



AGENDA

For a meeting of the
RESOURCES DEVELOPMENT AND SCRUTINY PANEL

to be held on

THURSDAY, 28 SEPTEMBER 2006

at

9.30 AM

in

**COMMITTEE ROOM 1, COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM**

Duncan Kerr, Chief Executive

PLEASE NOTE THE TIME OF THIS MEETING

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 Gerald 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 13th July 2006 and the special joint meeting on 24th August 2006 are attached for information.

(Enclosure)

6. UPDATES FROM LAST MEETING

7. FEEDBACK FROM THE EXECUTIVE

8. INTERNAL AUDIT
PricewaterhouseCoopers to present the operational plan and summary of findings. **(Enclosures)**

9. CEDAR DEMONSTRATION
Presentation by the Management Accountant.

10. BUDGET MONITORING
Report CHFR 18 by the Financial Services Manager. **(Enclosure)**

11. FINANCE SCRUTINY WORKING GROUP RECOMMENDATIONS
Officer response to follow. **(To follow)**

12. FEES AND CHARGES STRATEGY
Report CHFR17 by the Financial Services Manager. **(Enclosure)**

13. USE OF RESOURCES
Report to follow. **(To follow)**

14. MEDIUM TERM FINANCIAL STRATEGY
Post scrutiny on the report to council CHFR15 by the Corporate Head of Finance and Resources.

*This report was appended to the council agenda of 7th September 2006.
Please bring this with you to the meeting.*

15. STAFF STATISTICS – SCRUTINY OF DISAGREGGATION OF SALARIES BUDGET
The Corporate Head of Corporate and Customer Services to report.

16. SKDC PENSIONS POLICY
Report CEX352 to Council by the Chief Executive.
Appendices A-D are not available in electronic format. **(Enclosure)**

17. DRAFT CORPORATE PLAN
Report SD5 by the Strategic Director. *A copy of the draft plan to follow.* **(Enclosure)**

18. ORGANISATION RESTRUCTURING OF STAFF
To establish a member liaison group to monitor the current management restructure. The Chairman to report.

19. BEST VALUE PERFORMANCE INDICATORS **(Enclosure)**

20. WORK PROGRAMME **(Enclosure)**

21. REPRESENTATIVES ON OUTSIDE BODIES
Representatives on outside bodies to give update reports.

22. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCE, DECIDES IS URGENT.

WORKING STYLE OF SCRUTINY

The Role Of Scrutiny

- To provide a “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 committees



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 13 JULY 2006 9.30 AM

PANEL MEMBERS PRESENT

Councillor Brailsford
Councillor Conboy
Councillor Mrs Dexter
Councillor Exton
Councillor Joynson

Councillor Kerr
Councillor Kirkman (Chairman)
Councillor Lovelock M.B.E. (Vice-Chairman)
Councillor Moore

OFFICERS

Scrutiny Officer
Chief Executive - note 30 only
Corporate Head of Finance & Resources
Corporate Head of Corporate and Customer
Services - notes 30 & 31 only
Assets and Facilities Manager - note 40 only
Financial Services Manager
Strategic Director – note 41 only
Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor Teri Bryant – Resources & Assets
Portfolio Holder

25. MEMBERSHIP

The panel was informed that Councillor G. Taylor was being replaced by Councillor Exton for this meeting only.

26. DECLARATIONS OF INTEREST

The Chairman declared a personal and prejudicial interest in agenda item 15 on the financial aspects of Large Scale Voluntary Transfer by virtue of his membership on the Shadow Housing Board.

Councillor Moore declared a personal interest in agenda item 14 on the Capital Strategy by virtue of his involvement in the Welland Partnership and being a director of Stamford Vision. This interest was not considered prejudicial.

27. ACTION NOTES

Noted.

28. UPDATES FROM LAST MEETING

As all relevant issues were included in the agenda, updates were made throughout the meeting.

29. REPORTS FROM WORKING GROUPS

The Chairman introduced this item by praising the working group's report. It used clear English, was well presented and was exactly what the panel had required. He expressed his thanks to the group and the Scrutiny Support Officer for the report.

Councillor Moore, as lead member of the group, presented the report and explained that the style had intended to reflect one of the key aims of the group – to make council finance understandable. He thanked his colleagues and those officers who had contributed. The group had scrutinised the budget setting process for the 2006/07 budget, interviewed staff, conducted a member survey and obtained desktop research.

The panel discussed each recommendation in turn:

- Recommendation (1): the main issue for members had been time. This recommendation sought to tackle this. The new corporate plan would be appropriate here. The Corporate Head commented that this proposal could result in a five week sterile period. The recommendation was therefore altered. The issue of the Medium Term Financial Strategy (MTFS) also arose: this doesn't get approved until September; if this were earlier it would provide better planning for the budget. Three year budgeting would also help members in planning their involvement in the budget process. Member access to service plans or an outline would provide a background. Each DSP, or individual members, could scrutinise relevant plans with the Resources DSP receiving an overall picture.
- Recommendation (2): this recommendation recognised the fact that service plans should focus on the council's priorities. Members' roles should be to direct this with the understanding that the council cannot do everything it wants to do. The MTFS will help set out the relevant constraints.
- Recommendation (3): members wouldn't be getting involved in service plan gateway reviews all the time. Three stages is the maximum we could expect members to get involved. Members had previously been deterred by the ad hoc arrangement. It was noted that this stage that the recommendations presented a vision, rather than things that could be implemented straight away.
- Recommendation (4): This issue came out as a key defect last time. The Corporate Head commented on how this proposal would fit with the overall consultation timetable, meeting timetables, budget milestones etc. Realistically, all feedback needed to be received by the end of January. This related back to the previous comment that the adoption of the MTFS earlier than September would provide greater flexibility.
- Recommendation (5): information is key. The easier all reports are to understand, the better. Budget book is the key fundamental document and

this should set the tone. This needs to be readable, especially for those members with limited understanding of council finance but provide the detail for those members who require it. Most members are more interested in the activity, rather than the cost and it is difficult to relate the two. Highly important that this relationship is made explicit. This recommendation is paramount to equal opportunities etc. We do not expect members to be experts but they should have facilities for them to get the information they need. The Corporate Head commented that this would take time to get right and she urged members to feed back on areas in reports that they did not like.

- Recommendation (6): the budget monitoring reports item later in the agenda would provide for greater discussion on this.
- Recommendation (7): Jargon was a real issue and some members were afraid to question meaning. A good exercise would be to give a report to members and ask them to highlight jargon areas. It was noted that the council had improved significantly with its information and with more resources for the financial section, greater strides could be made.
- Recommendation (8): There was a general commonality in training being offered in Grantham but different members did have different training requirements so it was important to address this.

Conclusions:

That the report and recommendations of the Finance Scrutiny Working Group be approved, subject to an amendment to recommendation (1) included below, and that the report be forwarded to the Portfolio Holder for Resources & Assets, with the following recommendations. [Recommendation (5) is accepted by the DSP and forwarded to the portfolio holder for noting.]

- (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 with the aim of two 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.***
- (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. There 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 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.***
- (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 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.***

The Corporate Head of Finance and Resources be asked to present a report at the meeting of the DSP on 28th September 2006 in response to these recommendations and a potential timetable for the 2008/09 budget planning process based on a council meeting being held in July or August 2007.

30. CURRENT SITUATION OF EMPLOYMENT SPEND

The Chairman explained that this item had been identified under the work programme and so report HR&OD 85 had been circulated in advance of the meeting. This was presented by the Corporate Head of Corporate and Customer Services. He explained the history of how the council had managed its staff budget:

- It had been the practice of the authority to manage staff budgets corporately. This is quite unusual and had advantages and disadvantages.
- Advantages: the council has greater control over its major area of expenditure. There was also comfort in that one person was responsible for managing it. It gives a solid backbone against which to prepare a budget.

- Disadvantages: it took away from individual managers their right to manage their area of work. All management aspects are currently channelled through the Corporate Head. This is very global management and can therefore be very difficult to be involved at a detailed level and therefore to plan ahead effectively. Council is therefore not getting the most benefit from the managers.
- The idea was formed a few years ago to disaggregate staff budgets to managers. There was some initial reluctance because it would give up control and the advantages outlined above. However, it would create a more robust process by developing service plans supported by new accounting software.
- The decision had then been taken that because of certain risks identified in this approach, the management of the staff budget would remain corporate for 2006/07. Now looking to see budget disaggregated to managers for next financial year. This would be a logical time because it will be during the preparation for the next budget.

Some members of the panel were very concerned because, as they recalled, council had taken the decision that for the 2006/07 financial year staff budgets were to be disaggregated to managers. Upon checking the minutes of the relevant council and cabinet meetings no formal decision was found, although it was noted that this decision had been widely understood by members.

Members were concerned that this decision had been reversed without consultation or informing them. The Corporate Head was scrutinised on this, and asked why the risks had not been identified at the time the original decision to disaggregate was taken. The Chairman was particularly concerned that he had not been notified until very recently when the reversal of the decision had been taken several months ago. *[In order to clarify the matter, the Chief Executive was asked to attend the meeting]*. The Corporate Head was then asked about his involvement in the service plan preparation. He explained that he had provided detailed guidance for managers in budgeting for human resources.

The panel expressed its concerns to both Corporate Heads present that there was not sufficient funding for the finance section and that this should have been addressed some time ago.

The Chief Executive was then asked to clarify the points raised earlier in the meeting. He explained that the risks of disaggregating staff budgets had been identified during the management restructure and following the appointment of the Corporate Head of Finance and Resources. Disaggregation was a process and would be delivered according to management capacity. He added that the previous section 151 officer had not thought it necessary to recruit additional staff. The Use of Resources assessment results had been published after the appointment of the Corporate Head, who was now in a better position to assess the level of service provision required in the finance section. He was satisfied that a robust plan, with provision for contingencies, was in place.

The portfolio holder added that with hindsight, there had been insufficient management capacity to disaggregate staff budgets for 2006/07. However, he

was satisfied that the current section 151 officer was keeping him informed at every stage and that if mistakes had been made in the past, the council should look forward to improvement. He added that any move to disaggregate staff budgets should be done so when appropriate skills were in place.

