



AGENDA

For a meeting of the
RESOURCES DEVELOPMENT AND SCRUTINY PANEL
to be held on
THURSDAY, 13 JULY 2006
at
9.30 AM
in
THE CHAIRMAN'S ROOM, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM
Duncan Kerr, Chief Executive

Panel Members:	Councillor Brailsford, Councillor Conboy, Councillor Mrs Dexter, Councillor Joynson, Councillor Kerr, Councillor Kirkman (Chairman), Councillor Lovelock M.B.E. (Vice-Chairman), Councillor Moore and Councillor G Taylor
Scrutiny Officer:	Paul Morrison 01476 406512 p.morrison@southkesteven.gov.uk
Scrutiny Support Officer:	Rebecca Chadwick 01476 406297 r.chadwick@southkesteven.gov.uk

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

- 1. COMMENTS FROM MEMBERS OF THE PUBLIC**
To receive comments or views from members of the public at the Panel's discretion.
- 2. MEMBERSHIP**
The Panel to be notified of any substitute members.
- 3. APOLOGIES**
- 4. DECLARATIONS OF INTEREST**
Members are asked to declare any interests in matters for consideration at the meeting.
- 5. ACTION NOTES**
The notes of the meeting held on 7th June 2006 are attached for information. (Enclosure)
- 6. UPDATES FROM LAST MEETING**
- 7. FEEDBACK FROM THE EXECUTIVE**
- 8. REPORTS FROM WORKING GROUPS**
"Engaging Members in Finance Scrutiny" - report of the Finance Scrutiny Working Group. (Enclosure)

- 9. ANNUAL EFFICIENCY STATEMENT 2005/06**
Report number CHFR13 by the Corporate Head of Finance and Resources. (Enclosure)
- 10. 2005/06 OUTTURN**
Report CHFR14 by the Corporate Head of Finance and Resources. (Enclosure)
- 11. BUDGET MONITORING REPORTS**
Report CHFR15 by the Financial Services Manager. (Enclosure)
- 12. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PREPARATION 2006/-7 TO 2010/11**
Report CHFR16 (with CHFR12 appended) by the Corporate Head of Finance and Resources. (Enclosure)

UPDATES FOR THE FOLLOWING FOUR ITEMS WILL BE PROVIDED AT THE MEETING.

- 13. ACTION PLAN FOR USE OF RESOURCES**
- 14. CAPITAL STRATEGY**
- 15. LARGE SCALE VOLUNTARY STOCK TRANSFER - FINANCIAL ASPECTS**
- 16. COUNCIL ASSETS (ASSET MANAGEMENT PLAN)**
- 17. TRAVEL CONCESSIONS**
To scrutinise the financial implications of changes to the travel concessions service. (Enclosure)
- 18. BEST VALUE PERFORMANCE INDICATORS**
Performance Indicators attached.
The panel to scrutinise the targets set and the Operational Management Team response to the recommendation concerning payment of invoices. (Enclosures)
- 19. WORK PROGRAMME** (Enclosure)
- 20. REPRESENTATIVES ON OUTSIDE BODIES**
Representatives on outside bodies to give update reports.
- 21. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCE, DECIDES IS URGENT.**

WORKING STYLE OF SCRUTINY

The Role of Scrutiny

- To provide "critical friend" challenge to the Executive as well as external authorities and agencies
- To reflect the voice and concerns of the public and its communities
- Scrutiny members should take the lead and own the scrutiny process on behalf of the public
- Scrutiny should make an impact on the delivery of public services

Remember...

- Scrutiny should be member led
- Any conclusions must be backed up by evidence
- Meetings should adopt an inquisitorial rather than adversarial style of traditional local government committee meetings.



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

WEDNESDAY, 7 JUNE 2006 10.00 AM

PANEL MEMBERS PRESENT

Councillor David Brailsford
Councillor Robert Conboy
Councillor Ken Joynson
Councillor Vic Kerr

Councillor John Kirkman (Chairman)
Councillor Reg Lovelock M.B.E. (Vice-
Chairman)
Councillor Andrew Moore
Councillor Gerald Taylor

OFFICERS

Scrutiny Officer
Scrutiny Support Officer
Director of Tenancy Services
Corporate Head, Finance and
Resources
Assets and Facilities Manager
Financial Services Manager
Senior Quantity Surveyor

Alan Johnson – Beha Williams Norman
Ltd.

15. DECLARATIONS OF INTEREST

Councillor Kirkman declared a personal and prejudicial interest in agenda item 8 on the financial aspects of Large Scale Voluntary Transfer on account of him being a member of the Shadow Housing Board.

16. LARGE SCALE VOLUNTARY STOCK TRANSFER - FINANCIAL ASPECTS

The Chairman, having declared a personal and prejudicial interest, left the meeting. The Vice-Chairman assumed the Chair.

The Corporate Head of Finance and Resources explained report CHFR9. Appendix B for this item and an amended version of Appendix C, were circulated at the meeting. The report provided an initial analysis of the potential financial implications of Large Scale Voluntary Transfer and the residual impact on the General Fund. The key areas of potential impact, as identified by the Enterprise Beha Williams Norman Ltd (EBWNL) were:

- *Valuation of the housing stock* - the report was based on the Principles of Valuation report, which was presented at the last meeting of the DSP. Some DSP members stated that they were against the method of valuation used. Any receipt received for the housing stock would be retained to support Statutory Housing

Services. Any abortive costs would be written-off. The rest would be available for investment. It was decided by the Council in January 2006 that the receipt, should stock transfer go ahead, would be split between affordable housing grants and work on the development of sustainable communities.

- *Set up costs* - EBWNL identified that £0.3million of the costs would be incurred pre-ballot and therefore at risk if the tenants did not support the proposal. Following the decision to identify LSVT as the preferred option, the Council established a £1million reserve to provide for the potential impact.
- *Estimated capital receipts* – Subject to the outcome of the ballot and a decision to proceed with LSVT, capital receipts would be generated as a result of negotiations with South Lincolnshire Homes based on the Tenanted Market Value (TMV) of the housing stock, potential sale of any non-housing assets and a Right to Buy sharing agreement. Members discussed whether there would be ongoing capital receipts from affordable housing. Any affordable housing generated with a grant from the capital receipt from LSVT would be for rent or shared ownership (with a maximum ownership of 75%). All figures presented to the DSP had assumed that there would be no additional receipt generated for the Council from affordable housing.
- *Statutory Housing Services* – the District Council would still be responsible for some housing services. Costs for the retention of these had been estimated at £100,000 in ongoing costs. Ongoing costs would include software systems and licences for the provision of services.
- *Diseconomies of scale* – these would include: only part of the work of individuals would transfer to the new landlord, a reduced internal customer base for the recovery of the fixed element of internal support costs, office accommodation freed. The 2006/07 support service estimates had been used to provide base data, however, the level and degree of time recording and transaction analysis had been variable historically, also restructuring and the move to a cashless office would affect the assumptions. Should transfer go ahead, office accommodation for the new housing association would need to be found for an estimated period of 6-9 months, until they had been able to establish headquarters elsewhere. Calculations assumed that diseconomies of scale could be managed over a five-year period.
- *Housing benefit costs* – this would mean rent allowances instead of rebates.
- *VAT*
- *Impact on Revenue Support Grant* – the experience of other councils is that there has been no impact on the Revenue Support Grant.
- *Interest Receipts* – these could be phased over time, therefore additional income from interest earnings would be generated. Although it would be prudent to review the Capital Programme annually, to take account of various financial impacts on the Council including priority setting, interest rates, revenue impact of capital developments and changes to government grants and requirements. Alternatively any capital receipt could be top sliced to ensure the protection of the general fund, while the remainder could be used for investment in the two areas identified by Council.

Panel members discussed how affordable housing grants would work. RSL partners would present schemes; the District Council would award a partial grant based on that scheme. A consistent strategy would need to be adopted for use with all RSL partners. Members of the DSP agreed that the general fund should be reviewed regularly to take changes of circumstances into account.

Based on the estimated figures provided by the Corporate Head of Finance and Resources, members of the DSP felt that it would be most appropriate for diseconomies of scale to be managed over a five-year period and that in terms of the Capital Programme, the entirety of the usable receipt should be phased over five years on affordable housing projects and ten years on developing sustainable communities.

CONCLUSIONS:

It is recommended to the Cabinet that:

- 1. Diseconomies of scale should be managed over a five-year period.***
- 2. The entirety of the usable capital receipt should be phased over five years for affordable housing purposes and over ten years for the development of sustainable communities.***

It was felt that regular updates would also be necessary.

CONCLUSION:

An update on the financial aspects of Large Scale Voluntary Transfer should be given at the next meeting on July 13th.

The Chairman re-entered the meeting.

17. ACTION NOTES

Noted with the amendment on page 2, item 4, to read "*Some members of the panel, in relation to point (2)...*"

18. UPDATES FROM LAST MEETING

Minute Item 6: the Financial Scrutiny Working Group had held its first scoping meeting. The group would meet again on 21st June.

Minute Item 8: the report on the financial implications of the changes to the travel concessions service will be discussed at the meeting to be held on 13th July 2006.

The Chairman welcomed the Resources and Assets Portfolio Holder to the meeting. He stated that the Portfolio Holder was present to provide feed back from the Executive, answer questions, or suggest courses of action for scrutiny but not to instruct or direct the DSP.

19. REVIEW OF ASSET MANAGEMENT PLAN

A draft copy of the Asset Management Plan had been circulated and was presented to the Panel by the Assets and Facilities Manager and the Senior Quantity Surveyor. They explained that an Asset Management Plan was essential for the running of any business. To complete the plan, assessments of three areas would be necessary: ensuring a strategic approach was used, that the plan coincided with the Council's vision and priorities and that arrangements for delivery had been identified. Appendix 2 of the report identified the Council's main assets, however work on smaller assets of the Council would be necessary. The Panel were reminded that they would discuss a report on surplus assets and all other assets at their next meeting on 13th July 2006.

The Panel made the following points on the document:

Paragraph	Comment/Response
Core Data	
4	In terms of population, where do South Kesteven stand within the audit group? <i>This will be looked into and information fed back.</i>
8	It was suggested that instead of calculating the gross weekly earnings using the mean, the median value may be more appropriate, as it would provide a less distorted reflection than the figure taking into account a small number of very high earners. It was suggested that this could be removed but members considered it important and agreed that it should be kept in but more qualifying information should be provided.
11	The number of public conveniences had been identified as 4. There are 4 operational, Council-owned public conveniences. On completion of Abbey Gardens, Grantham, there would be 5.
12	The Portfolio Holder had requested a list of all unadopted roads in the District.
Asset Management Plan	
6	The word " <i>Resources</i> " should be inserted before Development and Scrutiny Panel.
16	It was suggested that this should read: " <i>The main non-housing property portfolio consists of 46 major properties for which the Council maintains an interest and maintenance responsibility.</i> "
17	This should read: " <i>Corporate Objectives and <u>compliance</u> with local plans and strategies.</i> "
38	The Environment Agency holds responsibility for the banks of the River Witham.
42(11)	The rectification of contaminated land at Wharf Road car park, Stamford, was identified among key investment issues for the next three years. Members were advised that works would be completed in October. This would be clarified in

	the plan.
43(6)	Security works at Toft Tunnel were for health and safety reasons to provide access to key-holders only.
44(15)	This should be removed as it almost presumes a positive ballot on LSVT.
45	The deadline date was considered too late. This would be brought forward to August.

At the next meeting of the DSP, clarification would be required as to which assets were Council-owned and which were leased.

CONCLUSION:

That the draft Asset Management Plan should return to the Resources Development and Scrutiny Panel for further scrutiny, following any amendments and clarification.

20. ANNUAL EFFICIENCY STATEMENT AND REVIEW OF GERSHON SAVINGS

The Financial Services Manager gave a presentation based on the Annual Efficiency Statement for 2005/06. For the information of members of the panel, he provided a brief definition of cashable and non-cashable savings. Savings targets had been identified for the three-year Gershon programme. These savings would be cumulative. The overall efficiency saving target for the Council for 2005/06 was £505,000. £252,500 of this would be met through cashable savings, £252,500 would be met through non-cashable savings. The total Gershon saving required had been reviewed because of an underspend in 2004/05.

The total target, to be achieved in the 2006/07 financial year, would be £725,000, which would then increase to £1,087,000 for 2007/08. Members said that modification would be required if the transfer of housing stock went ahead as this would alter the size of the base from which savings could be made.

Service Managers had been asked to provide a breakdown of their department's Gershon savings for 2005/06; responses had not been received from all departments, which was of concern to members. The Council had yet to meet its target but incomplete information would account for some of the difference. If it became evident that the target could not be met, then the Council would have to justify carrying the sum over to the next financial year. The Council were also experiencing problems because a lot of the savings that would result from spending in 2005/06 would not be evident until the 2006/07 financial year. Future savings would include the Allpay scheme and the customer contact centre.

An area in which savings had been identified was through the provision of care services for residents in South Holland. It was suggested that the local performance indicator should be amended to reflect the increased number of people that are supported by Care Services. Members felt that the Cedar System could provide potential savings, however these might only be available on a corporate level.

