



# AGENDA

For a meeting of the

## RESOURCES DEVELOPMENT AND SCRUTINY PANEL

to be held on

**THURSDAY, 15 MARCH 2007**

at

**9.30 AM**

in

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

Duncan Kerr, Chief Executive

Panel Members:	Councillor David Brailsford, Councillor Robert Conboy, Councillor Dorrien Dexter, Councillor Kenneth Joynson, Councillor Albert Victor Kerr, Councillor John Kirkman (Chairman), Councillor Reg Lovelock M.B.E. (Vice-Chairman), Councillor Andrew Roy Moore and Councillor Gerald Taylor
Scrutiny Officer: Scrutiny Support Officer:	Paul Morrison 01476 406512 <a href="mailto:p.morrison@southkesteven.gov.uk">p.morrison@southkesteven.gov.uk</a>

**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 8<sup>th</sup> February 2007 are attached for information.  
**(Enclosure)**

**6. FEEDBACK FROM THE EXECUTIVE**

**7. UPDATES FROM PREVIOUS MEETING**

**8. INTERNAL AUDIT**

The Panel will receive an update from PricewaterhouseCoopers. **(Enclosure)**

The Panel will receive an update the implementation of recommendations made by PricewaterhouseCoopers.

**9. RISK MANAGEMENT UPDATE**

The Panel will receive an update from the Risk Management Team Leader. **(Enclosure)**

**10. INSURANCE CLAIMS**

- Insurance claims and subsequent costs will be scrutinised by the Panel.
- The Panel will scrutinise the internal insurance reserve and associated figures. **(Enclosure)**

**11. REVIEW OF TREASURY MANAGEMENT STRATEGY**

The Panel will consider the Treasury Management Strategy. **(Enclosure)**

**12. ANNUAL EFFICIENCY STATEMENT**

Report CHFR36 providing an Annual Efficiency Statement update. **(Enclosure)**

**13. PENSION CAPITAL COSTS**

Report CHFR37 to Cabinet on 5<sup>th</sup> March 2007. **(Enclosure)**

**14. PAYBACK OF THE INVESTMENT ON INFRASTRUCTURE**

**15. STAFF EMPLOYMENT STATISTICS**

The Panel will receive an update on staff employment statistics. **(To Follow)**

**16. PEOPLE STRATEGY**

**17. LOCAL AREA AGREEMENT**

The Panel will scrutinise the report to Council from 1<sup>st</sup> March 2007.

**18. REPORTS FROM WORKING GROUPS**

**19. BEST VALUE PERFORMANCE INDICATORS**

**(Enclosure)**

**20. WORK PROGRAMME**

**(Enclosure)**

**21. REPRESENTATIVES ON OUTSIDE BODIES**

Representatives on outside bodies to give update reports.

**22. FINANCIAL REPORTS**

**(Enclosure)**

**23. 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, 8 FEBRUARY 2007 9.30 AM

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### 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

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### 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 12<sup>th</sup> 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 5<sup>th</sup> 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 15<sup>th</sup> 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 12<sup>th</sup> 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 18<sup>th</sup> 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 5<sup>th</sup> 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 9<sup>th</sup> 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 shown 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

March 2007

## [Draft] Operational Plan 2007/2008

# South Kesteven District Council

Agenda Item 8

PRICEWATERHOUSECOOPERS 

System	Risk	Type of Review	Timing
<b>Corporate Business Systems</b>			
Risk Management	M	FS	4 <sup>th</sup> quarter
Business Continuity Planning (Emergency Planning)	L	FUR	3 <sup>rd</sup> quarter
Project Management	M	FS	3 <sup>rd</sup> quarter
Partnerships and Partnership Funding Arrangements	M	FS	3 <sup>rd</sup> quarter
<b>Operational and Financial Systems</b>			
Data Protection (IT element)	M	FS	2 <sup>nd</sup> quarter
Nominal Ledger	M	FS	3 <sup>rd</sup> quarter
Collaborative Planning	H	FS	3 <sup>rd</sup> quarter
Contracting and Tendering	H	FS	2 <sup>nd</sup> quarter

System	Risk	Type of Review	Timing
E-Procurement	M	FUR	4 <sup>th</sup> quarter
Housing Benefits and Council Tax	L	FUR	4 <sup>th</sup> quarter
Cash and Treasury Management	L	FS	1 <sup>st</sup> quarter
Debtors	M	FUR	2 <sup>nd</sup> quarter
Insurance	M	FS	2 <sup>nd</sup> quarter
Creditors	H	FUR	1 <sup>st</sup> quarter
HR Devolution (Management and Service Budgets)	M	FS	2 <sup>nd</sup> quarter
NNDR	L	FS	1 <sup>st</sup> quarter
Review 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.

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# Agenda Item 9

## REPORT TO RESOURCES DSP

REPORT OF: Risk Management Team Leader

REPORT NO.: CHFR 40

DATE: 15 March 2007

<b>TITLE:</b>	Risk Management
<b>FORWARD PLAN ITEM:</b>	No
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	N/A
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	No

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Councillor T Bryant ( Finance and Assets)	
<b>CORPORATE PRIORITY:</b>	Use of Resources	
<b>CRIME AND DISORDER IMPLICATIONS:</b>		
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>		
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	Carried out and appended to report?  Not Applicable	Full impact assessment required?  N/A
<b>BACKGROUND PAPERS:</b>		

## **1. INTRODUCTION**

At the meeting on 8 February 2007 it was agreed that the corporate risk register would be presented at each meeting of the Resources Development and Scrutiny Panel.

## **2. RECOMMENDATIONS**

Members note the contents of the report and the risk register.

## **3. DETAILS OF REPORT**

### **Corporate Risk Register**

Attached as appendix A to this report is the corporate risk register. This was discussed by the Management Board (SMT and OMT) at its meeting on 14 February 2007. All existing risks were re-scored using the new risk assessment methodology introduced as part of the revised strategy. A number of risks were removed from the corporate risk register as it was considered they need no longer be monitored at this level. Management and monitoring of these risks, where appropriate, will remain with the relevant service area. These risks are:

Leisure Trust	To be monitored by Assets and Facilities
Provision of Twin Bins	To be monitored by Street Scene
Data Quality	To be monitored by Business Transformation and Information Management
LSVT	No longer relevant

## **4. COMMENTS OF SECTION 151 OFFICER**

I have been consulted about the contents of this report

## **5. COMMENTS OF MONITORING OFFICER**

No comments

## **6. CONTACT OFFICER**

Helen England  
Risk Management Team Leader  
01476 406224  
[h.england@southkesteven.gov.uk](mailto:h.england@southkesteven.gov.uk)