Members discussed the advantages and disadvantages of disaggregated staff budgets. It was fundamental to a zero-based budgeting approach that service managers, who knew their service best, budgeted for staff. However, the overarching strategic management of an overall management was important.

Conclusion:

To recommend to the Resources & Assets Portfolio Holder that the salaries budget continues to be disaggregated to establish individual service plans, with an overview of aggregated budgets to enable corporate budgeting, subject to suitable controls and training.

To request that any strategic decisions taken by the Strategic Management Team or the Operational Management Team on financial matters be reported to the Chairman of the Resources DSP for dissemination to the panel.

To include on the panel's work programme for the meeting on 28th September 2006: scrutiny of disaggregation of salaries budget.

31. BEST VALUE PERFORMANCE INDICATORS

Amended Best Value Performance Indicators were circulated at the meeting. It was understood that some of the figures circulated with the agenda had been incorrect because of a technical error.

The Corporate Head of Corporate and Customer Services was asked to speak to the panel on the performance indicators for which he was responsible.

- Staff sickness levels were better than target.
- % turnover of leavers was currently of some concern and needed monitoring.
- The low % members attending training was noted.
- % staff performance & development reviews was also low and the panel resolved to support the officer in ensuring these were completed.

He was asked what the turnover figure was without including the housing function. The Corporate Head said he would make this available at a future meeting. The portfolio holder added that he had a spread sheet on member training and that he would provide this to any member on request.

In relation to the performance indicator of NDR collected, the Corporate Head of Finance and Resources explained that a detailed plan was in place to recover debt. It had been found that there had been a lower take up of payment by direct debit in comparison to council tax, so active promotion was required

here.

Conclusion:

That the Resources & Assets Portfolio Holder be requested to support the Corporate Head of Corporate & Customer Services in obtaining Performance Development Review timetables from service managers.

32. FEEDBACK FROM THE EXECUTIVE

The portfolio holder reported on the following:

- Capital programme bid system, which would be covered later in the meeting.
- Disabled grants: there are separate systems for social housing and the private sector and so work was being done to harmonise these.
- There was a high number of people waiting for certain disabled adaptations and so more resources were being allocated to this.
- The Corporate Head of Finance and Resources added that for disabled facility adaptations, work was being done to make sure sufficient funds were available should the housing stock transfer.
- The chairman, vice-chairman of the panel and Councillor Joynson had been appointed to the discretionary rate relief appeals board
- The Bourne Local Forum would be having an item on litter fines with a number of interested parties giving their views and so this should provide early indications on the resources required.

33. ANNUAL EFFICIENCY STATEMENT 2005/06

The panel considered report CHFR13 by the Corporate Head of Finance and Resources, which had been requested following concerns expressed at the last meeting on achievements of savings and the information provided by service managers. This was presented by the Financial Services Manager who highlighted the key points from the report, mainly that that 2005/06 annual efficiency statement declared that £506,895 savings had been made of which £252,660 were cashable. Efficiency savings were embedded in service plans and managers were required to monitor these throughout the year. It was suggested that the panel also monitors this quarterly.

The panel discussed this report with the officers who explained the Egan approach and implications of the internal audit contract. The panel then discussed the whistle blowing mechanisms to internal audit, specifically the impact on resources and the need to monitor this but without jeopardising the anonymity and legitimacy of whistle blowing.

Conclusions:

That the Resources & Assets Portfolio Holder be requested to take back to cabinet the issues raised in the report on the annual efficiency

statement.

To request that PricewaterhouseCoopers includes in their next report to the panel, information on areas of the council where whistle blowing is most prevalent.

34. 2005/06 OUTTURN

The panel considered report CHFR14 by the Corporate Head of Finance and Resources. The chairman commented that this was a step in the right direction to a report style that was easier to understand and he added that all the panel's recommendations from its previous meeting on reserves and balances had been incorporated in the statement at appendix E to the report.

The Corporate Head presented the report, which had been approved by the Constitution & Accounts Committee subject to audit, and explained the major issues to the panel.

- A minor overspend had been identified in comparison with the original budget but an under spend compared with revised budget.
- Work was required to check how sensitive projected outturns were for next year's budget setting process.
- Major variances were found in the overall savings of council tax collection and benefits administration; pension costs; housing improvement programme; separation of tenancy services and housing solutions; and pre ballot costs for stock transfer.
- The stock option appraisal and restructure to create tenancy services had also impacted the council's capital position in that there had been a reduced programme for 2005/06.
- There had been a general trend of underestimation of incomes, particularly planning, and this needed attention during service plan gateway reviews.

The report was discussed by the panel. A few suggestions on presentation were made, although the work put into making the document understandable was commended. The portfolio holder raised the issue of virements and considered that it would be appropriate for member involvement in the sign-off of these. This was discussed and the officers suggested that this could be investigated.

Conclusion:

To recommend that the Community DSP monitors the capital programme on the Housing Revenue Account in light of last year's outturn.

That it be communicated to all members to note during service plan gateway reviews that estimating incomes be rigorously challenged.

Councillor Moore, as lead member of the Finance Scrutiny Working Group, be tasked with discussing further the issues raised in the working

group's report with the Corporate Head of Finance and Resources.

The Corporate Head of Finance and Resources be requested, but not as a matter of priority, to report on a potential mechanism for member approval of virements.

35. BUDGET MONITORING REPORTS

The panel considered report CHFR15 by the Financial Services Manager, who explained that one of the key features of the new ledger system is a new reporting tool. Examples were appended to the report and showed a flavour of the type of information available. Members were asked to consider how they would like budget monitoring reports presented to them. This was discussed. It was also noted that other DSPs would be able to receive this information relevant to their remit and that the Resources DSP would get overall reports.

Conclusion:

That the first budget analysis report with a Year to End Variance % column, the first graphical example and continued use of brackets for income, as presented in report CHFR15, are the most appropriate and useful formats for budget monitoring reports.

36. MEDIUM TERM FINANCIAL STRATEGY AND BUDGET PREPARATION 2006/7 TO 2010/11

Report CHFR16 was presented to the panel by the Corporate Head of Finance and Resources. This included report CHFR12 presented to cabinet, which had approved the recommendations and added: *To task officers to keep the impacts of the Comprehensive Spending Review and any other specific grants under review.*

The Medium Term Financial Strategy (MTFS) would set the framework for future budget setting by looking ahead 2-3 years, supported by a financial strategy for 2006/07 to 2010/11 to be considered by cabinet in August 2006. The issues affecting the MTFS were identified in the report and these were explained by the Corporate Head and discussed by the panel. The following points were raised.

- There was a risk in that performance related grants were not guaranteed and needed to be kept under review.
- The panel did support the ring-fencing of such grants.
- Financial aspects of travel concessions should be monitored for if the scheme becomes national.
- Lincolnshire is in its last phase of its Local Area Agreement and the Local Strategic Partnership would soon be making decisions on how to resources the strategy for Lincolnshire and the council must take an active approach to engagement in this.

Conclusion:

That the Resources & Assets Portfolio Holder be requested to take back to cabinet the concerns of the Resources DSP in relation to the need to keep under review the council's scale of charges and areas of specific grants relating to performance.

That the Resources & Assets Portfolio Holder be advised that the Resources DSP does not view ring fenced grants and funding, as part of the council's overall strategy, as the best way forward, and that, subject to the results of the Comprehensive Spending Review, the panel supports the move to a three year spending plan.

That the Resources DSP be kept fully informed at all time with progress with the financial aspects of the Lincolnshire Local Area Agreement.

37. ACTION PLAN FOR USE OF RESOURCES

The Corporate Head of Finance and Resources explained that work was starting on the Use of Resources assessment and areas to build in the action plan. A first draft would be taken to cabinet soon. The Value for Money review was due in September and the panel would be kept informed on this.

The officer was questioned on how resources were redistributed following changes to the council's priorities e.g. Street Scene from category A to B. She explained that capacity building reserves were available but council approval was required for amendments to the budget. When asked if it would be appropriate for the council to reallocate funds at the same time as changing priorities, the officer explained that the detailed work involved may not have been completed at this time. It was noted that the new corporate plan would help refine this process.

38. CAPITAL STRATEGY

The Corporate Head of Finance and Resources reported to members on the development of a new capital strategy. A detailed report on this would be submitted to a future meeting of the panel. The current strategy had been circulated to the panel as a background paper.

The new capital strategy would need to be fit for purpose and complementary to the asset management plan. Members could speak to the relevant officers about any presentation ideas they might have for the strategy. The Financial Services Manager explained that a more robust scoring mechanism for capital projects was being developed and the Lincolnshire approach was been reviewed.

The panel discussed this with the officers. It was suggested that the panel reviewed progress with the capital programme on a six-monthly basis with interim reports if necessary. The officers clarified that the council was on target for this year's capital schemes.

Conclusion:

That a detailed report on the capital strategy be submitted at the meeting of the DSP on 28th September 2006 and that members forward any comments to the Corporate Head of Finance & Resources before then.

The Resources DSP includes on its work programme a six monthly review of the capital programme.

39. LARGE SCALE VOLUNTARY STOCK TRANSFER - FINANCIAL ASPECTS

Having declared a personal and prejudicial interest, the Chairman left the meeting for this item. The Vice-Chairman took the chair.

The Corporate Head of Finance and Resources explained that cabinet had made its recommendations to council on the draft tenancy agreement and these were being considered shortly. Since the last meeting of the panel, there had been a minor change in the calculation of government levy but overall, the figures had not changed. A time recording system had been demonstrated to relevant officers and they were looking to progress with this.

The Corporate Head offered to keep the panel informed and submit a written report should there be any significant financial changes.

Conclusion:

To continue to receive verbal updates on the financial position of large scale voluntary stock transfer but to request that a written report be submitted to the panel should any significant changes to the current situation arise.

The Chairman returned to the meeting.

40. COUNCIL ASSETS (ASSET MANAGEMENT PLAN)

The Assets & Facilities Manager provided an update on the asset management plan and explained the council's property listing (which was a summary of council assets) distributed as a background paper. The final draft of the asset management plan was being considered at the next private cabinet briefing and had included comments from the panel. This could come back to the panel at its September meeting. The officer had researched the possibility of a peer review but it was unlikely that this would happen until after September.

