high performing areas are sustained and continue to develop, while those areas that need improvement can be brought closer to the Lincolnshire average through better targeted service delivery. We also recognise that certain issues spread beyond small locality boundaries, and can only be tackled through a broader approach.

Lincolnshire's approach is based on evidence with appropriate intervention where it is needed on priority issues across the County. It includes three levels of intervention - ranging from improvements for all across the County, to a co-ordinated and preventative approach that tackles problems early through pro-active joint working, and also a more focused intervention approach in specific geographical priority areas where need is greatest. Our LAA provides a clear vision of improvements to Lincolnshire:

Our Vision	"By 2021 Lincolnshire is seen as the place where people want to live, work, invest and visit." (Sustainable Communities Strategy)
Our Block Priorities (Outcomes, indicators targets) and Headline Challenges – that cross blocks	<ol style="list-style-type: none"> 1. Safer and Stronger Communities (SSC) 2. Children and Young People (CYP) 3. Healthier Communities and Older People (HCOP) 4. Economic Development and Environment (EDE) <ol style="list-style-type: none"> 1. Improved access to services 2. Environment and climate change 3. Community cohesion 4. Affordable housing
Our approach (The Lincolnshire model)	<ol style="list-style-type: none"> 1. A sustaining approach with improvements for all across the County. 2. A co-ordinating and preventative approach that tackles problems early through pro-active joint working. 3. A more focused intervention approach in specific geographical priority areas where need is greatest.

An inter-agency Project Management Board has guided the development of the LAA to final draft stage, reporting progress to the partner agencies involved and the Lincolnshire Assembly and its executive body. Following formal signing of the LAA by the Leader of the County Council and the Chairman of the Lincolnshire Assembly, a joint-agency Strategy Board will be responsible for strategic direction and implementation of the LAA. Further information on how the LAA will be delivered, the governance arrangements and who is involved is below in section 5 of this document and full details are in Background Paper 1.

2. Evidence for Lincolnshire's key priorities, headline challenges and geographical focus

In order to identify our priorities and headline challenges we have drawn on a robust evidence base for Lincolnshire. There are a number of reference documents that set out the evidence base in detail (see Background Paper 2 to this document). We highlight here a snapshot of the evidence of the particular issues that we are seeking to address through both the four LAA blocks and the Headline Challenge Partnerships:

- **A fast growing population with a “hidden crisis in economic growth and performance”.** Lincolnshire's population grew by 9.9% between 1991 and 2001, compared with a national growth rate of 2.6% and regional rate of 4%. Within Lincolnshire, North Kesteven experienced the fastest growth rate, at 17.5%. Further estimates of growth to 2004 remain substantially above the national and regional averages. Anecdotal estimates for the numbers of **migrant-workers** currently living in Lincolnshire have ranged from 50,000 to 70,000, (a baseline survey is currently being commissioned to clarify the situation.) The current annual growth of the Lincolnshire economy is 0.8% compared to a national growth rate of around 2.5%. The County's **economy** can be summarised as: being reliant on traditional industries; having low productivity; having a low skills base; offering low wages; hindered by a poor infrastructure. Currently many family professionals locate to the county because of attractive house prices but commute to work outside the area. Conversely, although house prices are attractive to family professionals, a large number of local residents suffer because of a lack of affordable housing;
- **Large rural, sparsely populated County with unequal access to services and opportunities.** Lincolnshire covers an area of 5,921 square kilometres, with a population density of 1.1 person per hectare. As a consequence of the size of the county, the highway network is extensive (9,018 kilometres). Within this network there is no motorway and just 66 kilometres of dual carriageway. Transport links have historically been poor outside the major urban areas (Lincoln, Boston, Grantham). Targeting of investment by the transport authority has meant that most towns have been linked by InterConnect services on the primary routes, supported by Demand Responsive CallConnect services, interlinking at transport hubs. However, there are still some communities without access to these important services, affecting their ability to get to places of further education, work, leisure, particularly for young people. Many communities and particularly **young people** are disadvantaged by where they live. This can affect their ability to get to places of work or learning and limit their choice of opportunity. Analysis shows the need to ensure a collaborative approach to 'getting people to services and services to people';
- **Inequalities across the County.** 14% of Lincolnshire's population live in neighbourhoods (referred to here as 'super output areas') that are among the 10% most deprived in England; 26% of Lincolnshire's population live in neighbourhoods that are among the 20% most deprived in England. Whilst overall the **health** of the population of Lincolnshire is better than the national average, there are variations within the county that highlight

health inequalities across and within districts. Lincolnshire-based health surveillance and health needs assessments reinforce the link between deprivation and ill-health. The disadvantaged areas of the county, as identified by the national Index of Multiple Deprivation (IMD) 2004, have disproportionately higher burdens of ill-health – namely the east coastal strip (Mablethorpe & Skegness), Lincoln (Spearhead status) and areas in Gainsborough, Grantham and Boston. Within Lincolnshire there is little ‘narrowing of the gap’ in ill-health between the best and worst wards. For Gainsborough, the health inequality gap is widening in terms of premature mortality;

- **Not always safer or stronger communities.** Although crime levels are below the national average, the vast majority of crimes were concentrated in the urban areas around town centres or in areas of high deprivation. Drug dependence is closely linked to acquisitive crime. During 2004/5, 2000 people entered structured drug treatment in Lincolnshire. This is a 25.5% increase on the previous year. In 2004-5 there were record levels of school exclusion due to drug and alcohol use. **Road Safety** is a major concern in Lincolnshire with 69 people killed and 369 people seriously injured in 2006, although the number of people killed or seriously injured on the county’s roads has decreased by 22% compared to the previous year. On **Cohesion** 37.3% of BME respondents reported that they had been subject to some form of harassment or racial discrimination in the County according to a survey carried out in South Lincolnshire in 2006. Problems are compounded by scarcity, rural and cultural isolation and lack of support structures. Evidence highlights the need to **strengthen families** to be able to look after their children at home, and to ensure all children and young people are protected from accidental injury or death and are safe from bullying and discrimination;
- **Environment and climate change challenges.** Climate change is recognised as one of the most significant challenges we face. It will continue to have far reaching effects on Lincolnshire’s people and places, economy, society and environment. The most recent regional study on the impacts of climate change concluded that whatever action is taken now to mitigate future climate change, the outcome for the next 50 years is probably fixed. In that timescale: temperatures could increase by up to 2°C depending on season – more than twice the change in the whole of the last century; winter rainfall could have increased by about 15%; summer rainfall could decrease by up to 30%; autumn soil moisture contents could fall by an additional 20 to 30%.

The impacts on Lincolnshire’s agriculture, economy and health need to be planned for. On our coast, the sea level is predicted to rise by 355mm in the next 50 years, and a further 660mm in the following 50 years. Coupled with increases of up to 21% in extreme wave heights over the next 100 years, this will create challenges for Lincolnshire, where around 40% of land is below current day sea level. Although sea defences are in place to manage this risk, their effectiveness will reduce as these impacts of climate change are felt, unless remedial action is taken.

In addition to short-term adaptation to the changes already in train, we need to mitigate against longer-term potentially catastrophic climate change by reducing greenhouse gas emissions (primarily CO² from buildings, transport etc). Whilst we do so, we need to understand and exploit the opportunities of a low carbon economy. So, for example, developing the infrastructure for an alternative energy economy provides a sustainable way forward. Linked to climate change we need to reduce waste going to landfill (with methane from landfill being 20 times more potent than CO²). Reducing consumption and increasing reuse, recovery, recycling and composting provide a well understood way forward.