APPENDIX A

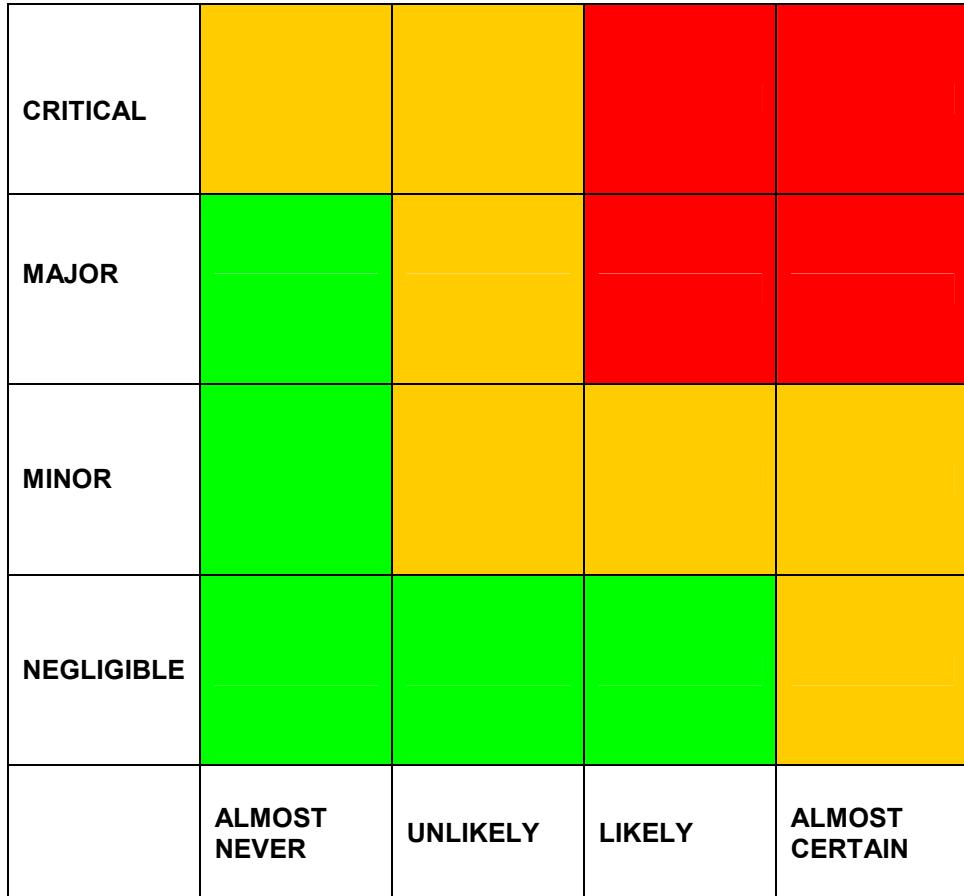
RISK REGISTER as at 14 February 2007

Ref	Risk	Risk Owner	Portfolio Holder	Gross Risk Score	Controls	Residual Risk Score
C5	<b>Key Priorities</b>	Chief Executive	Organisational Development		<p>Member consultation</p> <p>Building priorities into all decision making arrangements</p> <p>Re-organisation and resourcing in areas acknowledged to be under-resourced</p> <p>Project management skills and techniques</p> <p>Performance management arrangements</p> <p>Gateway reviews</p>	
C7	<b>Financial Capacity</b>	Corporate Head Finance & Resources	Resources & Assets		<p>Medium term financial strategy</p> <p>Prioritisation framework</p> <p>Savings target</p> <p>Councillor and senior manager training on financial management and budgeting</p> <p>Optimise external funding opportunities</p>	
C4	<b>Emergency Planning</b>	Chief Executive	Community Safety		<p>Service level agreement in place with County Council Civil Protection Unit - provision of civil protection officer (CPO)</p> <p>Emergency plan</p> <p>Business Continuity Plan</p> <p>Business continuity and emergency planning training</p>	

Ref	Risk	Risk Owner	Portfolio Holder	Gross Risk Score	Controls	Residual Risk Score
C15	<b>Health &amp; Safety</b>	Chief Executive	Community Safety	Red	Dedicated Health and Safety advisors Comprehensive Health and Safety policy and risk assessments Health and Safety training courses Health & Safety procedures required from contractors.	Yellow
C1	<b>Collective Grievance</b>	Corporate Head Corporate & Customer Services	Organisational Development	Red	Barristers advice Informal negotiation Consultation meeting with Unions	Yellow
C6	<b>Staff Recruitment and Retention</b>	Corporate Head Corporate & Customer Services	Organisational Development	Red	Job evaluation Adoption of market rate Flexible working policy Staff motivation	Yellow
C2	<b>Level 3 Use of Resources</b>	Corporate Head Finance & Resources	Resources & Assets	Yellow	Production of gap analysis Resource planning around gap analysis Embedding corporate ownership of Use of Resources	Yellow
C3	<b>Data Network</b>	Corporate Head Partnerships & Organisational Development	Access & Engagement	Yellow	IT Disaster Recovery Plan Third party support Training	Yellow

Ref	Risk	Risk Owner	Portfolio Holder	Gross Risk Score	Controls	Residual Risk Score
C10	<b>Equalities</b>	Chief Executive	Organisational Development	Yellow	Priority B activity. Monitoring Equality impact assessments Training Multi cultural forum	Green
C12	<b>Partnerships</b>	Chief Executive	Strategic Partnerships	Yellow	Partnership strategy Evaluation of outcomes from partnerships	Green
C8	<b>Gershon Savings</b>	Corporate Head Finance & Resources	Resources & Assets	Green	Annual Efficiency Statement Partnership working Procurement Strategy. Monitoring system	Green

# IMPACT



# LIKELIHOOD

KEY	
Red	Unacceptable level of risk exposure which requires extensive management
Orange	Risk management measures need to be put in place and monitored
Green	Acceptable level of risk subject to regular monitoring

# Agenda Item 10

## REPORT TO RESOURCES DSP

REPORT OF: Risk Management Team Leader

REPORT NO.: CHFR 39

DATE: 15 March 2007

<b>TITLE:</b>	Insurance
<b>FORWARD PLAN ITEM:</b>	No
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	N/A
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	No

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Councillor T Bryant ( Finance and Assets)	
<b>CORPORATE PRIORITY:</b>	Use of Resources	
<b>CRIME AND DISORDER IMPLICATIONS:</b>		
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>		
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	Carried out and appended to report?  Not Applicable	Full impact assessment required?  N/A
<b>BACKGROUND PAPERS:</b>		

## **1. INTRODUCTION**

At the meeting on 18 January 2007 members requested an explanation of the insurance reserve account along with a breakdown of insurance claims and costings

## **2. RECOMMENDATIONS**

Members are asked to note the contents of the report.

## **3. DETAILS OF REPORT**

### **Insurance Reserve**

The Authority carries a high level of self-insurance to reduce the level of external premiums. The insurance reserve is used to help protect against future claims and to finance risk management initiatives undertaken. As agreed in report CHFR10 presented to the Constitution and Accounts committee at its meeting on 29 June 2006 the insurance reserve was reduced by £435,000 to its current level, £500,000. The insurance contract is due for renewal during 2007/8 so the balance on this reserve will be kept under review during the closure of accounts process to ensure that it remains adequate.

Zurich Municipal charge the Authority an annual insurance premium, that takes into account the previous year's claims history along with the agreed deductibles (excess amounts). SKDC holds a comparatively high level of deductibles, in order to minimise premiums.

When a claim is submitted to the Authority a decision is made regarding the potential cost. If the cost is deemed to be below the level of the deductible then the claim is handled entirely by the Authority's insurance officer. If the cost is likely to be in excess of the deductible the claim is passed to the insurers for processing.

A proportion of the annual insurance premium is charged to each service area and this charge is then held in the internal insurance account. When a claim is made, an excess charge of £500 is made to the relevant service area. The remainder of the charge being set against the premium held in the internal insurance account. At the end of the year, the balance showing on the internal insurance account is transferred to the insurance reserve.

## Public Liability

The following tables provide a breakdown of the claims made against the Authority's public liability insurance since 2001/02. The excess on the public liability insurance policy is £5000. It should be noted that the insurance year runs from 1 July to 30 June, therefore the data in respect of 2006/07 is not complete.

Year	Total No of Claims	No dealt with by SKDC	No dealt with by Zurich
2001/02	57	40	17
2002/03	78	62	16
2003/04	42	28	14
2004/05	28	16	12
2005/06	31	21	10
2006/07 (so far)	8	7	1

### Claims dealt with by Zurich

Year	No of Claims	No of claims with zero value	No of claims requiring payment	Average Value (£)
2001/02	17	13	4	5173
2002/03	16	10	6	8617
2003/04	14	9	5	7552
2004/05	12	6	6	7125
2005/06	10	2	8	8688
2006/07	1			9000 (estimate)

### Claims dealt with by SKDC

Year	No of Claims	No of claims with zero value	No of claims requiring payment	Average Value (£)
2001/02	40	25	15	228
2002/03	62	46	16	170
2003/04	28	5	23	294
2004/05	16		17	321
2005/06	21	6	15	471
2006/07	7	3	4	99

The numbers of public liability claims has remained fairly static in recent years. This is in line with national trends and is a reflection of the demise of "claims farmers".

## **Motor Vehicle**

The following tables provide a breakdown of the claims made against the Authority's motor vehicle insurance since 2001/02. The insurers will pay the full cost of damage to a third party vehicle and charge the Authority an excess of £5000 for damage to SKDC owned vehicles. It should be noted that the insurance year runs from 1 July to 30 June, therefore the data in respect of 2006/07 is not complete.

Year	Total No of Claims	No dealt with by SKDC	No dealt with by Zurich
2001/02	60	46	14
2002/03	39	26	13
2003/04	73	39	34
2004/05	57	32	25
2005/06	45	18	27
2006/07 (so far)	45	21	24

### **Claims dealt with by Zurich**

Year	No of Claims	No of claims with zero value	No of claims requiring payment	Average Value (£)
2001/02	14	6	8	1317
2002/03	13	5	8	2507
2003/04	34	8	26	2220
2004/05	25	8	17	1760
2005/06	27	2	25	2971
2006/07	24	2	22	1773

### **Claims dealt with by SKDC**

Year	No of Claims	No of claims with zero value	No of claims requiring payment	Average Value (£)
2001/02	46	3	43	132
2002/03	26	4	22	204
2003/04	39	7	32	247
2004/05	32	6	26	625
2005/06	18	6	12	822
2006/07	21	7	14	483

As has been commented on previously, the number of motor vehicle claims has increased in recent years following the decision to undertake refuse collection in-house.

