



# MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 18 JANUARY 2007 9.30 AM

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## PANEL MEMBERS PRESENT

Councillor Robert Conboy  
Councillor Nick Craft  
Councillor Mike Exton  
Councillor Ken Joynson

Councillor Vic Kerr  
Councillor John Kirkman (Chairman)  
Councillor Andrew Moore  
Councillor Frank Turner

## OFFICERS

Chief Executive (notes 110-112)  
Corporate Head, Finance and Resources  
(notes 114-115)  
Corporate Head, Partnerships and  
Organisational Development (note 114)  
Service Manager, Finance and Risk  
Management  
Risk Management Team Leader (notes 103-  
109)  
Service Manager, Assets and Facilities  
(notes 115 and 127)  
Service Manager, Revenues and Benefits –  
Interim (notes 116 and 126)  
Service Manager, Economic Development  
and Town Centre Management (note 117)  
Economic Development Team Leader (note  
117)  
Service Manager, Human Resources and  
Organisational Development (notes 118-122)  
Service Manager, Legal Services (note 125)  
Scrutiny Officer  
Scrutiny Support Officer

## OTHER MEMBERS PRESENT

Councillor Terl Bryant (Assets & Resources  
Portfolio Holder)  
Councillor Frances Cartwright  
(Organisational Development and Housing  
Services Portfolio Holder) (notes 103-116)

Thembi Pato – PriceWaterhouseCoopers

1 member of the local press

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## 103. MEMBERSHIP

The Panel were notified that Councillor Turner would be substituting for Councillor Brailsford, Councillor Craft would be substituting for Councillor Lovelock and Councillor Exton would be substituting for Councillor G. Taylor for this meeting only.

## 104. APOLOGIES

An apology for absence was received from Councillor Mrs. Dexter.

## **105. DECLARATIONS OF INTEREST**

Councillor Craft declared a personal interest in agenda item 17 on account of his membership on the Grantham Future Project Board.

## **106. ACTION NOTES**

The notes from Wednesday 15<sup>th</sup> November 2006 and Thursday 23<sup>rd</sup> November 2006 were noted.

## **107. FEEDBACK FROM THE EXECUTIVE**

The Resources and Assets Portfolio Holder reported that work surrounding Gateway Reviews was nearing completion. Anglian Water attended the Bourne Area Local Forum on Wednesday 17<sup>th</sup> January 2007 and reported on their strategic overview; it was recommended that this be picked up by the Economic DSP. The County Council, District Council and Police Authority consulted on their proposed budgets during the Bourne Local Forum.

## **108. INTERNAL AUDIT**

Thembi Pato from PricewaterhouseCoopers was welcomed to the meeting. She presented the Operational Plan Update 2006/07 providing project updates.

The second paper provided a summary of the findings of completed reviews. Members of the Panel discussed recommendations made by PricewaterhouseCoopers.

### **Business Continuity Planning**

Key individuals from departments who would come together if business continuity arrangements were executed would receive in-house training on the controlled release of information to the media.

### **IT Systems**

The level of risk to IT systems was clarified and summaries of the purpose of operating systems provided. The recommendations had not been implemented because of the changeover in service manager.

The recommendation made on the need for a test database for the Team Spirit Payroll system was rejected because managers deemed the risk acceptable. Members of the DSP suggested that a risk assessment should be undertaken on the recommendations made by internal audit that were not actioned.

## **CONCLUSION**

- 1. The Service Manager, Business Transformation and Information Management should be asked to attend the meeting of the Resources DSP to be held on 8<sup>th</sup> February 2007 to provide an update on PricewaterhouseCoopers recommendations.**
- 2. A risk assessment should be undertaken on recommendations made by internal audit that were not actioned by the District Council.**

### **Early Retirement**

The key findings needed to be amended to read: "The results of this work have been reported back to officers".

No single officer in the Council provided project support for resourcing, training and guidance. The Council's guidelines incorporated best practice but streamlining would make them easier to use.

## **109. RISK MANAGEMENT**

The District Council's New Risk Management Team Leader was welcomed to the meeting. She summarised her report, which covered projects she had undertaken. The Risk Management Strategy was being updated; approval of the revised document should be via the Resources and Assets Portfolio Holder and the Resources DSP. Software systems were being reviewed.