When the Financial Services Manager was asked how confident he was of meeting the target, he stated that there was work that needed to be done, with the co-operation of service managers. It was hoped that the process of collating savings would be for the next financial year, as all service managers had to identify Gershon savings as part of their service plans during the budget setting process. Training issues which would need to be addressed were also identified.

CONCLUSION:

- 1. Updates on the Annual Efficiency Statement 2005/06 should be brought to the next meeting;***
- 2. The DSP strongly recommend that those service areas that have not submitted evidence of savings should do so.***

21. BEST VALUE PERFORMANCE INDICATORS

At the year's end, one indicator remained red: the percentage on invoices paid on time. The comments made at the last meeting of the DSP on this matter had been reported to the Operational Management Team (OMT); they had been noted. The DSP felt that a more pro-active response than noting was necessary and requested that OMT report back how they intend to prevent any repetition of this.

Some Panel members were concerned that the targets for 2006/07 were not stretching enough. It was suggested that new targets should be adopted based on historic data and performance in the best quartile. It was suggested that other DSPs should review performance indicator targets within their remit.

CONCLUSION:

- 1. That the Operational Management Team should report back to the DSP on how they intend to ensure that targets for the payment of invoices should be met.***
- 2. That the Resources DSP should review performance indicators within their work area to make them stretching targets.***
- 3. That all DSPs should consider the revision of performance indicator targets to make them stretching.***

22. WORK PROGRAMME

The Scrutiny Officer reported that there were no changes to be made to the work programme. The DSP requested that an LSVT update and a review of the breakdown of the general fund should be included on the agenda for their next meeting. An update on efficiency targets was also requested for the next meeting.

It was suggested that the meeting of the Resources DSP to be held on July 13th should begin at 9:30am and run all day on account of the volume of work included on the work programme.

CONCLUSIONS:

- 1. That the next meeting of the Resources DSP should begin at 9:30am on Thursday 13th July 2006 and run all day.**
- 2. That the agenda for this meeting should include:**
 - **LSVT Update**
 - **Review of General Fund**
 - **An update on the Annual Efficiency Statement**

23. REVIEW OF COUNCIL RESERVES

The Constitution and Accounts Committee would close down the final accounts for 2005/06 on 29th June. Financial Services Manager explained that audit required the specification of a use for monies within the general fund. Areas where there was concern over the size of the reserve were the Capital Reserve General Fund, the Pensions Fund and the Capacity Building Priority Setting and service Improvement Fund.

Historically £500,000 was held within the Insurance reserve, it was suggested that the fund should be reduced back to that level. The general fund had dropped by one-third in two years, there was concern that this decline might continue. Members were also concerned that the Council would become too reliant on using the general fund. The Panel agreed to recommend that the Constitution and Accounts Committee should review the large amount in the pensions fund and consider redistributing it.

CONCLUSION:

The DSP request that the Constitution and Accounts Committee look at the very high level of the insurance reserve with a view to reducing it significantly. Subject to the receipt of relevant information on the pension scheme, it is recommended that the Committee consider using the excess from the insurance fund to supplement this and to build up the capital general fund and Capacity Building reserve.

24. CLOSE OF MEETING

The meeting was closed at 12:45.



ENGAGING MEMBERS IN FINANCE SCRUTINY

A working group scrutiny review

July 2006

Councillor Moore
Councillor Mrs Dexter
Councillor Kerr

"Promoting pride in our communities"

FOREWORD

This Working Group was set up by the Resources DSP to explore how all members can become more involved in the financial scrutiny not only of those DSPs of which they are members but also of the Resources DSP ,other DSPs generally, the council as a whole and the service plan gateway reviews.

The Resources DSP had a concern that some members can find the whole issue of council finance very offputting and the Working Group was also asked to address this issue.

All these matters are fundamental in trying to maximise the highest possible level of members' scrutiny and participation in the council's finances. By doing so, members should be confident that the council is making the best possible use of all its available resources so as to give the council the best chance of delivering its agreed spending priorities on time and within the financial constraints that it faces.

The Resources DSP also wanted guidance on how Local Forums (or Assemblies as they were previously called) could become involved in budget consultation. Time constraints however meant that the working group was unable to fully address this particular issue before finalising this report. However, the working group felt that involving Local Forums is more of a question about the processes used in setting the main spending priorities themselves rather than more detailed decisions about allocating resources to achieve those priorities. Of course this could well be a matter that the Resources DSP will want to return to.

May I thank my fellow members of the working group and all the officers who contributed so heartily and openly to the consideration of the tasks put by the Resources DSP. I trust consideration of this report will lead to a greater and more effective participation by all members in the financial affairs of the council.

Councillor Moore
Chairman, Finance Scrutiny Working Group

EXECUTIVE SUMMARY

This report details the findings of the Finance Scrutiny Working Group, which investigated how to engage members in the scrutiny of council finance, during May to July 2006. The group's recommendations focus on the role of members in the service plan gateway reviews, information provided to members and training for members in council finance.

Members should be informed in advance of the proposed timings for the service plan and budget process and their role at each stage defined. This will help communication and therefore engagement. Financial information should be jargon-free but the working group acknowledges that some financial technical terms are necessary and that some members, who are more familiar with accountancy language, may prefer more detailed and technical documents. The working group also identified a demand from members for training in council finance. This should be provided as a compulsory module after the 2007 elections and supported within a continuous programme. This should increase members' confidence, helping them to engage in debate on financial matters.

INTRODUCTION

At the close of the budget setting process for 2006/07, the Resources DSP identified a disappointing attendance by non-executive members in the service plan gateway review meetings. These meetings had been part of a new approach to setting the council's budget, which had provided a greater role for all members in stages throughout the budget preparation.

The budget working group, which met between August 2005 and February 2006 and comprised all members of the Resources DSP and one member from each of the other DSPs, had also been poorly attended on some occasions.

The Resources DSP therefore established this working group to investigate ways to engage non-executive members in finance scrutiny in their different roles. Its key objectives were:

- (1) To explore how members can become more involved in the financial scrutiny of:
 - DSPs of which they are members
 - DSPs as a whole
 - The Resources DSP
 - Council as a whole
 - Service plan gateway reviews
- (2) How Local Area Assemblies can get involved in budget consultation.
- (3) What is it about council finance that is so off-putting to members?

Given that use of resources has recently been made a category A priority for the council, it is fitting that members be encouraged to play a more active role in council finance issues and that this be facilitated by appropriate structures, mechanisms and information.

Throughout the report, the term 'non-executive members' is used because *any* member who is not on the cabinet has a role in scrutiny, even if they do not sit on a development and scrutiny panel.

EVIDENCE

Given the slim time frame within which to carry out its investigations, the working group decided to obtain primary evidence internally only and carry out desktop research from external sources, rather than interviewing external witnesses.

The working group received verbal evidence from the council's:

- Chief executive
- Strategic director
- Strategic director
- Corporate head of finance and resources
- Financial services manager
- Training manager

Written evidence was received from the portfolio holder for resources and assets.

Evidence-gathering questionnaires were returned by 30 members of the council.

Similar scrutiny reviews from the following authorities were examined:

- Cornwall county council – Review of revenue budget process 2002
 - London borough of Camden – Report of the budget scrutiny panel 2005
 - Wear Valley district council – Review of the budget process 2004
 - Wiltshire county council - Budget process scrutiny task group annual report 2003
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FINDINGS

Non-executive members' role in finance scrutiny

The working group identified the factors affecting available resources for the council:

- Spending priorities
- Service plans
- Spending charges to or released from reserves
- Central government funding and capping

Priorities

Spending priorities largely determine the way resources are allocated so this is one of the main area for influence by non-executive members. Service plans stem from the interpretation of the priorities determined by council. There is a finite limit to how service plans can be changed because they sit within the priorities. The working group considers that members should be influencing the relative weight given to each service plan in relation to the priorities that the council has set.

The role of the council's Local Forums in the budget process should be largely targeted to the setting and review of the council's priorities.

Service plans

Scrutiny of service plans allows for involvement at a more detailed level.

It is understood that a lot of members are sceptical about their ability to influence effectively the budget setting process, outside of the council's main budget meeting. This is supported by the results of the group's questionnaire to all members. The results of this survey are at appendix A and show that this issue was one of the main reasons (second to "not enough time") why some members did not attend a service plan gateway review. It is interesting to note from the survey that for those members who did attend a service plan meeting, it was the involvement and ability to influence the budget that were key 'likes' about the

Comment
"Members offer challenge, an alternative point of view, focus on priorities and a critical friend".

meetings. The issue affecting members' time is caused by a number of reasons that the group has identified. At the same time as the service plan meetings, there were a number of members involved in the stock option appraisal work and other council-related

commitments. Also, a considerable number of members have daytime employment and

Comment

"The scrutiny team should better communicate the successes of overview and scrutiny to demonstrate to members their influence."

are not regularly available to attend meetings in addition to their usual committee or panel. The organisation of the service plan meetings sometimes provided little notice for members to attend. Other 'dislikes' about the service plan meetings are recorded in the results of the survey at appendix A.

The working group, having interviewed relevant officers in financial services, is satisfied that all of the criticisms of the meetings have been recognised and that more time will be available for members to participate in the service plan meetings and to digest information.

From an officer perspective, it would have been preferable for them to have had a clean run at completing their service plans, rather than having to change the format part way through the process. Now that the format of the service plans has been finalised, the working group recognises that this problem should not reoccur. Further to this the portfolio holder commented that officers may need training on budget setting, the principles and politics behind setting them, and completing long-term projections.

During its evidence-gathering, a number of officers suggested to the group that it considered and perhaps defined the role of non-executive members in the service plan meetings. The portfolio holder commented that the non-executive member role should be developed, adding that involvement in service planning and budget preparations adds to individual member development. The working group established though that a clear role had not been defined and that this could have added to the general confusing nature of council finance. In support of this, informal feedback from a significant number of members revealed that many members did not understand what was required from them

for the service plan gateway reviews, despite explanation in the portfolio holder's invitation to attend the meetings.

The working group found that there were a number of members with serious concerns that rural issues were not taken into full account during the budget setting process. This was even a reason given in the member survey for non-attendance at service plan gateway meetings. Although the portfolio holder asserts that all comments made by members during the service plan meetings were included, there is still a perception that comments from non-executive members were not considered.

Comment

"Those members who appear to have some concerns about the lack of recognition of rural issues, should note that they can make a contribution throughout the process."

Recommendations:

- (1) A proposed timetable for the development and publication of draft service plans and desired member involvement in those plans should be put forward to all members three to four weeks before the start of the process.**
- (2) That the role of members in attending service plan gateway reviews is to make recommendations on the future of that service with a focus on the council's priorities. It is the officer's role to estimate the financial implications of those recommendations. Members should then consider these financial implications and in light of them, influence the future choices for that service.**
- (3) To structure the process better for members, and to provide efficient use of their time, members should be involved at three distinct stages in the service planning process: at the start of the preparation of service plans, at a mid-point during development of the service plan and towards finalisation of the plans.**
- (4) There should be at least ten calendar days between members receiving reports and holding a service plan gateway meeting.**

It was interesting to note that other authorities have experienced similar problems in engaging backbench members. Wiltshire county council, in its scrutiny review, concluded that a lack of engagement in their budget preparation had been caused because of uncertainty surrounding the budget settlement and a lack of role for their 'advisory panels'. In relation to members' role in budget setting, Wiltshire county council examined the role of its panels in setting the council's priorities and scrutinising the future direction of a service. They "had heard from Departmental Finance Officers that part of the budget process had involved calculating how much it would cost to meet individual performance targets, which effectively created a menu of options for Cabinet to choose from". Wiltshire county council's review recognised that "if there was an effective menu of options [scrutiny members] could have been involved in considering and selecting the performance targets, and hence funding priorities, for each service".

Cornwall county council's scrutiny review looked at the role of members and the information they required during the budget setting process. They made several recommendations relating to the importance of council priorities shaping the budget, and for:

- greater co-ordination between committees
- more detailed information for members on major issues at an earlier stage in the budget process
- improved layout and ease of understanding of budget reports

The London borough of Camden recognised the need for a corporate plan in its budget setting process, recommending that budget making should be "within a stronger, policy-led rather than finance-led, corporate planning framework". They recommended a "demystifying" of the process and fuller member involvement at an earlier stage. Camden referred to guidance from the Centre for Public Scrutiny on how scrutiny members have a role to play at different stages of the corporate planning process:

- **Strategic priority setting:** to ensure that council priorities reflect community interests accurately and address the national and regional concerns as appropriate.
- **Corporate planning process:** to make sure that the plan is prioritised to adequately reflect the community plan and individual service plans; also to ensure that the corporate plan is suitably aspirational.
- **Budget setting:** to ensure that the budget strategy makes provision for priorities as set out in the corporate plan.
- **Performance objectives and target setting:** to ensure that objectives and targets are an appropriate reflection of priorities as set out in the corporate plan; also to verify that they are logical and robust.
- **Performance monitoring and review:** to ensure that priorities are being met and to make recommendations for improvement where they are being missed.