## **4. COMMENTS OF SECTION 151 OFFICER**

I have been consulted about the contents of this report

## **5. COMMENTS OF MONITORING OFFICER**

None

## **6. CONTACT OFFICER**

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## Budget and Rent Setting Report and Treasury Management Strategy Report 2007/08 – England – HRA Authorities

### Recommendations

This report outlines the Council's prudential indicators for 2007/08 – 2009/10 and sets out the expected treasury operations for this period. It fulfils three key reports required by the Local Government Act 2003:

- The reporting of the prudential indicators as required by the CIPFA Prudential Code for Capital Finance in Local Authorities (Appendix A);
- The treasury strategy in accordance with the CIPFA Code of Practice on Treasury Management (Appendix B);
- The investment strategy (in accordance with the DCLG investment guidance) (Appendix B).

A summary report outlines the key requirements from these reports.

### The Council is recommended to:

1. Adopt the Prudential Indicators and Limits for 2007/08 to 2009/10 contained within Part A of the report.
2. Approve the Treasury Management Strategy 2007/08, and the treasury Prudential Indicators contained within Part B.
3. Approve the Investment Strategy 2007/08 contained in the treasury management strategy (Part B), and the detailed criteria included in Annex B1.

### Executive Summary

**Capital Expenditure** - The projected capital expenditure is expected to be:

Capital expenditure	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Non HRA	6,611	4,925	2,170	2,170
HRA	7,432	6,020	5,878	5,916
<b>Total</b>	<b>14,043</b>	<b>10,945</b>	<b>8,048</b>	<b>8,086</b>

**Debt Requirement** - Part of the capital expenditure programme will be financed directly (through Government Grants, capital receipts etc.), leaving a residue which will increase the Council's external borrowing requirement (its Capital Financing Requirement – CFR). The General Fund CFR is reduced each year by a statutory revenue charge for the repayment of debt (there is no requirement for an HRA charge).

Capital Financing Requirement	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Non HRA	5,361	7,141	8,790	10,373
HRA	2,159	2,159	2,159	2,159
<b>Total</b>	<b>7,520</b>	<b>9,300</b>	<b>10,949</b>	<b>12,532</b>

Against this borrowing need (the CFR), the Council's expected external debt position for each year (the Operational Boundary), and the maximum amount it could borrow (the Authorised Limit) are:

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Authorised limit	<b>15,000</b>	<b>17,000</b>	<b>18,000</b>	<b>20,000</b>
Operational boundary	<b>8,000</b>	<b>11,000</b>	<b>12,000</b>	<b>14,000</b>

The impact of the new schemes being approved as part of this budgetary cycle on Council Tax and housing rents are expected to be:

Incremental impact of capital investment decisions (£) on:	2006/07 Revised	2007/08 Estimated	2008/09 Estimated	2009/10 Estimated
Band D Council Tax	<b>0</b>	<b>£1.02</b>	<b>£2.95</b>	<b>£4.78</b>
Housing rents levels	*	*	*	*

\* A full stock condition survey will be undertaken during 2007/08 following which the outcome will be reflected in the revised Capital Programme. The indicators will be calculated following the revision of the Programme.

**Investments** – The resources applied to finance the capital spend above is one of the elements which influence the overall resources of the Council. The expected position of Council's year-end resources (balances, capital receipts, etc.) is shown below supplemented with the expected cash flow position to provide an overall estimate of the year-end investment position. The prudential indicator limiting longer-term investments is also shown.

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Total resources	<b>21,433</b>	<b>19,587</b>	<b>17,346</b>	<b>15,336</b>
Working Capital	<b>(1,020)</b>	<b>(1,520)</b>	<b>(1,520)</b>	<b>(1,520)</b>
Total Investments	<b>20,413</b>	<b>18,067</b>	<b>15,826</b>	<b>13,816</b>
Principal sums invested > 364 days		£m 11	£m 9	£m 7

## Part A

### The Prudential Indicators 2007/08 – 2008/09

#### Introduction

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. This report revises the indicators for 2006/07, 2007/08 and 2008/09, and introduces new indicators for 2009/10. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the Council's underlying capital appraisal systems.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy for 2007/08 is included as Part B to complement the indicators, and this report includes the prudential indicators relating to the treasury activity.

#### The Capital Expenditure Plans

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants etc.), but if resources are insufficient any residual expenditure will form a borrowing need.
4. A certain level of capital expenditure will be grant supported by the Government; anything above this level will be unsupported and will need to be paid for from the Council's own resources. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.
5. The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.
6. The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
<b>Capital Expenditure</b>				
Non-HRA	6,611	4,925	2,170	2,170
HRA	7,432	6,020	5,878	5,916
<b>Financed by:</b>				
Capital receipts	1,404	2,696	-	2,196
Capital grants	150	213	213	213
Capital reserves	12,489	6,020	5,878	3,720
Revenue	-	-	-	-
<b>Net financing need for the year</b>	-	2,016	1,957	1,957

#### The Council's Borrowing Need (the Capital Financing Requirement)

7. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing

need. The capital expenditure above which has not immediately been paid for will increase the CFR.

8. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.
9. The Council is asked to approve the CFR projections below:

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
<b>Capital Financing Requirement</b>				
CFR – Non Housing	5,361	7,141	8,790	10,373
CFR - Housing	2,159	2,159	2,159	2,159
<b>Total CFR</b>	<b>7,520</b>	<b>9,300</b>	<b>10,949</b>	<b>12,532</b>
<b>Movement in CFR</b>	<b>(246)</b>	<b>1,780</b>	<b>1,649</b>	<b>1,583</b>

<b>Movement in CFR represented by</b>				
Net financing need for the year (above)	-	2,016	1,957	1,957
MRP/VRP and other financing movements	(246)	(236)	(308)	(374)
<b>Movement in CFR</b>	<b>(246)</b>	<b>1,780</b>	<b>1,649</b>	<b>1,583</b>

### The Use of the Council's resources and the Investment Position

10. The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

<b>Year End Resources</b>	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Fund balances	8,502	8,046	8,071	8,609
Capital receipts	3,624	5,353	5,853	4,157
Earmarked reserves	4,166	3,590	3,202	2,570
Major Repairs Reserve	5,141	2,598	220	-
<b>Total Core Funds</b>	<b>21,433</b>	<b>19,587</b>	<b>17,346</b>	<b>15,336</b>
Working Capital*	(1,020)	(1,520)	(1,520)	(1,520)
<b>Expected Investments</b>	<b>20,413</b>	<b>18,067</b>	<b>15,826</b>	<b>13,816</b>

\* Working capital balances shown are estimated year-end; these may be higher mid year. Working Capital is adjusted by under-borrowed position.

### Limits to Borrowing Activity

11. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
12. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2007/08 and next two financial years. This allows some flexibility for limited early borrowing for future years.

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Gross Borrowing	4,500	5,780	7,429	9,012
Investments	20,413	18,067	15,826	13,816
Net Borrowing	(15,913)	(12,287)	(8,397)	(4,804)
CFR	7,520	9,300	10,949	12,532

13. The Corporate Head for Finance and Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

14. A further two prudential indicators control or anticipate the overall level of borrowing. These are:

15. **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

16. **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of the year; it is not a limit.

17. The Council is asked to approve the following Authorised Limit and Operational Boundary:

Authorised limit	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Borrowing	15,000	17,000	18,000	20,000
Other long term liabilities	-	-	-	-
<b>Total</b>	<b>15,000</b>	<b>17,000</b>	<b>18,000</b>	<b>20,000</b>
Operational Boundary	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
Borrowing	8,000	11,000	12,000	14,000
Other long term liabilities	-	-	-	-
<b>Total</b>	<b>8,000</b>	<b>11,000</b>	<b>12,000</b>	<b>14,000</b>

### Affordability Prudential Indicators

18. The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the overall Council's finances. The Council is asked to approve the following indicators:

19. **Actual and Estimates of the ratio of financing costs to net revenue stream** – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2006/07 Revised %	2007/08 Estimated %	2008/09 Estimated %	2009/10 Estimated %
Non-HRA	(3.69%)	(1.78%)	0.58%	2.21%
HRA	(2.43%)	(1.53%)	(1.03%)	(0.76%)

20. The estimates of financing costs include current commitments and the proposals in this budget report.

**21. Estimates of the incremental impact of capital investment decisions on the Council Tax** – This indicator identifies the revenue costs associated with **new schemes** introduced to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of government support, which are not published over a three year period.