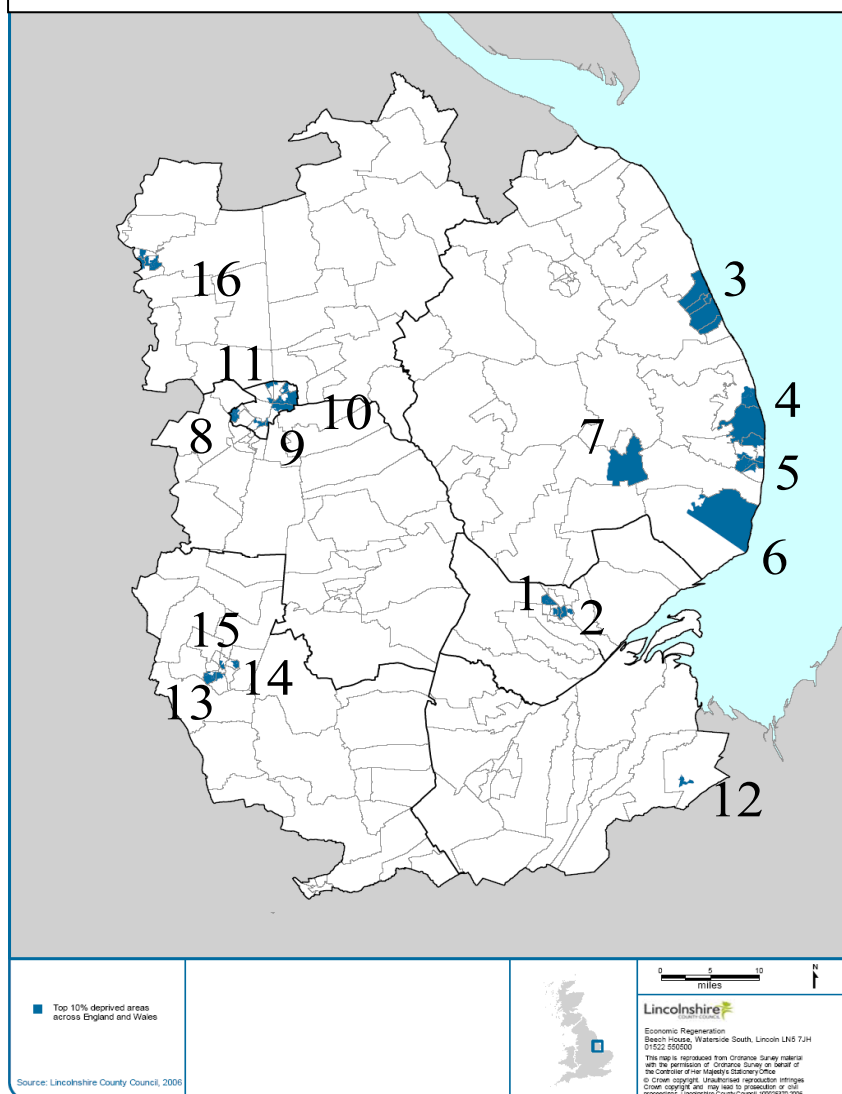
In addition to the environmental impacts of climate change, we face challenges in protecting and enhancing Lincolnshire's natural, historic and built environment. Amongst our assets are habitats and landscapes of international and national importance, although the general level of biodiversity is amongst the poorest in the country and in need of 'a step change'. The contribution of this green infrastructure and our natural and historic environment is important to quality of life, economy and attracting and retaining population.

Geographical Priority Areas

Our approach to the LAA recognises that in a small number of geographic areas a greater difference can be made through targeted intervention. On the basis of the national Index of Multiple Deprivation (IMD) partners in the county identified sixteen groups of small neighbourhood areas (Super Output Areas) across Lincolnshire that fall within the 10% most deprived nationally for employment, health, crime and lack of qualifications. These sixteen clusters of Super Output Areas (SOAs) represent those neighbourhoods where there are the greatest concentration of issues and the greatest opportunities for developing a new and co-ordinated approach to tackling them on an area basis.

The map over-page shows each of the sixteen identified clusters, with a key identifying the wards or parts of wards that are included in each cluster, together with a population figure for the cluster as a whole. For this reason, population figures for the wards themselves will often be quite different.

Lincolnshire LAA – geographical priority areas



Key to LAA Priority Areas - Lincolnshire

Number	Wards or parts of wards within cluster	Population of cluster
1	Boston - Fenside	3,619
2	Boston - Central, Pilgrim, Skirbeck, Stanisland South	7,099
3	Mablethorpe, Trusthorpe, Sutton on Sea North	9,352
4	Ingoldmells, Chapel St Leonards, Winthorpe	7,081
5	Scarbrough, Seacroft, St Clements, Winthorpe	9,623
6	Wainfleet and Friskney	1,166
7	Halton Holegate	1,045
8	Lincoln - Birchwood	4,785
9	Lincoln - Moorland	4,700
10	Lincoln - Park, Abbey, Glebe, Minster, Carholme	11,327
11	Lincoln - Castle	3,073
12	Sutton Bridge	1,372
13	Grantham - Earlsfield	6,982
14	Harrowby	3,133
15	St Wulfram's	1,648
16	Gainsborough	8,972

We acknowledge that the scope of the LAA is greater than these priority areas alone, but they are most significant in respect of the opportunity for intervention in the key issues that we are seeking to address. Equally, it is important that formal ward or SOA boundaries should not be used to restrict work geographically should there be a need to address a specific issue over a wider area. This is particularly true of issues that extend into rural areas outside the urban centres.

Partners have agreed, therefore, that the clusters identified above should be grouped into five geographical priority areas, based on intensity of need and capacity for effective intervention. The priority areas will be addressed on a rolling basis over the next three years, as follows:

- Year One (2007-08) onwards - Lincoln (areas 8, 9 and 10) East Coast (areas 3, 4 and 5, possibly including 6.)
- Year Two (2008-09) onwards - Boston (areas 1 and 2), Gainsborough (area 16)
- Year Three (2009-10) onwards - Grantham (areas 13, 14 & 15)

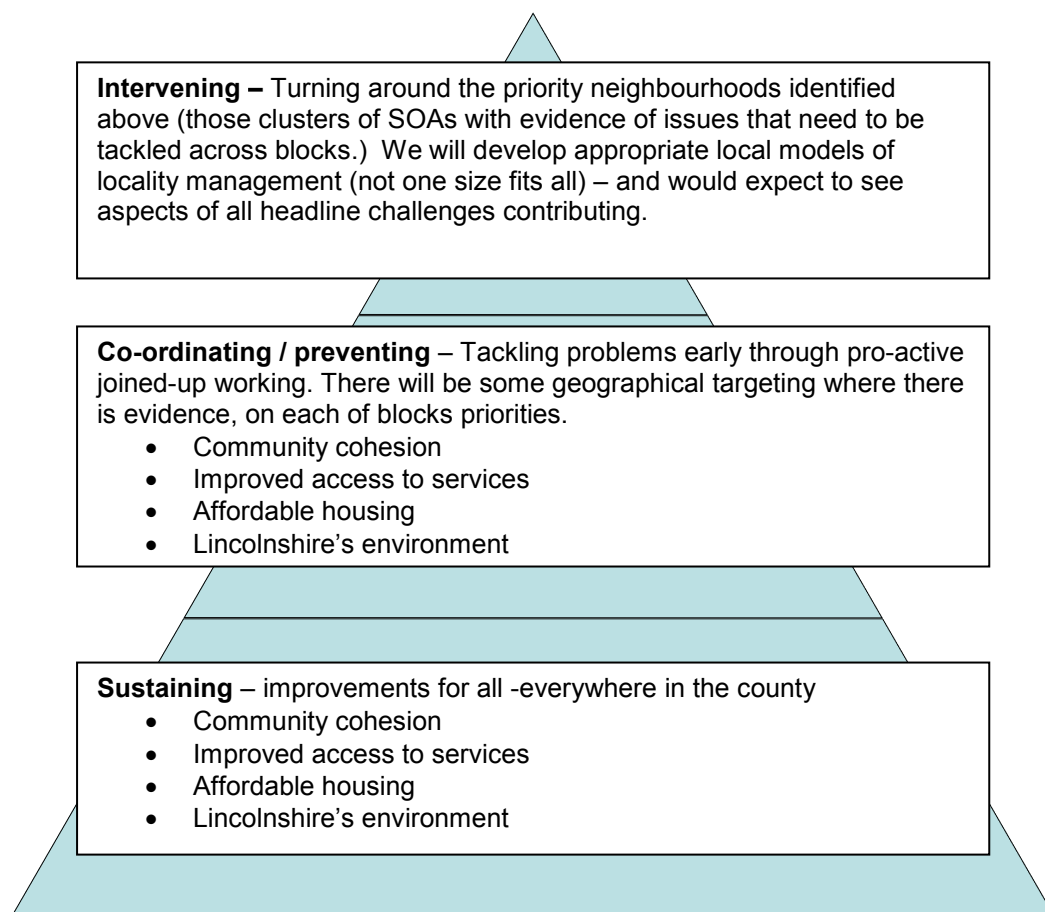
Not all the groups of SOAs highlighted above fall within the geographical priority areas. However, it is anticipated that local requirements and existing delivery mechanisms will have a significant influence in determining how the approach to the geographical priority areas will be developed on the ground.

3. Key features of the Lincolnshire approach

3.1 What will be different?

Lincolnshire's LAA approach is set out in diagram below. It describes how we will work together on the issues identified from our evidence base at different levels according to need. It ranges from a sustaining approach with wide geographical impact and taking into account the circumstances of a sparse rural population, to a more focused intervention approach in specific priority areas that offer opportunities for more intensive development of improved ways of working.

