



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 8 FEBRUARY 2007 9.30 AM

PANEL MEMBERS PRESENT

Councillor David Brailsford
Councillor Nick Craft
Councillor Vic Kerr

Councillor John Kirkman (Chairman)
Councillor Andrew Moore

OFFICERS

Scrutiny Officer (notes 139-144)
Corporate Head, Finance and Resources
Service Manager, Finance and Risk
Management
Service Manager, Business Transformation
and Information Management (note 138)
Service Manager, Assets and Facilities (note
140)
Risk Management Team Leader (note 139)
Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor Teri Bryant (Portfolio: Resources
and Assets)
Councillor Mrs. Frances Cartwright (Portfolio:
Organisational Development and Housing
Services)

130. MEMBERSHIP

The Panel were notified that Councillor Craft would be substituting for Councillor G. Taylor for this meeting only.

131. APOLOGIES

Apologies for absence were received from Councillors Conboy, Joynson and Lovelock.

132. DECLARATIONS OF INTEREST

None declared.

133. ACTION NOTES

Noted.

134. FEEDBACK FROM THE EXECUTIVE

- The Resources and Assets Portfolio Holder had been appointed as the lead member on partnership working.
- Gershon targets which were not met would be rolled over to the

next financial year. Achievement of targets was likely to be auditable.

- Work with the LSP on dial-a-ride had begun. A review of its effectiveness, efficiency and delivery of service would be carried out.
- A joint meeting of the Economic, Healthy Environment and Resources DSP was required to discuss the draft Grantham Masterplan. CDs containing the Masterplan had been circulated. Rough costings were required for each project.

ACTION POINT:

A joint meeting between the Economic, Healthy Environment and Resources DSPs should be called during the last two weeks in March.

PM to liaise

RECOMMENDATION:

The Chief Executive should ensure that the Section 151 Officer is provided with rough costings for all projects detailed in the draft Grantham Masterplan prior to this meeting.

JT to forward rec
to DK

135. UPDATES FROM PREVIOUS MEETING

It was hoped that a new format for DSP action notes would ensure all recommendations were actioned. Future action notes would identify the officer responsible for completing a task.

The Chairman accepted the following item as urgent business to allow pre-decision scrutiny of the proposed budget for 2007/8 before the Cabinet decision on 12th January 2007.

136. BUDGET 2007/8

The Panel scrutinised report CHFR29, which contained proposals for the 2007/8 budget.

- Budget management would be devolved to Service Managers. Virements would be controlled on a corporate level by Financial Services and adhere to financial regulations.
- A report would be submitted to Cabinet on 5th March 2007 on settling the pension capital costs in advance of the triennial review due in April 2007. Costs could be settled on a year-by-year basis or split over three years. The council would be charged interest if payment was split over three years.

ACTION POINT:

The Resources DSP will scrutinise the report on settling the pension capital costs at their meeting on 15th March 2007.

JT to include on
agenda

- A new nationally negotiated pension scheme would be introduced from 2008. There would be limited local flexibilities.

ACTION POINT:

At the first meeting of the newly appointed Resources DSP following the 2007 District Council elections, a presentation should be given on the new local government pension scheme.

SM to liaise with David Vickers and David Forbes

- A 2% salary efficiency was required. Service managers would be presented with the reduced figure. Efficiencies would be monitored on a corporate level because of variation in staff turnover between sections.

ACTION POINT:

A numerical breakdown of staff efficiencies should be supplied for consideration at the Cabinet meeting on 12th March 2007.

SM to supply

- Managers would be encouraged to project when spending would take place. Profiled budgets would facilitate reviewing capital programme delivery.
- Salary inflation for 2007/8 had been estimated at 2.5%, in line with guidance. Additional posts and increases in grade had been incorporated in service planning.
- A one-off bid for funding had been made for "Communications Priorities". This was for Gateway signs to the district and media training.