**22. Incremental impact of capital investment decisions on the Band D Council Tax**

	Proposed Budget 2007/08 £	Forward Projection 2008/09 £	Forward Projection 2009/10 £
<b>Council Tax - Band D</b>	£1.02	£2.95	£4.78

**23. Estimates of the incremental impact of capital investment decisions on Housing Rent levels** – Similar to the Council tax calculation this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in this budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels.

**24. Incremental impact of capital investment decisions Housing Rent levels**

	Proposed Budget 2007/08 £	Forward Projection 2008/09 £	Forward Projection 2009/10 £
<b>Weekly Housing Rent levels</b>	*	*	*

\* A full stock condition survey will be undertaken during 2007/08 following which the outcome will be reflected in the revised Capital Programme. The indicators will be calculated following the revision of the Programme.

25. This indicator shows the revenue impact on any newly approved schemes, although any discrete impact will be constrained by rent controls.

**Part B****Treasury Management Strategy 2007/08 – 2009/10**

1. The treasury management service is an important part of the overall financial management of the Council's affairs. The prudential indicators in Appendix A consider the affordability and impact of capital expenditure decisions, and set out the Council's overall capital framework. The treasury service considers the effective funding of these decisions. Together they form part of the process which ensures the Council meets balanced budget requirement under the Local Government Finance Act 1992. There are specific treasury prudential indicators included in this strategy which require approval.
2. The Council's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). This Council adopted the Code of Practice on Treasury Management on 23rd June 2004, and as a result adopted a Treasury Management Policy Statement. This adoption meets the requirements of the first of the treasury prudential indicators.
3. The Constitution requires an annual strategy to be reported to Council outlining the expected treasury activity for the forthcoming 3 years. A key requirement of this report is to explain both the risks, and the management of the risks, associated with the treasury service. A further treasury report is produced after the year-end to report on actual activity for the year.
4. This strategy covers:
  - The Council's debt and investment projections;
  - The expected movement in interest rates;
  - The Council's borrowing and investment strategies;
  - Treasury performance indicators;
  - Specific limits on treasury activities;
  - Any local treasury issues.

**Debt and Investment Projections 2007/08 – 2009/10**

5. The borrowing requirement comprises the expected movement in the CFR and any maturing debt which will need to be re-financed. The table below shows this effect on the treasury position over the next three years. It also highlights the expected change in investment balances.

	<b>2006/07 Revised £'000</b>	<b>2007/08 Estimated £'000</b>	<b>2008/09 Estimated £'000</b>	<b>2009/10 Estimated £'000</b>
<b>External Debt</b>				
Debt at 1 April	5,500	4,500	5,780	7,429
Movement in CFR	-	1,780	1,649	1,583
Maturing Debt Replacement*	(1,000)	(500)	-	-
Adjustment for prior years	-	-	-	-
Debt at 31 March	4,500	5,780	7,429	9,012
Annual change in debt	(1,000)	1,280	1,649	1,583
<b>Investments</b>				
Total Investments at 31 March	20,413	18,067	15,826	13,816
Investment change	(12,063)	(2,346)	(2,241)	(2,010)

Historically the Council's policy is not to replace maturing debt. This policy may be subject to review in light of the financial market.

6. The related impact of the above movements on the revenue budget are:

	2006/07 Revised £'000	2007/08 Estimated £'000	2008/09 Estimated £'000	2009/10 Estimated £'000
<b>Revenue Budgets</b>				
Interest on Borrowing	455	455	538	622
Related HRA Charge	178	173	151	135
Net general Fund Borrowing Cost	9.88%	8.92%	7.60%	6.88%
Investment income	1,726	1271	954	792

### Expected Movement in Interest Rates

	Base Rate Ave %	5-year Gilt Ave %	20-yr Gilt Ave %	50-yr Gilt Ave %
2006/07	4.8	4.9	4.4	4.0
2007/08	5.1	4.9	4.6	4.0
2008/09	4.8	4.5	4.3	3.9
2009/10	4.5	4.5	4.3	3.9

7. Buoyant economic activity in 2006 and the strength of external cost pressures prompted a tightening of monetary policy as the Monetary Policy Committee sought to contain a rise in inflation to the upper levels of the Government's target range.
8. Official concerns have abated but the continued risks of a revival in inflation pressures via increased pay settlements, buoyant consumer spending and rising unit costs suggest the Bank of England will maintain a cautious policy approach to rates through much of 2007.
9. Higher rates in the UK, US and Euro-zone will eventually lead to a deceleration in economic activity and a diminution of inflation pressures. This will leave some scope for a modest reduction in short term interest rates, a trend that will be followed by longer term fixed rates.

### Borrowing Strategy 2007/08 – 2009/10

10. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
11. Long-term fixed interest rates are expected to rise modestly and base rates are expected to peak at 5.75%. The Corporate Head of Finance and Resources, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that longer term fixed rates will be considered if borrowing levels remain relatively low.
12. With the likelihood of increasing interest rates debt restructuring is likely to take place later in the financial year or in future years, although the Corporate Head Finance and Resources and treasury consultants will monitor prevailing rates for any opportunities during the year.

### **Investment Counterparty and Liquidity Framework**

13. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

14. The Corporate Head of Finance and Resources will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. This criteria is separate to that which chooses Specified and Non-Specified investments as it selects which counterparties the Council will choose rather than defining what its investments are.

- **Banks** – the Council will use only English and Scottish clearing banks and their subsidiaries. However the Council's treasury management advisors have proposed that a review is undertaken concerning the bank listing for the Authority. For overseas the Council will only use banks with a F1+ rating for short term and AA rating for long term.
- **Building Societies** – the Council will use only the top 30 listed Building Societies.
- **UK Government** (including gilts and the DMO)
- **Local Authorities, Parish Councils etc**
- **Supranational institutions**

19. The proposed criteria for Specified and Non-Specified investments are shown in Annex B1 for approval.

20. In the normal course of the council's cash flow operations it is expected that both Specified and Non-specified investments will be utilised for the control of liquidity as both categories allow for short term investments.

21. The use of longer term instruments (greater than one year from inception to repayment) will fall in the Non-specified investment category. These instruments will only be used where the Council's liquidity requirements are safeguarded. This will also be limited by the investment prudential indicator below.

### **Investment Strategy 2007/08 – 2009/10**

22. Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of peaking at 5¼% in early 2007. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts. It is likely

that investment decisions will be made for longer periods with fixed investments rates to lock in good value and security of return if opportunities arise. The Corporate Head of Finance and Resources, under delegated powers, will undertake the most appropriate form of investments depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

### **Treasury Management Prudential Indicators and Limits on Activity**

23. There are four further treasury prudential indicators. The purpose of these prudential indicators is to contain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of an adverse movement in interest rates. However if these are set to be too restrictive they will impair the opportunities to reduce costs. The indicators are:

- Upper limits on variable interest rate exposure – This indicator identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure – Similar to the previous indicator this covers a maximum limit on fixed interest rates.
- Maturity structures of borrowing – These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
- Total principal funds invested for greater than 364 days – These limits are set to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

24. The Council is asked to approve the following prudential indicators:

	2007/08	2008/09	2009/10
<b>Interest rate Exposures</b>			
	<b>Upper</b>	<b>Upper</b>	<b>Upper</b>
<b>Limits on fixed interest rates based on net debt</b>	£9300	£10949	£12532
<b>Limits on variable interest rates based on net debt</b>	£2790	£3285	£3760
<b>Limits on fixed interest rates:</b>			
• <b>Debt only</b>	100%	100%	100%
• <b>Investments only</b>	100%	100%	100%
<b>Limits on variable interest rates</b>			
• <b>Debt only</b>	30%	30%	30%
• <b>Investments only</b>	30%	30%	30%
<b>Maturity Structure of fixed interest rate borrowing 2007/08</b>			
	<b>Lower</b>	<b>Upper</b>	
Under 12 months	0%	20%	
12 months to 2 years	0%	20%	
2 years to 5 years	0%	50%	
5 years to 10 years	0%	75%	
10 years and above	0%	100%	
<b>Maximum principal sums invested &gt; 364 days</b>			
Principal sums invested > 364 days	£m 11	£m 9	£m 7

### **Performance Indicators**

25. The Code of Practice on Treasury Management requires the Council to set performance indicators to assess the adequacy of the treasury function over the year. These are distinct historic indicators, as opposed to the prudential indicators, which are predominantly forward looking. Examples of performance indicators often used for the treasury function are:

- Debt – Borrowing - Average rate of borrowing for the year compared to average available
- Debt – Average rate movement year on year
- Investments – Internal returns above the 7 day LIBID rate
- Investments – External fund managers - returns 110% above 7 day compounded LIBID.

