



MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 15 MARCH 2007 9.30 AM

PANEL MEMBERS PRESENT

Councillor David Brailsford (note 157 on)
Councillor Robert Conboy
Councillor Nick Craft
Councillor Dorrien Dexter
Councillor Ken Joynson (notes 150-157 and 161-165)

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

OFFICERS

Strategic Director (Ian Yates) (note 161)
Corporate Head, Finance and Resources
Service Manager, Finance and Risk
Management (notes 145-154)
Service Manager, Human Resources and
Organisational Development (notes 157-159)
Team Leader, Risk Management (notes 145-151)
Scrutiny Officer
Scrutiny Support Officer
Democratic and Scrutiny Support Officer

OTHER MEMBERS PRESENT

Councillor Teri Bryant (Portfolio Holder:
Resources and Assets)

Natasha Scarisbrook –
PricewaterhouseCoopers (notes 145-151)

The Chairman welcomed the new Democratic and Scrutiny Support Officer to the meeting. He also congratulated the Corporate Head of Finance and Resources and her team for the improved Use of Resources scores that had been achieved.

145. MEMBERSHIP

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

146. DECLARATIONS OF INTEREST

None declared.

147. ACTION NOTES

Noted.

148. FEEDBACK FROM THE EXECUTIVE

- Three potential gain areas for delivery as shared services had been identified: building control, legal services and procurement. The Portfolio Holder for Resources and Assets had been appointed as the champion for joint working on procurement across Lincolnshire.
- The Cabinet had decided that the tendering for the contract for dry recyclables should be closed and restarted.

149. UPDATES FROM PREVIOUS MEETING

Note 134:

- The meeting on the Grantham Masterplan for the Economic, Healthy Environment and Resources DSPs proposed for March 2007 had been postponed until May but was still subject to change.

Note 136:

- A breakdown of staff efficiencies had been supplied to the Cabinet.
- The one-off sum identified for Communications funding remained in the budget. The caveat was added that any spending had to be in line with the action plan produced as part of the Communications Strategy.
- Work on special expense areas had been commissioned. It was hoped that the results of the work would be available for a meeting in June.

Note 137:

- Officers were working with the County Council on a chance to share agreement for Deepings Leisure Centre. A meeting had been scheduled for Tuesday 20th March.

Note 140:

- A meeting of the joint car parking working group comprising members of the Resources DSP and Economic DSP had been scheduled for Tuesday 20th March.

150. INTERNAL AUDIT

The Draft Operational Plan for South Kesteven prepared by PricewaterhouseCoopers had been circulated. The plan was based on the three-year plan approved by SKDC in 2005.

- The new plan had been determined through meetings with SKDC officers and PwC's knowledge of the authority. The plan was a flexible document.
- Some risks had been identified as high by PwC because they related to new activities.
- Activities identified as high risk during 2006/7 would be re-evaluated at year's end to see whether they should be re-

categorised.

151. RISK MANAGEMENT UPDATE

Members scrutinised the risk register as at 14th February 2007.

- Management board had added two risks to the register: corporate governance and Grantham as a growth area. The register did not take account of town centre development in Stamford, Bourne and the Deepings.
- Data quality was based on work undertaken by PwC to qualify the accuracy of information used for performance evaluation. Panel members agreed that while the quality of information was improving, further improvements were necessary.
- The risk register was reviewed monthly by the management board. At these meetings it would be decided whether actions taken against a risk had been sufficient to mitigate it enough to change its status.
- Gross risk equated to the impact of an action against its likelihood, residual risk equated to the level of risk after action had been taken to mitigate that risk. A key factor of risk management was independence.

CONCLUSION:

1. ***That risks pertaining to town centre development for Stamford, Bourne and the Deepings be included in the Risk Register.***
2. ***The risk "Data Quality" should be changed to "Information Quality".***
3. ***To recommend that the Audit Committee should receive Risk Register updates at every meeting.***

JT to complete
rec form. TB to
liaise with HE

152. INSURANCE CLAIMS

Report CHFR39 included a breakdown of the quantity of public liability and vehicular claims that were made against the council. The report quantified claims dealt with by the Council's insurance reserve and the Council's insurer, Zurich.

- Members questioned whether the increase in claims meant that the authority was less careful. Refuse crews had had to adjust to longer lorries following the installation of bin lifts.
- Claims made against waste management vehicles would be considered at the next meeting of the Healthy Environment DSP on 27th March 2007.
- The Council was taking steps to ensure that its attitude to insurance was more proactive.
- A correction to the number of claims dealt with by SKDC in 2004/5 was submitted: 16 claims were made, five had zero value and 11 required payment.