Wear Valley district council simplified this role further, stating that members have the responsibility to make sure the that budget-planning choices were:

- Challenging
- Policy led
- Comprehensive
- Open and consultative

Like South Kesteven, Wear Valley found that members do not always have enough time to sufficiently challenge spending figures, for example, and that information should be made available sooner whenever possible.

Information for members

Council finance is, understandably, associated with maths and numbers. However, this is only the last part of the equation. The previous corporate director of finance and strategic resources had provided sessions for members from this angle and had been well-received. The working group, having discussed this further with the strategic management team, understand that one of the main reasons that 'council finance' is so off-putting to members is that the finance part is taken in isolation, rather than in the context of the relevant issues. This is supported by the results of the member survey where the perception of relevance was identified as one of the key reasons for

disengagement in council finance. The portfolio holder's view also supports this: "we have to target service plans to members and get them to buy into the service and its background planning and financing as a secondary function."

It was suggested to the working group that the key financial document - the Budget Book - be challenged in terms of its presentation and the ease of which it can be understood by members with little financial knowledge. This would set the tone for other financial documents produced. The working group suggested that there be an improved level of explanation in the notes in the budget book. It was also suggested that a document be produced showing the general picture with another giving detailed financial information and that relevant information, such as the cost to the council per swim at the leisure centre, per street swept etc. The overuse of financial jargon in council reports and presentations was also identified by the group as a significant factor in member disengagement.

Comment

"The use of jargon contributes to mistrust and a mystique of council finance. We have switched members off because we haven't stopped using jargon."

The working group noted that financial services had been, and currently is, under-capacity. This had caused some of the problems in the budget setting process for 2006/07 in terms of preparing information in advance of the service plan meetings. This issue had been addressed and the recruitment process was underway for vacancies in the team. More support should be available to members from the financial services team. The new Cedar software used by staff in financial services would also enable them to provide more relevant information to members.

The working group recognises that some detailed financial information is required for members because they need to be able to explain decisions to their constituents. This is a point supported by the portfolio holder who adds that area for member involvement in council finance is "understanding the processes and aims of service sections, monitoring, ongoing accountability to the public and being able to explain the reasons behind the spends and non-spends."

The working group also noted that the new corporate plan would provide a more robust framework for the budget preparation and the development of service plans in light of

the council's priorities. It was considered that for members, there were too many stages of the service plan gateway reviews to attend and this is why some members felt that they did not have enough time to attend. A recommendation on this has been made above. The corporate plan should ensure that members influence the way the improvements to priority areas are achieved within services by setting the focus to be followed by the service plans. Members should therefore only need to get involved in the service plans at the distinct stages outlined above.

The working group discussed the information presented in the service plans. For the benefit of members, it was suggested that a summary of the plans be provided to enable members to address their relation to the council's priorities. This will also allow members to focus on a service plan that is of interest or relevance to them.

The working group acknowledges the current efforts of the financial services staff in using clearer English in their reports and presentations. The council has been criticised in its recent Use of Resources assessment that member involvement in council finance could be better and the financial information provided.

The working group is satisfied that officers' plans to use more interesting layouts and less jargon in reports will help engage members.

The officers were also asked to consider their use of financial technical language at the use of resources training session in September and to consider providing an introductory session to provide basic knowledge.

Officers suggested that the closing of accounts information could be specifically scrutinised in terms of its use of language and presentation of financial information.

It is interesting to note that the London borough of Camden scrutinised budget information. They concluded that because of the complexity of local government finance, it was difficult to engage people in the council's budget. This included members. They called for a demystifying of council finance but not an oversimplification if it was not necessary. This is the same as the working group's findings, who considered that information should also be available at a more detailed level to cater for those members more confident in financial language.

Recommendations:

- (5) The Resources DSP is recommended that when scrutinising the council's budget book and other key documents, it challenges these in terms of its presentation and the ease of which it can be understood by members with little financial knowledge. That should also be an improved level of explanation in the notes to accounts.**
- (6) From the evidence gathered, the working group identified a clear need for financial information reports to be presented in various informative and alternative formats that can be easily be understood by anyone with little financial awareness.**
- (7) Reports and presentations produced by officers and members should as far as possible avoid the use of financial technical terms and jargon. When this is unavoidable then any such terms should be clearly defined in non-technical and plain English, either in the main body of the report, or in a separate glossary.**

Member training

The working group interviewed the council's training manager to determine the current situation and the best way forward for member training on council finance.

Members' inductions have always included information on council finance as part of a suite of modules. The finance module, however, was voluntary. On 23rd June 2005, the council decided to ask the Constitution and Accounts committee to prepare an amendment to the constitution with the effect that "from the 1st May 2007, the desirable and essential competencies required of both Cabinet and DSP members are defined with all members being required to attend designated sessions for the essential competencies within twelve months of their appointment". It is envisaged that this will require a

number of training sessions for essential core knowledge issues. In order to achieve full training for members, different methods and arrangements for training will have to be explored.

Comment

"New members were competing with the experienced members. New members should be given the choice whether to attend their own session or a session with experienced members".

Responses to recent training request sheets had shown improvement uptake of training by members. The issue to resolve was how much detail should be included in induction and training before getting into operational matters. Also, training arrangements at the moment mainly involved a set of sessions repeated throughout the year. This may need to be examined in the future.

The council has not yet fully explored using online training material. The training manager explained to the working group that preparation time for this is considerably more than for face-to-face sessions. It may attract some members and has a useful place in a range of training arrangements but it is believed to not be very popular. Personal interaction, which can help boost confidence, is lost for online learning. This is especially important for new members.

Comment

"I found the induction training sessions very wearing, they were long and rooms were crowded and there wasn't much opportunity to question officers. Shorter meetings with fewer members would have been better".

The working group considered timing of member training sessions to encourage attendance. The training manager had just piloted a training session starting at 4.30p.m. on the new training session options. In the past, sessions had been provided before other meetings to make it easier for members. This had not been as popular as expected and considerable wastage had been caused. Preferred times had been asked for but such a wide range of responses were received. This is supported by the working group's questionnaire to all members, which, although showing a general preference towards sessions at any time held in Grantham, demonstrated a broad range of preferences for training sessions. The training manager considered that trialling member sessions at different locations throughout the district could be successful.

The member survey also identified a desire for further training on council finance matters. 20 out of 28 respondents said that they would benefit from additional training in council finance.

Recommendation:

- (8) That the Constitution and Accounts committee be recommended that basic understanding of council finance matters be included as an essential training module for all members from the May 2007. Optional modules can be provided for higher levels of competency if there is such a demand. Further training in the council's financial affairs should be made available on a regular basis to all members and at variable times, durations and locations.**

APPENDIX A

RESULTS FROM MEMBER SURVEY – JUNE 2006

Did you attend one of the service plan gateway reviews during the 2005/06 budget setting process?

Yes: 14 respondents

No: 16 respondents

Of those who had attended, their likes and dislikes about these meetings were:

Likes		Dislikes	
Provided involvement in the budget	6	Papers not available on time	4
Opportunity to influence	3	Information not available	3
Complete information	3	Not enough time	2
Contact with staff	2	Too rushed	2
Well presented		Rushing from one meeting to another	2
Met their objectives		Not enough space to sit in meetings	2
Time efficient		Short notice	2
Fit the matrix of provisions		Too late in the process	
Discussion on past performance		Officer expertise not always present	
As a new process it 'worked'		Not enough members involved	
Informative		Timetabling poor with last minute changes	
'Big picture' building		Not always well-structured, ran over time	
Informality		Some lack of co-ordination from one gateway to another	
Comprehensive		More than one was held at the same time	
Opportunity to question officers		Information not updated	
Individual attention		Too much information with too little time	
Traffic light system		Information too complex in its relationship to activities	
Informative			
Interactive			
Timely			

Of those who had not attended, the following reasons were provided:

Reason	
Not enough time	8
Feel unable to influence decisions	5
Dairy clash/other commitments	2
Council finance is too complicated	2
Council finance is not relevant to my role	2
Health	1
Didn't understand what they were	1
Political reasons	1

All members were asked what they thought was so off-putting about council finance. The responses were:

Reason	
Complex	8
Perception of irrelevance	5
Difficult to understand	4
Jargon and acronyms	3
Lack of confidence	2
Lack of knowledge	2
Member of quasi-judicial committees do not have time to concentrate on council finance	1
Go on too long	1
Perceived as controlled	1
Male conservatives dominate the process	1
Mystery	1
More interested in 'people' matters	1
'Dry' presentations	1
Appears to be disjointed	1
Central government approach to funding	1
Limited budget flexibility	1

All members were asked if they thought they would benefit from addition training in council finance. The responses were:

Yes: 22 respondents

No: 8 respondents

Of those who responded 'yes', the following preferences were provided:

Time	Location	
Any time	Grantham	6
Evenings	Grantham	2
July	Grantham	1
Between 10am and 3pm	Stamford	1
Evenings	Grantham/Stamford	1
Winter	Stamford	1
Thursday/Friday	Anywhere	1
Daytime	Grantham	1
Any time	Anywhere	1
Monday	Anywhere	1
Before budget process	Grantham	1
Winter, am or early pm	Grantham	1
Morning of a DSP meeting	Grantham	1

One respondent suggested online or cd-rom training.

REPORT TO RESOURCES DSP

REPORT OF: CORPORATE HEAD OF FINANCE AND RESOURCES

REPORT NO. CHFR13

DATE: 13 JULY 2006

TITLE:	ANNUAL EFFICIENCY STATEMENT 2005/06
FORWARD PLAN ITEM:	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	DECISION FOR LEADER, CHIEF EXECUTIVE AND CHIEF FINANCE OFFICER
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	CORPORATE HEALTH
CORPORATE PRIORITY:	EFFICIENCY SAVINGS

INTRODUCTION

1. Members will be aware that the Council is required to produce an Annual Efficiency Statement (AES) which sets out the annual efficiency target together with the detail of how the target will be achieved. There is also a requirement to produce a Backward Looking Statement for 2005/06 setting out the details of actual efficiencies compared with forecasted ones. The deadline for submission of this statement is 6 July 2006 which coincides with the closure of the Authority's annual accounts.

The AES must be endorsed by the Leader, Chief Executive and the Chief Finance Officer.

RECOMMENDATION

2. Members are asked to note the savings achieved with regard to the backward looking AES 2005/06.

DETAILS OF REPORT

3. The Annual Efficiency Statement 2005/06 submitted to ODPM in April 2005 set out the following targets:

£252,500 cashable savings
£252,500 non-cashable savings

This gave the Council an overall an overall efficiency saving target of £505,000 for 2005/06.

The detailed breakdown of how the figure is to be met is:

Cashable

Procurement – Purchasing champions	£100,000
Productive time – flexible/home working	£ 50,000
Transactions – NDR/CTAX collection & admin costs	£ 50,000
Miscellaneous efficiencies	<u>£ 52,500</u>
Total	<u>£252,500</u>

Non-Cashable

Corporate Services – Business Process re-designing	£100,000
Procurement – Purchasing champions	£ 25,000
Productive time - flexible/home working	£100,000
Transactions – NDR/CTAX collection & admin costs	<u>£ 27,500</u>
Total	<u>£252,500</u>

Detailed work has been undertaken with service managers to identify savings made that can contribute towards the overall target and the following has been declared for 2005/06:

Efficiency Area	Service Area	Description	Amount	Of which Cashable
Environmental Services	Waste Services	Waste Collection services	£31,488	
LA Social Housing	Care Services	Monitoring of lifeline customers for South Holland	£33,900	£33,900
Corporate Services	Corporate Services – Modernisation agenda	Redeployment of staff to front line services	£26,769	£26,769

	Corporate Services – Modernisation agenda	Website use to contact SKDC	£122,129	
Procurement	ICT	ICT server replacement	£4,250	£4,250
	Financial Services	E-procurement	£11,562	
	Financial Services	Internal Audit Contract	£35,000	£35,000
	Democratic Services	Civic Vehicle	£25,063	£25,063
	Assets and Facilities	Telephony Mobile Phone contract	£27,500 £6,104	£27,500 £6,104
	Assets and Facilities	Egan Principles of contract award	£4,784	£4,784
	Assets and Facilities	5% saving on preventative maintenance of M&E	£3,985	£3,985
	ICT	Purchase of PC's	£14,278	£14,278
Productive Time	Care Services	Care Services sickness reduction	£27,327	£27,327
	Corporate	Corporate sickness reduction	£40,572	
Transactions	Cash Collection	Electronic Payments	£12,721	
Misc Efficiencies	ICT	Disposal of old PC's	£1,100	£1,100
	Financial Services	Interest received on surplus asset	£2,578	£2,578

	Total		£431,110	£212,638
	b/f (2004/05)		£75,785	£40,022
	Overall Total		£506,895	£252,660

CONTACT OFFICER

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REPORT TO RESOURCES D.S.P.