Agreement on this approach represents a significant commitment for the County and partners. This model is reflected in each of the four LAA blocks (see appendices 1-4, where more detail is available for each of the blocks). It ensures that the key themes of the LAA can be implemented most effectively according to local circumstances, and takes advantage of existing delivery mechanisms, such as Local Strategic Partnerships (LSPs), Local Children's Partnerships, and the Lincolnshire Accessibility Partnership.



Throughout the development of the LAA we have challenged ourselves to focus on adding value to the work that we are currently doing as individual agencies and in existing partnerships. In this section we want to highlight some of the interventions that will contribute to the delivery of the LAA. This approach, the actions below and the drive from the new strategic board all represent a major and positive move forward for the County.

There will be a clear focus on action – by 1st April 2007 there will be delivery plans in place for:

- Each outcome in each of the four blocks;
- The headline challenges; and
- The geographic focus areas for Year 1 (Lincoln and the Coast).

Many of the interventions below are new and those that are existing commitments in other plans will benefit from the higher profile and drive that we will make sure the LAA brings for all partner agencies and partnerships.

3.2 Key features of our plans for the LAA block delivery

Healthier Communities and Older People	Children and Young People
<ul style="list-style-type: none"> • Health inequalities targets addressed in Spearhead and non-Spearhead areas based on need • Agreed strategic frameworks on preventive approaches, e.g. physical activity & health, food & health, alcohol harm reduction, health at school • Development of joint commissioning functions and provider services with more jointly funded posts • A much larger pool of frontline staff available to be trained with a primary prevention remit and single assessment and unified referral process across a wide range of organisations • Service developments through the Long Term Conditions Programme to enhance independence, use of Community Matrons and models of care developed to maintain vulnerable older adults at home, where appropriate • Technology used to provide lifeline monitors, smoke detectors etc. to enable people to remain in their homes. Community Alarms services via Supporting People • As part of a wholesale rethink about how the Supporting People Partnership in Lincolnshire helps vulnerable people into tenancies, a new 5 year strategy and commissioning plan are being developed based on a detailed needs analysis with input from customers and suppliers. This will be completed in March 2007 and incorporated into the LAA at the earliest opportunity 	<ul style="list-style-type: none"> • Manage Extended Provision (increased number of children's centres, extended services and the LCC Strengthening Families approach i.e. preventative services) through Extended Provision Managers • The establishment of clusters of schools based on local communities which will form a framework for universal services provision. These will be known as Local Children's Partnerships (15) • Annual increase in the number of schools with an approved School Travel Plan • Provision of integrated services for children and young people with a disability • Reduce NEET targeting resources on those areas and those young people where risk of NEET is greatest (NEET stands for those not in education, employment and training)

Safer and Stronger Communities	Economic Development and Environment
<ul style="list-style-type: none"> • Targeted crime reduction through the Prolific and Priority Offenders Scheme and Crime and Disorder Reduction Partnerships (CDRPs); • Reduced repeat domestic violence through support packages, enforcement and education; • Partnership on litter, abandoned cars, graffiti and damage & noisy neighbours – link environment with anti-social behaviour and crime generators; • Joint referral to treatment centres – alcohol and drugs; • Enforcement of licensing policy – to reduce alcohol harm and violence; • Commission the voluntary sector through the Voluntary Sector Consortium and Compact agreements. 	<ul style="list-style-type: none"> • Lincolnshire Environment and Climate Change Advisory Panel will ensure that there is a much closer approach to working on the sustainability agenda; • Local delivery partnerships such as RAZ, CAZ, BARC, GLP will develop targeted strategies to help those most at risk of labour market exclusion and to promote business investment; • We seek to pool an element of the regional ERDF allocation within the LAA.

3.3 Key features of our plans for the geographic focus priority areas

Year 1 - The Coast and Lincoln City
<p>Lincoln City</p> <ul style="list-style-type: none"> • A full set of integrated floor target and local area agreement delivery plans have been developed in Lincoln. They set out plans for prioritising key neighbourhoods and delivery across the four LAA blocks. They build on the Floor target action plans which were completed in March 2006 which focussed on Health, Crime, Worklessness, Housing and Education have been developed (September 2006). They include the LAA mandatory targets; • Neighbourhood management is in place in two priority neighbourhoods in Lincoln. This approach is to be developed further with partners and forms a key action in each of the delivery plans. A neighbourhood strategy will facilitate the roll out of neighbourhood management in the City; • Evidence base has been established for Lincoln, detailed targets at neighbourhood level are being agreed and will be included in the LAA refresh. Evidence base will be prioritised for the coastal areas; • Lincoln LSP is commissioning a piece of work to explore and integrate community cohesion work across the priority themes. Phase 1 will be complete by the end of March 2007 and will identify key community cohesion issues for the city and recommend the priorities for phase 2 of the research; • Colleagues in Lincoln and the Coast working together to develop appropriate model of locality working on the coast. Building on Coastal Action Zone work.

Year 1 - The Coast and Lincoln City

East Coast

- Direct intervention on the East Coast will be developed in three priority areas:
 - Mablethorpe, Trusthorpe & Sutton on Sea North
 - Ingoldmells, Chapel St Leonards & Winthorpe
 - Scarbrough, Seacroft, St Clements & Winthorpe
- Interventions here will include:
 - Extending GP referral / exercise on prescription programmes
 - Providing adult skills training & creating new employment opportunities
 - Extending drug & alcohol treatment, test purchasing and licensing enforcement
 - Delivering measures to reduce fuel poverty & increase benefits take-up
 - Increasing support to parents on breastfeeding, smoking cessation & learning
 - Delivering work programmes set by Neighbourhood Management Panels
- Improving availability of services for older people;
- Delivering Children's Centres and Extended Schools Provision;
- Adopting the Nottingham Declaration on Climate Change & coastal defence measures;
- Developing use of fixed & mobile CCTV;
- Increasing reporting of domestic violence and hate crime;
- Improving access to dental services;
- Achieve Equality Standard;
- Increase recycling rates;
- Increase number of affordable homes and improve quality of housing stock.

Commitments from Block Partnerships and agencies to joint working in these areas

- Specific crime reduction measures targeted at hot spots, joint agency diversionary projects to reduce the harm caused by anti-social behaviour. Combined enforcement action and support to drug and alcohol hot spots – drug & alcohol education to young and vulnerable people. Target violent hot spots – links to alcohol and substance abuse support;
- Co-ordinated community networks to promote and support healthy lifestyles & to ensure effective service delivery for vulnerable adults and older people, established initially in target areas;
- Networked & tiered model of healthy lifestyle support services and community programmes. Dedicated "Health Trainers" to develop & support personal health plans with people at risk of, and with long-term health conditions. Accessibility Planning - Improved transport in Boston area.

3.4 Key features of our plans for the headline challenges

Community cohesion	Improved access to services
<ul style="list-style-type: none"> • Programme of action to build respect in communities and reduce anti-social behaviour; • Prioritise the establishment of comprehensive baseline intelligence on location, numbers and needs of BME and migrant worker communities; • Support the development of the Lincolnshire REC and its transition to an Equality Council; • Range of interventions at local level to empower people to have a greater choice and influence over local decision making and a greater role in public service delivery; • Participation in Audit Commission Fens Project on Migrant Workers; • Public sector agencies and their partners work towards reaching equality standards 2 and 3 on a shared timetable. 	<ul style="list-style-type: none"> • Improved access to and provision of appropriate public and community transport; • Increased number of Children's Centres; • Annual increase in the number of schools with an approved School Travel Plan ; • Shared services – the local authorities in the County are already committed to the development of shared services. This programme will now be focused on how we can use the benefits of the shared services principles to improve service access; • As a starting point there is a commitment to ensuring that by 2011 90% of households are within 30 minutes of a local service centre or supermarket by public transport.
Environment and climate change	Affordable housing
<ul style="list-style-type: none"> • Establish Environment and Climate Change Partnership to provide co-ordinated action; • Local Authorities sign up to the Nottingham Declaration on Climate Change; • Reduce CO₂ emissions; • Grow Lincolnshire's sustainable energy economy, including development of biofuels; • Reducing amount of waste disposed of through landfill; sustaining biodiversity • Promoting environmental tourism; • Linkages with neighbouring areas e.g. Fens Pathfinder Project; • Promoting healthy lifestyles and improving mental health through improving access to opportunities for sports and leisure; • Developing cultural and heritage activities. 	<ul style="list-style-type: none"> • Additional homes provided through New Growth Points funding; • Public sector land – single database of all land currently in the ownership of public sector organisations. Through the LAA we will seek to secure an agreement of all partners for the aim of providing more land for affordable homes; • Work towards common approach to Section 106 Agreements to avoid loss of opportunities through planning gain; • Eco-homes – work towards establishing a countywide standard on the development of eco-homes and seek to establish carbon neutral developments; • Increase number of older people helped to live at home and reduce numbers moving permanently into residential care.