The officer explained that more information about each property listing was available on the database, should members be interested. There was some concern expressed by members that this list was not the same as that held by legal services. The officer explained that work was underway to ensure linking up of the information. During discussion with the panel, the following points were raised.

- It was a labour intensive, ongoing process keeping the property databases up to date and ownership of this task was required.
- An officer working group was working on identifying areas of land that would be included in stock transfer although detailed work would not start until the outcome of the tenant ballot.
- Further information from the property listing database on a ward basis was available for members. This would help the portfolio holder's suggestion that members should be vigilant about any small areas of council land.
- This information can be available on a CD or large printouts.
- The Property Performance Management Group monitored the property listing.
- The officer invited members to view the electronic database in use.

Conclusion:

To request the Resources & Assets Portfolio Holder to report the issues raised by the panel to the Property Performance Management Group.

41. TRAVEL CONCESSIONS

Report MA1 by the management accountant was presented by the Strategic director. The director explained to the panel the generation factor:

- The government introduced a half fare scheme last year to encourage more bus travel.
- For every £1 spent by a customer, the council would pay 50pence but because there are more people that go on the bus as a result of the half fare, the bus companies would therefore be better off but this goes against legislation. This is the generation factor.
- The council therefore looks at how much travel has increased and then negotiates this.
- The director was confident that there was sufficient evidence to come to accurate conclusions on this.

At the recent local government conference, a question was put to the minister on changes in behaviour of groups that bus operators could use to maximise income, but there was no experience of this in the district. A question was also put on what the government is going to do with the new scheme in 2008. There was an indication that there was going to be review of the whole operation of bus travel.

The panel discussed various financial issues raised in the report. The director explained that the travel vouchers scheme, predominantly the most popular, were significantly beneficial for certain categories of customers, especially for those without local bus routes. It was noted that the closure of cash offices at council area offices had not resulted in the anticipated problems for taxi operators redeeming travel vouchers.

The panel was concerned that there be adequate financial planning for any potential impact of government's changes to travel concessions. This required a scrutiny exercise. The portfolio holder commented that at the last Bourne Local Area Assembly, none of the 60, or so, people present were prepared to recommend that additional funding be given to travel concessions.

During discussion, one member commented that the fare should be printed on concessionary bus tickets to better communicate to users how much this cost the council. The director agreed to look into this.

Conclusion:

To include on the panel's work programme for the meeting on 28th September 2006: update on travel concessions service and the Lincolnshire scheme; decision to be taken on when to scrutinise the future of the travel concessions service.

42. BEST VALUE PERFORMANCE INDICATORS - % OF INVOICES PAID ON TIME

Report HR&OD by the Corporate Head of Corporate and Customer Services on behalf of the Operational Management Team, was discussed by the panel and accepted.

Conclusion:

To accept the report of the Operational Management Team.

43. WORK PROGRAMME

The work programme together with anticipated items from the next forward plan and issues raised throughout the meeting were noted.

44. REPRESENTATIVES ON OUTSIDE BODIES

The Chairman reported that he had given a number of documents from the Black Sluice Internal Drainage Board documents to the Scrutiny Support Officer, for members to read at their discretion. He added that the Board was going to have to carry out internal audit. This was the same as the Upper Witham Drainage report, as reported by Councillor Kerr, which was also moving to a separate office. Councillor Joynson reported on the Welland Drainage Board, which was currently reviewing its management structure.

45. CLOSE OF MEETING

The meeting closed at 3.30p.m.



JOINT MEETING OF THE ECONOMIC AND RESOURCES DEVELOPMENT & SCRUTINY PANELS

THURSDAY, 24 AUGUST 2006 2.30 PM

PANEL MEMBERS PRESENT

Councillor David Brailsford
Councillor Dorrien Dexter
Councillor Mike Exton
Councillor Kenneth Joynson
Councillor Albert Victor Kerr
Councillor Andrew Roy Moore
Councillor John Nicholson (Chairman)

Councillor Stanley Pease
Councillor Ian Stokes
Councillor Gerald Taylor
Councillor Michael Taylor
Councillor Mike Williams (Vice-Chairman)
Councillor Mrs Azar Woods

OFFICERS

Scrutiny Officer
Chief Executive
Grantham Town Centre Manager
Corporate Head of Finance & Resources
Head of Planning Policy & Economic
Regeneration
Scrutiny Support Officer
Democratic Support Officer

OTHER MEMBERS PRESENT

Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor Graham Wheat
Councillor Mrs Mary Wheat
Councillor John Wilks

The chairman, with the panel's consent, allowed comments from members of the public to be made after the presentation on the Grantham Masterplan.

1. MEMBERSHIP

The panel was informed that from the Economic DSP, Mrs Kaberry-Brown was being replaced by Councillor M Taylor and Councillor Mrs Smith was being replaced by Councillor Exton for this meeting only.

2. APOLOGIES

Apologies for absence were received from Councillors Conboy, Kirkman, Lovelock and Mrs Williams.

3. DECLARATIONS OF INTEREST

The Scrutiny Officer advised that Grantham members, depending on the nature of the presentation, may have personal interests to declare. He added that members of the Development Control Committee should be aware that what

they said at this meeting may have some bearing on any future planning applications, although this would be some time in the future.

Councillor Mrs Wheat declared a personal interest by virtue of her appointment as a director of Grantham Town Centre Management Partnership.

Councillor Ms Gibbins also asked that it be recorded that because she was a resident of Grantham, she may have a potential personal interest.

4. DRAFT GRANTHAM TOWN CENTRE MASTERPLAN

The Grantham Town Centre Manager gave a presentation on the final draft of the Grantham Town Centre Masterplan.

- This was the draft final stage of the document. The masterplan process had started in September/October and funding had been received from Lincolnshire Enterprise. Consultants had been appointed following a tender process and they had completed a baseline review of the town. This had been completed in February 2006, and had identified areas for potential significant step changes for Grantham to succeed as a sub-regional centre.
- The second stage had been about design and development in core areas of the town.
- The third stage had been masterplanning, based on conclusions of the previous two stages.
- The current masterplan had reviewed the previous initial plan. Some proposals had been carried forward but several were out of date and had been discounted.
- The strategic element of the plan included the need to be incorporated in the council's Local Development Framework and creating areas for development that would protect the town centre and its future.
- The key issues in the plan were:
 - Design: to align with historic themes (e.g. education); address poor arrival points (e.g. railway station); over dominance of traffic; poor connectivity; one dimensional retail offer (which needed to be diversified with leisure and community provisions); and pedestrianisation.
 - Economic and market concerns: potential in Grantham should be taken advantage of; there was a shortage of opportunity sites and stock; office space was an untested market but the baseline review had identified a lack of quality office accommodation.
 - Transport: heavy congestion, poor signage etc.
- The vision was to achieve a bustling and lively centre with an emphasis on traffic calming, generated sites with mixed use; and an alternative transport system.
- Vision objectives:
 - building on a connected Grantham (economic, physical, social).
 - providing an exemplary public realm (setting and pedestrian experience).
 - Improved east-west linkage.

- Creating a sustainable transport approach with public transport, walking and cycling.
- Consolidating, improving and diversifying the town centre.
- Creating a town of different parts: commercial, historic and natural
- Providing a clear delivery strategy: a robust policy, reduced investment risks, governance and management, key components and developer engagement.
- Appointment of a business champion to champion development across the town. Grantham needed to have a brand to demonstrate that it was going in a forward direction with a coordinated approach.
- Various groups had been consulted on the masterplan: business club, Grantham Future, the National Trust, civic society, tenants associations, independent retailers and developers.
- Key projects were: station point, Grantham Lanes, Green Mile, Car Park Management, Traffic Management, Reduction of Through Traffic, Public Transport, St Peter's Hill, Market Place, Guildhall, High Street & Westgate, Castlegate square and station square. All were detailed in the masterplan document.
- Although not all the projects would be funded by the council, with funding sought from other public organisations and the private sector, the council may want to consider a separate fund to contribute to delivering the strategies. It would also need to provide strategic leadership of the overall project.
- There was already budget allocation within the Lincolnshire Enterprise plan for public realm projects and a few projects within Grantham had been identified to be of interest to them.

5. COMMENTS FROM MEMBERS OF THE PUBLIC

One member of the public explained that having recently moved to the town, he found the place friendly and good for shopping and eating. He thought the proposed shuttle system and closure of the bus station was wrong, especially given the existing traffic congestion, and he asked about plans to deal with north-south traffic.

The Town Centre Manager replied that the traffic issues were being addressed and that the masterplan proposed a series of considered changes. He acknowledged that the proposal for single lane traffic on Westgate would divert traffic onto the High Street and Wharf Road but that priorities needed to be made and managed. The Chief Executive added that the shuttle system was a county council proposal and the Westgate scheme would make that area of the town more attractive. A traffic study by the county council will be completed later in the year and would provide a reliable study to assess the impact of the proposed schemes.

Another member of the public explained that he had only heard 'disabled access' mentioned once in the presentation. He asked where disabled parking would be allocated in the proposals. The Town Centre Manager explained that

the masterplan did provide for disabled parking; the proposals only restricted access to other drivers from the town centre.

A final comment was received about how town centre facilities, particularly the hospital, were already stretched and yet housing development was increasing. He asked how this was going to be managed.

The Chief Executive explained that the council was working proactively with the Primary Care Trust to assess the impact of town growth on public services and that this was taken into account by the PCT during its decision-making.

6. PANEL DISCUSSION AND OBSERVATIONS

The officers present were questioned by the panel, who made the following points and observations.