REPORT OF: CORPORATE HEAD OF FINANCE AND RESOURCES

REPORT NO. CHFR14

DATE: 13 JULY 2006

TITLE:	2005/06 OUTTURN
FORWARD PLAN ITEM:	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Teri Bryant – Finance and Assets Portfolio Holder
CORPORATE PRIORITY:	Financial Services

INTRODUCTION

1. The accounts for 2005/06 have been closed down and the Statement of Accounts has been published in accordance with the Account and Audit Regulation 2003. The Statement of Accounts was approved by the Constitution and Accounts Committee on 29 June 2006 (subject to Audit)

RECOMMENDATION

2. Members are asked to note the outturn position of the accounts for the year ended 31 March 2006 and make any specific observations or recommendations to Cabinet which could be incorporated into the budget setting process for 2007/08.

DETAILS OF REPORT

3. Members will find attached to this report the following information relating to 2005/06:

- Appendix A – General Fund Revenue Account
- Appendix B – DSP outturn (including variance analysis)
- Appendix C – Housing Revenue Accounts
- Appendix D – Capital Programme (Housing and General Fund)
- Appendix E – Statement of Reserves and Balances

Revenue Position

The overall position of the Development and Scrutiny Panels (DSPs) show a minor overspend of £79,000 when compared with original budget. However, when compared with projected outturn (revised budget) there is an underspend of £227,000.

A variance analysis has been undertaken for each DSP and this is shown at Appendix B. However specific variances which need to be highlighted are:

Resources DSP – a net underspend of £579K largely reflecting the following:

- Overall savings on Council Tax Collection and benefits administration amounting to £396K which
 - Prior year and transitional Benefits Subsidy adjustments to provide additional subsidy of £147K
 - Overpaid benefits received greater than budget of £110K
- Pension costs for backfunding and additional years now accounted for at service level although it is now necessary to report outturn of £122K as part of accounting reporting requirements.

Community DSP – a net overspend of £552K compared with original:

- A supplementary estimate being approved by members in May 2005 for Housing Improvement Programme in response to the Inspection of Strategic Housing Services
- Redistribution of costs to General Fund to reflect the separation of Tenancy Services and Housing Solutions
- £198K being charged to General Fund for pre ballot costs (financed through the LSVT reserve).

Capital Position

Appendix D itemises the capital programme for 2005/2006. During 2005/2006 total expenditure for capital purposes of £6.834M was incurred. Of this £4.356M related to housing revenue account capital. This compares with an original estimate of £7.676m and a projected outturn of £4.752m. This reduced programme reflects the

one-off focus that was put on completing the Stock Option Appraisal and restructure to create Tenancy Services in order to improve service delivery in the future. General Fund capital expenditure was £2.478M. This compares with an original estimate of £3.2m and a projected outturn of £2.125m.

The Council has taken steps to address underperformance of the General Fund Capital programme by creating the dedicated Asset and Facilities Management Unit which is now progressing capital schemes such as the Customer Service Centre, Abbey Garden Public Conveniences and Welham Street Car Park in the current financial year. However, the Council will need to address the capital spend within the Housing Reserve Account as the programme has slipped in 2005/2006. Members will note that programme delivery needs to be stepped up if the use of Major Repairs Allowance is to be maximised.

COMMENTS OF CORPORATE MANAGER, DEMOCRATIC AND LEGAL SERVICES (MONITORING OFFICER)

4. None

CONTACT OFFICER

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GENERAL FUND REVENUE ACCOUNT**2005/2006**

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Resources Development and Scrutiny Panel - Services	2,765	2,607	2,186	(579)	(421)
2	- Under/(over) allocation of Support Services	0	(6)	(30)	(30)	(24)
3	Engagement Development and Scrutiny Panel	1,552	1,687	1,611	59	(76)
4	Community Development and Scrutiny Panel	1,565	2,029	2,117	552	88
5	Economic Development and Scrutiny Panel	1,227	1,383	1,152	(75)	(231)
6	Healthy Environment Development and Scrutiny Panel	8,775	8,506	8,921	146	415
7	Special Expense Areas	626	660	682	56	22
8	Gershon Efficiency Savings/Future Efficiencies	(200)	0	0	200	0
9	Capacity Building, Priority Setting and Service Improvements	250	0	0	(250)	0
10	TOTAL SERVICE COST	16,560	16,866	16,639	79	(227)
11	Precepts of Local Precepting Authorities	873	873	873	0	0
12	Surplus from Internal Trading Services - Direct Works Organisation	(30)	0	160	190	160
13	Net Income on the Asset Management Revenue Account	(1,317)	(1,066)	(2,083)	(766)	(1,017)
14	Pension Interest Cost and Expected Return on Pension Assets	0	281	198	198	(83)
15	Interest and Investment Income	(500)	(1,000)	(1,094)	(594)	(94)
16	NET OPERATING EXPENDITURE	15,586	15,954	14,693	(893)	(1,261)
17	Movement on Reserves	(2,530)	(1,680)	805	3,335	2,485
18	Movement on Pension Reserve	0	0	(12)	(12)	(12)
19	Capital Expenditure Financed from Revenue	2,409	1,284	1,610	(799)	326
20	Contribution to Capital Financing Account	(1,300)	(1,208)	(1,535)	(235)	(327)
21	AMOUNT TO BE MET FROM GOVERNMENT GRANTS AND LOCAL TAXPAYERS	14,165	14,350	15,561	1,396	1,211
22	Council Tax Income	(5,744)	(5,744)	(5,744)	0	-
23	Non Domestic Rate Income	(3,656)	(3,656)	(3,656)	0	-
24	Revenue Support Grant	(4,712)	(4,712)	(4,712)	0	0
25	Local Authority Business Growth Initiative Grant	-	(273)	(297)	(297)	(24)
26	Collection Fund Surplus	(53)	(53)	(53)	0	-
27	REDUCTION/(INCREASE) IN WORKING BALANCE	-	(88)	1,099	1,099	1,187
General Fund Revenue Balances						
28	Reduction/(increase) in working balance	0	88	(1,099)	(1,099)	(1,187)
29	Balance at Beginning of Year	3,099	3,099	3,099	0	-
30	BALANCE AT END OF YEAR	3,099	3,187	2,000	(1,099)	(1,187)

RESOURCESDEVELOPMENT AND SCRUTINY PANELSUMMARY OF SERVICE HEADS

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Access Programme	521	542	534	13	(8)
2	Corporate Costs	470	639	470	0	(169)
3	Civic Functions	42	33	33	(9)	0
4	Subscriptions to Associations	24	22	22	(2)	0
5	Treasury Management	27	19	17	(10)	(2)
6	Council Tax Collection and Benefits Administration	1,205	1,149	809	(396)	(340)
7	Non Domestic Rate Collection	25	49	56	31	7
8	Pension Costs	265	65	122	(143)	57
9	Welland Partnership	186	89	123	(63)	34
10	NET GENERAL FUND CHARGE	2,765	2,607	2,186	(579)	(421)

RESOURCES**DEVELOPMENT AND SCRUTINY PANEL****SUMMARY OF SERVICE DELIVERY AND SUPPORT SERVICES**

Ref	Detail	2005/2006 Estimate Base	2005/2006 Projected Outturn	2005/2006 Outturn	2005/2006 Variance Estimate	2005/2006 Variance Projected
		£'000	£'000	£'000	£'000	£'000
	CENTRAL SERVICE SECTIONS					
1	Asset and Facility Management	-	193	176	176	(17)
2	Business Management Services	162	235	168	6	(67)
3	Corporate Management	359	443	408	49	(35)
4	Contract Monitoring	354	528	564	210	36
5	Customer Services	337	322	320	(17)	(2)
6	Environmental Health Services	964	910	868	(96)	(42)
7	Financial Services	578	693	663	85	(30)
8	Housing Services	1,094	853	846	(248)	(7)
9	Housing Solutions	-	-	144	144	144
10	Human Resources	317	292	280	(37)	(12)
11	Information Technology	710	808	742	32	(66)
12	Land Use Planning Services	400	161	178	(222)	17
13	Legal and Democratic Services	632	574	569	(63)	(5)
14	Leisure and Cultural Services	174	192	187	13	(5)
15	Property Services	1,153	781	762	(391)	(19)
16	Revenue Services	1,307	1,311	1,285	(22)	(26)
17	TOTAL TO BE CHARGED	8,541	8,296	8,160	(381)	(136)
18	Administrative Buildings	100	161	157	57	(4)
19	Capital Schemes	248	137	182	(66)	45
20	Direct Service Organisations	152	86	77	(75)	(9)
21	Holding Accounts	163	154	165	2	11
22	Housing Revenue Account	2,418	2,134	2,049	(369)	(85)
23	Special Expense Areas	93	122	117	24	(5)
24	CHARGED TO NON GENERAL FUND SERVICES	3,174	2,794	2,747	(427)	(47)
25	Community DSP	1,033	1,074	1,218	185	144
26	Economic Development DSP	949	766	723	(226)	(43)
27	Engagement DSP	461	449	451	(10)	2
28	Healthy Environment DSP	1,370	1,596	1,603	233	7
29	Resources DSP	1,554	1,623	1,448	(106)	(175)
		5,367	5,508	5,443	76	(65)
30	Under/(Over) allocation of Support Service sections	0	(6)	(30)	(30)	(24)
31	CHARGED TO GENERAL FUND SERVICES	5,367	5,502	5,413	46	(89)

ENGAGEMENT**DEVELOPMENT AND SCRUTINY PANEL****SUMMARY OF SERVICE HEADS**

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Bus Stations	95	108	121	26	13
2	Cycle Centre and Cycleways	44	20	18	(26)	(2)
3	Democratic Representation	715	740	782	67	42
4	Elections	22	53	24	2	(29)
5	Public Relations and Communications	121	146	138	17	(8)
6	Registration of Electors	116	103	124	8	21
7	Supported Travel	439	517	404	(35)	(113)
8	NET GENERAL FUND CHARGE	1,552	1,687	1,611	59	(76)

COMMUNITYDEVELOPMENT AND SCRUTINY PANELSUMMARY OF SERVICE HEADS

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Awarded Watercourses and Sewer Dykes	116	123	98	(18)	(25)
2	Building Control	54	88	26	(28)	(62)
3	Closed Circuit Television	362	373	355	(7)	(18)
4	Community Safety	114	92	137	23	45
5	Emergency Planning	23	63	55	32	(8)
6	Footway Lighting	164	164	155	(9)	(9)
7	Grants to Voluntary Associations	66	66	67	1	1
8	Gypsy Caravan Site	-	(2)	0	0	2
9	Helpline	86	127	100	14	(27)
10	Historic Building Grants and Enhancements	-	-	1	1	1
11	Housing Solutions	436	703		(436)	(703)
	Sure Start	-	-	(1)	(1)	(1)
	Housing Solutions-Service Improvements	-	-	51	51	51
	Pre Ballot Costs	-	-	197	197	197
	Housing Standards and Improvement Initiatives	-	-	234	234	234
	Homeless Persons	-	-	270	270	270
	Housing Standards and Caravan Sites	-	-	26	26	26
	Private Sector Housing	-	-	120	120	120
	Affordable Housing	-	-	18	18	18
	Protection from Eviction	-	-	1	1	1
12	Licensing	68	152	129	61	(23)
13	Loans - Private	5	7	8	3	1
14	Street Naming and Numbering	71	73	70	(1)	(3)
15	NET GENERAL FUND CHARGE	1,565	2,029	2,117	552	88

ECONOMICDEVELOPMENT AND SCRUTINY PANELSUMMARY OF SERVICE HEADS

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Car Parks	(521)	(421)	(384)	137	37
2	Community Development	155	120	92	(63)	(28)
3	Conservation	153	55	63	(90)	8
4	Development Control	234	140	31	(203)	(109)
5	Economic Regeneration and Town Centre Development	723	802	765	42	(37)
6	Industrial Estates	(228)	(228)	(214)	14	14
7	Land Charges	(103)	(63)	(94)	9	(31)
8	Markets	13	33	37	24	4
9	Miscellaneous Property	220	286	281	61	(5)
10	Planning Policy	266	365	330	64	(35)
11	Public Conveniences	230	218	180	(50)	(38)
12	Street Furniture	22	24	18	(4)	(6)
13	Tourist Information Centres	63	52	47	(16)	(5)
14	NET GENERAL FUND CHARGE	1,227	1,383	1,152	(75)	(231)

HEALTHY ENVIRONMENT**DEVELOPMENT AND SCRUTINY PANEL****SUMMARY OF SERVICE HEADS**

Ref	Detail	2005/06 Estimate Base £'000	2005/06 Projected Outturn £'000	2005/06 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Abandoned Vehicles	20	14	17	(3)	3
2	Arts Development and Arts Centres	1,057	1,207	1,171	114	(36)
3	Closed Burial Grounds	55	55	48	(7)	(7)
4	Commercial and Environment	671	615	574	(97)	(41)
5	Community Activities	160	139	128	(32)	(11)
6	Control of Dogs	42	43	34	(8)	(9)
7	Corn Exchange, Bourne	179	163	179	0	16
8	Drainage Rates	508	508	509	1	1
9	Fairs	(1)	(3)	9	10	12
10	Footpaths, Bridleways	0	0	6	6	6
11	Grass Cutting - Verges	26	31	31	5	0
12	Leisure Centres and Stadium	2,348	2,233	2,460	112	227
13	Leisure Grants and Loans	76	58	52	(24)	(6)
14	Leisure Premises	(18)	(16)	(13)	5	3
15	Night Soil, Private Sewers and Itinerant Travellers Control	3	11	17	14	6
16	Pest Control	-	118	115	115	(3)
17	Play Areas and Open Spaces	251	245	236	(15)	(9)
18	Street Scene	847	911	957	110	46
19	Waste Management	2,551	2,174	2,391	(160)	217
20	NET GENERAL FUND CHARGE	8,775	8,506	8,921	146	415

SPECIAL EXPENSE AREAS**SUMMARY OF SERVICE HEADS**

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
1	Bourne Special Expense Area	23	24	24	1	0
2	Deepings Special Expense Area	11	11	11	0	0
3	Grantham Special Expense Area	372	374	391	19	17
4	Langtoft Special Expense Area	37	38	42	5	4
5	Stamford Special Expense Area	183	213	214	31	1
6	NET GENERAL FUND CHARGE	626	660	682	56	22
7	Expenditure Financed by South Kesteven District Council	-	-	(56)	(56)	(56)
8	Required Savings	(6)	(40)	0	6	40
9	Capital Charges Adjustment	(123)	(123)	(129)	(6)	(6)
10	CHARGED TO SPECIAL EXPENSE AREAS	497	497	497	0	-

Variance Analysis – 2005/2006

Resources DSP

Council Tax and Benefits

- Additional subsidy of £69,000 following audit of 2004/2005 final benefit claim-correction to subsidy limitation %
- Additional subsidy of £78,000 received under transitional protection scheme.
- Overpaid benefit recovered by the Council in 2005/2006 amounted to £169,000, which was £110,000 greater than estimated.