CONCLUSION:

Panel members expressed their concern to Cabinet on the bid for one-off budget provision for "Communications Priorities", and that this bid should be removed.

JT to complete rec form

- A report was to be prepared on Special Expense Areas to assess whether the net expenditure was fully recovered.

ACTION POINT:

At the first meeting of the newly appointed Resources DSP following the 2007 District Council elections, the report on Special Expense Areas should undergo pre-decision scrutiny.

SM to supply report. JT to include on agenda

- The Community DSP had requested information on the Building Control Reserve. Scrutiny of this could be referred to the Resources DSP.
- There were concerns that any Local Area Agreement could require the aligning of funds between all councils in Lincolnshire. The District Council would need to look into rationalising funding streams.
- Grant funding of £10,000 for 2006/7 and £52,000 for 2007/8 had been received for the implementation of smoke-free legislation.
- Local Forums had been consulted on proposed increases in council tax. Of the five that had taken place, three were in favour of an increase of 4.9%, one was in favour of an increase of 2.5% and the final one was closely balanced.
- No formal guidance on capping had been received. Informal guidance stated that there was no power for the government to

cap district councils on the basis of parish council's precepts.

CONCLUSION:

Members of the Resources DSP acknowledged that the district council was working within current legislation but were not reassured by the legislative position. JT to complete rec form

- Rent increases were in-line with the RPI. The maximum rent increase would be 4.1% plus £2.00 in individual cases.
- Resources DSP had already requested that a fundamental review of all fees and charges should be carried out and reviewed then annually.

ACTION POINT:

Reports required under recommendations f, h and i should be submitted to the Resources DSP for scrutiny. SM to forward

CONCLUSIONS:

1. ***The Resources DSP fully endorsed the contents of report CHFR29 on the Budget 2007/8 to the Cabinet with the caveat that, under recommendation f (ii), funding for communications priorities should be removed.***
2. ***The Portfolio Holder should present the budget within the normal standing orders of the Council (Part 4 section 14.4 of the District Council's constitution) and the Section 151 Officer should present the detailed budget.*** JT to complete rec form

137. USE OF LEISURE CENTRES BY SCHOOLS

A briefing note was circulated at the meeting.

- The District Council had Chance to Share Agreements in respect of the leisure centres in Bourne and the Deepings. The agreements provided a basis for the allocation of costs between users of the facilities.

Deepings Leisure Centre

- The County Council were recharged on a quarterly basis. The charge was agreed historically and index linked.
- For 2006/7 the County Council were recharged £146,500; historically recharges had not exceeded £150,000. Increasing utility costs could mean that recharges would increase at a rate greater than inflation.
- The County Council wanted to "cap" their contribution to approximately £130,000.
- The Deepings School are recharged for their use of the leisure centre. They were not seeking to change the arrangement.

Bourne

- A Chance to Share Agreement was established with the County Council in 1991. This arrangement passed to Bourne Robert Manning Technology College when the Lincolnshire County Council Budget was delegated to schools.

ACTION POINT:

Officers should continue to work with the County Council and provide an update for the new Resources DSP in June 2007.

RW & PS to liaise and update. JT to include on agenda

138. IMPLEMENTATION OF RECOMMENDATIONS MADE DURING INTERNAL AUDIT

At their meeting on 18th January 2007, the Resources DSP expressed concerns that not all recommendations made by internal audit had been implemented.

- Internal Audit had recommended that testing of the TeamSpirit Payroll system should be done in isolation of the production system in a dedicated test environment to reduce risk to system integrity and availability issues.
- The Service Manager, Business Transformation and Information Management explained why the recommendation was not accepted. He was satisfied that there were sufficient safeguards to protect the live system.

Members accepted the officer's explanation.