The results of these indicators will be reported in the Treasury Annual Report for 2006/07.

**Annex B1****Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management**

The Office of the Deputy Prime Minister (now DCLG) issued Investment Guidance on 12<sup>th</sup> March 2004, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which are under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council has adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Corporate Head of Finance and Resources has produced its treasury management practices. This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for decision making on investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy for the Council is:

**Strategy Guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

**Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are low risk assets where the possibility of loss of principal or investment income is small. The Council's Loan Officer is restricted to placing funds with:

1. The NatWest Bank (the Council's bank) either via their Deposit Dealing desk or a Special Interest Bearing Account (SIBA)
2. The Alliance and Leicester Bank
3. HBOS Bank
4. The Principality Building Society

Amounts invested with any one institution shall not exceed £7M for periods of more than one month.

**Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

	<b>Non Specified Investment Category</b>	<b>Limit (£ or %)</b>
a.	<p><b>Supranational Bonds greater than 1 year to maturity</b></p> <p><b>(a) Multilateral development bank bonds</b> - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).</p> <p><b>(b) A financial institution that is guaranteed by the United Kingdom Government</b> (e.g. The Guaranteed Export Finance Company {GEFCO})</p> <p>The security of interest and principal on maturity is on a par with the Government and so very secure, and these bonds usually provide returns above equivalent gilt edged securities. However the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	n/a
b.	<p><b>Gilt edged securities</b> with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity.</p>	n/a
c.	<p><b>Building societies not meeting the basic security requirements under the specified investments.</b> The Council will include the top 30 building societies.</p>	25%
d.	<p><b>Any bank or building society</b> that has a minimum long term credit rating of AA, for deposits with a maturity of greater than one year (including forward deals in excess of one year from inception to repayment).</p>	25%
e.	<p><b>Any non rated subsidiary</b> of a credit rated institution included in the specified investment category.</p>	n/a
f.	<p><b>Share capital or loan capital</b> in a body corporate – The use of these instruments will be deemed to be capital expenditure, and as such will be an application (spending) of capital resources. Revenue resources will not be invested in corporate bodies.</p>	n/a

**The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating advice from its advisers, Butlers, on a daily basis as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to

meet the criteria will be removed from the list immediately by the Corporate Head of Finance and Resources, and if required new counterparties which meet the criteria will be added to the list.

**Use of External Fund Managers** – It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories. Currently the Council has an Agreement with Tradition and Sterling International. The fund managers are required to adhere to the following:

- All investments restricted to sterling and denominated instruments
- Investments made with local authorities, the top 30 building Societies, English and Scottish clearing banks (and their subsidiaries) and overseas banks. The placing of funds with overseas banks is restricted to institutions with a credit rating of F1+ (short term loans) and AA rating (long term loans).
- Amounts invested with any one institution or group should not exceed 25% of the fund value or a maximum of £8M for periods of more than one month.
- Investments for periods exceeding 364 days limited to 25% of fund held.
- Forward commitment investments limited to 25% of fund held.
- Portfolio management is measured against the return provided by the 3 months sterling LIBID.

The performance of each manager is reviewed at least quarterly by the Corporate Head of Finance and Resources.

## REPORT TO RESOURCES DSP

REPORT OF: SERVICE MANAGER, FINANCE AND RISK MANAGEMENT

REPORT NO: CHFR 36

DATE: 8<sup>th</sup> March 2007

<b>TITLE:</b>	<b>ANNUAL EFFICIENCY STATEMENT 2006/07 - PROGRESS TO DATE</b>
<b>FORWARD PLAN ITEM:</b>	
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Councillor Terl Bryant – Resources and Assets Portfolio Holder	
<b>CORPORATE PRIORITY:</b>	Effective Use of Resources	
<b>CRIME AND DISORDER IMPLICATIONS:</b>	None	
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	None	
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	<b>Carried out and appended to report?</b>  Not Applicable	<b>Full impact assessment required?</b>  No
<b>BACKGROUND PAPERS:</b>	CHFR25, CHFR27	

## 1. INTRODUCTION

The purpose of this report is to update members of the progress being made in 2006/07 against the designated target for this financial year, as agreed at the Resources DSP meeting on 18<sup>th</sup> January 2007.

## 2. RECOMMENDATION

Members are asked to note the latest position of anticipated savings against targets for 2006/07.

## 3. DETAILS OF REPORT

The figures below have been updated from report CHFR27 as submitted at 18<sup>th</sup> January 2007 meeting (those marked with an \* have been updated).

The table below shows the efficiency gains achieved in 2005/06 which are deemed to be ongoing in 2006/07. It should be noted that these figures are mainly based on projections following data from a third quarterly perspective and will be subject to change once actuals are known at the financial year end. These are broken down as follows:

Efficiency Area	Service Area	Description	Amount	Of which Cashable
Environmental Services	Waste Services	Waste Collection Services	£40,415	
LA Social Housing	Supported Housing	Monitoring of lifeline customers for South Holland	£34,750	£34,750
Corporate Services	Environmental Health	Redeployment of staff to front line services	£84,114	£84,114
	Corporate services – Modernisation agenda	Website use to contact SKDC	£122,129	
Procurement	Service Transformation	ICT server replacement	£4,000	£4,000
	Financial Services	E-procurement	£9,325	
	Corporate Services	Civic Vehicle	£25,063	£25,063

	Financial Services	Internal Audit contract	£35,000	£35,000
	Service Transformation	Telephony	£1,100	£1,100
	Asset and Facilities	Mobile Phone Contract	£6,330	£6,330
	Asset and Facilities	5% saving on preventative maintenance of M&E	£7,970	£7,970
Productive Time	Care Services	Care Services Sickness Reduction	£9,455* (Previously £16,236)	£9,455*
	Corporate Services	Corporate Sickness Reduction	£30,948* (Previously £48,078)	
Transactions	Financial Services	Electronic payments	£14,913	
	<b>TOTAL</b>		<b>£425,512</b>	<b>£207,782</b>

Throughout the year there has been extensive work undertaken by the accountancy section in order to identify savings that can be achieved to meet our 2006/07 target. During the course of this work the following areas have been identified as addition efficiency savings totalling £237,980:

Efficiency Area	Service Area	Description	Amount	Of which Cashable
Corporate Services	Planning Policy	Redeployment of staff to front line services	£11,132	£11,132
	Waste Services	Redeployment of staff to front line services	£16,521	£16,521
Procurement	Legal Services	Tree Preservation Orders	£7,083	£7,083

Transactions	Corporate Services	AllPay	£120,656* (previously £106,656)	£106,656
	Financial Services	CEDAR electronic ordering	£24,925	
	Corporate Services	Customer Service transactions	£37,673	
Productive Time	Corporate	Improved contract management	£15,000 New gain	
	<b>TOTAL</b>		<b>£237,980</b>	<b>£155,392</b>

These calculations are based on predicted outcomes using the latest available information, but these will be subject to change and will require regular review throughout the remainder of the financial year.

Therefore, against the target for 2006/07 of £725,000 the savings identified to date are £663,492 which is broken down as follows:

	<u>Cashable</u>	<u>Non-cashable</u>	<u>Total</u>
2005/06 ongoing	£207,782	£217,730	£425,512
<u>2006/07 new</u>	<u>£155,392</u>	<u>£82,588</u>	<u>£237,980</u>
Total	£363,174	£299,387	£663,492
2006/07 Target	£362,500	£362,500	£725,000
<b>Variance</b>	<b>£674</b>	<b>(£63,113)</b>	<b>(£61,508)</b>

Overall there is a shortfall of £61,508 for achieving the overall efficiency target, of which this all relates to non-cashable efficiency gains. Further analysis will need to be undertaken in conjunction with the on-going review work on the savings found thus far.

#### 4. COMMENTS OF SECTION 151 OFFICER

I have been consulted regarding the content of this report.

## **5. COMMENTS OF MONITORING OFFICER**

No comments.

## **6. CONCLUSION**

Work will need to be undertaken to identify the required shortfall in non-cashable efficiency gains. Accountancy services will be putting further processes in place to capture the further savings necessary to ensure the Council achieves its overall efficiency target for 2006/07. However, input from service areas is essential if these further savings are to be realised.