Pension Costs

- Variance due to recharge mechanism and change to accounting methodology.
- Original budget included for back funding pension contributions, which have now been accounted for at service level, which amounted to £200,000. £65,000 relates to contributions to the pension funds in respect of additional years for former employees.
- Outturn of £122,000 reflects FRS 17 reporting requirements for past service costs.

Engagement DSP

Bus Stations

- An overspend of £12,000 for maintenance of buildings at Grantham bus station resulted from Health & Safety requirements to repair barriers and drainage system.
- A loss in revenue of £9,000 re bus operator charges was due to significant reductions in bus routes due to a previous company going out of business.

Cycle Centre & Cycleways

- Significant underspend of £22,000 being related to allowance for grounds maintenance generally and tree work at Green Lane.

Democratic Representation

- Supplies and Services show an increase of £22,000 over budget due to an increase in the number of public meetings.
- Premises Related Services had an increase of £24,000 due to accommodation space being re-measured.

Community DSP

Awarded Watercourses and Sewer Dykes:

- Drainage was under spent by £38, 000 due to a scheme at Pickworth not being completed.

- Consultant's fees were £10,000 over spent the original budget due to Pickworth and Grantham Canal projects.
- Support services were £15,000 over spent due to the support bases review.

Building Control:

- The decrease in salaries of £45,000 is due to the revised salary allocations.
- The saving of £23,645 on computer software budget was software projects uncompleted.
- Additional Building Control applications resulted in a gain of £32,000 income.

Emergency Planning:

- Consultant's fees have increased by £18,000 due to implementation of the SLA for the provision of services relating to the Civil Contingencies Act 2004.
- Support services are showing an overspend of £22,000 as no original budgets were in place.
- Flooding incidents are down by £14,000 due to no major flooding incidents in the year.
- Salaries are increased by £7,000 due to a 20% apportionment of an officer's time not being budgeted for. This cost is included within the CCTV Original budget for 2005/6.

Licensing:

- The original budget of £25,000 for Consultants fees was incorrectly allocated to Environmental Health Services to be off set against the £17,000 overspend showing on the Health Environment account.
- The licensing overspend of £30,000 was due to lack of Government information when compiling the budget for new licences so best estimates at the time were used.

Economic DSP

Car Parks

- Grantham and Stamford had resurfacing work carried out which was not provided for in the budget and accounted for £43,000.
- Increase in Capital charges of £55,000 resulted from the revaluation of properties.
- Support services increase of £24,000 was due to the revision of the support bases.

Community Development

- Salaries over budgeted by £7,000. Revised budget shows a truer apportionment of officer's time and therefore a more accurate revised budget.
- Outside Printing budget of £14,000 has not been required for this financial year and has been included in next year's budget for the Community Strategy.
- Support services show a decrease of £35,000 which is due support bases being reviewed.
- £14,000 budget for community partnership projects has not been spent this year and is therefore included in 2006/7 budget.

Conservation

- Significant under spend of £89,000 with regard to salaries, however when aggregated with C62 the figures tend to correspond. Salary bases for officer's time have been reviewed and therefore the 2005/6 actual reflects the true salary cost of conservation activity.
- Support services have been reduced by £11,000 due to support bases being revised to provide a more accurate cost.

Development Control

- Increased Planning Applications resulted in a gain of £203,000.

Markets

- Over the 4 Market Administration Departments a gain of £21,000 was made this being due to the salaries now being allocated to specific markets.

Miscellaneous Property

- A reduction in the consumption of electricity resulted in a saving of £16,000
- Support services show a decrease of £20,000, which is due to support bases being reviewed.
- Capital & Financing charges increased by £26,000 due to the revaluation of property. A deferred charge of £20,000 was incurred.
- Road resurfacing was £8,000 overspent against budget due to increased activity.
- Overspends of £7,000 & £13,000 on ground structures and maintenance of buildings was to work carried out to property at St Catherine's Road to provided additional office/meeting rooms for LSVT etc.

Planning Policy

- Salaries over budget by £116,000. Salaries for Planning Policy based upon apportionments. 05/06 base figure represents significant increase over budget figure, when aggregated with C62 the figures generally correspond.
- Agency staff and staff advertising resulted in a over spend of £15,000
- Support services have been reduced by £56,000, which is due to support bases being reviewed.

Healthy Environment DSP

Arts Development and Arts Centres

- Significant increase in Stamford Arts Centre costs due to the unexpected costs incurred of asbestos removal, which total £119,000 alone.
- As the theatre was closed for 3 months due to the maintenance work, an increase in publicity was necessary to negate the impact of the closure and therefore resulted in a £36,000 increase in outside printing and postage costs.

- Both Stamford Arts Centre and Guildhall Arts Centre have incurred a licence fee of £6,000 in order for customers to purchase tickets online which was not included in the original budget.
- The salary overspend of £20,000 at the Guildhall Arts Centre was due to the revised budget apportionment.

Leisure Centres and Stadium

- Grantham Leisure centre incurred increased costs in Depreciation of £60,000 and Interest charges of £89,000 due to revaluation of the centre by the District Auditor. The update to the water filtration system due to be undertaken 2005/2006 was not completed and resulted in an underspend of £36,000.
- The Sports Stadium overspend of £33,000 for resurfacing of the sports track should be offset against the £40,000 grant received showing as a gain against budget.

Pest Control

- Significant overspend due to the buy out of a 4-year contract with Pest Express, and therefore a reduction in fee income as we are no longer offering the service.

Street Scene and Waste Management

- The variances with regards to Street Scene and Waste Management reflects the Council's investment to deliver priority A service.

COMMUNITYDEVELOPMENT AND SCRUTINY PANELHOUSING REVENUE ACCOUNT

Ref	Detail	2005/2006 Estimate Base £'000	2005/2006 Projected Outturn £'000	2005/2006 Outturn £'000	2005/2006 Variance Estimate £'000	2005/2006 Variance Projected £'000
	INCOME					
1	Dwelling Rents	16,218	16,410	16,245	27	(165)
2	Non Dwelling Rents	265	257	258	(7)	1
3	Charges for Services and Facilities	1,365	1,410	1,269	(96)	(141)
4	Housing Revenue Account Subsidy	0	0	4	4	4
5	Other Income	100	101	86	(14)	(15)
6	TOTAL INCOME	17,948	18,178	17,862	(86)	(316)
	EXPENDITURE					
7	Repair and Maintenance	4,639	4,686	4,814	175	128
8	Supervision and Management - General	2,678	2,726	2,206	(472)	(520)
9	Supervision and Management - Special	1,983	1,948	1,837	(146)	(111)
10	Contribution to Housing Subsidy Pool	4,352	4,504	4,041	(311)	(463)
11	Increase in Provision for Bad Debts	0	0	1	1	1
12	Capital Charges - Interest	11,388	13,052	10,193	(1,195)	(2,859)
13	Capital Charges - Depreciation on HRA Assets	4,722	5,441	4,211	(511)	(1,230)
14	Capital Charges - Debt Management Expenses	12	6	10	(2)	4
15	Transfer to General Fund	0	0	511	511	511
16	TOTAL EXPENDITURE	29,774	32,363	27,824	(1,950)	(4,539)
17	NET COST OF SERVICES	11,826	14,185	9,962	(1,864)	(4,223)
18	Capital Charges - Interest	(11,388)	(13,052)	(10,193)	1,195	2,859
19	Loan Charges - Interest	203	203	146	(57)	(57)
20	Pension Interest Costs and Expected Return on Assets	0	0	77	77	77
21	Interest Receivable	(527)	(527)	(695)	(168)	(168)
22	NET OPERATING EXPENDITURE	114	809	(703)	(817)	(1,512)
	APPROPRIATIONS					
23	Capital Expenditure financed from Revenue	0	0	0	0	0
24	Transfer from Major Repairs Reserve	(1,370)	(2,089)	(859)	511	1,230
25	HRA share of contributions to Pension Reserve	0	0	(5)	(5)	(5)
26	(Surplus)/Deficit	(1,256)	(1,280)	(1,567)	(311)	(287)
	FUND BALANCE					
27	Balance at Beginning of Year	4,868	4,478	4,478	(390)	0
28	Surplus for Year	1,256	1,280	1,567	311	287
29	BALANCE AT END OF YEAR	6,124	5,758	6,045	(79)	287

CAPITAL PROGRAMME**SUMMARY AND FINANCING STATEMENT**

Ref	Detail	2005/2006 Estimate Base	2005/2006 Projected Outturn	2005/2006 Outturn	2005/2006 Variance Estimate	2005/2006 Variance Projected
	<u>HOUSING INVESTMENT PROGRAMME</u>	£'000	£'000	£'000	£'000	£'000
	<u>HOUSING REVENUE ACCOUNT</u>					
1	New Build for Rent/Resale	1,750	0	0	(1,750)	0
2	Stock Improvements	5,264	4,370	4,033	(1,231)	(337)
3	Demolitions	27	32	0	(27)	(32)
4	Plant and Equipment	285	50	0	(285)	(50)
5	TOTAL - HOUSING REVENUE ACCOUNT	7,326	4,452	4,033	(3,293)	(419)
	<u>HOUSING GENERAL FUND</u>					
6	Renovation Grants	350	300	323	(27)	23
7	TOTAL - HOUSING GENERAL FUND	350	300	323	(27)	23
	<u>OTHER SERVICES</u>					
8	Community DSP	131	131	156	25	25
9	Economic DSP	1,500	1,075	1,017	(483)	(58)
10	Engagement DSP	571	571	685	114	114
11	Healthy Environment	140	290	264	(24)	(26)
12	Resources DSP	858	58	356	(502)	298
13	TOTAL - OTHER SERVICES	3,200	2,125	2,478	-722	353
14	TOTAL - CAPITAL PROGRAMME	10,876	6,877	6,834	(4,042)	(43)
	<u>FINANCED BY:</u>					
15	Borrowing and Credit Arrangements	779	779	779	0	0
16	Capital Receipts	1,387	270	380	(1,007)	110
17	Capital Grants and Contributions	641	721	811	170	90
18	Direct Revenue Financing/Major Repairs Reserve	8,069	5,107	4,864	(3,205)	(243)
19	TOTAL - CAPITAL PROGRAMME	10,876	6,877	6,834	(4,042)	(43)