4. Developing and delivering the Local Area Agreement

4.1 Involvement

The Lincolnshire Assembly is the overarching countywide partnership through which partners have worked to develop the LAA. A partnership Project Management Board, chaired by the Chief Executive of West Lindsey District Council, was established to co-ordinate development work to final draft stage, while block steering groups have also been established. Where possible, we built on existing partnerships/agencies to provide delivery vehicles for the LAA rather than setting up lots of new delivery vehicles.

A number of stakeholder workshops were held for the widest possible constituency of partners (December 2005, June, September and November 2006). In addition, briefings and consultation have been carried out at every Local Strategic Partnership (LSP) steering group meeting since January 2005. Workshops were also provided for elected Members, as well as presentations and briefings for individual partner agencies. Individual agencies have also developed their own methodologies for working with the LAA internally.

The voluntary sector is represented on the Lincolnshire Assembly Executive, and was involved in the LAA through two representatives of the LAA Project Management Board, and on each of the four LAA block steering groups. Block steering groups met regularly, and worked with block leads from the Government Office for the East Midlands (GOEM) and external consultants to develop draft block plans. Delivery against the headline challenges was implemented through nominated leads for each headline challenge, working with block leads to ensure an integrated approach to the final draft.

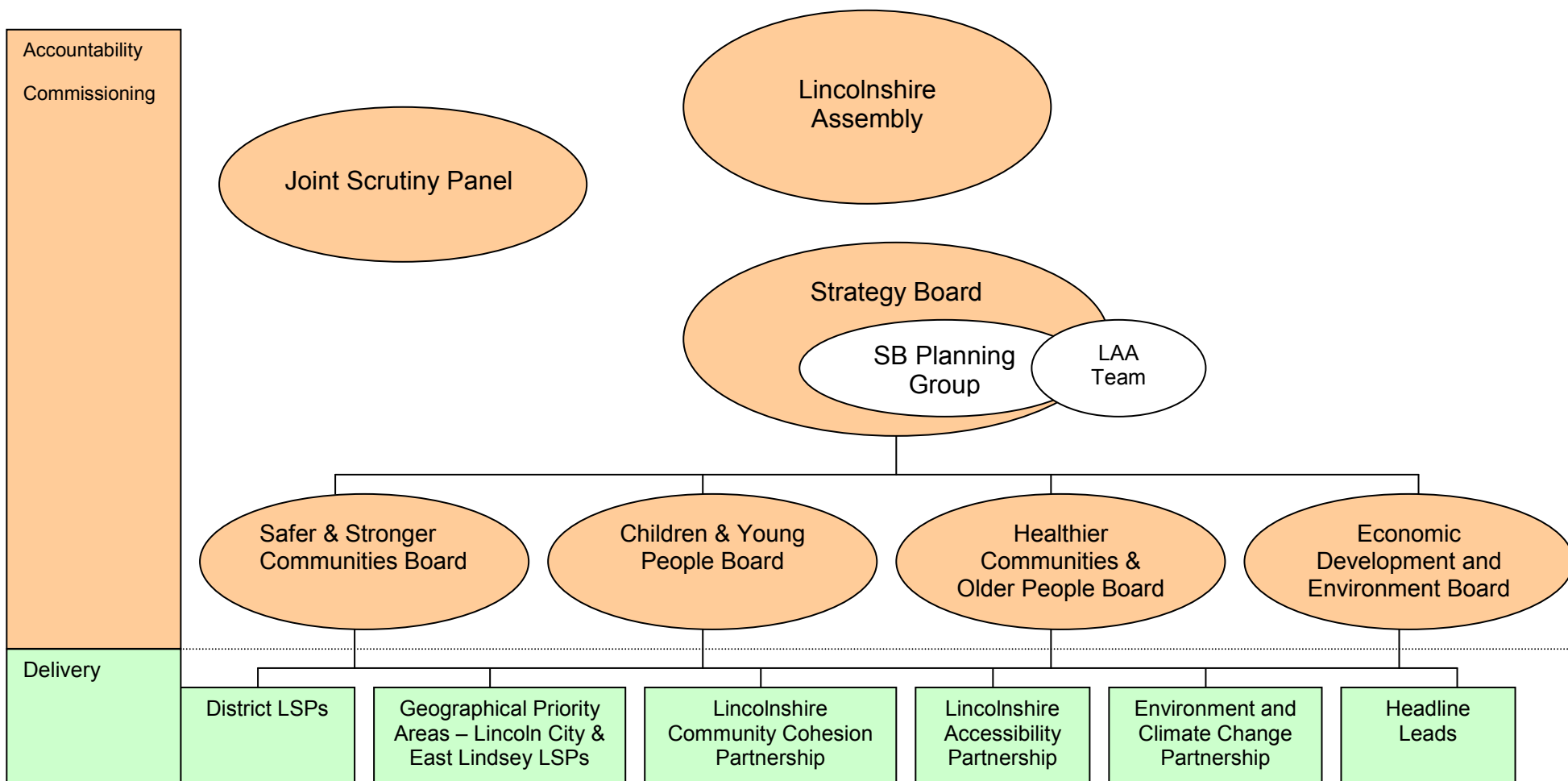
4.2 Governance Arrangements

Partners have considered the longer-term requirements for governance of the LAA, particularly in light of the recently published Local Government White Paper, and with interests of accountability and effective performance management in mind. The governance structure outlined below was discussed and agreed by the Lincolnshire Assembly, and was confirmed at the first meeting of the Shadow Strategy Board on 19th January 2007.

Each of the block partnerships developed proposals for a Block Board with linkages to existing delivery mechanisms - including the provision for progress against headline challenges to be reported through the Block Boards as integral elements of the block plans. These Boards, along with the LAA Strategy Board, will exist in shadow form from January 2007, and will come into full operation in April 2007.

The relationship of the Block Boards to the Strategy Board is set out in the overall governance arrangements for the LAA (see below and in Background Paper 1). This includes general principles such as: the presence of the relevant County Council portfolio holder and district representation on each Board; the approval of the block governance arrangements by the Strategy Board; and the appointment of chairmen to the Block Boards on the basis of nomination by the Boards to the Strategy Board.

Lincolnshire Local Area Agreement - Governance Arrangements



Governance Arrangements - LAA and headline challenge delivery

Our Block Outcome Plans will be developed and delivered by a combination of delivery vehicles these are either:

1. Organisations in their own right;
2. Existing partnerships - with terms of reference modified to ensure LAA delivery;
3. New partnerships where needed to plug the gaps not filled by (1) and/or (2) and meet our new aspirations in the LAA.

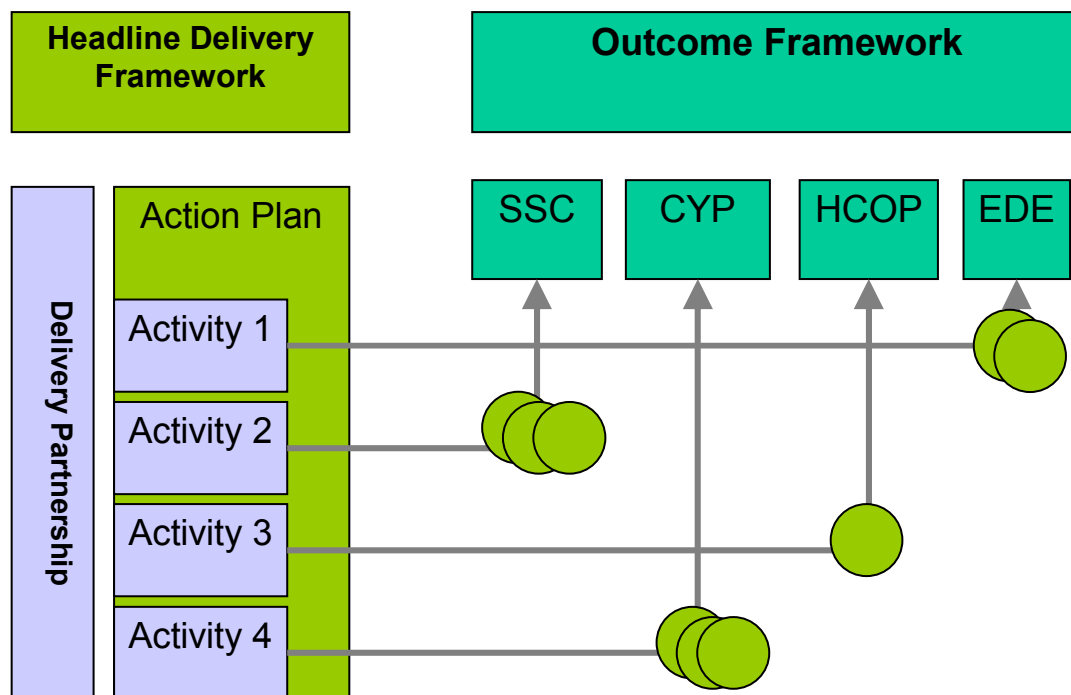
It is proposed that all block outcomes will be delivered through action plans that are owned and delivered through one of these vehicles. The partnerships will report their progress using the LAA Performance Management system (details below) to the LAA Strategy Board. As LAA delivery vehicles the role will include the following functions:

- Directly delivering block and headline action plans (scoping, defining programmes and projects);
- Facilitating and influencing delivery through other partnerships/agencies;
- Supporting and advising other delivery partnerships/agencies.