- There were no proposals for Watergate House or for the small shops along the east side of the High Street.
- There was no indication of where the post office sorting office would be relocated if proposals were accepted. This would cause particular problems for vulnerable people having to collect post that could not be delivered.
- A member explained that royal mail already offered a redelivery service either to a persons home or their local post office.
- It appeared as though the proposed new location for the cinema was in place of the conduit.
- Masterplanning should be able to be done in-house by the council's officers, as it had already come at a great cost to the council.
- The masterplan should be a document to prompt public discussion and should therefore not be as detailed and should be less officer-led. The proposals were also too ambitious.
- The masterplan needed to encompass anticipated town expansion by addressing infrastructure and community provisions. Co-ordination was essential for the whole scheme, before and during development, possibly by an independent person as in Leicester City Council.
- Pedestrianisation proposals in the Market Place area were not suitable because there would still be single-lane traffic.
- The bus station should be moved to the railway station and should not be removed altogether from the town.
- Without an east-west bypass, none of the proposals could be given serious consideration because of the impact on traffic. The Pennine Way linkage would be appropriate for this.
- What would happen to people's property affected by the proposals if they did not want to relocate?
- A list of project priorities would be beneficial to the council to facilitate resource planning in the short and long term.
- There was a covenant on the land occupied by the Baptist Church and so this should be considered in light of the proposals.
- The removal of the bus station would have serious implications on the area when school children were waiting for buses at the end of the day.

- Opening of the front door of the Guildhall could have serious impact on the insurance of many valuable artefacts belonging to the Grantham Charter Trustees.
- There was concern that leisure and entertainment proposals, particularly in the Greyfriars area, would cause disturbance to GOPD schemes.
- The masterplan document was misleading in stating that Grantham Charter Trustees were represented on the Strategy Board.
- Was Grantham too small to be considered for a Park and Ride scheme?
- The masterplan did not mention public consultation. The projects would be good for the community, but a lot of people would need consulting.

In response, officers explained:

- Consultants had considered Watergate House but because the town had been stretched in a north-south direction, focus needed to be on consolidating the core area before other secondary areas were considered. The east-side of the high street posed particular challenges for redevelopment because of fragmentation and economics. However, Watergate was a north side gateway, and this had not been addressed in the masterplan.
- Relocation of sorting offices had not caused problems elsewhere.
- There was no intention to move the conduit, just to relocate the cinema in the market place area to achieve step-change improvements in night-time economy. The consultants had already accepted that illustrations within the masterplan document were inadequate.
- There was always a challenge in striking a balance with costs when producing a masterplan because it needed to be a compelling document to attract investment but without lavish and unnecessary spending. It needed to reflect best-thinking and be at an appropriate standard for inclusion in the Local Development Framework.
- The masterplan did need to be clearer in explaining that funding would come from other organisations, and not just the district council.
- The redevelopment of the canal basin site was running complementary to the town centre proposals.
- The growth agenda for Grantham had been identified by the county council working in partnership with the district council. Infrastructure and resourcing issues were therefore understood by the county. A strategic director and a portfolio holder would be overseeing the whole scheme.
- The original proposal for total pedestrianisation had been stopped because of costs; it was more feasible to have an experimental scheme.
- The proposed bus service arranged were good practice from other authorities. In relation to traffic in the market place area, the county council had determined that it was not safe to reroute traffic along Union Street. The decision to relocate the cinema to this area was made after this came to light.
- Planning permission had been granted for the Pennine Way scheme but this had stalled because planning permission could not be given for the housing because it involved greenfield sites.
- Relocation was being pursued by negotiation, which was the desired approach. Ultimately, compulsory purchase orders would be required. It

was anticipated that no residential properties would be affected.

- The need for a priority list was acknowledged, although this would take time to complete. Any costing would be indicative because of inflation implications. Consultants were starting to undertake costing analyses of the major proposals. The comments of the Section 151 officer in the report to cabinet number PLA611 were read, as they explained that an evaluation of financial implications would be completed before cabinet's adoption of the masterplan.
- The implications for school transport was part of a number of delivery issues that would be addressed during the drawing of detailed plans. Insurance implications at the Guildhall would also be looked into.
- Officer were conscious of the implications of encouraging night-time economy and this was being considered carefully.
- The masterplan would be amended to better reflect the membership of the Strategic Board.
- There was potential for a Park and Train scheme at Gonerby Moore.
- There had been various consultation and the new masterplan had considered very documents and studies, including the original plan. Formal and structured public consultation would be organised at a later stage.
- The proposals were potentially achievable because there had already been major developments in Grantham in the past ten years.
- The council should be looking to the county council to achieve equitable funding for Grantham.

Conclusion:

To forward the points and observations made throughout the meeting to the cabinet for their consideration during discussion on this item at its meeting on 4th September 2006.

7. CLOSE OF MEETING

The meeting closed at 5.07p.m.

September 2006

Operational Plan Update 2006/2007

South Kesteven District Council

Agenda Item 8

PRICEWATERHOUSECOOPERS 

System	Review	Current Position	Terms of Reference Issued	Draft Report Issued	Management Responses Received	Start date
Corporate Business Systems						
Risk Management	FUR	Planned for 4 th quarter	–	–	–	To be confirmed
Business Continuity Planning	FS	Fieldwork in progress	✓	–	–	September 2006
Corporate Governance	FS	Planned for 3 rd quarter	–	–	–	December 2006
Project Management	FS	Planned for 3 rd quarter	–	–	–	November 2006
Operational and Financial Systems						
IT systems	FUR	Fieldwork in progress	✓	–	–	September 2006
Internet and Email Usage	FUR	Review complete	✓	✓	✓	May 2006
Freedom of Information Act	FUR	Review complete	✓	✓	✓	May 2006
Contracting and Tendering Procedures	FS	Fieldwork complete	✓	✓	✓	June 2006
E-procurement Review	FS	Planned for 4 th quarter	–	–	–	To be confirmed
Housing Benefits and Council Tax	FS	Planned for 3 rd quarter	–	–	–	November 2006

System	Review	Current Position	Terms of Reference Issued	Draft Report Issued	Management Responses Received	Start date
Operational and Financial Systems, cont.						
Debtors	FS	Planned for 3 rd quarter	✓	–	–	November 2006
Creditors	FS	Fieldwork complete	✓	✓	✓	June 2006
Payroll	FS	Fieldwork complete	✓	✓	✓	June 2006
Housing Rents	FUR	Fieldwork in progress	✓	–	–	September 2006
Human Resources Devolvement	FS	Planned for 4 th quarter	–	–	–	To be confirmed

Key

	Type of Review	Scope of the Review
FUR	Follow Up Review	To identify whether recommendations raised in previous audits have been successfully implemented.
FS	Full Scope	To review the design of controls over a process or system and to perform testing to determine whether controls are operating in practice.

In the event that, pursuant to a request which South Kesteven District Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. South Kesteven District Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and South Kesteven District Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, South Kesteven District Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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September 2006

Summary of Findings 2006/2007

South Kesteven District Council

System	Type of Review	Level of Assurance	Key Findings
Creditors	FS	No Assurance	<p>Eight recommendations were raised, of which:</p> <ul style="list-style-type: none"> • One was rated high risk; • One was rated medium risk; and • Six were rated low risk. <p>The high risk recommendation relates to the limited management controls in place within Creditors since the introduction of CEDAR in April 2006. The most significant of these absent controls is the payment account bank reconciliation which has not been performed due to system errors that occurred when the new system was implemented.</p> <p>In addition, five recommendations raised in 2004/05 were followed up, of which:</p> <ul style="list-style-type: none"> • Two had been fully implemented; • Two had not been implemented; and • One was no longer relevant. <p>The two outstanding recommendations relate to the production of the supplier bank detail reports and bank reconciliations, both of which are related to the new recommendation arising from the implementation of CEDAR.</p>

System	Type of Review	Level of Assurance	Key Findings
Payroll	FS	Moderate Assurance	<p>Four recommendations were raised, of which:</p> <ul style="list-style-type: none"> • One was rated medium risk; and • Three were rated low risk. <p>The most significant issue identified is in respect of amendments to pay rates which are not currently authorised at the point of request within the HR department.</p> <p>In addition, nine recommendations raised in 2005/06 were followed up, of which:</p> <ul style="list-style-type: none"> • Four had been fully implemented; • One had been partially implemented; and • Four had not been implemented <p>The outstanding recommendations are deemed to be low risk and progress with implementation will be assessed through a Follow Up Review.</p>
Contracting and Tendering Procedures	FS	No Assurance	<p>Ten recommendations were raised, of which:</p> <ul style="list-style-type: none"> • One was rated high risk; • Seven were rated medium risk; and • Two were rated low risk. <p>The key risk identified in this area arises because some contracts are not entered into the central tender book therefore compliance with the Council's procedures cannot be monitored. Specifically, one contract was approved by Cabinet but was not awarded in accordance with the Council's procedures relating to EU thresholds.</p>

System	Type of Review	Level of Implementation	Key Findings
Internet and Email Usage	FUR	100% fully or partially implemented	<p>Five recommendations were followed up, of which:</p> <ul style="list-style-type: none"> • Two had been fully implemented; • Two had been partially implemented; and • One was no longer relevant. <p>The outstanding partially implemented recommendations relate to the lack of regular monitoring and reporting of Internet and Email Usage within the Council.</p>
Freedom of Information Act	FUR	100% fully implemented	<p>Two recommendations were followed up:</p> <ul style="list-style-type: none"> • Both recommendations had been fully implemented.

Key

Type of Review

	Type of Review	Scope of the Review
FUR	Follow Up Review	To identify whether recommendations raised in previous audits have been successfully implemented.
FS	Full Scope	To review the design of controls over a process or system and to perform testing to determine whether controls are operating in practice.

Assurance Ratings

Level of Assurance	Description
High	Our work may have found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.
Moderate	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than high or they would be unlikely to occur.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.

In the event that, pursuant to a request which South Kesteven District Council has received under the Freedom of Information Act 2000, it is required to disclose any information contained in this report, it will notify PricewaterhouseCoopers (PwC) promptly and consult with PwC prior to disclosing such report. South Kesteven District Council agrees to pay due regard to any representations which PwC may make in connection with such disclosure and South Kesteven District Council shall apply any relevant exemptions which may exist under the Act to such report. If, following consultation with PwC, South Kesteven District Council discloses this report or any part thereof, it shall ensure that any disclaimer which PwC has included or may subsequently wish to include in the information is reproduced in full in any copies disclosed.

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REPORT TO RESOURCES D.S.P.