## **7. CONTACT OFFICER**

Richard Wyles  
Service Manager, Finance and Risk Management  
01476 406210  
Email: [r.wyles@southkesteven.gov.uk](mailto:r.wyles@southkesteven.gov.uk)

## REPORT TO CABINET

REPORT OF: Corporate Head of Finance & Resources

REPORT NO. CHFR37

DATE: 5<sup>th</sup> March 2007

<b>TITLE:</b>	Pension Capital Costs
<b>FORWARD PLAN ITEM:</b>	Yes, as part of Budget Proposals
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	15 November 2006
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	Yes

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Assets & Finance Portfolio Holder Councillor T Bryant
<b>CORPORATE PRIORITY:</b>	Effective use of resources
<b>CRIME AND DISORDER IMPLICATIONS:</b>	None
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	This report is publicly available on the Council's website <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a> via the local democracy link.
<b>IMPACT ASSESSMENT</b>	Not applicable for the initial equality impact assessment. No for full impact assessment.
<b>BACKGROUND PAPERS:</b>	CHFR35 Budget 2007/8 (Revised Revenue based 2006/7)

## **1. INTRODUCTION**

Report CHFR35 to Council regarding the budget identified the impact of settling the pension capital costs in advance of the Triennial Review which is due to take place during the financial year 2007/8. This report provides detailed information in relation to the capital costs for the Triennial Valuation Period from 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2007.

## **2. RECOMMENDATIONS**

It is recommended that Cabinet:

- 1) approve the payment of £1,079,111.45 to settle the outstanding capital costs for the Triennial Valuation Period from 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2007.
- 2) approve the principle of settling total capital costs within the year they arise, subject to adequate budgetary provision supported by the approved use of the Current Employees Pension Reserve.

## **3. BACKGROUND**

South Kesteven District Council's pension scheme fund is set up under Local Government Pension Scheme Regulations and administered on the Council's behalf by Lincolnshire County Council. Every 3 years the fund has to be reviewed by the Professional Actuary. The principle purpose of this valuation is to establish an appropriate contribution rate for each participating employer for the 3 years following the completion of the review. The Triennial Review of the pension scheme is due to take place during 2007/8, for the valuation period 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2007.

### **CAPITAL COSTS ASSOCIATED WITH EARLY RELEASE OF STATUTORY BENEFITS**

The Council has to meet the capital costs associated with the pension strain relating to decisions to release early the statutory benefits of those employees who have been subject to an early retirement. During the Triennial Period 1<sup>st</sup> April 2004 to 31<sup>st</sup> March 2007 there have been 20 cases where statutory benefits have been released, either on the grounds of redundancy; interests of efficiency; or employer consent. Of those cases 1 case has been pre-funded, as it relates to an employee hosted by the Council but working for the Welland Strategic Partnership. The total capital cost for the 19 remaining cases if settled in one lump sum equates to £1,079,111.45. Alternatively, this could be settled over a 3 year period at £388,205.20 per annum or a 5 year period at £238,431.32 per annum.

Based on an interest rate of 5.0%, both of these options would be more expensive than settling in one lump sum, when comparing the difference

between the estimated loss of interest earned and the additional cost of spreading payments over 3 or 5 years.

The Budget Report for 2007/8 which was submitted to Council on 1<sup>st</sup> March 2007 included provision within the revised estimate for 2006/7 to settle the pension capital cost in one lump sum prior to the end of the current financial year and in advance of the Triennial Review. The revised estimate will be funded by use of the current pension reserve. By settling the outstanding capital costs the Council will reduce the potential ongoing revenue impact arising from an increase in employer contributions over and above the outcome of the performance of the fund and demographic factors. Confidential Appendix A provides detail and information relating to the outstanding capital costs.

The outcome of the Triennial Review is anticipated in the autumn of 2007 at which stage a further report will be submitted to Members for information.

#### **4. COMMENTS OF MONITORING OFFICER**

The Council has no other alternative but to make payment for previous pension releases in accordance with its liability under the Local Government Pension Scheme.

#### **5. CONTACT OFFICER**

Sally Marshall  
Corporate Head of Finance & Resources  
01476 406511  
[s\\_marshall@southkesteven.gov.uk](mailto:s_marshall@southkesteven.gov.uk)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

# Agenda Item 16

## **REPORT TO RESOURCES D.S.P.**

REPORT OF: Joyce Slater  
Human Resources and Organisational Development Service Manager

REPORT NO.: HR& OD 88

DATE: March 2007

<b>TITLE:</b>	Revised People Management Strategy – consultation document
<b>FORWARD PLAN ITEM:</b>	Yes - Not before April
<b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	N/A

<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	Councillor Frances Cartwright	
<b>CORPORATE PRIORITY:</b>	Use of Resources	
<b>CRIME AND DISORDER IMPLICATIONS:</b>	N/A	
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	N/A	
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	<b>Carried out and appended to report?</b> Not Yet <b>Yes/No/Not Applicable</b>	<b>Full impact assessment required?</b> <b>Yes/No</b>
<b>BACKGROUND PAPERS:</b>	People Management Strategy 2003 I & DEA guidance <a href="http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=5222019">http://www.idea-knowledge.gov.uk/idk/core/page.do?pageId=5222019</a>	

## **1. INTRODUCTION**

**1.1** This paper was requested by the Resources DSP to ensure they can contribute to the updating of the people management strategy. The strategy is not due on the forward plan before April and it is at the early stages of revision.

## **2. RECOMMENDATIONS**

**2.1** The DSP are asked to contribute to the development of this strategy by commenting on the statements contained in the draft document, especially the sections of the draft strategy that relate to "where we want to be".

## **3. DETAILS OF REPORT**

**3.1** The people management strategy is being updated to support the aims and objectives of the Councils corporate plan. It has to support both current priorities and those that may emerge over the next 3 years.

**3.2** It is being developed from statements of where we are now & where we need to be. Once these are clearly articulated and derived from consultation with key stakeholders then a clear action plan can be specified.

**3.3** The draft strategy for consultation is attached in appendix 1.

## **4. OTHER OPTIONS CONSIDERED AND ASSESSED**

N/A at this stage

## **5. COMMENTS OF SECTION 151 OFFICER**

N/A at this stage

## **6. COMMENTS OF MONITORING OFFICER**

N/A at this stage

## **7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER**

N/A at this stage

## **8. CONCLUSION/SUMMARY**

N/A at this stage

## **9. CONTACT OFFICER**

**Joyce Slater**

**Human Resources and Organisational Development**

**Service Manager**

**Tel 01476 406133**

# **PEOPLE MANAGEMENT STRATEGY**

## **DRAFT 1**

### **DSP Consultation**

**February 2007**

## **PEOPLE MANAGEMENT STRATEGY**

### **Introduction**

In its corporate plan the Council has clearly stated its vision as "shaping the future together with our partners and residents to develop a place where people really matter – and being recognised as a council that provides brilliant services". Our people management strategy has been prepared to enable the Council to deliver brilliant service outcomes through the effective use of its resources. In people management terms these are the staff that it recruits, employs and develops and the ways in which they are led and managed.

This strategy links the Councils corporate plan to the national agendas defined in the Local Government Pay and Workforce Strategy 2005, the Children's Workforce Strategy, the Local Government Generic Equalities Standard and I&DEA people strategy guidance. It also recognises that there are HR issues embodied in the following corporate bodies and documents:

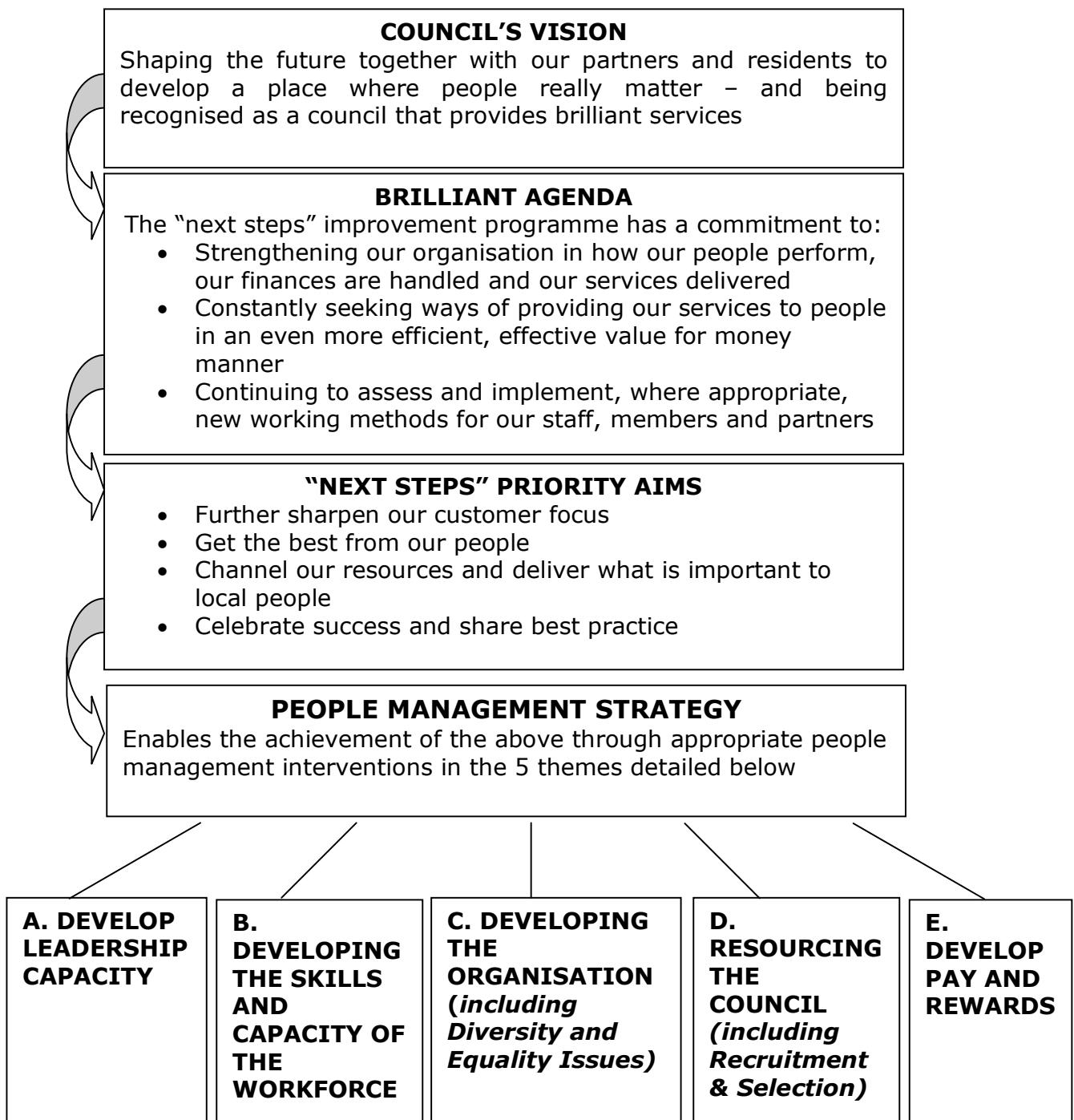
- The Corporate plan 2006 -2009
- The corporate improvement plan
- The Councils priorities
- The Council's risk register
- BVPI's and local indicators
- Staff survey outcomes
- Strategic management team
- Operational management team

### **Management and delivery of the Strategy**

- The Strategy is in the Forward Plan and will be ultimately approved by Cabinet. The responsibility for producing the strategy is with Human Resources and Organisational Development. Its implementation and its success lies with the following:
  - The portfolio holder
  - Elected members
  - The Chief Executive
  - The strategic management team
  - The operational management team
  - Service managers
  - All staff

## The Strategy

The Strategy is derived from the corporate plan and its agendas for the future. These are then related to the 5 key priority areas defined in the Pay and Workforce Strategy for Local Government as they provide a pragmatic and inclusive framework. The chart below shows the key linkages.



For each of the 5 themes there is a position statement and a schema of “next step” actions

**PRIORITY AIM: A. DEVELOP LEADERSHIP CAPACITY****WHAT:**

Improving the quality of both political and managerial leadership. This includes Cabinet, other Member roles (particularly in relation to their scrutiny role), the strategic management team, the operational management team as well as service managers

**CURRENT POSITION:**

1. The Council has introduced a new management structure with clear and consistent lines of responsibility.
2. The Council has made a significant commitment to leadership development in the cabinet, including attendance at the leadership academy, 360 leadership assessment of cabinet members and an ongoing programme of both cabinet specific training and development and joint learning with the strategic management team.
3. It has delivered programmes of member training that have been well supported within a commitment to the Councillor development charter
4. Service managers have completed a 360 assessment of management competencies together with an internal management assessment exercise. This has led to the through the ILM7 and ILM 3 "Art of being Brilliant" programmes based on 360 competency assessment outcomes
5. Management responsibilities have been clearly defined in job descriptions
6. The strategic management team and the operational management team meet regularly to support organisational development action plans and to ensure organisational performance improvement

**WHERE WE NEED TO BE:**

1. Developing the role of political leadership in championing community leadership and the improvement of place
2. Developing leadership and management skills to achieve improvements through collaboration and partnerships
3. Developing change management skills for a "fitter, faster & more flexible customer and place centred Council"
4. Developing a greater focus on performance improvement through effective management

**ACTION PLAN:**

To follow

## **PRIORITY AIM: B. DEVELOPING THE SKILLS AND CAPACITY OF THE WORKFORCE**

### **WHAT:**

The Council has always recognised the benefits of investing in its staff and members and has made a significant commitment to their development in terms of budget and support. As prioritisation and organisational changes impacts on both what staff need to do and how they now need to do it the Council can anticipate increasing demand for learning and development. The ways in which people learn will also have to change to enable the delivery of brilliant services in a customer focused Council

### **CURRENT POSITION:**

1. Member Development. There have been a range of training and development activities for elected members including an annual programme of learning events, mandatory training for quasi judicial committees as well as specific development opportunities for cabinet members. In addition there is a mandatory core programme for essential knowledge for new Councillors proposed for 2007 – 2008 as part of the induction programme for newly elected members following the May 2007 election
2. Service plans are reviewed annually to evaluate priorities and identify needs.
3. Learning and development needs identified in individual performance and development reviews are also included in the service plan budgetary estimates. Training and development budgets have been maintained despite budgetary pressures.
4. Corporate Initiatives. There is a corporate budget managed by Human Resources and Organisational Development to provide appropriate learning opportunities for legislative changes, government guidance and initiatives. While it tries to deliver much of this through internal briefings using internal expertise it will use external expertise where appropriate.
5. Access to learning opportunities begins at induction and throughout an employee's working life. The Council has supported occupationally specific knowledge and skills development as well as the achievement of qualifications and professional development. The Council is very supportive of staff who have returned to learning.
6. The Council facilitates access to learning opportunities within flexible working practices. The Council's collective agreement on flexible working gives support for those with care responsibilities to enable them to access training and addresses basic skills needs sensitively on an individual basis
7. The Council has supported partnership training programmes and innovative learning approaches. It is part of the Learning Pool initiative to explore the scope of E-learning and has introduced an online European Computer Driving Licence programme in house. It has been the lead partner from the ODPM funded ILM 7 leadership and management development programme for managers

**WHERE WE NEED TO BE:**

1. Ensure all staff have an annual performance and development review and relevant development to ensure that the organisation has staff skilled appropriately to provide brilliant services
2. Improve the member development programme in line with the member development charter, using other learning media than just workshops for greater flexibility and ease of access
3. Continue to develop managers for greater devolvement of people management responsibilities from Human Resources and Organisational Development
4. Make better use of technology based learning
5. Through learning and development guide staff through the equalities agenda to enable inclusivity and wider community engagement and improved customer service for all residents
6. Prepare for the shared service agenda
7. Sharpen the customer focus for all staff, procedures and working arrangements
8. Improve the way we share learning in the organisation

**ACTION PLAN:**

To follow

**PRIORITY AIM:****C. DEVELOPING THE ORGANISATION (including Diversity and Equality Issues)****WHAT:**

Develop the organisation and it's capacity to deliver current and future priorities with a culture and desire to provide brilliant services for all residents through a diverse workforce for a diverse community