Examples of where existing partnerships will focus on LAA Outcomes and Headlines Initiatives include:

Direct and/or Influencing Role		
Partnership	Blocks	Headline
Lincolnshire Accessibility Partnership	1,2,3,4	Improve Access
Lincolnshire Waste Partnership	4	Environment
Children & Young People Strategic Partnership	2	All
Safer and Stronger Communities Board	1	Cohesion, Inequality
Local Strategic Partnerships (LSP)	1,2,3,4	All
Healthier Communities & Older People Partnership	3	Access, Cohesion
Community Cohesion Partnership	1,2,3,4	Cohesion
<p>Note- for the purposes of the above:</p> <p>Block 1 = Safer and Stronger Communities</p> <p>Block 2 = Children and Young People</p> <p>Block 3 = Healthier Communities and Older People</p> <p>Block 4 = Economic Development and Environment (EDE)</p>		

Governance Arrangements - Typical arrangement proposed:



Further detail of block delivery is set out in the appendix and in the action plans that will be in place by April 1st 2007.

4.3 Performance Management

A comprehensive, best practice performance management framework is being developed and implemented to support both the Sustainable Community Strategy and Local Area Agreement in Lincolnshire.

The County Council has agreed to co-ordinate this work and will host information on their PerformancePlus™ system (already used successfully in several LAAs). This approach will include a web based database covering:

- Community Strategy priorities linked to LAA objectives
- Performance indicators
- Targets for each measurement period so we can evaluate progress towards end targets for the LAA
- Comparative information (where available – usually for statutory performance indicators only)
- Initiatives to secure changes in performance and regular tracking of progress
- Significant risks to delivering LAA outcomes and actions to manage them

Best practice techniques used will include clear responsibilities for delivering objectives/initiatives, an audit trail and development of leading performance indicators where shifts in outcomes may occur late in the lifetime of the LAA

(or even afterwards). Reports will be tailored to the needs of specific stakeholders and the governance framework including: GOEM and government agencies; Lincolnshire Assembly and Lincolnshire Assembly Executive; LAA Public Service Board; Delivery agencies; the public of Lincolnshire.

These reports will vary in detail and content according to purpose and stakeholder. Reporting frequency will be quarterly (rather than six monthly) with formats based on 'latest available information' to cope with any lags in the provision of data or where data is available less frequently.

Reports and other information will be made available on the Lincolnshire Assembly website. Other agencies will be able to link to this from their own website and intranets. The system will also be used to cover non-LAA elements of the Sustainable Community Strategy for Lincolnshire. A recent Audit Commission report concluded that the County Council's approach to managing data quality exceeds minimum standards but also made recommendations covering the integrity of third party data. These will be acted upon to make sure all stakeholders have confidence in the performance management framework for the LAA and LSP.

Work will be co-ordinated by the County Council's Assistant Chief Executive (Performance) with day to day co-ordination by the council's Performance Team, with links to LAA governance arrangements and representatives from delivery agencies. This is an experienced team, whose experience includes work on pilot LAAs and effective performance management systems for LAAs, LSPs and other partnership working.

Progress in developing the framework will be reported to the LAA Management Board against criteria in the Government Office Assessment Tool for local performance management arrangements. A timetable has been agreed (see below) that envisages quarterly monitoring. 2006-7 baselines and quarter 1 (Q1) performance (where available) will be reported in August 2007 as a dry run for the half-year review in November 2007.

Agreed Timetable:

January 2007	Draft to Ministers
February 2007	Demonstrate prototype based on January submission
March 2007	Signed off
August 2007	Report baselines on 2006-07 and Q1 where available
November 2007	Half-year review
February 2008	Report Quarter 3 (Q3)
July 2008	Annual report for 2007-08
	Report Quarter 1 (Q1) 2008-09

Part of developing the framework will be to agree criteria for a 'ladder of intervention' between the delivery agencies and other elements of the overall governance arrangements. All of the arrangements described above will meet the requirements for performance management of LAAs (as set out in Annexe

C of the Round 3 Guidance for LAAs). In addition, these arrangements have been devised with a view to future developments such as Part 6 of 'Strong and prosperous communities; The Local Government White Paper' (Cm 6939-1: October 2006).

4.4 Approach to funding

Partners are committed where appropriate to aligning the use of resources – including funds and personnel – to support the delivery of the LAA. Our approach to funding in the LAA seeks to:

- Ensure that funding is clearly linked to the LAA Delivery/Action Plans and will be performance managed. Each activity will be given an owner; the owner will be the most appropriate available in each case; this could be a single entity, an existing partnership or a new partnership. The owner will be responsible for delivery;
- Take a phased evolutionary approach to the use of funding to deliver the LAA outcomes, seeking to build on the commitments we will include in year 1. We will continue to explore how mainstream funding can further support the outcomes of the agreement throughout the agreement (progress on this will be reviewed annually.) The LAA will form the framework for the allocation of any relevant non-mainstream or funds that may be announced over the lifetime of the agreement;
- Align funds as far as is practical on the basis of the agreed shared outcomes to support the delivery of the LAA – with specific reference to the model and headline initiatives set out in the LAA;
- Pool funds where partners consider there to be a sound case for enhancing the delivery of the LAA outcomes– particularly with reference to the Lincolnshire approach and headline initiatives – we seek to build this part of the agreement over time.

Full details are set out in the appendices for each block.

5. Statement of Community Involvement with the LAA

5.1 Engaging the Voluntary and Community Sector with the LAA

All partners are committed to ensuring that the engagement and participation of the voluntary and community sector (VCS) with the LAA is fundamental to the success of the Local Area Agreement. This is both in terms of helping shape future service planning by bringing an understanding of the needs of particular client groups, and in terms of delivery of the LAA through commissioning direct provision of services from the sector.

The VCS is involved at all levels in the LAA structure, including the Lincolnshire Assembly Executive, the LAA Project Management Board, and the steering groups for the four LAA blocks. In addition we have engaged with locally based voluntary and community groups through the district area Local Strategic Partnerships, and through stakeholder conferences and events.

Following a number of meetings and briefing sessions, the sector convened a conference on 6th December that aimed to develop a consensus approach to engaging with and contributing to the delivery of the LAA. The event was well attended and facilitated by a National Neighbourhood Renewal Adviser provided by GOEM. There was broad consensus on a number of key issues and commitment to developing an action plan to move the sector forward in relation to the LAA. A full report of the event is available on the Lincolnshire Assembly website. It is clear that:

- The Lincolnshire Assembly continues to welcome and accept the VCS as full members. We also recognise that partners are seeking representation from the sector on the new Strategy Board and that we are working together on identifying the most appropriate way forward. We are doing this with the assistance of GOEM and a programme has been set for further consideration at the follow up event on the 26th January;
- There is more to be done to support and train colleagues in the sector to enable effective participation and there is commitment from partners to support this type of activity. We appreciate the work of colleagues in the sector who have taken on the LAA development and are helping to share understanding and knowledge but recognise that more work on communication is required. This will be addressed through the LAA Year 1 action plan;
- Lincolnshire values VCS members' views and contributions in different partnerships including LSPs and Block Partnerships such as the Children and Young People's Strategic Partnership and the Community Safety Partnerships locally. At the Block level there are best practice examples of engagement with the sector - for example, the Children and Young People's Voluntary and Community Sector Forum. This network was established in 2003 and now has a membership of 65 organisations. There is a Strategic Group of 12 members who now act as the main Forum but with responsibility for liaising with the remaining organisations to

ensure that they act as a voice for the sector and not just themselves. This is a key issue - the 12 representatives are not there as individual organisations but to also disseminate information, briefings, access to training and funding as well as consulting with the rest of the network. The Forum is currently looking at the geographical spread of the membership and hopes to liaise with other networks on this. Part of the way forward plan for the sector as a whole will be to consider how this model can be rolled out across the blocks;

- An initial mapping exercise was undertaken to identify the extent to which the VCS are providers and where the VCS want to/could deliver more. One positive example has been included from Shelter, which has looked at how VCS Housing and Homelessness issues could contribute across the LAA blocks. Longer-term work is required and the event on the 26th January will set out the details of how and when this will be completed;
- There is an agreed Compact for Lincolnshire guiding the work of partners and these principles will be extended to work in relation to the LAA. Lincolnshire County Council is supporting work with the sector promoting the value of community engagement and providing support and guidance on measuring impact and outcomes from this. Partners have also been working on the concept of a Community Bank. Further details are available but this will promote good practice in supporting the capacity building needs of the VCS to engage in partnership working. It will support training and development to allow officials, members and the VCS to develop their skills in order to work collaboratively and to gain better understanding of each other's roles and responsibilities.