REPORT OF: FINANCIAL SERVICES MANAGER

REPORT NO. CHFR 18

DATE: 28 September 2006

TITLE:	BUDGET MONITORING REPORTS
FORWARD PLAN ITEM:	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR TERL BRYANT RESOURCES AND ASSETS
CORPORATE PRIORITY:	USE OF RESOURCES
CRIME AND DISORDER IMPLICATIONS:	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	
BACKGROUND PAPERS:	

INTRODUCTION

1. Members will recall at the last meeting of the DSP it was agreed that regular budget monitoring reports will be presented in agreed standard formats. I attach the first set of budget reports for the period 1 April – 31 August 2006.

OBSERVATIONS

2. The budget reports have the following headings:

Annual budget
Budget to date
Spend to date
Variance to date
Variance to date as a %

However the following issues need to be taken into consideration when viewing the reports:

- Budget profiling has not been undertaken in the vast majority of budget lines and therefore the budget to date column figure will be the same as the annual budget figure. This has the effect of distorting the variances.
- ‘Internal’ central allocations including support recharges and capital charges are not undertaken during the course of the year and are currently only undertaken as part of the year end closedown process and therefore the ‘actuals to date’ figures will be understated. Again the variances will be distorted.
- Any committed costs are not included in the reports.

These limitations will be reviewed as the budget process is refined and strengthened to ensure future budget monitoring is more robust and meaningful.

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

3. No comments.

CONCLUSION

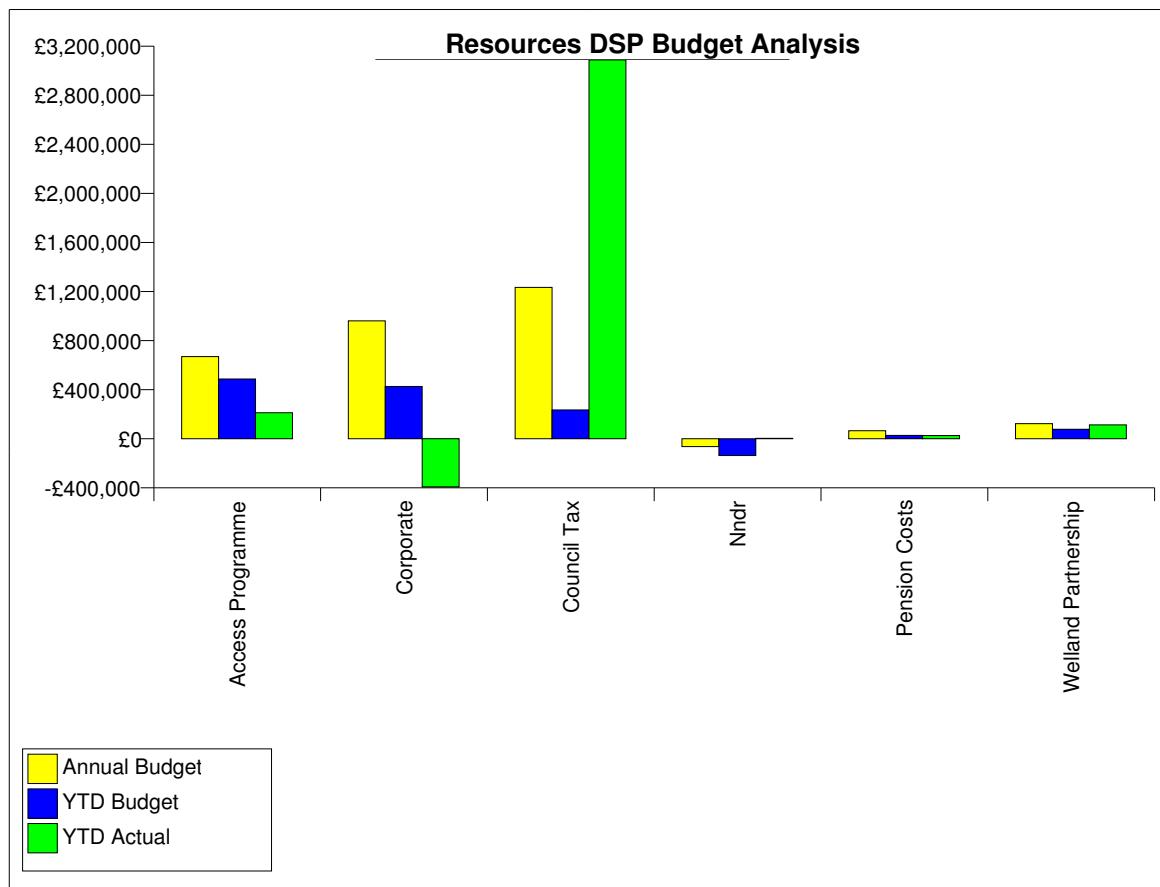
4. Members are asked to note the reports and make any specific comments or observations.

CONTACT OFFICER

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Budget Report for Resources DSP 2007 Period 05

SERVICE AREA	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000	YTD VARIANCE %
Access Programme	670	488	212	275	68%
Corporate	961	427	-393	820	141%
Council Tax	1,234	235	3,088	-2,853	-150%
Nndr	-65	-137	4	-141	105%
Pension Costs	66	27	27	1	59%
Welland Partnership	124	78	114	-36	8%
Total for Resources DSP	2,989	1,117	3,052	-1,934	



Budget Report for Resources Dsp 2007 Period 05

Access Programme

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Capital Charges	68	68	18	49
Creditors	0	0	0	0
Employee Expenses	436	263	147	115
Premise Expenses	0	0	0	0
Supplies And Services	151	151	45	106
Support Service Recharge Exp	15	6	1	5
Transport Expenses	0	0	1	-1
Total for Access Programme	670	488	212	275

Corporate

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Capital Payments	0	0	54	-54
Charges	-47	-19	-0	-19
Creditors	0	0	0	0
Employee Expenses	0	0	8	-8
Interest	0	0	-564	564
Miscellaneous Income	0	0	0	-0
Premise Expenses	1	0	1	-0
Supplies And Services	217	105	102	3
Support Service Recharge Exp	929	389	0	389
Support Service Recharge Inc	-155	-65	0	-65
Transport Expenses	16	16	6	10
Total for Corporate	961	427	-393	820

Budget Report for Resources Dsp 2007 Period 05

Council Tax

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Charges	-622	-622	-0	-622
Creditors	0	0	0	0
Employee Expenses	771	332	298	34
Miscellaneous Income	-19,182	-19,182	0	-19,182
Premise Expenses	55	55	0	55
Supplies And Services	206	206	64	142
Support Service Recharge Exp	959	400	0	400
Transfer Payments	19,035	19,035	2,722	16,314
Transport Expenses	11	11	5	7
Total for Council Tax	1,234	235	3,088	-2,853

Nndr

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Charges	-5	-5	0	-5
Miscellaneous Income	-187	-187	0	-187
Supplies And Services	4	4	4	0
Support Service Recharge Exp	123	51	0	51
Total for Nndr	-65	-137	4	-141

Pension Costs

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Employee Expenses	65	27	27	0
Support Service Recharge Exp	1	0	0	0
Total for Pension Costs	66	27	27	1

Budget Report for Resources Dsp 2007 Period 05

Welland Partnership

DETAIL	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Cash Paid	0	0	1	-1
Cash Received	0	0	-1	1
Charges	0	0	0	0
Creditors	0	0	0	0
Employee Expenses	0	0	75	-75
Supplies And Services	45	45	40	5
Support Service Recharge Exp	79	33	0	33
Total for Welland Partnership	124	78	114	-36

	ANNUAL BUDGET £'000	YTD BUDGET £'000	YTD ACTUALS £'000	YTD VARIANCE £'000
Total for Resources DSP	2,989	1,117	3,052	-1,934

Response to “Engaging Members in Finance Scrutiny” report to Resources DSP – July 2006

Responses to each of the recommendations made by the working group are set out below.

Recommendation 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 with the aim of two to four weeks before the start of the process.

Response

A summary timetable for the service planning process is attached at appendix A. It was discussed at the Scrutiny Co-ordinating Panel meeting and it has been proposed that member involvement in the process will be undertaken via the DSPs or working groups of the DSPs. It is recognised that it may be necessary for some additional meetings of DSPs or working groups during this timescale to accommodate normal business as well as the 3 proposed gateway reviews to scrutinise the service planning process.

It is proposed that the **first gateway** will focus on a review of the current service plan and in particular address:

- Progress towards delivering service outcomes as identified in the service plan
- The extent to which the existing service plan is “fit for purpose” in terms of fit with the Council’s revised priorities
- Actual income and expenditure compared to budget (summary information circulated to members of the DSP in advance of the review)
- Performance Management and the effectiveness of existing targets
- Performance towards achieving stated Gershon savings as identified in the service plan showing a clear demonstration that savings are evidenced
- Identification of any potential requests for additional resources and outline business case to support these requests.

The outcome of the first gateway review will then inform the service planning process. Managers will then be able to address issues raised as part of the development of the service plan and Members will enter into the Service Planning cycle better informed on the current performance of individual service areas.

The **second gateway** will review the draft service plan as prepared by Service Managers in full consultation with their appropriate Portfolio holder. This review will have regard to the robustness of the service plan and is effectively a quality control check prior to submission:

- Assessment of completeness of service plan and the extent to which the individual areas of the service plan have been addressed.
- Assessment of whether or not there is robust evidence to support the plan
- Fit with corporate vision, priorities and values

- Compliance with checklist from MTFS

The **third gateway** will take place following the collation of the budget implications and seek to review the extent to which Service Plan has addressed issues raised by the Cabinet during their consideration of the overall budget implications for the Council. This is a critical stage as it is inevitable that the level of resources requested by Service areas when aggregated is likely to exceed available resources, particularly taking account of budget pressures and the requirement to achieve Gershon efficiencies. This review would address:

- Assessment of the extent to which the service plan has been amended to reflect the findings of Gateway 2
- Assessment of the impact on individual service plans as a result feedback on the Council's overall budget implications together with an assessment of whether these issues have been reflected in the revised service plan
- Compliance with overall MTFS

Recommendation 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

Please see the above response. Service Managers roles in developing their Service Plans involve undertaking an assessment of the current position of their service and also identifying, for members, options for future service developments together with undertaking a risk assessment and analysis of financial implications of the proposals. The review of the financial implications will be assisted by staff from Financial Services.