Work was being done to minimise public liability claims. The Council's insurers were looking for patterns in public liability claims. Claims associated with motor vehicles had increased since 2003 when waste collection was brought back in-house. Identifying patterns could help reduce or prevent similar public liability claims in the future. The Healthy Environment DSP should look at claims made against waste collection vehicles.

Discussion ensued on internal insurance and the insurance reserve. The reserve was used to cover claims that fell below the external insurers excess. The service against which the claim was made, would be re-charged for the amount taken from the insurance reserve. Claims were paid from the pooled reserve because it was sometimes difficult to identify the service responsible for a particular claim.

### **CONCLUSIONS:**

- 1. *The Resources DSP requested a breakdown of insurance claims and costs for their meeting on 8<sup>th</sup> February 2007;***
- 2. *The Resources DSP requested information on patterns of insurance claims.***
- 3. *The Healthy Environment DSP should look at any patterns of claims made involving waste collection vehicles.***
- 4. *The Section 151 Officer should be asked to prepare a report on the internal insurance reserve and associated figures for the meeting on 15<sup>th</sup> March 2007***
- 5. *That the amended Risk Management Strategy and Risk Action Plan be considered at the next meeting of the DSP on 8<sup>th</sup> February 2007.***

## **110. DIAL-A-RIDE**

At the meeting of the Resources DSP on 23<sup>rd</sup> November 2006 recommendations were made on dial-a-ride. The Chief Executive had written to Translinc, who confirmed that the data was accurate. Figures seemed anomalous because return journeys were counted as a single journey. Other recommendations made by the DSP were pending a response from Translinc.

If the Council wished to withdraw from the dial-a-ride scheme, 6 months notice was needed. The earliest point at which the Council could withdraw would be from April 2008.

The Chief Executive reported that rural transport was a priority of the Local Strategic

Partnership (LSP). The LSP were investigating integrated ways of providing a rural transport service using a combination of dial-a-ride and a community car service.

Members of the Panel supported the need for an option appraisal on alternatives for dial-a-ride. To prevent the replication of work, Councillor Joynson was appointed to aid work on alternatives to dial-a-ride.

### **CONCLUSIONS:**

1. *Councillor Joynson should be appointed to work with the Corporate Head of Partnerships and Organisational Development on alternatives to Dial-a-Ride.*
2. *Dial-a-Ride should remain on the agenda for the Resources DSP.*

### **111. SCRUTINY OF SALARY LEVELS**

The Chief Executive stated that the main constraint beyond expense, of setting salaries at market levels was equal pay requirements. Location, lifestyle and the vision of the council added to the appeal of jobs. Flexible/annual hours and the pool car system were also valued. Councils who paid higher salaries also faced recruitment problems because of a shortage of specialists. If necessary, the Chief Executive stated that he would consider payments at market rates for short periods.

Panel members were concerned that people were recruited and trained by SKDC but then moved to a council who paid the market rate. This meant that SKDC were incurring training costs from which they would not gain benefit. It was suggested that training and good morale within the council would increase loyalty.

### **112. REDUCTION OF RISK USING OUTSIDE PROVIDERS OF FINANCIAL SERVICES**

The council were actively pursuing the potential for shared services across Lincolnshire. No business cases had been prepared but any potential arrangements would be subject to a robust analysis of advantages and disadvantages for the District. Some service areas would not be suitable for shared services initiatives because the amount of field work required would mean an escalation of travel expenses. It could be difficult to join up other services because of the incompatibility of systems across different authorities.

The Council could look to share Financial Services or Legal Services but any shared services could impact on the discharge of their affairs.

### **113. ANNUAL EFFICIENCY STATEMENT 2006/07 - PROGRESS TO DATE**

The Service Manager, Finance and Risk Management updated the Panel on the progress the Council had made towards achieving the required Gershon savings. Savings from Corporate Sickness Reduction had decreased as the sickness rate increased. The reduction was expected to continue during the winter months when employee sickness was highest. It was hoped that ongoing work with allpay would generate savings and that there would be an increase in non-cashable savings from the Customer Service Centre. The introduction of the Cedar System had also delivered savings and made budget management more efficient.