CAPITAL PROGRAMME**HOUSING REVENUE PROGRAMME**

Ref	Detail	2005/2006 Estimate Base	2005/2006 Projected Outturn	2005/2006 Outturn	2005/2006 Variance Estimate	2005/2006 Variance Projected
		£'000	£'000	£'000	£'000	£'000
	<u>HOUSING REVENUE ACCOUNT</u>					
	<u>New Build for Rent/Sale</u>					
1	Aire Road, Grantham	1,750	0	0	(1,750)	0
		1,750	0	0	(1,750)	0
	<u>Stock Improvements</u>					
	Non Traditional Construction Dwellings:					
2	44 Cornish Units - Grantham	0	25	20	20	(5)
3	Cornish/Easiforms	847	900	1,099	252	199
4	Structural Repairs	113	115	93	(20)	(22)
	Energy Efficiency Initiatives:					
5	PVC-u Doors	1,131	1,131	1,098	(33)	(33)
6	Windows	226	140	0	(226)	(140)
7	Central Heating	283	142	64	(219)	(78)
8	Heating and Ventilation	226	0	0	(226)	0
	Refurbishment and Improvement:					
9	Miscellaneous Residual Property	130	92	48	(82)	(44)
10	Re-roofing	509	287	259	(250)	(28)
11	Re-wiring	192	326	190	(2)	(136)
12	Kitchen Refurbishments	1,102	979	1,122	20	143
13	Bathroom Refurbishments	211	0	0	(211)	0
14	Communal Doors	181	181	0	(181)	(181)
15	Disabled Adaptations	113	52	40	(73)	(12)
		5,264	4,370	4,033	(1,231)	(337)
	<u>Demolition Works</u>					
16	Garages	27	32	0	(27)	(32)
	<u>Plant and Equipment</u>					
17	Tunstall Telecommunications System	285	50	0	(285)	(50)
		285	50	0	(285)	(50)
	<u>HOUSING - GENERAL FUND</u>					
18	Renovation Grants	350	300	323	(27)	23
19	TOTAL - HOUSING INVESTMENT PROGRAMME	7,676	4,752	4,356	(3,320)	(396)

CAPITAL PROGRAMME**OTHER SERVICES**

	Description	2005/2006 Estimate Base	2005/2006 Projected Outturn	2005/2006 Outturn	2005/2006 Variance Estimate	2005/2006 Variance Projected
		£'000	£'000	£'000	£'000	£'000
	<u>Community DSP</u>					
1	Anti Social Behaviour	25	25	0	(25)	(25)
	Purchase of Vehicles					
2	Care Services	26	26	27	1	1
3	Housing Maintenance	80	80	88	8	8
4	Care Centre-PNC 3	-	-	41	41	41
5	Aire Road Grant	-	-	-	0	0
		131	131	156	25	25
	<u>Economic DSP</u>					
	Town Centre Development					
6	Town Centre Projects-Note1	1,000	-	-	(1,000)	-
7	Purchase of Land, St Catherines Road, Grantham	-	350	362	362	12
8	Demolition of East Street	-	400	382	382	(18)
9	Stamford Gateway	-	-	-	-	-
	Public Conveniences	-	-	-	-	-
10	Abbey Gardens, Grantham	200	-	-	(200)	-
	Car Parking					
11	Wharf Road, Stamford-Note 3	300	30	18	(282)	(12)
12	Wharf Road, Grantham	-	215	187	187	(28)
13	Welham Street, Grantham-Note 4	-	60	48	48	(12)
14	Town Centre Car Parking	-	-	-	0	-
	Grants					
15	Christchurch Centre, Stamford	-	20	20	20	-
16	Economic Capital Grant	-	-	-	0	-
		1,500	1,075	1,017	(483)	(58)
	<u>ENGAGEMENT DSP</u>					
17	Access to Services-Note 5	571	571	685	114	114
		571	571	685	114	114
	<u>Resources DSP</u>					
18	Provision for Existing Assets-Note 6	800	-	-	(800)	0
19	Finacial Ledger System	-	-	234	234	234
20	Software Licences	-	-	61	61	61
21	Purchase of Pool Vehicles	58	58	61	3	3
		858	58	356	(502)	298
	<u>HEALTHY ENVIRONMENT DSP</u>					
22	South Kesteven Sports Stadium	140	140	135	(5)	(5)
23	Leisure Centres-IT Provision	-	100	83	83	(17)
	Waste Management					
24	Refuse Freighter-Conversion	-	40	36	36	(4)
25	Alexandra Road Depot-Car Parking	-	10	10	10	-
26	Wheelie Bins Procurement	-	-	-	0	-
		140	290	264	124	(166)
27	TOTAL - OTHER SERVICES	3,200	2,125	2,478	(722)	213

STATEMENT OF RESERVES AND BALANCES**APPENDIX E****AS AT 31 MARCH 2006**

	Balance as at 01-Apr-05 £'000	Movement in Year £'000	Balance as at 31-Mar-06 £'000
Capital Reserves			
General Fund Capital Reserve	4,657	400	5,057
Major Repairs Reserve	9,026	98	9,124
	<u>13,683</u>	<u>498</u>	<u>14,181</u>
Specific Revenue Reserves			
Insurance Reserve	935	(435)	500
Building Control	319	93	412
Capacity Building, Priority Setting and Service Improvements	1,300	510	1,810
Stock Option Ballot Reserve	1,000	(198)	802
Pensions Reserve - Former Employees	372	(65)	307
- Current Employees	1,616	500	2,116
	<u>5,542</u>	<u>405</u>	<u>5,947</u>
Balances			
General Fund	3,099	(1,099)	2,000
Housing Revenue Account	4,478	1,567	6,045
	<u>7,577</u>	<u>468</u>	<u>8,045</u>

REPORT TO RESOURCES D.S.P.

REPORT OF: FINANCIAL SERVICES MANAGER

REPORT NO. CHFR 15

DATE: 13 JULY 2006

TITLE:	BUDGET MONITORING REPORTS
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COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Financial Services Cllr Terl Bryant
CORPORATE PRIORITY:	Use of Resources
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	
BACKGROUND PAPERS:	

INTRODUCTION

1. Members will be aware that the new financial ledger system (Cedar) went live from 1 April 2006. As part of its key features this system will provide robust and accurate budgetary reporting information in a range of formats that are particularly suitable to the recipient.

The purpose of this report is to present a range of reporting styles and to seek views on the most appropriate that meets the specific needs of DSP members.

DETAILS OF REPORT

2. Attached to this report are different format styles of budgetary information that all contain the following information:

Service area
Annual budget for that service area
Actual spend against that service area for the specified period

Other additional information can include:

Budget to date for the specified period
Variance analysis - under/over spend (expressed as an amount or a %)
Budget profile information

CONCLUSION

3. Members are asked to consider the different reports and express their preference to the style that provides the most meaningful information in the most appropriate style.

CONTACT OFFICER

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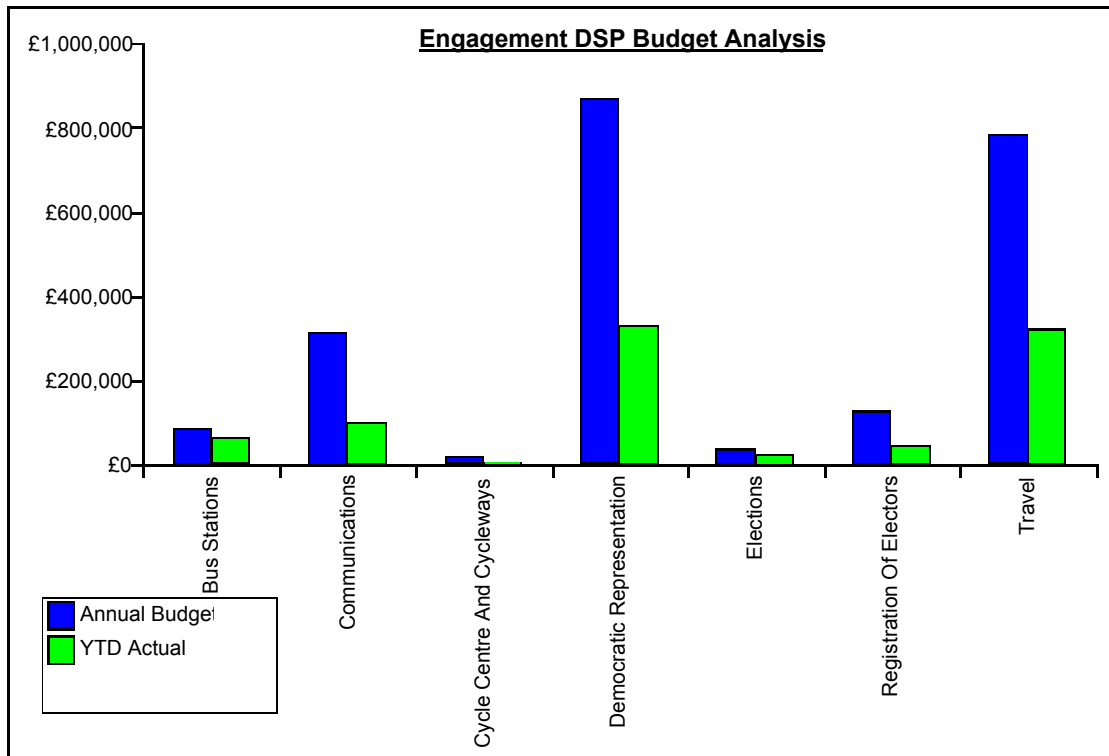
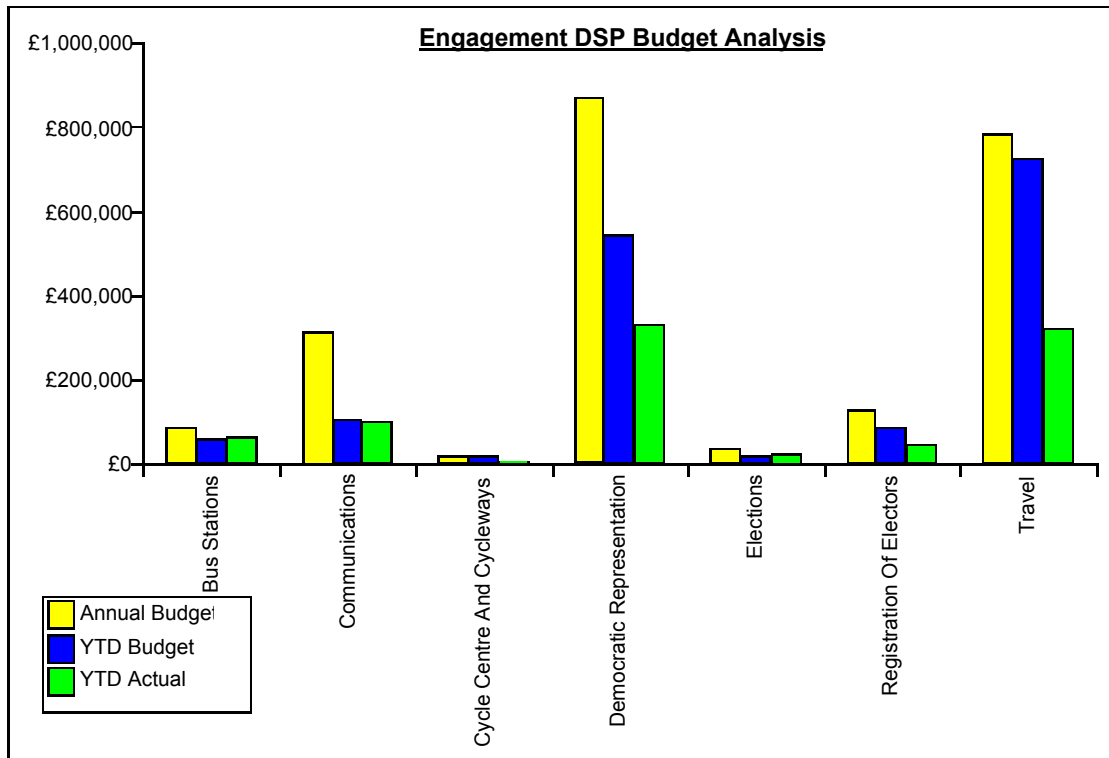
EXAMPLE OF BUDGET ANALYSIS REPORT

SERVICE AREA	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	VARIANCE £'000
Bus Stations	88	58	16	42
Communications	315	103	25	78
Cycle Centre And Cycleways	18	18	1	17
Democratic Representation	869	544	83	461
Elections	38	19	6	13
Registration Of Electors	126	86	11	75
Travel	783	726	81	645
Total for: Engagement DSP	2237	1554	223	1331

SERVICE AREA	ANNUAL BUDGET £'000	YTD ACTUALS £'000	VARIANCE £'000
Bus Stations	88	16	72
Communications	315	25	290
Cycle Centre And Cycleways	18	1	17
Democratic Representation	869	83	786
Elections	38	6	32
Registration Of Electors	126	11	115
Travel	783	81	702
Total for: Engagement DSP	2237	223	2014

SERVICE AREA	ANNUAL BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000	YTD VARIANCE %
Bus Stations	88	16	72	82. %
Communications	315	25	290	92. %
Cycle Centre And Cycleways	18	1	16	92. %
Democratic Representation	869	83	786	90. %
Elections	38	6	32	84. %
Registration Of Electors	126	11	115	91. %
Travel	783	81	702	90. %
Total for: Engagement Dsp	2236	224	2014	

EXAMPLE OF BUDGET ANALYSIS REPORT



REPORT TO RESOURCES D.S.P.