Recommendation 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 the service plans, at the mid-point during development of the service plan and towards finalisation of the plans.

This point is accepted and the response to recommendation 1 identifies a 3 stage involvement of members, via the DSP, in service planning. The financial impact of all service plans will then be collated and Cabinet will make their recommendation to Council on the proposed draft Council Budget based on information gathered from the service planning process.

Recommendation 4

There should be at least ten calendar days between members receiving reports and holding a service plan gateway meeting.

This recommendation is noted and every endeavour will be made to meet this. However, there may be occasions when this will not be possible, taking account of the tightness of the Service and Budget Planning timetable and the likely capacity issues,

at both a Service Manager and Financial Services level. Whilst a recruitment programme is ongoing in both of these areas, there are likely to be a number of vacancies being carried during the Service Planning timescale.

Recommendation 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.

Recommendation accepted and the Financial Services team are happy to work with any nominated members on developing these areas, subject to being able to deliver the budgets and accounts within statutory timescales.

Recommendation 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 understood by anyone with little financial awareness.

Recommendation accepted and the Financial Services team are happy to work with any nominated members on developing this area.

Recommendation 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.

Recommendation accepted and where it is appropriate to comply with statutory requirements or relevant accounting codes of practice, a definition or glossary of terms will be provided.

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 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.

Accepted.

Sally Marshall
Corporate Head of Finance & Resources

Appendix A

2007/8 Service Planning and Budget Preparation Timetable	
September	<ul style="list-style-type: none"> • Approval of Medium Term Financial Strategy • Service Managers briefings on MTFS implications for preparation of service plans and budgets (mid September) • Gateway 1 reviews of progress towards achieving 2006/7 Service Plan outcomes to inform service planning process • Service Managers commence preparation of draft Service Plans following briefings
October	<ul style="list-style-type: none"> • Service Managers undertake preparation of draft service plans
November	<ul style="list-style-type: none"> • Gateway 2 review of draft service plans • Collation of draft budget implications arising out of draft service plans (mid November) • Cabinet draft budget consideration
December	<ul style="list-style-type: none"> • Final gateway 3 review of draft service plans following collation of budget implications • Cabinet draft budget consideration
January	<ul style="list-style-type: none"> • Budget consultation
February	<ul style="list-style-type: none"> • Cabinet present budget
March	<ul style="list-style-type: none"> • Council set Council Tax

REPORT TO RESOURCES D.S.P.

REPORT OF: FINANCIAL SERVICES MANAGER

REPORT NO. CHFR17

DATE: 28TH SEPTEMBER 2006

TITLE:	REVIEW OF FEES AND CHARGES – PROPOSED STRATEGY
FORWARD PLAN ITEM:	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR TERL BRYANT – RESOURCES AND ASSETS
CORPORATE PRIORITY:	USE OF RESOURCES
CRIME AND DISORDER IMPLICATIONS:	NONE

1. INTRODUCTION

At its last meeting Council agreed to adopt the Medium Term Financial Strategy(MTFS) (report CHFR.15) which set out a framework to ensure robust financial planning and budgeting. One of the principles contained in the MTFS is Principle 11 – Maintain a robust Fees and Charges Strategy and a draft version of the proposed strategy is attached to this report for members scrutiny.

2. COMMENTS OF THE MONITORING OFFICER

3. CONCLUSION

Members are asked to make any specific comments or observations regarding the proposed fees and charges strategy.

Richard Wyles – Financial Services Manager
01476 406210
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FEES AND CHARGES STRATEGY (DRAFT)

1. Introduction

Income from fees and charges is an important source of revenue for the Authority. Charges do more, however, than just raise income. They play a significant role in the achievement of a range of Council priorities from social inclusion to the contribution towards the health of the population.

In addition charges also have a central role to play in service delivery: raising income, controlling access to services, responding to competition, funding investment and affecting (and influencing) public behaviour. Charges should be reviewed as part of the revenue budget and service plan setting on an annual basis.

2. Statutory Powers

The Local Government Act 2003 includes a general power for Authorities to charge for discretionary services it provides (where there is a separate power to charge for a discretionary service that power shall remain in force). In addition this power encourages local authorities to provide more wide ranging and new innovative services for their communities. This is achieved by providing new services and ensuring the charges levied recover the costs associated with providing the service.

Discretionary services are those services that an authority has the power, but is not obliged, to provide. Charges set must be at a level that ensures income does not exceed the associated expenditure. However it is worth bearing in mind that at the time of writing this strategy a study is being undertaken to explore whether Councils should be allowed to charge for a range of services. This study will feed into the Lyons Inquiry which is due for publication in December of this year. The fees and charges strategy may need to be updated and amended to take into consideration the findings of this study.

3. Framework

Fees and charges broadly fall into three categories:

- Statutory – a service that has to be provided under current legislation
- Cost related – recovery of costs relating to a provided service (e.g. recharge of photocopying charges, external printing etc)
- Discretionary – a service that may be provided but that the authority is not compelled to provide under legislation (e.g. arts, leisure, etc)

Statutory

Statutory charges are outside of the Council's control. However it is assumed that charges can be increased in line with inflation and it is the responsibility of the service manager to ensure that the income generation is maximized.

Cost Related Charges

For some services provided charges are not prescribed but the service manager is able to recommend to members the appropriate charge structure by reference to the cost of service provision. To achieve this activity based costing models will need to be introduced in order to capture the costs (including overheads) associated with providing the service.

Discretionary Charges

Discretionary services are those services that an authority has the power, but is not obliged, to provide. Charges set must be at a level that ensures income does not exceed the associated expenditure.

Under this heading there is the opportunity to include concessionary charges for specific user groups where there is a clear alignment between the service objectives and the Council priorities. However any concessionary scheme must undergo an equality and diversity impact assessment to ensure it fully complies with any legislative requirements.

4. Fees and charges budget setting Process

In accordance with the Medium Term Financial Strategy budget setting will be based on a 3 year rolling review with annual updates. Therefore in the context of fees and charges it is proposed that a fundamental review of key charges will be undertaken at the commencement of the 3 year review and annual increases for the remaining two years will be agreed.

Charges should be categorised and documented depending upon their category (i.e. statutory, discretionary or cost related)

Charges should be profiled for the last two years and projected for the next three years.

Where discretionary and cost-related:

Where charges are categorised as discretionary or cost related then, as a minimum, the charges should be increased in line with inflation for the next year with an indicative increase for the following two years. At the commencement of the medium term 3 year review all discretionary and cost related charges should be fundamentally reviewed in accordance the priorities and relevant strategies of the Council. Where current policy provides for a different charging review then the policy should be clearly stated.

Cost related income (such as a recharge of expenditure) should be reviewed annually to ensure all related costs are recovered.

Where increases to current charges are being proposed then income profiling models should be completed in order to accurately predict future income levels. The s151 Officer will be able to provide support and advice in this regard.

Supporting policies and strategies that determine or may influence the new charging structure should be referred to. Examples of this may include social inclusion agenda or contribution towards Council priorities.

Where leases contain rental profiles these should be documented and incorporated into the budget setting.

If it is agreed that the fees and charges should carry a subsidy element this should be clearly stated and the level of subsidy per taxpayer should be calculated and documented.

Where appropriate suitable benchmarking data from other providers of the service should be included in the service plan and explanations for significant differences should be provided.

Where mandatory:

The latest approved charging structure should be adopted unless there is a portfolio holder/Cabinet decision to the contrary.

All Fees and Charges - Summary of key points

- Charges levied should have due regard to existing corporate and service policies.
- In line with the Council's Medium Term Financial Strategy all fees and charges should be fundamentally reviewed every 3 years and indicative increases for the following two years (at least) in line with inflation (unless there are policies in place to the contrary. Where this is the case then reference to the relevant policy should be stated).
- Fees and charges reviews should be undertaken as part of the budget setting and the service planning process and with close liaison and discussion with the relevant portfolio holder and DSP.
- Where increases are proposed the appropriate statutory process and duty of consultation may be adhered to and taken into consideration (eg car parking charges) when calculating the budget impact of the increases.
- Charge reviews must have due regard to the current VAT regulations.
- Where there is a policy to provide a subsidy level this should be clearly documented and the level of subsidy stated. Equally any concessionary scheme must adhere to policy and undergo an equality and diversity impact assessment.

Agenda Item 16

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO.: CEX352

DATE: 7th September 2006

TITLE:	SKDC Pension Policy: The “Local Scheme”	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Bryant	
CORPORATE PRIORITY:	N/A	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	None	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	See appended documents	

This is an urgent report which the Chairman has agreed to take as a late item. The reason for urgency is because of actions required as a result of a legal opinion received by the Council on the 29th August, which was after the despatch of the agenda.

1. Background

The national regulations on local government pensions enable Councils to exercise discretion on certain aspects of pension entitlement. These discretions are exercised through the development of a pension policy. The County Council, who administer the policy on our behalf, are made aware of this policy by a pro-forma being completed by each District and deposited with them.

Although there is ambiguity in the Council records, it would appear that the Council's current policy emanated from a report to the Staffing Sub-Committee on the 16th July 1996. It is assumed that the same report was subsequently approved by that committee and ultimately by full Council on the 28th October of the same year. A copy of the initial report and minutes are enclosed as Appendix A.

This policy was re-affirmed a year later when a report was taken to the Finance and Personnel Committee describing changes to the national scheme including the introduction of the "rule of 85" retirements (see Appendix B). At that time the words "associated with the interest of efficiency" were added to the scheme although this term was not defined.

The report approved in October 1996 established the Council's local (or "loyalty") scheme which is as follows:

Any employee with at least 10 years service with South Kesteven and with at least 20 years LGPS service overall, and aged over 50 years, should be allowed to retire with earned benefits having given six months notice (or less at the leave of the Council). Those leaving local government services earlier than age 50, but otherwise qualifying, should become entitled for equivalent treatment upon attaining 50 years.

In December 2005 the Council received a claim under the second part of this scheme i.e. from a person leaving the Council before the age of fifty. To my knowledge this is the first such claim to have been received under this provision. It is the result of the work taken to investigate this application that has led to the current situation.