The Panel discussed the consequences of not meeting savings targets. The target could roll-over into the next financial year. It had not been made clear whether any form of sanction would be faced. During the Budget preparation process, some service

managers had not identified savings; Financial Services staff did not have the capacity to provide support and some service managers did not have enough knowledge on Gershon savings. This matter was now being addressed.

Discussion ensued on the effect of continued savings targets; after a point, it would not be possible to identify further efficiency savings. Savings for 2008/09 to 2010/11 would be more challenging because 3% cashable savings were required year on year.

### **CONCLUSION**

***The Resources DSP should receive a report addressing Gershon savings achieved through the Cedar System, and their reinvestment at their meeting on 15<sup>th</sup> March 2007.***

#### **114. FINANCIAL SPEND ON MANAGEMENT RESTRUCTURE**

Details of costings before and after the re-structure were circulated. Some of the financial provisions made available for the restructure would be available for reinvestment. The total amount of this would not be known as there were still some issues that needed to be resolved. Based on a zero budget, year on year savings could not be identified because they would be absorbed by other areas.

Members of the Panel scrutinised the breakdown of figures for ongoing and one-off costs. No calculations had been made on payback of the overall structure. "Savings" could only be identified based on performance statistics and the public perception of the service. Costs from the restructure should be reported to Council in an accessible format.

### **CONCLUSIONS:**

- 1. A paper should be prepared for a future meeting of the Resources DSP on the use of reserves to support the budget.***
- 2. A report should be prepared for the Resources DSP for their meeting on 15<sup>th</sup> March 2007 providing details on the payback of the investment on restructure.***

#### **115. REVIEW OF CAR PARKING POLICY IN GRANTHAM AND STAMFORD INCLUDING BENCHMARKING**

The Panel scrutinised a report on car parking policy in Grantham and Stamford for noting. The next review of charges was scheduled for 2007/08 with new charges coming into effect in 2008/09. A review could be needed before then because of the opening of Welham Street multi-storey car park, Grantham, scheduled for August 2007. The most appropriate use of the car park would need to be determined. Local businesses had expressed interest in taking some spaces. If a different charging structure was going to be introduced, appropriate machines could be procured from the outset. Radical changes could mean changing the charging structures across the District. Decisions would need to be made early to ensure that the relevant parking orders were in place. Payment could be via credit card or a "Smartcard" with credit loaded on. The Capital Asset Management Group were looking at car parking.

Wharf Road car park, Stamford would be closed for decontamination from April 2007. During decontamination 100 parking spaces had been sited on the Cattlemarket site. This left a deficit of 107 parking spaces in Stamford. It was suggested that the interim spaces at the Cattlemarket should be made permanent to provide low-cost parking for

local business people.

A study on decriminalisation of parking was being carried out. Further information on decriminalisation was expected. If decriminalisation was to go ahead and the District Council would operate the function on behalf of the County Council and an additional 10 parking attendants could be required. These should be self-funded.

Following initial feedback on asset management, the DSP might need to look at setting rates of return. If a car park was underperforming, the charges could be reviewed as an interim measure rather than as part of the biennial review. Any charging policy would need to align with the Asset Management Strategy. No reference had been made in the report to the possibility of charging for parking in Bourne and the Deepings.

#### **CONCLUSIONS:**

- 1. *The Capital Asset Management Group should look at car parking charges for Welham Street as a matter of urgency.***
- 2. *A joint working group of the Resources DSP and the Economic DSP should be set up to review the structure of car parking charges and report back their findings before September.***
- 3. *Councillor Moore and Councillor Conboy should be appointed as the representatives of the Resources DSP on the joint DSP working group.***

#### **116. REVENUES AND BENEFITS - PENDING LEGISLATION**

The Interim Service Manager for Revenues and Benefits summarised her report. The Lyons Review and the Welfare Reform Bill could lead to legislation that would impact on the service. She advised members on the possibility of e-enabling claims and the reporting of changes in circumstance and processes. This would be considered as part of a Business Process Re-engineering project in 2007/08.