REPORT OF: CORPORATE HEAD OF FINANCE AND RESOURCES

REPORT NO. CHFR16

DATE: 13 JULY 2006

TITLE:	Medium Term Financial Strategy and Budget Preparation 2006/07 to 2010/11
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	14 April 2006
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Budgetary Framework Proposal

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Resources Cllr T Bryant
CORPORATE PRIORITY:	Effective Use of Resources – Priority A
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the Local Democracy link on the website www.southkesteven.gov.uk
BACKGROUND PAPERS:	FIN236 FIN 239

INTRODUCTION

1. Members will find attached a copy of report CHFR12 which was presented to Cabinet on 10 July 2006. The report considers the main issues that will impact on the Council's medium term financial planning and the budget preparation work for 2007/08. An updated financial strategy covering the period 2006/07 to 2010/11 will be submitted for consideration to Cabinet in August 2006.

RECOMMENDATION

2. Members are asked to consider the issues contained in report CHFR12 and make any specific observations or recommendations to Cabinet.

CONTACT OFFICER

Sally Marshall – Corporate Head of Finance and Resources

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REPORT NO. CHFR12

Presented to Cabinet 10 July 2006
From Corporate Head of Finance and Resources

1. INTRODUCTION

The purpose of this report is to consider the key issues that will impact on the Council's Medium Term Financial Strategy (MTFS) and on the budget preparation for 2007/8. The existing MTFS covers the period 2006/7 to 2010/11 an updated Strategy covering the period 2006/7 to 2010/11 will be submitted to members in August.

2. RECOMMENDATIONS

It is recommended that the Cabinet:

- a. approve the development of a more strategic forward looking approach to budgeting with a more robust three year planning process, demonstrating the direction of resources towards priority services
- b. approve an indicative budget requirement for general fund together with an indicative tax increase 2007/8 and acknowledge implications for the following three years of the strategy
- c. approve the development of a Fees and Charges Strategy to address both discretionary and mandatory fees over a rolling three year period.
- d. request a review of the current position relating to Performance Grants, Challenge Funding and Partnership contributions to be undertaken.
- e. request a review of the assumptions used to assess the Tax Base and Collection Fund as follows:-
 - o The estimated number of properties (in Band D terms) expected to be added for the period of the budget.
 - o The collection rate assumptions.
 - o The balance on the Collection Fund.
- f. request Resources DSP to undertake scrutiny of the indicative budget, allocation and tax increase together with the headline issues prior to Cabinet's formal recommendation to Council on the MTFS as part of the Budget Framework

3. KEY FINANCIAL ISSUES

Background

The MTFS report submitted to Cabinet by the former Director of Finance and Strategic Resources in August 2005 identified the following key local issues facing the Council:

- Housing Stock Options
- Leisure Trust
- Travel Concessions
- Grounds Maintenance Contract renewal
- Senior Management Restructure

These are addressed in more detail in appendix A.

4. ISSUES AFFECTING MEDIUM TERM FINANCIAL STRATEGY (MTFS)

The MTFS is affected by two key issues the demands for spending and the available funding to meet these demands and the financial budget is mechanism to address these. Both of these are dynamic in that demands for spending change to reflect priorities and cost of provision of the service, whilst the funding available to finance these demands relates to the level of Government Grant, Council Tax Base and ability to raise local income through fees and charges.

The issues which will be reviewed and which affect the Council's MTFS may be broken down as follows:

- Local Issues
 - Review of strategic financial issues facing the Council
 - Review of base budget based on 2005/6 outturn, the Annual Efficiency Statement backward looking statement and a review of 2006/7 financial performance year to date
 - Review of Priorities
 - Expanding population and tax base
 - Level of reserves and balances
 - Corporate Demands
- National Issues
 - Revenue Support Grant settlement
 - Comprehensive Spending Review 2007
 - Implementation of Local Area Agreements
 - National Priorities

Local issues affecting the MTFS

Review of strategic financial issues facing the Council

Following my appointment as section 151 officer I commissioned a desk top review of the strategic financial issues facing the Council. This has been undertaken by an external consultancy Bob Whetton Ltd. The following recommendations have been identified in relation to the Council's budget and MTFS processes:

- a) A more strategic forward looking approach to budgeting is developed with a more robust three year planning process, demonstrating the direction of resources towards priority services.
- b) The budget process should be more challenging, including income assumptions, and bids for resources should demonstrate the proposed impact on service delivery.
- c) A more robust business planning process is developed, linking service plans to financial plans, both annually and in the medium term.
- d) A Fees and Charges Strategy is developed to address both discretionary and mandatory fees over a rolling three year period.
- e) A review of the current position relating to Performance Grants, Challenge Funding and Partnership contributions is undertaken.
- f) The Council is recommended to review the assumptions used to assess the Tax Base and Collection Fund as follows:-
 - The estimated number of properties (in Band D terms) expected to be added for the period of the budget
 - The collection rate assumptions.
 - The balance on the Collection Fund.

Although the financial benefit from the above actions may not be major, it will enable the resource base to be increased in a sustainable way.

These recommendations together with a number of other recommendations contained in the report on strategic financial issues have been developed into an action plan which will be incorporated within the overall "Use of Resources" action plan to be finalised shortly.

Review of base budget

Based on the 2005/6 outturn overall the Development and Scrutiny Panels have shown a minor overspend of £79,000 compared with original estimates or an underspend of £227,000 compared to projected outturn. However, the significant variations identified at a DSP level in report CHFR10 were as identified below:

DSP	Service	Detail	£'000	Impact on base budget
Resources	Council Tax and Benefits Administration	Additional prior year and transitional benefit subsidy	147	None
Resources	Council Tax and Benefits Administration	Overpaid benefits recovered greater than budget	110	Need to review base estimates
Resources	Council Tax and Benefits Administration	Redistribution of Support Services	80	None
Resources	Pensions	Costs for backfunding and additional years accounted for at service level	122	None
Community	Housing Solutions	Supplementary budget	60	Inc. in 2006/7 base
Community	Housing Solutions	Redistribution of costs following Housing restructure		None
Community	LSVT	Pre-ballot costs financed from LSVT reserve	198	Impact at service level but no impact on tax level

The Annual Efficiency Statement backward looking statement is being finalised at the time of writing the report and an update on this position together with a review of the financial position for the year to the end of the first quarter for 2006/7 will be included in the subsequent report to Cabinet in August.

Review of Priorities

The Council reviewed local priorities at it's extraordinary meeting on 22nd June, 2006 and the Category A priorities for stepped change have been identified as follows:

- Access
- Affordable Housing
- Anti-social behaviour
- Communications
- Effective use of resources
- Recycling
- Town Centre Development and development of Grantham as a Sub-Regional Centre

Expanding tax base and population

The district has one of the fastest growing populations in the country, which should be reflected in the Tax Base (although this will partly be reflected in relatively lower Formula Grant). It is recommended that an interim review of the tax base to date and the population will need to be undertaken as there is evidence of growth which places additional demands on local services.

Level of balances and reserves

A review of level of balances and reserves was undertaken as part of the closure of accounts and preparation of the Statement of Accounts, details of the level of reserves and current estimated movements on reserves for 2006/7 are contained in appendix B.

Corporate demands

The level of pay and price inflation is 2.4% based on RPI. In particular, there is pressure on utility costs with a current rate of inflation of around 25%. Also the pay inflation for 2007/8 has not yet been determined therefore, any increase above RPI will have a further impact on the Council. The Pension Actuary is due to provide a report on the performance of the pension sub funds in July, any update will be included within the subsequent report on MTFS to members.

National issues affecting MTFS

Revenue Support Grant (RSG)– Members will recall that the RSG Settlement for 2006/7 introduced a two year settlement with effect from 2006/7 and it is anticipated that this will move to a three year settlement from 2008/9.

Comprehensive Spending Review 2007 (CSR07)

Early indications are that the CSR07 will be a zero based review across the whole of government. Whilst there have been a number of spending reviews this is the first comprehensive review in ten years. At this stage it is likely that Local Government will maintain a real terms neutral position. However, in terms of district councils it is likely that this will result in decrease in real terms as districts do not deliver the highest government priorities such as Education and Adult Social Services. Themes being considered as part of CSR07 include review of level of balances and reserves; asset management and surplus assets; and efficiency and shared services.

Specific grants

Local Authority Business Growth Initiative (LABGI) this grant relates to promoting economic growth of the area by allowing Councils to retain a proportion of any increase in business rate revenue, above a certain level. LABGI can be used to support any Authority expenditure, in 2005/6 it was reflected in the projected outturn for the summary of General Fund, the final amount of grant payable to the Council for the year was £297,000 and was received in the last quarter of the financial year. In future years, there will be a single payment in the final quarter of the financial year based on the actual changes to rateable values in the previous calendar year, therefore when the budget was prepared for 2006/7 no announcement of LABGI had been made and as a result no allowance was made for its receipt. The Minister in his statement last year announced that there would be a review of the outcomes at the end of year one and also to take account of any issues arising out of the Lyons Review. Approaches have been made by the Federation of Small Businesses and some of the local business clubs to request that this funding is ring fenced for business support / development within South Kesteven, therefore cabinet's views are requested on this matter.

National performance grants, such as Planning Delivery Grant and Defra grant for recycling, are likely to be reviewed as part of the CSR07.

Travel Concessions

The RSG settlement for 2006/7 incorporated funding for the introduction of free local bus travel during off peak times within district for the over 60s and the qualifying disabled, this figure can not be quantified due to the complex formula used for grant calculations. However, following the budget announcement of the introduction of free national bus travel during off peak times for this group with effect from April 2008, it is unclear at this stage how this scheme will be administered and whether this will impact on the level of RSG settlement.

Local Area Agreements

The implementation of Local Area Agreements is in progress nationally and agreements for Lincolnshire will be progressed in due course.

Lyons Review

The Sir Michael Lyons is undertaking a review of the function and funding of Local Government. The final report is due in December 2006, this is likely to affect the Council's MTFS in the future, particularly in relation to the ability to raise local income.

5. INDICATIVE BUDGET

The outcome of the budget process is the approved level of Council Tax, and historically the Council has a very low level of Tax compared to most District Councils. The government policy to keep tax increases from year to year at a modest level (5% for 2006/07) means that the Council is working from a relatively low resource base, therefore all potential income streams need to be considered. In keeping with recent years, it is likely that the level of Council Tax increase acceptable to Government will need to be limited to an increase of less than 5% taking account of the current capping regime, therefore set out below is an indicative budget requirement based on a increase at the ceiling of 5% and an assumed 1% growth in tax base in line with assumptions in previous years.

	2006/7 £'m	2007/8 £'m	2008/9 £'m
Formula grant indicative allocation	9.272	9.626	9.626
Council Tax Collection Fund surplus	0.039	0.000	0.000
SKDC & Special Expenses Budget	5.144	5.466	5.795
requirement funded from Council Tax	<u>14.455</u>	<u>15.092</u>	<u>15.421</u>

6. COMMENTS OF CORPORATE HEAD OF FINANCE AND RESOURCES

My comments are contained within the body of the report.

7. COMMENTS OF THE MONITORING OFFICER

I am satisfied that the recommendations are in accordance with the budget and policy framework.

8. CONCLUSIONS

This report has identified a number of issues facing the Council in the preparation of its Medium Term Financial Strategy. A review of the MTFS is due to be presented to Cabinet members in August for their subsequent recommendation to Council for approval in September. In the meantime, the Cabinet, Strategic Management Team and Resources DSP will need to consider the issues raised and in particular, take

account of the need to balance the likely spending demands with the potential availability of funding when developing medium term plans for the Council.

Appendix A

Update on issues identified in 2005/6 as affecting the Council's MTFS

Housing Stock Options

The Options Appraisal identified Large Scale Voluntary Transfer as the preferred option for the future ownership and management of the Council's housing stock and a ballot is planned to take place in Autumn 2006. A reserve of £1m has been set up to cover the one-off costs of the LSVT ballot. The Statement of Accounts for 2005/6 show that pre-ballot expenditure of £198,000 has been financed from this reserve leaving a remaining balance on the reserve of £802,000.

Leisure Trust

A report to Cabinet in June resolved to proceed with the creation of a Leisure Trust to deliver leisure centres and sport facilities only (excluding arts centres). The introduction of such a Trust would be effective from April 2008 upon the expiry of the current leisure contract. It was also decided to continue a concurrent procurement process for delivery of leisure service in the event that the creation of a robust Trust business plan is not satisfactory to the Council. There are several financial implications for the Authority if the Trust option is realized which will be considered as part of the business plan and the budget setting process for 2008/09.

Travel Concessions

With effect from 1st April, 2006 the Council has fulfilled the requirements of the national scheme to provide free bus travel within the district for the over 60's and qualifying disabled. A review of the budgetary position is currently being undertaken to determine the overall financial position of this service.

Grounds Maintenance Contract renewal

The Grounds Maintenance Contract has now been renewed and the revised contract sum of £835,000 has been awarded. This represents a 8% increase on the previously budgeted figures but 67% of the increase falls within the HRA. The remaining general fund element can be contained within existing budget provision.

Senior Management Restructure

The first phase of the senior management restructure has been undertaken to recruit Strategic Directors, the second phase of the review is currently underway and indicative savings of up to £150,000 have been identified for re-investment in front line service delivery. In May the Council approved a supplementary estimate of up to £700,000 to be financed from the Priorities and Capacity Building reserve for one off costs associated with implementing the senior management restructure.