2. Pensions – Wider Issues

This report comes at a time when there is another, entirely unrelated, issue affecting the Council's pension scheme. This is the impact of age discrimination legislation which comes into effect from the 1st October. As it appears (though this interpretation is subject to a judicial review scheduled for late September) both the Council's local scheme, and the national provisions regarding rule of 85 retirements, will not comply with this legislation. I am currently consulting staff and unions on a new pension policy which is scheduled to come before Council for approval on the 26th of October.

3. Factors causing concern in the adoption by the Council of the Local Scheme

In reviewing the Committee reports and minutes that led to the adoption of the local scheme some ten years ago, the following aspects caused me some concern:

1. The scheme describes itself as "radical" (para 16) and appears to have been explicitly designed to provide a blanket eligibility for employees dependent upon certain requirements being met. I had not come across such an approach before.
2. The report to the Staffing Sub-Committee in 1996 contained no financial information to support, or demonstrate, how the introduction of such a policy would be in the interests of the Council. Furthermore

some of the arguments and assumptions that underpinned this report seemed to me to be either unfounded or irrelevant.

3. The policy that was advocated and ultimately adopted, appears to me to run counter to the views of the Audit Commission who were seeking to challenge the perceived culture of early retirements in Local Government. In particular the report from the District Audit entitled "Planning and control of early retirements in South Kesteven" received by the Council in December 1998 (Appendix C) do not seem to have been fully reflected in the report to Committee (Appendix D).
4. It is surprising that the only member discussion on the content of such a key policy document as the pension scheme appears to have been in a Sub-Committee meeting. It is of even greater concern that the record within the Council minutes of the approval of this scheme is not clear or unequivocal and that the key term "efficiency of the service" was not defined.

I sought a confidential expert opinion on these matters from an experienced and financially qualified professional colleague who had a good understanding and experience of Local Government Pension schemes. Based on his confidential report, and in consultation with the Monitoring Officer, and Section 151 Officer, a Counsel's opinion was sought.

The Counsel's opinion was received on the week beginning the 28th August. He concluded that the scheme is fundamentally misconceived in law and therefore illegal. However, as he explained in the report, it does not follow that all payments made under this scheme are unlawful. There is clearly a lot of work in order to ascertain on a case by case basis the full implications of this opinion. This work is currently underway as a matter of the highest priority and will be reported to Council as soon as it is complete.

Early indications, from the work undertaken so far indicate that there are likely up to thirty persons who have benefited from the Council's local scheme and who were not already eligible under other criteria. Internal audit have been asked to validate the results before any further action is taken.

External audit have been kept informed of all these developments as they have occurred and have been given a copy of the Counsel's opinion. They have been invited to attend the Council meeting but indicated that they will not be able to do so. They have indicated they would wish to be kept informed of the Council's enquiries, are assessing the information provided to them and are considering what further action or enquiries they may need to take.

Having carefully considered this opinion, I am not recommending to Council that a second opinion is obtained, however in consultation with the monitoring officer and Sections 151 officer, further clarification is being sought from Counsel on the following implications of this opinion:

1. Whether there are any implications for the Council's policy on rule of 85 retirements.
2. What actions could, or should, be considered to be taken by the Council in regard to the recipients of pensions paid under this scheme, or any of the parties involved in its preparation or approval.

On receipt of the opinion I had no choice but to suspend the Council's local scheme until the outcome of this meeting. As explained earlier, the local scheme would have to be terminated on the 1st of October anyway since it will not be compliant with the age discrimination legalisation which comes into effect on that date. This coupled with the need for employees to give six months notice of any application, ameliorates some of the issues resulting from this action.

When the case-by-case reviews have been completed it is my intention to write to recipients of a pension under the local scheme, explaining the situation and offering them a meeting

Separately from this review I have also launched a full investigation into how the current scheme came to be established; what professional advice was provided at the time; how the scheme has been operated and whether members have been kept informed. I am recommending that the Council appoints a panel comprising the Leader, Portfolio-holder for Resources and Chairman of the Resources DSP to oversee this investigation.

3. Comments of Monitoring Officer

I endorse the action of the Chief Executive to suspend the operation of any current and future claims for early release of pension under the local scheme referred to. This does not prevent the Council from considering and, if appropriate, consenting to such requests wholly in accordance with the current pension regulations. It is the automatic right to early release of pension which cannot be allowed to continue. Counsel's advice is clear and unequivocal. I can see no benefit in obtaining a second opinion.

Without a full appraisal of the consequences, the Council cannot be clear of the scale of the issue. That must be clearly established before any further action can be considered. The alleged illegality of the scheme does not, in itself, cause all payments made under the scheme unlawful. I do not consider, at this stage, it would be appropriate to issue a Monitoring Officer report in accordance with s. 5 of the Local Government and Housing Act 1998. I am satisfied the local scheme has been properly suspended and that no further unlawful acts can occur as a result of that suspension. However, I fully appreciate there may be a need for such a report and reserve the right to make such a report should the need arise.

4. Comments of Corporate Head of Finance and Resources (Section 151 officer)

I have been fully consulted by the Chief Executive on this matter and have taken the following actions under my duties as required by legislation and the Council's constitution:

- a. supported the Chief Executive's action in taking Counsel's opinion on the lawfulness of the Council's Early Retirement Scheme
- b. supported the Chief Executive's action to suspend the current scheme until further advice and investigations have been completed
- c. currently taking action to establish whether any of the payments already made under the Council's Early Retirement Policies/Scheme are unlawful

- d. initiated a review of individual personnel files to establish the extent and scope of payments made since October 1996, together with establishing the financial implications of these payments in terms of capital costs to the Council, ongoing revenue costs and materiality.
- e. seeking validation of the above by Internal Audit
- f. liaised and briefed the Council's External and Internal Auditors, insurers and the Local Government Pension Administering Body on this matter.
- g. initiated a review of the Council's processes and internal controls relating to the determination of individual early retirement requests together with the reporting of the financial implications of those decisions to members.

My fiduciary duties and responsibilities to the council and local citizens require me to have responsibility for the stewardship and safeguarding of public money. In carrying out these duties I will assess the overall financial implications of this matter once the current investigations have been concluded and will then report these to members. This assessment will be carried out in full consultation with the Chief Executive, Monitoring Officer, Auditors, the Pensions Administering Body and Insurers.

Until the further investigations referred to in this report are complete and further advice is gained I am unable to advise members whether or not unlawful payments have been made nor am I able, at this stage, to make recommendations on the potential for recovery of any such payments. Therefore, at the current time, I do not consider it appropriate to issue a report under s114 of the Local Government Finance Act 1988. However, I reserve the right to do so pending the outcome of current investigations.

5. Recommendations

- 1. That the Council endorses the following actions undertaken by the Chief Executive:
 - A. The enquiry into the lawfulness of the local scheme
 - B. The suspension of this scheme in the light of the information received
 - C. The intention to notify all persons who have benefited from the scheme once the case by case review is concluded.
 - D. The launch of an investigation into how the current scheme came to be established; what professional advice was provided at the time; how the scheme has been operated and whether members have been kept informed.
- 2. That a panel comprising the Leader, Portfolio-holder for Resources and Chairman of the Resources DSP is appointed to oversee the investigation referred to in D above, and
- 3. That in view of the legal advice received the Council terminates the local scheme provisions within the approved pension policy forthwith.
- 4. That a further report be made to the next ordinary meeting of the Council.

REPORT TO RESOURCES DSP

REPORT OF: Strategic Director

REPORT NO. SD5

DATE: 28th September 2006

TITLE:	DRAFT CORPORATE PLAN
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	16 th June 2006
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Policy framework proposal

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Linda Neal , Leader of the Council
CORPORATE PRIORITY:	All
CRIME AND DISORDER IMPLICATIONS:	None
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the local democracy link on the Council's website www.southkesteven.gov.uk
BACKGROUND PAPERS:	None other than published papers.

1. INTRODUCTION

- 1.1 The aim of this report is to present the draft Corporate Plan for consideration by the Resources Development and Scrutiny Panel and to receive their feedback to Cabinet before the plan is finalised.

1.2 The report highlights the purpose of the Corporate Plan showing how it dovetails with other plans, such as Service Plans, outlines any legislative requirements for corporate planning, and suggests important areas where members may wish to focus their debate.

2. RECOMMENDATIONS

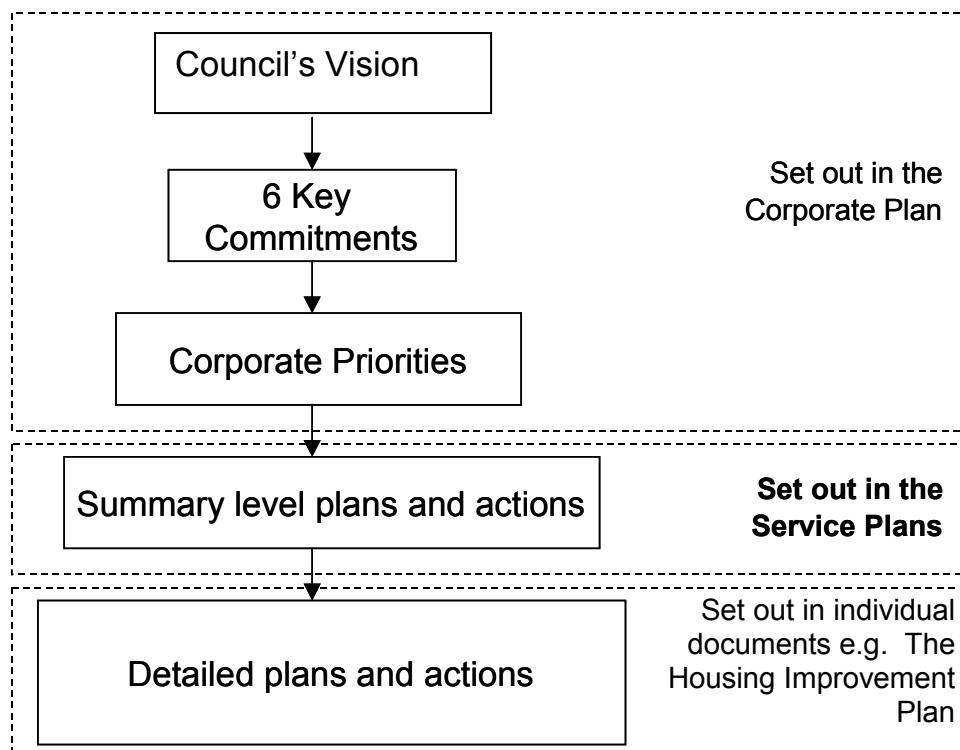
2.1 That the Panel notes and considers the draft Corporate Plan for 2006/07 to 2009/10 prior to submission to the next meeting of the Cabinet.