CONCLUSION:

The Healthy Environment DSP be requested look at the creation of PM to advise

an action plan to try and mitigate the number of claims.

HE DSP of rec

(10:24-10:30 – meeting adjourned)

153. REVIEW OF TREASURY MANAGEMENT STRATEGY

The Panel scrutinised the Treasury Management Strategy, which had been approved by full Council on 1st March 2007.

- The document was key because with the prudential framework money could be borrowed to fund capital schemes. The strategy was based on what the council expected to spend as part of the capital programme.
- Any borrowing to fund capital schemes could be over a 40 year period. Members suggested that if money was borrowed, the period for repayment should relate to the life of the asset.
- The draft Capital Strategy would be submitted to Cabinet in April, when it would be released for consultation. The Capital Strategy would set the framework for capital spending.
- The council should work within prudent borrowing limits that correlate to capital expenditure.
- Special Expense Areas would be considered at the first meeting of the DSP following the election on 3rd May 2007.

CONCLUSIONS:

- 1. A report on borrowing on capital finance and debt reduction should be submitted.***
- 2. A special meeting of the Resources DSP should be called on 5th April 2007 to scrutinise the draft Capital Strategy. The Chairmen and Vice-Chairmen of the other DSP should be invited to attend this meeting.***
- 3. At the special meeting on 5th April 2007, the Panel should consider creating a guide for the consideration of Special Expense Areas.***

SM to produce report

JT to arrange and invite

JT to include on agenda

154. ANNUAL EFFICIENCY STATEMENT

- The backward looking efficiency statement needed to be submitted by 12th July 2007. The forward looking statement needed to be submitted by 12th April 2007.
- Figures related to productive time based on sickness reduction were liable to change further before the end of the financial year.
- There was a shortfall for £63,113 non-cashable savings. It was hoped that these would be identified during the close-down of accounts.
- Year on year savings of 3% were due to begin in 2008/9. There was concern that while councils would be expected to achieve efficiency savings of 3%, there would be a 3% cut in their grant settlement. Councils were lobbying nationally through the Local Government Association.

CONCLUSION:

That the Resources and Assets Portfolio Holder and the Corporate Head of Finance and Resources should present SKDC's case against the proposed concurrent imposition of 3% efficiency savings and reduced grant funding, to the Local Government Association.

SM & TB to
write letter to
LGA

155. PENSION CAPITAL COSTS

- Report CHFR37 on pension capital costs was approved by Cabinet on 5th March 2007. Cabinet approved the principle of settling pension costs in the year they were accrued.
- Historically SKDC had not made capital contributions to pensions in the year they were accrued because the return was considered better away from the county scheme.
- The yield on the county pension fund had improved, which meant that if the District Council chose to settle costs in the year of accrual, there was the potential for a greater yield against investment and no subsequent costs.
- It was hoped that in future years capital expenditure could be used to mitigate revenue expenditure.
- South Kesteven's position regarding the Lincolnshire scheme was unique because other authorities either paid annually or spread payment over three or five years.

CONCLUSION:

The DSP support the decision of the Cabinet made on 5th March 2007 on settling pension capital costs.

156. PAYBACK OF THE INVESTMENT ON INFRASTRUCTURE

Work had begun on this but had not been completed. A report would be provided at a future meeting.

157. STAFF EMPLOYMENT STATISTICS

Staff employment statistics up to 28th February 2007 were circulated at the meeting. Details of the bank of casual employees were also included. These were noted.

Performance Indicator SK110

The indicator had turned from amber to red. The target was 545 however the number of FTE staff recorded was 570.

- A new starter was recorded on the system when their documents were received by HR.
- There had been an increase because of new starters within the Chief Executive's support team, finance and risk management and corporate heads.
- There had also been a batch of starter documents received from Street Scene Services. Staff were taken on by Street Scene Services on a casual basis. If they trialled satisfactorily they would be offered a permanent position when one became available. Paperwork submitted for these employees was sent

from Street Scene Services to HR in batches, which amplified figures.

- Figures were also amplified because some employees in Street Scene Services worked 42 hours a week. FTEs were calculated around a 37 hour week. The calculation of FTEs was used to determine other indicators.
- Casual employees were not counted amongst FTEs in line with guidance from the Audit Commission.
- A review of local performance indicators was planned. Members suggested that in reviewing the indicators, measures should be made more meaningful.
- The number of FTEs identified on page 115 of the budget book was 626. This number came from service plans.
- Finance for casual employees came from the total employee cost. Casual or agency workers would be shown within a service breakdown in the budget book. If a consultant was commissioned for a specific project, funding would come from the supplies and services budget head.
- It was not standard practice for employees to be paid overtime. If overtime was paid, it was at a flat rate. There had been exceptions but no precedent had been set.