5.2 Engaging citizens and communities

Major consultation exercises with the general public were undertaken in the development of the Countywide Community Strategy and the District Community Strategies prior to the LAA. The feedback from these consultation events has been used in the development of the priorities for the LAA.

A key document in this regard is the 'State of Lincolnshire Report' prepared by MORI for the County Council, which was designed to help shape the development of the County Council's corporate priorities in alignment with the development of the Sustainable Community Strategy. The main findings in that document informed the priorities and cross-cutting themes in the Sustainable Community Strategy, and are progressed as actions within the LAA.

Despite difficulties with the timescales, the VCS have involved both residents and service users that are already active in established VCS groups and members of the public. E-access and other mechanisms are planned for the future, based on the recently launched Lincolnshire Assembly website.

5.3 Communications Strategy

The LAA will be officially launched in April 2007. We recognise that communications will play a central role in ensuring the successful delivery of the LAA Project Management Board has agreed a communications strategy.

The aim of the communications strategy is to bring coherence to the internal and external communications between all stakeholders of the LAA, to support its vision and enhance stakeholder engagement. It sets out our principles, objectives and key messages for the LAA, our values and communications channels, our action plans and crucially, in terms of developing the transparency and accountability of delivering tangible outcomes for local communities, our performance measures.

As part of the development of the communications strategy, reference groups have been established including nominated lead members and officers from all local authorities and LSPs to ensure regular and consistent information flow between the LAA Block Partnerships, the Delivery Partners and the Strategic Management Board. In addition, a Lincolnshire Assembly website has recently been launched at www.lincolnshireassembly.com with considerable space dedicated to the LAA.

5.4 Equalities

In order to embed compliance with the Race Relations Amendment Act 1976, equalities and diversity issues are considered as part of community cohesion headline challenge. Under development is a specific and agreed countywide outcome for all local authorities to reach equality standards 2 & 3 by an agreed timescale, with a dedicated resource to progress the initiative. More broadly, work is in progress to develop an approach to assist the migrant worker community in the county. The Lincolnshire Community Cohesion Partnership is the core body that will develop and ensure implementation of emerging proposals in this area. The Sustainable Community Strategy, which is delivered by the LAA, has been subjected to an Equalities Impact Assessment, which has been validated by an independent advisor.

6. Summary of Outcomes

Safer and Stronger Communities	
Outcome	Outcome Reference
Reduce Crime	SSC1
Neighbourhood Renewal Fund – Reduce overall British Crime Survey comparator recorded crime in the NRF local authority area and narrowing the gap between the worst performing wards/neighbourhoods and the rest of the local authority area	SSC3
Reduce Violent Crime	SSC2
To reassure the public, reducing the fear of crime	SSC4
Reduce the harm caused by illegal drugs as a problem	SSC5
Reduce harm related to alcohol misuse	SSC6
Build respect in communities and reduce anti-social behaviour	SSC7
Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery	SSC8
Cohesive communities	SSC9
As part of an overall housing strategy for the district ensure that all social housing is made decent by 2010, unless a later deadline is agreed by DCLG (Department for Communities and Local Government) as part of the Decent Homes programme.	SSC10
Cleaner, greener and safer public spaces Improve the quality of the local environment by reducing the gap in aspects of liveability between the worst wards/neighbourhoods and the district as a whole, with a particular focus on reducing levels of litter and detritus.	SSC11
Reduce the numbers of people killed or seriously injured on Lincolnshire's roads	SSC12
Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery	New Outcome

Children and Young People	
Outcome	Outcome Reference
Reduction of health inequalities in the county	CYP1
Improved Lifestyles in the county	CYP2
Improved parenting	CYP3
All children and young people are protected	CYP4
Tackling under achievement and raising aspirations	CYP7

Healthier Communities and Older People

Outcome	Outcome Reference
Improve health and reduce health inequalities	HCOP1
Improved independence of older people	HCOP2

Economic Development and Environment

Outcome	Outcome Reference
Increase employment and economic stability	EDE1
Increase the number of successfully completed accredited qualifications by adults	EDE2
Provide the infrastructure to transform economic growth	New Outcome
Promote growth and sustainability of enterprise and small business in Lincolnshire	EDE6
Increase economic growth and productivity in Lincolnshire	EDE5
Help people living in Lincolnshire to realise their economic potential	New Outcome
Reduce waste going to landfill	EDE3
To work in partnership to increase awareness of and response to climate change	EDE11
Identify, protect and enhance Lincolnshire's distinctive and diverse landscapes, built and natural habitats; improving the Green Infrastructure	EDE13
To improve access to, and provision of, appropriate community and public transport	EDE14

Appendix to Agenda item 7

Extract from Cabinet record: 5th February 2007

Minute CO92: Local Area Agreement – Consideration of Preliminary LAA

DECISION:

The Cabinet endorses the Local Area Agreement and delegates authority to the Leader to represent the Council on the Strategic Board and to be consulted about, and agree, any further changes necessary to secure sign-off of this agreement from GOEM.

Considerations/ Reasons for decision:

- (1) (1) Report number CEX364 by the Chief Executive on the draft Local Area Agreement and the appended draft document;
- (2) (2) Changes could be needed to reach agreement with GOEM on the document;
- (3) (3) Comments made by the Section 151 Officer. Pooling of resources will require continuous scrutiny.

Agenda Item 9

REPORT TO CONSTITUTION AND ACCOUNTS COMMITTEE

REPORT OF: Corporate Head of Finance & Resources

REPORT NO.: CHFR34

DATE: 26 February 2006

TITLE:	Establishment of Governance and Audit Committee
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS PORTFOLIO HOLDER:	Corporate Governance Cllr L. Neal
CORPORATE PRIORITY:	Use of Resources
CRIME AND DISORDER IMPLICATIONS:	N/A

FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Councils Website www.southkesteven.gov.uk via the local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:		

1. INTRODUCTION

In the action plan for 2005/06 Statement of Internal Control, the authority identified an action under a constitution and financial regulations, "To assess the need for an Audit Committee"

As part of the corporate improvement plan the authority also wishes to achieve a level 3 in the Audit Commissions Use of Resources Assessment. The key lines of enquiry for level 3 relating to internal control, include "the council has arrangements in place to maintain sound system of internal control". It is further described as meeting the following requirement:

"The council can demonstrate that it is effectively delivering the core functions of an audit committee, as identified in the CIPFA guidance, that it has provided for the ability to challenge the executive when required and provide for effective leadership on government, financial reporting and audit issues". This paper identifies the requirements for and the benefits for establishing an audit committee.

2. RECOMMENDATIONS

It is recommended that the Constitution and Accounts Committee:-

- 1) recommend to Council the establishment of a Governance and Audit Committee and agree the terms of reference contained in Appendix 1.
- 2) The Governance and Audit Committee comprise of a minimum of 5 members and will be subject to political balance with the Chairman retaining a casting vote. The Committee will also co-opt an external individual as a member of the committee with voting rights.
- 3) Membership of the Committee will be subject to having the appropriate skills as set out in Appendix 2 and there will be a requirement for mandatory training of members of the Committee.
- 4) Recommend to council that the role and function of the Constitution and Accounts Committee, as set out in article 10 of the constitution be amended to delete points f) to j) and the name of the committee to be changed to 'Constitution Committee'

3. BACKGROUND

3.1 Current Arrangement

Currently, the functions and for the Audit Committee are broadly carried out by the Resources Development and Scrutiny Panel and the Constitution and Accounts Committee. Whilst such arrangements have worked there is danger that the Audit Committee function becomes diluted by the pressure of other business and as a result of the separation of the functions between the two forums. The CIPFA guidance on Audit Committees expressly states that "to be effective the Audit Committee needs to be independent from the Executive and Scrutiny Functions".