Performance targets were altered so that the emphasis was on results not activity. To allow for implementation, targets for 2006/07 were reduced. Costs expected were negligible; the biggest cost was staff time.

#### **CONCLUSION:**

***A further report should be presented to the Resources DSP when further information is available.***

*12:30-13:00 – The meeting adjourned.*

#### **117. POTENTIAL FINANCIAL ISSUES ARISING FROM THE GRANTHAM MASTERPLAN**

The Panel had before them report EDTC004 on the financial implications of the draft Grantham Masterplan, which was presented by the Service Manager, Economic Development and Town Centre Management and the Economic Development Team Leader. The report included basic financial details for three major ("key") projects. The projects were the Station Gateway, Grantham Wharf Place and Greyfriars. A bid had been submitted to EMDA for support for the Station Gateway project.

Members of the DSP discussed project delivery but were concerned that key projects

had been designated before public consultation. Members debated whether the Station Gateway project would be viable based on conditions of the market. While the District Council could not be the main funder, Panel Members agreed that it should be the principal facilitator.

Before the draft Masterplan was submitted to the Cabinet for consideration, the Panel stated it should undergo pre-decision scrutiny by a joint DSP, comprising members of the Resources, Economic and Healthy Environment DSPs. Basic financial information should be provided for all projects. The joint DSP should receive a written copy of comments made by Strategic Management Team following their debate of the draft Masterplan.

A prospectus detailing key points about each project would be produced for public consultation.

#### **CONCLUSION:**

1. *Before consideration by Cabinet, the draft Masterplan should be scrutinised at a joint meeting of the Resources, Economic and Healthy Environment DSPs.*
2. *Copies of the draft Masterplan should be sent, on CD, to all Councillors on the Resources, Economic and Healthy Environment DSPs and all Grantham councillors.*

### **118. BEST VALUE PERFORMANCE INDICATORS**

Noted.

#### **BVPI10**

The indicator was red because large developments were added to the database. In December the figure moved back to amber because those companies had gone to direct debit.

#### **SK117**

The figure for December was 71% because the travel voucher budget was significantly reduced. If the Council was forced to spend money on Dial-a-Ride, the Service Manager would need to vire funding from another area of their budget.

#### **SK119**

The December figure for Gershon savings had dropped from 80% to 78% because of a downturn on non-cashable savings.

#### **SK112**

Should have been marked as N/A because the Member training programme was cancelled before Christmas.

#### **SK116**

When Service Managers were appointed in October, pressure was put on them to complete PDRs. Completed PDRs could not be logged because paperwork had not been received by human resources.

#### **CONCLUSION:**

*The Resources DSP should receive a report showing where service cuts had been made to fund Dial-a-Ride.*

## **119. WORK PROGRAMME**

The Treasury Management Strategy had changed from “not before January” to “not before March”. The approval of the Local Area Agreement had changed from “not before January” to “not before March”. The People Strategy had changed from “not before March” to “not before April”. The Strategy on use of Resources including Climate Change Strategy and Value for Money Strategy scheduled “not before February” had been reclassified: Strategy on Use of Resources including Value for Money Strategy and Carbon Plan and scheduled “not before March”.

## **120. REPRESENTATIVES ON OUTSIDE BODIES**

Councillor Kerr had attended a meeting of Age Concern Kesteven and reported back to members of the DSP.

## **121. FINANCIAL REPORTS**

Noted.

### **EXCLUSION OF THE PUBLIC**

#### **DECISION:**

That in accordance with section 100(A) of the Local Government Act 1972 (as amended), the public be excluded from the meeting during consideration of the remaining items of business because of the likelihood that otherwise exempt information, as described in paragraphs 1-4 of schedule 12A of the act, would be disclosed to the public.

## **122. FINANCIAL IMPACT OF EQUAL PAY LEGISLATION**

The Service Manager for Human Resources and Diversity updated the Panel on the impact of equal pay legislation on SKDC. Members were given the opportunity to ask questions.