12:25-13:00 *The meeting adjourned.*

158. PEOPLE STRATEGY

- Included in the draft People Strategy was the Council's vision and its aspiration to become a brilliant council. The draft strategy identified five priority aims for the council; it gave details of the aim, the council's current position and where it needed to be. Priority aims were based on I&DeA guidance.
- Members suggested small amendments to the text of the draft document.
- Flexible working arrangements were discussed. Concerns were raised that there were certain points during the week when members of staff could not be contacted. Core hours were suggested; general feeling was that ensuring sufficient staffing levels was a management responsibility.
- Member development was discussed. Training in Grantham was sometimes difficult for members from the south of the District to attend. Members suggested looking at other ways of training delivery including correspondence courses and interactive training.

CONCLUSION:

Members of the DSP supported the principle of the People Strategy, however, further clarification and detail in the action plans was required.

159. BEST VALUE PERFORMANCE INDICATORS

- SK116 was still red. Members of the DSP expressed their concern.

CONCLUSIONS:

1. *That a letter should be sent from the DSP to Corporate Heads and Strategic Directors. The Resources DSP expected all PDRs for 2006/7 to be completed by the end of April 2007. All PDRs for 2007/8 should be completed by the end of June 2007 except Financial Services and Revenues and Benefits, which should be completed by the end of July.* PM to prepare letter
2. *SK116 should remain open for 2006/7 until all PDRs have been completed.* SY & JS to leave indicator open until target met
3. *The Resources DSP should receive an update on the completion of 2006/7 PDRs at their meeting on 5th April 2007.* JS to provide update

160. REPRESENTATIVES ON OUTSIDE BODIES

The Panel received an activity update on the Upper Witham Internal Drainage Board and the Dame Thorold Trust.

161. LOCAL AREA AGREEMENT

The draft Local Area Agreement for Lincolnshire had been approved by the Council on 1st March 2007 with authority to approve small changes to the document delegated to the Leader of the Council.

- LAAs were a new and developing concept within Lincolnshire. The draft LAA focussed around partnership working. The draft document had been submitted to GOEM. Any changes requested by GOEM would be negotiated through the County Council.
- The LAA included four priority blocks: Safer and Stronger Communities, Children and Young People, Healthier Communities and Older People and Economic Development and Environment.
- Lobbying from South Kesteven had led to the inclusion of affordable housing.
- Panel questioned the composition of the Joint Scrutiny Panel and how it would be appointed.
- South Kesteven would not receive any specific benefit until the third year of agreement, when Earlesfield, Harrowby and St. Wulfram's Wards would be included in the priority cluster.
- Pooling funds was discussed. Future grant funding from government could be pooled.
- As South Kesteven was considered a more affluent part of Lincolnshire, there were concerns that pooled funding could be lost to areas that were less well-off.

- Different authorities had counted different things for alignment, an example was given: some authorities had included the entirety of waste management services while others had only included recycling.

CONCLUSION:

1. ***The Panel supported the principles and ideas of the Local Area Agreement but raised concerns about responsibility, accountability, representation and funding.***
2. ***The Panel should receive regular reports on each of the 4 blocks of the LAA.***

162. WORK PROGRAMME

Noted.

- The description of the dial-a-ride item needed amending to state: "Councillor Joynson had been appointed to work the Chief Executive and LSP co-ordinator on alternatives to dial-a-ride."
- Special Expense Areas should be added to the work programme.
- New items in the forward plan relevant to the DSP were:
 - Participation in a Lincolnshire Joint Procurement Shared Service (June 2007)
 - Provision of adequate accommodation for Housing Services (landlord function) (June 2007)
 - Future use of land at St. Catherine's Road, Grantham (July 2007)
 - Future Use of Stamford Cattle Market (Not before July 2007)

163. REPORTS FROM WORKING GROUPS

A brief update was given on meetings that had taken place concerning the future of dial-a-ride. The group looking at dial-a-ride would evaluate its effectiveness. A Community Transport Survey for Lincolnshire would identify all voluntary and community transport, its scope, resourcing and advantages and disadvantages.

164. FINANCIAL REPORTS

Noted.

- Figures related to Council Tax Income, Council Tax Transfer Payments and NDR did not provide an accurate representation because they would not be input into the Financial System until the Financial Year End.
- In future years Financial Services were looking at quarterly close down.

165. CLOSE OF MEETING

The meeting was closed at 14:31.