3. DETAILS OF REPORT

The Purpose of the Corporate Plan

3.1 The Corporate Plan is attached in draft form at Appendix 1. The Corporate Plan sets out the Council's vision, key commitments and corporate priorities for the next 3 years. Its relationship with other planning documents, such as Service Plans, is illustrated below.

The Corporate Plan's relationship with other documents



3.2 The Corporate Plan includes a range of performance measures and targets which can be used to assess the Council's progress in meeting its aims and objectives. These are being developed to reflect the Council's agreed and recently refined Corporate Priorities.

3.3 Officers and members require a high degree of clarity in the organisation's aims and objectives and thus the target audience for the Corporate Plan is predominantly internal. However, our partners, peers and local residents also need to understand our ambitions and future plans. To try to facilitate a better

understanding of what the Council is trying to achieve the Corporate Plan has been written using non local government language wherever possible. The format and style has also been developed to encourage readability and ease of use with extensive use of images keeping the text informative but concise. This is in line with the recent working group which was established by the Resources Development and Scrutiny Panel to consider ways of engaging and involving more members in the service and financial planning arrangements of the organisation.

3.4 Importantly the draft plan has been developed in conjunction with a cross section of staff from all levels of the organisation. They have contributed and researched best practice elements to be included and helped to develop a flavour of "South Kesteven" within the plan. This is a demonstration of the Council's one team approach to service improvement and will help to gain ownership across the organisation of the objectives and actions contained within the plan.

Legislative requirements for corporate planning

3.5 All authorities in England and Wales are required by law to publish certain corporate planning and performance information annually, and make this available to the public. Until now at South Kesteven this has taken the form of a Best Value Performance Plan which in the past had to be produced in line with a prescriptive and detailed set of reporting requirements.

3.6 Legislation has recently been amended allowing Councils more freedom and flexibility to undertake their corporate planning and reporting more in line with their organisational need. Ideally a Corporate plan should be a high level document from which anyone visiting the organisation for the first time could glean the key facts about:-

- the make up of the district
- the organisation and how we work
- what we have achieved as a council to date
- how we have set about agreeing our priorities
- what we plan to do to deliver our priorities

3.7 The finer details of how this plan will be delivered will be cascaded and incorporated into other plans and documents such as service plans, improvement plans and individual objectives set via the appraisal process. This process is known as the "Golden Thread " and will help ensure that we focus our attention and resources on the delivery of our priorities, delivering what the community has said is important to them thus ultimately making a difference to local people.

3.8 When formulating the Corporate Plan it must be ensured that the Council's higher-level ambitions and priorities have been determined in consultation with local people, members and staff, and that they are all properly engaged in this process.

3.9 In addition when developing it's longer term objectives the Council needs to ensure that there is liaison with the Local Strategic Partnership (LSP) to produce a Community Plan. The Community Plan differs from the Corporate Plan in that it

is owned by all partners within the LSP and sets out the joint high-level strategy for District wide activity. The Council is currently working with the LSP to refresh and renew the Community Plan, and the Council's Corporate Plan will help deliver the partnership objectives. Our approach to Corporate Planning will therefore need to be flexible in order to ensure that it meets any emerging Community Planning commitments.

Areas of the Plan where DSP members may wish to focus their attention and feedback

- 3.10 Whilst proving feedback in general on any aspect of the plan the panel may wish to focus their debate on the targets and objectives set out within the plan that will monitor and drive service delivery in corporate priority areas. Members may also wish to provide feedback on the format of the Corporate Plan which purposely moves away from the traditional corporate document format with the aim of encouraging its incorporation as a working document within the Council .

4. CONSULTATION AND CUSTOMER IMPACT
Consultation

- 4.1 The corporate planning framework the Council has in put in place has already ensured wide consultation in the development of the formulation of priorities which are included within the corporate plan .

Customer Impact

- 4.2 The vision, ambitions, plans and targets outlined within the Corporate Plan will have a substantial impact on local people. Progress against these plans and targets will therefore be reported to the Management Team, Cabinet Members and the relevant DSP on a regular basis.

5. POLICY IMPLICATIONS

- 5.1 The ambitions and plans set out within the Corporate Plan have been developed in line with the Budget and Service Planning process that has already taken place. However, the content of the Corporate Plan will be developed over the year to ensure that the Council continues to progress and to take on board the feedback of local residents and stakeholders and that it continues to respond to its changing environment.

6. FINANCIAL/RESOURCE IMPLICATIONS

- 6.1 Resources for the plans and actions proposed within the Corporate Plan have been approved or will be approved via the Budget Setting process. As the corporate planning process is dynamic, action plans may change during the course of the year and any requirements for additional resources would be considered through the appropriate body/committee.

7. COMMENTS OF SECTION 151 OFFICER

7.1 The Corporate Plan is the Council's overarching Strategy document, identifying the Council's Short and Medium term plans, based on the Council's approved vision and priorities. It is a key document to inform resource allocation decisions, as outlined in the Council's Medium Term Financial Strategy (MTFS).

The Corporate Plan once approved will form part of the Council's Budgetary and Policy Framework. As a result, the Corporate Plan together with other corporate strategies and plans, such as the MTFS and the Asset Management Plan will drive resource allocation decisions in the future, to ensure the effective use of resources in line with Council priorities.

8. COMMENTS OF MONITORING OFFICER

8.1 To be reported at the meeting if any comments are required.

9. CONTACT OFFICER

9.1 Beverly Agass
Strategic Director
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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	June	July	Are We Improving Yr on Yr?	2007/2008 SKDC Targets	2008/2009 SKDC Targets
USE OF RESOURCES Priority A														
BVPI 9	Council Tax collected	Craig Scott	C		98.30%	98.3%	98.60%	10.56%	20.89%	30.34%	39.8%	N	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%	71.65%	69%	Y	71%	72%
BVPI 10	NDR collected	Jeanette Strutt	C		98.90%	99.10%	99.0%	12.20%	23.78%	33.07%	41.89%	Y	99.1%	99.2%
BVPI 12	Days sick per member of staff	Chris Sharp	CA		8.10	8.40	8	6.24	6.77	6.53	6.17	Y	7.9	7.8
SK113	% of large projects delivered on time and within budget	Sally Marshall (lead)	%		N/A	N/A	80%	n/a	n/a	n/a	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%	98.75%	98.75%	n/a	97%	97.5%
SK117	% of "Z" savings achieved	Richard Wyles	%		N/A	N/A	tbc	n/a	n/a	n/a	34%	n/a	tbc	tbc
SK118	Use of Resources - Assessment Score	Sally Marshall (lead)	N	Y	N/A	N/A	Level 2					n/a	Level 2	Level 3
SK119	% of Gershon targets achieved	Richard Wyles	C	Q	N/A	N/A	100%			n/a		n/a	100%	100%
OTHER BVPIS - CORPORATE HEALTH BASED														
BVPI 8	Invoices paid on time	Sally Dalby	C		98.30%	95.90%	99.5%	100%	99.8%	99.56%	99.26%	N	99.5%	99.5%
BVPI 15	III health retirements / staff	Chris Sharp	C		0.20%	0.1%	0.30%	0%	0%	0%	1%	N	0.30%	0.30%
SK110	Number of FTE staff employed by SKDC	Chris Sharp	N		547	N/A	545	550	553	548	544	Y	545	545
SK111	% Turnover of leavers from SKDC in year	Chris Sharp	C		6%	N/A	10%	17%	11%	11%	8.42%	n/a	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%			32.70%		n/a	90%	90%
SK115	Number of Staff satisfaction survey's done using the Opinionmeter	Ellen Breur	C	H	N/A	N/A	1					n/a	2	2
SK116	% Performance & Development Reviews completed	Chris Sharp	C		N/A	N/A	100%	n/a	9%	10%	11%	n/a	100%	100%

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.

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
Budget Monitoring		N/a	28.09.06 (review quarterly)
Budgetting		N/a	28.09.06
Review of scale of charges		N/a	28.09.06
Revised performance management framework		N/a	28.09.06
Long term approach to entrenching efficiency in the organisation		N/a	28.09.06
Value for money		N/a	28.09.06
Asset Management Plan	14.07.06	August 2006	28.09.06 (considered on 13.07.06)
Financial Strategies including capital strategy, treasury management strategy, fees and charges strategy	14.07.06	Not before October 2006	28.09.06 23.11.06
Travel concessions update		N/a	28.09.06
Medium Term Financial Strategy		07.09.06	28.09.06
Response to Finance Working Group		N/a	28.09.06
Corporate Plan	16.06.06	09.10.06	28.09.06

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

Staff statistics – disaggregation of salaries budget	N/a	28.09.06	
Proposals for Grantham Town Centre – financial aspects	N/a	28.09.06	
Delegation of procurement functions to the Welland Procurement Board	14.07.06	07.09.06	28.09.06
Wake House Bourne – disposal of premises	14.07.06	Not before November 2006	28.09.06 Referred to Community DSP
Supported Housing Resources and Budgets		N/a	23.11.06
Gateway Reviews 2006/7 – progress		N/a	23.11.06
Use of Resources Action Plan		N/a	23.11.06
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
Grantham Masterplan	16.08.06	Not before September 2006	Special meeting on 24.08.06 Referred to Economic/Healthy Environment DSPs
Pensions Policy	16.08.06	Not before October 2006	28.09.06
Local Area Agreement – approval	16.08.06	Not before November 2006	28.09.06
Corporate Governance/internal control			23.11.06