## **123. GATEWAY REVIEW 3: FINANCIAL SERVICES**

<b>Number</b>	<b>Check point</b>	<b>Comments</b>
1	Have all the comments from Gateway 2 been taken into account and any outstanding issues resolved?	Yes. Response to benchmarking exercise was 18 responses from 40 questionnaires.
2	Has all budgetary information been completed?	Yes
3	Have all Performance Development Reviews been undertaken with staff and any cost implications arising from these been incorporated into the service plan?	Yes
4	Does the service plan identify Value for Money (balanced scorecard) and Benchmarking	Yes

	information?	
5	Does the budget reflect the identified Gershon efficiency savings?	Yes
6	Has the service plan been amended to take into consideration the proposed changes to the 2007/08 budget within the relevant service area?	N/A
7	Have fees and charges been reviewed in line with Council policy or statutory requirements?  Have any proposed increases been agreed with the Portfolio Holder and relevant DSP?  Have any proposed increases been reflected in the income budget figures for 2007/08?	N/A
8	Have areas for potential savings been identified and incorporated into the service plan?	Yes
9	Have major procurement proposals been identified and included?	Yes
10	Have support services been challenged with service areas in order to evidence value for money	Support service costs were being completed. Provision had been made for service charges within budgets, so budget figures would not be affected.

#### 124. GATEWAY REVIEW 3: PERFORMANCE MANAGEMENT AND ENGAGEMENT

Number	Check point	Comments
1	Have all the comments from Gateway 2 been taken into account and any outstanding issues resolved?	Yes
2	Has all budgetary information been completed?	Yes. The consultation officer post was removed as a growth item. The post was made up of percentage parts of other posts that were transferred to another service (Business Transformation and Information Management). That section would have to release capacity to fill the post.

3	Have all Performance Development Reviews been undertaken with staff and any cost implications arising from these been incorporated into the service plan?	Cost implications were identified. There would be no growth.
4	Does the service plan identify Value for Money (balanced scorecard) and Benchmarking information?	Yes
5	Does the budget reflect the identified Gershon efficiency savings?	Yes
6	Has the service plan been amended to take into consideration the proposed changes to the 2007/08 budget within the relevant service area?	Yes
7	Have fees and charges been reviewed in line with Council policy or statutory requirements?  Have any proposed increases been agreed with the Portfolio Holder and relevant DSP?  Have any proposed increases been reflected in the income budget figures for 2007/08?	N/A
8	Have areas for potential savings been identified and incorporated into the service plan?	Yes
9	Have major procurement proposals been identified and included?	Yes. This included new performance management software
10	Have support services been challenged with service areas in order to evidence value for money	Costings were being prepared for circulation to service managers

## 125. GATEWAY REVIEW 3: LEGAL SERVICES

Number	Check point	Comments
1	Have all the comments from Gateway 2 been taken into account and any outstanding issues resolved?	Yes. Results of the customer satisfaction survey had been received and risk element amended.
2	Has all budgetary information been completed?	Yes
3	Have all Performance Development Reviews been undertaken with staff and any cost	One outstanding but

	implications arising from these been incorporated into the service plan?	no cost implications.
4	Does the service plan identify Value for Money (balanced scorecard) and Benchmarking information?	Yes
5	Does the budget reflect the identified Gershon efficiency savings?	Yes
6	Has the service plan been amended to take into consideration the proposed changes to the 2007/08 budget within the relevant service area?	Yes
7	Have fees and charges been reviewed in line with Council policy or statutory requirements?  Have any proposed increases been agreed with the Portfolio Holder and relevant DSP?  Have any proposed increases been reflected in the income budget figures for 2007/08?	Fees and charges minimal.
8	Have areas for potential savings been identified and incorporated into the service plan?	No. There were difficulties because staff was the main resource. Shared Legal Services with other Councils across Lincolnshire were being looked into.
9	Have major procurement proposals been identified and included?	None.
10	Have support services been challenged with service areas in order to evidence value for money	No need to challenge

- The DSP were concerned that the response rate for internal questionnaires was low. They wanted the Chief Executive to be made aware of the issue and suggested that some mechanism should be put in place to ensure a better response rate.
- A centralised budget for legal spends from across the Council had been removed. The Service Manager, Legal, suggested that there should be a centralised fund, from which legal costs were paid to rationalise how much was spent externally. Members of the DSP supported the idea and suggested that during the course of the year after the Service Manager had done preparation work, identifying the provision made by individual departments for external legal services, money could be vired into a single pot from those places.
- Costs incurred from legal actions could not be predicted and covered by the working budget.