The main role of scrutiny is to review policy and challenge whether the executive has made the right decision to deliver policy goals. Whereas the role of an Audit Committee is to provide an independent assurance on the adequacy of governance, risk management and internal control environment, and reporting on financial and non financial performance.

3.2 Core Functions of an Audit Committee

Effective Audit Committees help raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. However, it must be stressed as an Audit Committee has a key role in Corporate Governance and should be clearly integrated within the authority's governance framework.

The CIPFA guidance list the core functions of an Audit Committee as:

- To consider the effectiveness of the authority's risk management arrangements. The controlled environment in associated, anti-fraud, anti-corruption and whistle-blowing arrangements.
- To seek assurance that action is being taken on risk related issues identified by the auditors and inspectors.
- To be satisfied that the authority's assurance statements, include in the statement of internal control, properly reflect the risk environment and any actions required to improve it.
- To approve (but not direct) internal audit strategy, plan and monitor performance.
- To review internal audit reports and the main issues arising, and seek assurance that actions are being taken where necessary.
- To receive the Internal Audit annual reports.
- To consider the reports of external audit and inspection agencies.
- To ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted.
- To review the financial statements, external auditors opinion and to report to members, and monitor management actions in response to the issues raised by external audit, featuring on:
 - Suitability of accounting policies and treatments.
 - Any changes in accounting policies and treatments.
 - Major judgemental areas e.g. provisions.
 - Significant adjustments and material weaknesses in the internal control reported by the district auditor.
- To review local codes of corporate governance, standards and behaviour.

It is also suggested that on a local basis the Governance and Audit Committee should include receiving a review of the ombudsman's enquiries and review any actions required in response to the issues raised. Appendix 1 to this report contains proposed terms of reference for the Governance and Audit Committee.

3.3 Membership of the Governance and Audit Committee

An Audit Committee needs the ability to challenge the executive and to report to it on major issues and contraventions. In order to remain independent, the CIPFA guidance recommends that the Chair of the Audit Committee should be a non executive member and that the membership of the Audit Committee should be balanced, objective and knowledgeable.

The guidance suggest that membership would be between three and five members with an appropriate quorum set within the terms of reference. Many organisations have found it beneficial to co-opt an external individual as a member of the Audit Committee, as this provides an external view and fresh approach. The co-opted member need not be granted voting rights. The Audit Committee should have a clear right of access to full council, of their council groups and committees.

Taking account of the nature of the role to be performed by the Audit Committee it is recommended that members of the Governance and Audit Committee are selected on the basis of the skills identified in Appendix 2 to this report as being requirement to ensure that the Governance and Audit Committee is able to undertake its functions mandatory training would be required to undertake a role on this committee.

3.4 Meetings of the Governance and Audit Committee

Meetings should take place at least four times a year.

- One meeting to set the programme, agreeing audit plans and preparing for the year ahead.
- Three meetings for monitoring to sit with the cycle of assurance and financial statement, to include, say
 - before the approval of the accounts to review the financial statement and statement of internal control
 - a meeting after the approval of accounts to receive the audit report to those charged with governance.

Private meetings between the Audit Committee and internal and external auditors should take place at least once a year.

Appropriate officers of the council along with the internal and external auditors should be included as regular attendees of the meeting. Appropriate officers would include Chief Executive, Corporate Head of Finance and Resources, Finance and Risk Management, Service Manager and the Monitoring Officer.

3.5 Benefits of an effective Governance and Audit Committee

There are a number of benefits to be obtained from having an effective Governance and Audit Committee function. These include raising awareness of the need for internal control and the importance of audit and other review functions. A effective Governance and Audit Committee can also increase public confidence in the objectivity and fairness of financial and other reporting. A Governance and Audit Committee can provide the executive with an opinion

on how well they are supported in decision taking and in discharging their accountability (particularly in respect of financial reporting). Separating the Audit Committee's function from that of Resources Development Scrutiny Panel would enable both functions to be performed in a more effective and efficient manner.

Whilst the legislation does not require an Governance and Audit Committee, a Council is required to ensure that its financial management is adequate and effective and that it has sound system of internal control which facilitates the effects the size of its functions. Also in the Section 151 of the local government act 1972 requires the council to make arrangements for the proper administration of its financial affairs, and a Governance and Audit Committee would support a council in making these arrangements.

4. COMMENTS OF SECTION 151 OFFICER

Contained within the body of the report.

5. COMMENTS OF MONITORING OFFICER

The Monitoring Officer and the Deputy Monitoring Officer have been consulted and have confirmed their support of the proposals.

As a sub-committee of Full Council making recommendations to Council on issues, I can confirm the need for political balance in respect of members to be appointed to such a committee.

6. CONTACT OFFICER

S J Marshall
Corporate Head of Finance & Resources
s.marshall@southkesteven.gov.uk
01476 406511

Governance and Audit Committee Terms of Reference

Audit Activity

- a) To consider the internal audit's annual report and opinion, and a summary of internal audit active (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- b) To consider summaries of specific internal audit reports as requested.
- c) To consider reports dealing with the management and performance of the providers of internal audit services.
- d) To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.
- e) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
- f) To consider specific reports as agreed with the external auditor.
- g) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- h) To liaise with the Audit Commission over the appointment of the council's external auditor.
- i) To commission work from internal and external audit.

Regulatory Framework

- j) To maintain an overview of the Council's constitution in respect of internal control for example contract procedure rules, financial regulations and codes of conduct and behaviour.
- k) To review any issue referred to it by the Chief Executive, Director, Corporate Head or any Council body.
- l) To monitor the effective development and operation of risk management and corporate governance in the Council.
- m) To monitor council policies on 'Whistleblowing' and the anti-fraud and anti-corruption strategy and the Council's complaints process.
- n) To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.
- o) To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.

- p) To consider the Council's compliance with its own and other published standards and controls.

Accounts

- q) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- r) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

Ombudsman

- s) To consider the Monitoring Officer's annual report on the outcomes of Ombudsman enquiries.
- r) To consider specific reports from the Ombudsman as required.

Skills and Experience of Governance & Audit Committee Members

Skills

- Ability to question, probe and seek clarification about complex issues.

Experience

- Familiar with the requirements of legislation and local arrangements for governance
- Familiar with the Council's core activities
- Broad understanding of financial and accounting issues.
- Broad understanding of risk management control
- Familiar with regulation and compliance.

Recommended Mandatory Training Requirements

Induction Training

- Role of the committee
- Terms of reference
- Time input required of members
- Overview of council activities
- Financial and risk environment

Specific Training

- Financial reporting
- Governance
- Understanding financial statements
- Regulatory framework
- Role of internal and external audit.
- Importance of risk management

REPORT TO COUNCIL

REPORT OF: Joyce Slater, Human Resources and Organisational Development Service Manager

REPORT NO.: HR & OD 87

DATE: 1ST MARCH 2007

TITLE:	CORE TRAINING FOR ELECTED MEMBERS
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	FRANCES CARTWRIGHT , PORTFOLIO HOLDER	
CORPORATE PRIORITY:	CORPORATE GOVERNANCE	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	Unless exempt, this report is a public document and available from the Council's website: www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Yes	Full impact assessment required? /No

BACKGROUND PAPERS:	<ul style="list-style-type: none"> • Council meeting extract 28th April 2005 (21.09.06) PDF 40 K • Resources DSP extract 24th May 2005 (21.09.06) PDF 70 K • Cabinet minutes extract - 6th June 2005 (21.09.06) PDF 56 K • Report to Council 23rd June 2005 (21.09.06) PDF 19 K • Council Meeting extract 23rd June 2006 (21.09.06) PDF 52 K <p>extract from finance scrutiny report (21.09.06)</p> <p>CHFR34 report to Constitution and Accounts committee 26th February 2007</p>
---------------------------	--

1. INTRODUCTION

- 1.1 This report puts forward the proposed training programme for Members as required by the decisions made by council on 28th April 2005 and 23rd June 2005, taking into account the comments made by DSP's following their scrutiny of the decision.
- 1.2 In addition to the core training programme the Council will be putting on an Induction programme for Elected Members following the May 2007 election. The Council will also arrange a relevant programme of training each year to provide essential knowledge, skills development and updates to legislation / best practice. There will be specific training for specialist committees such as planning & licensing.
- 1.3 The report to Constitution and Accounts committee CHFR34 dated 26th February 2006 proposes the establishment of a governance and audit committee. Recommendation 2.3 notes that membership of the committee will be subject to having the appropriate skills as set out in appendix 2 of that report and that there will be a requirement for the mandatory training of members of the committee

2. BACKGROUND

- 2.1 A report to council by the Chief Executive (CEX288) put forward a range of recommendations in respect of corporate governance and the lessons learnt at other authorities. The council's wishes were specifically in respect of requiring cabinet and DSP members to attend designated training sessions for the essential competencies within 12 months of their appointment.
- 2.2 Council also required therefore that the constitution is amended to take this into account from the 1st May 2007.