139. RISK MANAGEMENT STRATEGY AND RISK ACTION PLAN

- The District Council's Risk Management Strategy was first approved in September 2004.
- Changes had been made to the original document:
 - The definition of risk had been expanded.
 - A diagram demonstrating the risk environment had been added, which showed that risk did not exist in isolation.
 - The methodology for assessing and categorising risk had been simplified. The new matrix aligned with other local authorities across Lincolnshire.
 - It was proposed that a risk management group should be set up.
 - Regular risk management reports were proposed. An annual risk management report would be produced. This would assess how effectively processes had been embedded.
- The Risk Management Strategy covered every member of staff and elected member. A training programme for staff and members was being developed.
- Risks identified in service plans would be collated and monitored.
- An equalities impact assessment was required for the Risk Management Strategy.

ACTION POINT:

Risk Management reports should become a standing item on the agenda for the Resources DSP.

JT to include as a standing item

RECOMMENDATION:

1. ***The Resources DSP recommended that a local performance indicator should be developed to show the number of items at each level of risk: red, amber and green.***
2. ***The Resources DSP recommended to the Assets and Resources Portfolio Holder, the adoption of the amended Risk Management Strategy.***

JT to complete rec form

140. REVIEW OF DELIVERY OF THE CAPITAL PROGRAMME

- The focus of report CHFR32 was the delivery of the capital programme for 2006/7.
- Following a decision by Cabinet on 5th February 2007, the grant for Aire Road had been removed. Work was being done on a new scheme.
- Grants for the Stamford Gateway project and the Northfields site in Market Deeping had rolled over to 2007/8.
- £1.7 million was due to be spent on Welham Street car park by the end of March, 2007. Large invoices for steel and concrete were expected before then.
- The next meeting of the Capital Asset Management Group on March 9th 2007 would review proposals for charging machinery. Machinery would need to be procured by the beginning of April.

ACTION POINT:

1. ***The joint Resources DSP and Economic DSP car parking working group should meet as soon as possible after the Capital Asset Management Group to discuss proposals for charging machinery.***
2. ***The findings of the working group should be circulated to all members of the Resources DSP.***

Cllrs RC and AM to liaise with PM and PS

- Assets and facilities showed a significant underspend. Costs of security works and asbestos removal works were not show because they had not been coded. There would be approximately £250,000 that would not be spent. This had been allocated as grant funding to Grantham hospital but had not been needed.

141. GATEWAY REVIEW FEEDBACK SESSION

- Members of the DSP considered how successful the Gateway Review process had been.
- Arrangements had worked well within the Resources DSP and other DSPs were generally pleased.
- Gateways 1 and 2 were considered very useful because more members of the Council could be involved in developing the

budget by concentrating on service plans and/or financial information.

- The format of Gateway 3 was questioned. It was suggested that this should be signing-off work following Gateways 1 and 2 and should be done by the Resources DSP.
- Some of the first gateway reviews lacked focus; a check list was prepared for the second and third gateway reviews, which made members' roles more clear.
- Category M services should be provided with a baseline total which they must not exceed to save officer and member time removing growth bids.
- A report on the Gateway reviews was to be produced by the Corporate Head, Finance and Resources and the relevant strategic director.
- Service managers needed to work more closely with Portfolio Holders.
- The Scrutiny Officer was consulting with other Lincolnshire authorities on their scrutiny of the budget process. The findings would be presented to the Scrutiny Co-ordinating Group

CONCLUSIONS

The Resources DSP recommends that:

1. ***The Cabinet should provide Service Managers with an indication of likely resources for budget preparation purposes;***
2. ***Gateways 1 and 2 should be completed in the same format as those during 2006/7;***
3. ***The third Gateway Review should consist of the Resources DSP and one member from each other DSPs, signing off the work that had been done.***

JT to complete
rec form

142. BEST VALUE PERFORMANCE INDICATORS

Noted.

143. WORK PROGRAMME

Noted.

ACTION POINTS:

- ***The financial impact of LSVT should be removed from the work programme.***
- ***The car parking charges working group should be added to the work programme.***

PM to amend
work programme

144. CLOSE OF MEETING

The meeting was closed at 12:37