## 126. GATEWAY REVIEW 3: REVENUES AND BENEFITS

Number	Check point	Comments
1	Have all the comments from Gateway 2 been taken into account and any outstanding issues resolved?	Yes
2	Has all budgetary information been completed?	Yes
3	Have all Performance Development Reviews been undertaken with staff and any cost implications arising from these been incorporated into the service plan?	No, not all done. Provision had been included in the budget for training in revenues and benefits
4	Does the service plan identify Value for Money (balanced scorecard) and Benchmarking information?	Yes
5	Does the budget reflect the identified Gershon efficiency savings?	Yes
6	Has the service plan been amended to take into consideration the proposed changes to the 2007/08 budget within the relevant service area?	Yes
7	Have fees and charges been reviewed in line with Council policy or statutory requirements?  Have any proposed increases been agreed with the Portfolio Holder and relevant DSP?  Have any proposed increases been reflected in the income budget figures for 2007/08?	Charges were not subject for review under the Council policy.
8	Have areas for potential savings been identified and incorporated into the service plan?	Yes
9	Have major procurement proposals been identified and included?	N/A
10	Have support services been challenged with service areas in order to evidence value for money	Costings were being prepared for circulation to service managers

- Funding for a post to cover long-term absence and maternity leave was removed. There was no capacity within the budget to support additional posts.

## 127. GATEWAY REVIEW 3: ASSETS AND FACILITIES

Number	Check point	Comments
1	Have all the comments from Gateway 2 been taken into account and any outstanding issues resolved?	Yes
2	Has all budgetary information been completed?	Yes
3	Have all Performance Development Reviews been undertaken with staff and any cost implications arising from these been incorporated into the service plan?	Yes
4	Does the service plan identify Value for Money (balanced scorecard) and Benchmarking information?	Yes
5	Does the budget reflect the identified Gershon efficiency savings?	Yes
6	Has the service plan been amended to take into consideration the proposed changes to the 2007/08 budget within the relevant service area?	Yes
7	Have fees and charges been reviewed in line with Council policy or statutory requirements?  Have any proposed increases been agreed with the Portfolio Holder and relevant DSP?  Have any proposed increases been reflected in the income budget figures for 2007/08?	The budget incorporated some charges. These needed to be brought to the Resources and Assets Portfolio Holder and Cabinet. The Resources DSP had recommended at a previous meeting that a fundamental review of all charges be carried out.
8	Have areas for potential savings been identified and incorporated into the service plan?	Yes
9	Have major procurement proposals been identified and included?	Yes
10	Have support services been challenged with service areas in order to evidence value for money	Costings were being prepared for circulation to service managers

## **128. GATEWAY 3 - REVIEW OF PROCESS**

The DSP received a brief summary of outstanding issues from the other DSPs' Gateway Reviews. Outstanding issues for Engagement, Economic and Healthy Environment DSPs had been resolved. Three Gateway Reviews remained outstanding from the Community DSP: Tenancy Services, Building Control and Partnerships and Community Development. A meeting of the Community DSP had been scheduled for 2<sup>nd</sup> February 2007 to scrutinise outstanding items.

The DSP provisionally signed-off Tenancy Services, as funding for this service came from the Housing Revenue Account and would not impact on budget setting.

Figures for Building Control Services had been fully prepared but not scrutinised. The bottom line figure showed 10% growth, with some one-off items which would be funded from their working reserve.

Parts of the Partnerships and Community Development Service Plan and budgetary information were outstanding. The Resources DSP signed off the bottom line total, which included growth of £4000.

### **CONCLUSION:**

*The Resources DSP signs-off the service plans and budgetary information for all services*

- *Subject to recommendations made by the Community DSP regarding Tenancy Services; and*
- *Except Partnerships and Community Development where the bottom-line total for 2007/08 is signed-off.*

*The Chairman thanked the Financial Services team for all they work they had done and support they had given to other services during budget preparation.*

## **129. CLOSE OF MEETING**

The meeting was closed at 15:13.