- 2.3 Following this decision some DSP recommendations were made in support of this training requirement. These recommendations have been taken into account.

3. RECOMMENDATIONS

- 3.1 That the Council agree to the proposed mandatory core training programme to underpin the essential competencies for cabinet and DSP members.
- 3.2 That the council requires the core training programme to be offered 3 times in the year following an election, to enable all cabinet & DSP members to attend.

4. DETAILS OF REPORT

Core competencies

- 4.1 The core competencies for DSP & cabinet members have been defined as follows:-

- An understanding of South Kesteven District Council, its service delivery responsibilities and how it is organised to deliver services to all its customers.
- An awareness of how the work of the District Council relates to national issues, County and Parish responsibilities.
- Understanding the ways in which council, Cabinet, Development and Scrutiny panels work and relate to each other in accordance with standing orders.
- An understanding of local government finance in general and the financial position of South Kesteven District Council in particular.
- An understanding of probity concepts, especially relating to the code of conduct, relationships with officers, principles of public office, working for outside organisations.
- Understand their responsibility for handling information responsibly, especially in the light of data protection & freedom of Information legislation.
- Understand the importance of & the Councils responsibilities for equalities and how it relates to customer service.

5. TRAINING PROGRAMME

- 5.1 The proposed packaging for the core training programme for members is detailed below.

<u>Module 1</u> <ul style="list-style-type: none"> • An overview of South Kesteven District Council. • A guide to the district • The council's priorities and its corporate plan & how they relate to national & regional issues. • The Council's decision making process - council, cabinet, DSP's & committees and how they work. 	Half day to precede module 2
<u>Module 2</u> An overview of: <ul style="list-style-type: none"> • the council's finances, • staying within the law • the code of conduct, • Data protection, Freedom of Information legislation • Councillor / officer relationships, • Equalities and customer service. 	Half day to follow module 1

5.2 The proposal is to offer the modules 3 times in the year

Programme 1 2 modules on same day	May 2007	Module 1 9.30 a.m. – 1 p.m Module 2 1.30 p.m. – 5 p.m.
Programme 2 One module per twilight session	June 2007 and June 2007	Module 1 4.30 p.m. – 8 p.m. module 2 4.30 p.m. – 8 p.m.
Programme 3 2 modules on same day	July 2007	Module 1 9.30 a.m. – 1 p.m Module 2 1.30 p.m. – 5 p.m.

6. OTHER OPTIONS CONSIDERED AND ASSESSED

N/A – this is specific to the decisions made by Council on 28th April 2005 and 23rd June 2005, taking into account the comments made by DSP's following their scrutiny of the decision

7. COMMENTS OF SECTION 151 OFFICER

The cost of the core training programme is within the existing budget provision. To ensure that the Council is protected it is essential that relevant members undertake the mandatory training for quasi judicial functions

8. COMMENTS OF MONITORING OFFICER

I have not been consulted on the proposed changes to the constitution and am not aware the matter has been put to the Constitution and Accounts Committee. I consider that amendment would be required to article 6 and 7 of the constitution to incorporate a requirement for members to attend such training. I know of no other amendment which will be required

9 COMMENTS OF OTHER RELEVANT SERVICE MANAGER (DEMOCRACY)

Democracy Services will assist in the provision of support in connection with these events.

10. CONCLUSION/SUMMARY

N/A

11. CONTACT OFFICERS

Ian Yates
Strategic Director
Telephone: 01476 406201
email: i.yates@southkesteven.gov.uk

Joyce Slater
Service Manager – HR and Diversity
Telephone: 01476 406133
email: joyce.slater@southkesteven.gov.uk

REPORT TO COUNCIL

REPORT OF: Duncan Kerr

REPORT NO.: CEX369

DATE: 1st March 2007

TITLE:	Appointment of Returning Officer and Electoral Registration Officer	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	N/A	
CORPORATE PRIORITY:	N/A	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	N/A	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required? N/A
BACKGROUND PAPERS:	None	

Recommendation

1. That Duncan Kerr, the Chief Executive, is appointed as the Electoral Registration Officer in fulfilment of the requirement of Section 8 of the Representation of the People Act 1983 and the Returning Officer under the requirements of Section 41 of the Local Government Act 1972.

Background

2. The Council is required, under the Representation of the People Act 1983, Section 8, to appoint an Electoral Registration Officer who fulfils the role of Acting Returning Officer in a Parliamentary Election and, under the Local Government Act 1972 (Section 41), a Returning Officer who fulfils the same role in respect of local elections.
3. As part of a Governance review following the introduction of the Electoral Administration Act 2006, it would be prudent for the Council to reconfirm these appointments.

Comments of the Monitoring Officer

4. It is necessary that these appointments are made by Council in accordance with the relevant legislation. It is not necessary for both these roles to be carried out by one person.

Duncan Kerr
Chief Executive

REPORT TO COUNCIL

REPORT OF: Service Manager, Democracy

REPORT NO. DLS94

DATE: 1st MARCH 2007

TITLE:	REPRESENTATIVES ON OUTSIDE BODIES: COUNTY COUNCIL PRIMARY SCHOOL PROVISION REVIEW PANELS
FORWARD PLAN ITEM:	No
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A - matter for council determination

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Paul Carpenter: Portfolio Holder, Access & Engagement (includes remit for democratic representation)
CORPORATE PRIORITY:	Corporate Governance
CRIME AND DISORDER IMPLICATIONS:	N/A
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's website www.southkesteven.gov.uk via the Local Democracy link
BACKGROUND PAPERS:	Letter dated 4 th January 2007 from the Assistant Director of Children's Services (Universal), Lincolnshire County Council

1. INTRODUCTION

This report is about an invitation from the Lincolnshire County Council to nominate a member representative from this authority to serve on the Primary School Provision Review Panels. The Primary School Provision (PSP) Review Panels are charged with looking at provision in the area of a Local Children's Partnership and making recommendations to the County Council.

2. RECOMMENDATION

It is recommended that this Council submit a member nomination for consideration to serve on one of the county's fifteen Primary School Provision Review Panels.

3. DETAILS OF REPORT

- 3.1** At the end of last year the Lincolnshire County Council adopted a Primary School Provision Policy. The County Council had previously consulted on a draft policy which was produced in order to address a number of issues concerning the provision of primary school education in the county, not least of which was the falling number of primary school pupils, a trend that is forecast to continue.

In order to implement this new policy and help determine future educational provision, the County Council is seeking nominations to serve on these Primary School Provision Review Panels of which there will be fifteen to cover the whole county area and advise on local provision.

- 3.2** Each Review Panel will comprise of no more than 14 voting members from the following categories:

- Dioceses – 1 member
- Parish, Town and District Councils – 3 members
- Local County Councillors – 2 members
- School headteachers – 4 members
- School governors, including a parent-governor – 4 members

Membership will be decided by the County Council after it has sought nominations from each of the above groups.

- 3.3** Training for the selected representatives will be provided, assisted by officers from Children's Services, to help them learn about the policy, the role of the PSP review panels and the tools available to them. The panels will determine their own schedule of meetings and in the first year it is anticipated that they will meet about four or five times.

4. OPTIONS CONSIDERED

To not submit a nomination: although submission of a nomination does not automatically guarantee representation, a decision not to make a nomination would obviously result in the district council not having the opportunity to have some influence on this important community issue.

5. COMMENTS OF SECTION 151 OFFICER

None received

6. COMMENTS OF MONITORING OFFICER

None received

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER (DEMOCRACY)

7.1 Given the relative close proximity to the next district & parish elections, I did query whether this could be held over until after 3rd May. However, I was advised that the County Council would still wish to seek a nomination from us. If our nomination was successful, this appointment will obviously have to be reviewed at the annual meeting on 17th May, along with all other representations on outside bodies.

7.2 Details of this opportunity have previously been notified to all Group Leaders.

8. CONTACT OFFICER

Lena Shuttlewood

Telephone – 01476 406119

E-mail – l.shuttlewood@southkesteven.gov.uk