Appendix B

Schedule of Anticipated Movement in Reserves

	Balance as at 1 April 2005 £'000	Movement in year 2005/2006 £'000	Balance as at 31 March 2006 £'000	Movement in year 2006/2007 £'000	Balance as at 31 March 2007 £'000
Capital Reserves					
Major Repairs Reserve	9,026	98	9,124	(1,017)	8,107
General Fund	4,657	400	5,057	(3,373)	1,684
	13,683	498	14,181	(4,390)	9,791
Revenue Reserves					
Insurance Reserve	935	(435)	500	0	500
Pensions Reserve - Former Employees	372	(65)	307	(65)	242
- Current Employees	1,616	500	2,116	0	2,116
Building Control	319	93	412	0	412
Stock Option Ballot Reserve	1,000	(198)	802	0	802
Capacity Building, Priority Setting and Service Improvements	1,300	510	1,810	(500)	1,310
	5,542	405	5,947	(565)	5,382
Revenue Balances					
Housing Revenue Account	4,478	1,567	6,045	694	6,739
General Fund	3,099	(1,099)	2,000	(248)	1,752
	7,577	468	8,045	446	8,491
Total Reserves	26,802	1,371	28,173	(4,509)	23,664

REPORT TO RESOURCES DSP

REPORT OF: MANAGEMENT ACCOUNTANT

REPORT NO: MA1

DATE: 5th JULY 2006

TITLE:	TRAVEL CONCESSIONS
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	Ongoing
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Policy Framework Proposal

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Paul Carpenter Portfolio: Access and Engagement
CORPORATE PRIORITY:	Y – BUS PASSES Z – TRAVEL VOUCHERS
CRIME AND DISORDER IMPLICATIONS:	Minor
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available via the local democracy link of the Council's website.
BACKGROUND PAPERS:	Business Management Services – Travel Concessions

1. INTRODUCTION

The statutory free bus pass was introduced in April 2006, together with an alternative option for those eligible of travel vouchers. This report shows the position to-date with regard to customer take-up of the schemes, tickets issued and financial implications

2. RECOMMENDATIONS

It is recommended that the take-up and usage of both schemes be monitored closely.

3. DETAILS OF REPORT

BUS PASSES

As expected there has been an increase in the take-up and use of the free bus pass. There are currently 6,770 residents who hold a pass – an increase from March 2006 of 1420. In 2005 there were 213 new bus passes issued to customers.

Bus operators have to date only placed claims for reimbursement for April and May. These figures already show a marked increase in passenger journeys taken when compared with the same period last year.

No. of Tickets Sold / Predicted

	April Tkts	May Tkts	Annual Tkts	Cost £
2005 tickets	17,142	16,225	210,585	106,485
2006 tickets	24,969	25,611	316,000 projected	335,350 projected
Increase	7,827	9,386	105,415	228,865

This is obviously reflected in extra financial reimbursement, not only due to the payment of the extra half of the journey, as previously customers would have contributed this, but also as a result of more journeys being undertaken, by a greater number of residents.

The law states that it is an objective that the operator should be no better and no worse off as a result of operating a concessionary travel scheme. This is adjusted for by the use of the generation factor. Currently this is 0% on rural journeys and 20% on

urban routes. It will be necessary to recalculate the generation factor and re-negotiate with operators as actual usage is now becoming apparent.

REIMBURSEMENT COSTS TO DATE

	April £	May £	Annual £	Cost per Customer £
2005	8,970	7,630	106,500	20
2006	27,260	28,630	335,350	50
2006 Budget			312,000	

The above table shows that the annual average reimbursement cost per customer in 2005 was £20. If current trends continue, this is likely to rise to £50 per customer.

The above calculations are based on the current customer base, which is likely to increase during the year.

TRAVEL VOUCHERS

The popularity of travel vouchers has remained consistent. To date the following has been issued to customers:

	£18 books	£22 books	£28 books	Total
No of customers	9,397	1,391	1,652	12,440
Value £ Issued	£169,146	£30,602	£46,256	£246,004
Budget				£280,000

It is estimated that a possible 2,000 customers may take up vouchers during the year, bringing the issue value to £286,000. However, past experience shows that the redemption rate is likely to be in the region of 71%.

Allowing for a redemption rate of 75% this would calculate a projected spend of £214,500 against an original budget of £280,000. Although it should always be noted that customers may take up the service at any time.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

Not applicable.

5. COMMENTS OF DEPUTY SECTION 151 OFFICER

I support the recommendation that the actual costs incurred for both elements of the service be closely monitored. It may be necessary at the time of setting revised budgets that an amount is vired from travel vouchers (category Z service) to bus passes (category Y service). However even if the reduced projected costs of providing the travel voucher service are realised then the Council will be still not have made the required savings on this category Z element of the service.

6. COMMENTS OF MONITORING OFFICER

None.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None.

8. CONCLUSION/SUMMARY

It should be noted that currently 72% of the eligible population receive a travel concession. There are therefore 7,565 remaining eligible residents who are entitled to take-up one of the schemes during the year.

Although it is early in the scheme, it appears likely that there will be an underspend on travel vouchers and an overspend in bus passes. This will largely depend on the number of extra eligible residents who join the scheme in the coming months.

It will be necessary to work closely with operators to review the generation factor to ensure that the objective that operators are no better or worse off as a result of participating in the scheme now that evidence of usage is transpiring.

9. CONTACT OFFICER

Sharon Yates

Resources DSP - Performance Monitoring 2005/06

Those indicators with a number in the PI column are from the Government's Best Value Performance Indicators suite used by many Councils. The remaining indicators are local to SKDC and may be relatively simple measures/indicators only. The reader is asked therefore to exercise an element of caution when interpreting any data attached to them.

IND Type = C - Cumulative/% - Percentage/ CA - Cumulative Average/N - Number/A - Average

Reporting = blank - Monthly/Q - Quarterly/Y - Yearly/H - Half yearly (Sept)

PI	SKDC Priority Area and PI Description	Lead Officer	IND Type	Reporting	2005/06 SKDC Outturn	2004/05 Upper Quartile	2006/2007 SKDC Target	April	May	2007/2008 SKDC Targets	2008/2009 SKDC Targets
COUNCIL TAX COLLECTION Priority B											
BVPI 9	Council Tax collected	Craig Scott	C		98.30%	98.3%	98.60%	10.56%	20.89%	98.70%	98.80%
SK90	% of CT payers paying by direct debit/self serve	Craig Scott	C		66.30%	N/A	70%	69.91%	70.69%	71%	72%
OTHER BVPIs - CORPORATE HEALTH BASED											
BVPI 8	Invoices paid on time	Sally Dalby	C		98.30%	95.90%	99.5%	100%	99.8%	99.5%	99.5%
BVPI 10	NDR collected	Jeanette Strutt	C		98.90%	99.10%	99.0%	12.20%	23.78%	99.1%	99.2%
BVPI 12	Days sick per member of staff	Chris Sharp	CA		8.10	8.40	8	6.24	6.77	7.9	7.8
BVPI 15	Ill health retirements / staff	Chris Sharp	C		0.20%	0.1%	0.30%	0.20%	0%	0.30%	0.30%
SK110	Number of FTE staff employed by SKDC	Chris Sharp	N		547	N/A	545	550	553	545	545
SK111	% Turnover of leavers from SKDC in year	Chris Sharp	C		6%	N/A	10%	n/a	11%	10%	10%
SK112	% of elected members that have attended SKDC elected member training & development programme events	Chris Sharp	C	Q	N/A	N/A	90%			90%	90%
SK113	% of large projects delivered on time and within budget	Sally Marshall (lead)	%		N/A	N/A	80%	n/a	n/a	80%	90%
SK114	% availability of core ICT systems during core working hours	Jackie Pantling	CA		95%	N/A	96%	n/a	98.5%	97%	97.5%
SK115	Number of Staff satisfaction survey's done using the Opinionmeter	Ellen Breur	C	H	N/A	N/A	1			2	2
SK116	% Performance & Development Reviews completed	Chris Sharp	C		N/A	N/A	100%	n/a	9%	100%	100%
SK117	% of "Z" savings achieved	Richard Wyles	%		N/A	N/A	tbc	n/a	n/a	tbc	tbc
SK118	Use of Resources - Assessment Score	Sally Marshall (lead)	N	Y	N/A	N/A	Level 2			Level 2	Level 3
SK119	% of Gershon targets achieved	Richard Wyles	C	Q	N/A	N/A	100%			100%	100%

REPORT TO RESOURCES DEVELOPMENT & SCRUTINY PANEL

REPORT OF: **CORPORATE HEAD, CORPORATE & CUSTOMER SERVICES** - on behalf of OMT

REPORT NO. **HR & OD 83**

DATE: **13TH JULY 2006**

TITLE:	BEST VALUE PERFORMANCE INDICATOR - % OF INVOICES PAID ON TIME
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:	Councillor Teri Bryant – Resources and Assets
CORPORATE PRIORITY:	Use of Resources – Category A
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	None
BACKGROUND PAPERS:	None

1. INTRODUCTION

At the meeting of the Scrutiny Panel on 7th June 2006 it was noted that at the last year-end the Council had failed to reach its target on this indicator. As a consequence the OMT had been asked to report back. The report back received by the Panel was merely that the matter had been noted rather than a more proactive response to explain what action would be taken to prevent future under performance. On behalf of OMT I apologise for the inadequacy of the initial response.

2. RECOMMENDATIONS

See below.

3. DETAILS OF REPORT

The OMT have agreed to take the following action.

- (1) Remind all managers of the importance of processing invoices within target time limits remembering that there is an agreed process for dealing with disputed invoices. (If disputed invoices are dealt with properly they will not have a negative impact upon our performance towards this target).
- (2) The Financial Services Manager has re-issued specific guidance on how to deal with invoices through the new Cedar accounting application.
- (3) The Financial Services Manager will ensure that following John Pell's departure and prior to appointments to the vacant posts of Corporate Head that adequate arrangements are in place to ensure that invoice processing proceeds smoothly.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

Not applicable.

5. COMMENTS OF SECTION 151 OFFICER

No comments.

6. COMMENTS OF MONITORING OFFICER

No comments.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

No comments.

8. CONCLUSION/SUMMARY

Given our previous good record with respect to the processing of invoices we anticipate these actions will be sufficient to ensure on target performance this year.

9. CONTACT OFFICER

Chris Sharp
Corporate Head, Corporate & Customer Services

DEVELOPMENT AND SCRUTINY PANELS (DSPs) WORK PROGRAMME 2006/7

INTRODUCTION

This Work Programme is partly derived from the Cabinet's Forward Plan, but also contains items that have been brought forward by the DSPs themselves. Such items are in italics.

Where the item has appeared on the Forward Plan, the anticipated date of the key decision is listed in the second column. The third column shows the last available date that the full DSP can consider this item before the key decision is due to be taken (unless a special meeting is called). This does NOT necessarily mean that the item will appear on the DSP agenda, this will only happen if this is requested by the Chairman or members of the DSP. There will also be instances where there is no DSP meeting before a decision is due to be taken; in these cases the next meeting date after the decision date is shown.

As Cabinet meets monthly and the DSPs meet bi-monthly it is not possible within the current timetable of meetings for the DSPs to consider every single Cabinet or Cabinet Member decision. Scrutiny members are therefore encouraged to read this Work Programme and bring forward items for consideration where they think that an item should be considered by the DSP.

DEVELOPMENT AND SCRUTINY PANELS (DSPs)
WORK PROGRAMME 2006/7

RESOURCES DSP			
<u>ISSUES FOR CONSIDERATION</u>	<u>Date item appeared on Forward Plan</u>	<u>DATE OF KEY DECISION (IF APPROPRIATE)</u>	<u>DSP MEETING</u>
LSVT – financial aspects		Ongoing	Ongoing
Internal Audit		N/a	Ongoing
Annual Efficiency Statement 05/06 update		N/a	13.07.06
Surplus assets and the financing of future capital projects		N/a	13.07.06
Capital Programme		N/a	To monitor progress with the capital programme 2006/7
Capital Strategy			13.07.06
Medium Term Financial Strategy and budget preparation 2005/6		Not before July 2006	13.07.06
Action Plan for Use of Resources		N/a	13.07.06
Outturn		N/a	13.07.06
Review of General Fund		N/a	13.07.06
Feedback from Financial Scrutiny Working Group		N/a	13.07.06
Travel concessions		N/a	13.07.06
Performance Indicators – review of		N/a	13.07.06

**DEVELOPMENT AND SCRUTINY PANELS (DSPs)
WORK PROGRAMME 2006/7**

targets			
Ways of ensuring invoices are paid on time		N/a	13.07.06
Budget Monitoring		N/a	28.09.06 – to be reviewed quarterly
Budgeting		N/a	28.09.06
Review of Scale of Charges		N/a	28.09.06
Operation of Arts Centres – maximum subsidy per council tax payer		N/a	Portfolio holder to be invited to future meeting
Staff employment statistics		N/a	To receive quarterly reports
Corporate Plan	16.06.06	Not before September 2006	28.09.06