**CURRENT POSITION:**

1. The recent management restructure introduced a strategic management team to the organisation to drive change Single Status Agreement.
2. The council was one of the first Councils in the country to implement single status, with local terms and conditions.
3. The Council has a useful flexible working arrangement (annual hours) which is incorporated into term and conditions of all employees excepting those in craft and cleansing
4. Performance Management of BVPI's and local indicators is established.
5. Investors in People. The Council has a commitment to Investors in People and has achieved accreditation in a number of sections.
6. Performance and development reviews are being delivered in more sections of the council and corporate heads are ensuring their completion.
7. Induction. The Council has an induction process that requires review
8. Workforce Diversity – The Council encourages the retention and empowerment of people with disabilities by readily making workplace adjustments in accordance with the DDA.
9. Workforce Diversity – The Council facilitates part time work whenever it is requested as part of its flexible working agreement. This allows people with diverse responsibilities to continue meaningful employment. In particular the Council has an excellent record in allowing women returning from maternity leave to adopt working patterns that fit to their parental responsibilities
10. Sickness management. The Council has a comprehensive sickness management policy & procedure and has an upper quartile performance for sickness absence
11. Partnership working. The council has supported a variety of partnership arrangements, which have employment law considerations
12. The Council has achieved level 2 of the equalities standard and is working towards level 3 of the standard while introducing the duties prescribed in new legislation.
13. Employee Consultative Mechanism. The Council has now a single joint consultative group with its recognised trade unions (previously it had 2). The Council encourages trade union membership and sees the mechanism of the JCG as a means of both engaging with its workforce and also establishing collective agreements on significant issues
14. Staff briefings. Core briefings have been introduced to communicate important messages throughout the organisation. They have been designed to ensure consistency of information and clarity of message, with an inbuilt feedback mechanism.
15. A staff survey is carried out annually from which action plans are developed.

16. A Staff Suggestion Scheme has been introduced.

**WHERE WE NEED TO BE:**

1. Review and update all key policies and procedures relating to the employment of staff to enable best practice that is devolved to service managers wherever possible.
2. Achieve level 3 of the equalities standard so that the service we provide to our customers is non-discriminatory & is appropriate to the needs of diverse communities.
3. Achieve Investors in People for the whole Council. The standard is simply good management practice which should be consistent across the Council
4. Enable new working methods to be introduced that deliver the Council's priorities
5. Develop a performance management culture

**ACTION PLAN:**

To follow

**PRIORITY AIM: D: RESOURCING THE COUNCIL (including recruitment and selection)****WHAT:**

To deliver the councils vision and priorities the recruitment and deployment of staff must be effective and flexible enough to respond to change.

It means having the right people in the right places doing the right things at the right time to provide the best possible service

**CURRENT POSITION:**

1. Trainee Programmes. In potentially difficult to fill professions (e.g. building control, environmental health, planning, legal, accountancy) the Council has run various trainee schemes in order supply its own skills base
2. The Council has adopted progressive selection tools to improve the validation of the selection process and thereby make good recruitment decisions. Tools used include job specific questionnaires, testing and assessment centres, which can now be offered in house.
3. The turnover of staff is still low and feedback from exit interviews informs recruitment.
4. Feedback from unsuccessful candidates regarding the quality of the recruitment process is excellent
5. Flexible working arrangements are via an annual hours agreement. This has assisted in work life balance considerations for many staff with responsibilities and is likely to have been a major retention factor.
6. Internal Temporary Staff Service. The Council retains its own temporary staff service which is effectively an internal bureau for the supply of staff, at short notice, to any service. This has provided a cost effective response to temporary staff shortages
7. The Council has arranged a number of secondments that have both provided opportunity for development but also immediately offered the opportunity to extend existing capacity.

**WHERE WE NEED TO BE:**

1. Update recruitment policies and procedures
2. Undertake skills audits to inform and develop competency profiles
3. Review flexible working arrangements
4. Develop labour market monitoring tools
5. Update workforce development plan

**ACTION PLAN:**

To follow

**PRIORITY AIM: E: DEVELOP PAY AND REWARDS****WHAT:**

Pay / reward structures need to be appropriate to attract and retain a skilled and flexible workforce. At the same time the Council must demonstrate equity and fairness in its pay system & does so through the implementation of job evaluation.

**CURRENT POSITION:**

1. Job evaluation has been implemented and is well established.
2. Budget management is now devolved to corporate heads service managers
3. Local Terms and Conditions. In establishing single status the Council introduced simplified terms and conditions where there is one business travel claim rate (with pool car option), all working time at base rate, single point salaries etc. This approach has enabled flexible working and the provision annual hours arrangements.
4. The local pension policy is being re written & the national scheme itself is being overhauled and is subject to national consultation.
5. Pay audits are being undertaken
6. Market supplements are used as a last resort to address recruitment shortage areas.

**WHERE WE NEED TO BE:**

1. In responding to changes in council priorities and organisational arrangements the Council also needs a more appropriate reward structure
2. The Council needs to explore ways of incorporating the performance agenda into pay structures to support continuous improvement of performance
3. Development of a flexible benefits package

**ACTION PLAN:**

To follow

# Agenda Item 17

## **REPORT TO COUNCIL**

**REPORT OF:** **Duncan Kerr**

**REPORT NO.:** **CEX367**

**DATE:** **5th February 2007**

<b>TITLE:</b>	<b>Local Area Agreement</b>	
<b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b>	<b>Cllr Linda Neal, Leader</b>	
<b>CORPORATE PRIORITY:</b>	<b>N/A</b>	
<b>CRIME AND DISORDER IMPLICATIONS:</b>	<b>Detailed in the Local Area Agreement</b>	
<b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>	<b>This report is publicly available from the council's website via the local democracy link</b>	
<b>INITIAL EQUALITY IMPACT ASSESSMENT</b>	<b>Carried out and appended to report?</b>  <b>Not Applicable</b>	<b>Full impact assessment required?</b>  <b>No</b>
<b>BACKGROUND PAPERS:</b>	<b>None</b>	

### Introduction

1. Attached is a copy of the final draft of the Local Area Agreement which was endorsed by the Cabinet on the 5<sup>th</sup> of February and is now being presented to Council for approval
2. This agreement is the culmination of a partnership approach between all the Councils and statutory agencies in Lincolnshire who have worked together to develop a document which can deliver tangible improvements to the residents of the county.
3. There may need to be some further changes in order to reach agreement with the Government Office on this document.

### Recommendation

4. That the Council approves the Local Area Agreement and delegates authority to the Leader to be consulted about, and agree, any further changes necessary to secure sign off of this Agreement from GOEM.

Duncan Kerr  
Chief Executive

**LOCAL AREA  
AGREEMENT FOR  
LINCOLNSHIRE**

**FINAL DRAFT**

**19-01-07**

## CONTENTS

This final draft of the Local Area Agreement (LAA) consists of this main document, appendices and the background working papers listed below.

<b>Lincolnshire LAA</b>	<b>Page</b>
1. Introduction	3
2. The evidence for the key priorities and headline challenges for Lincolnshire	5
3. The Lincolnshire Approach – key features	10
4. Developing and delivering the LAA – governance, performance management, funding	15
5. Statement of community involvement	21
6. Summary of outcomes	24
<b>Appendices</b>	
Outcomes, indicators and targets for the 4 LAA blocks of: - Healthier Communities and Older People (HCOP) - Economic Development and Environment (EDE) - Safer and Stronger Communities (SSC) - Children and Young People (CYP)	
<b>Background papers</b>	
1. Governance details, 2. Evidence base, 3. Year 1 Action Plan. Background papers can be found on the Lincolnshire Assembly website <a href="http://www.lincolnshireassembly.com">www.lincolnshireassembly.com</a>	

## 1. Introduction

The Local Area Agreement (LAA) for Lincolnshire has been developed through a participative and inclusive process with a wide range of partners. The Lincolnshire Assembly, the countywide Local Strategic Partnership (LSP), has provided a focal point for the development of the LAA. Working through the Lincolnshire Assembly, we have agreed the strategic direction of the LAA and aligned the core corporate objectives of partner agencies with a common vision for Lincolnshire.

The LAA is an agreement between local partners and national government to deliver key outcomes for Lincolnshire over the next 3 years. The LAA provides a framework for improved joint working that will address Lincolnshire's priorities through better use of existing resources and strengthened partnership working.

The priorities in the LAA are built on the Sustainable Community Strategy for Lincolnshire (adopted in September 2006) and we see this LAA (and future LAAs) as a key delivery mechanism for our long-term vision. The Strategy was developed following extensive public and stakeholder consultation and there is clear synergy with the Community Strategies of the seven Lincolnshire District Councils.

Anticipating the development of the LAA, the Sustainable Community Strategy for Lincolnshire was designed around the four LAA Blocks (see the contents page of this LAA for details of the 4 blocks, listed under appendices). Local Strategic Partnerships across the County have been working to align their Community Strategies and action plans to this structure, and to the objectives set out in the Strategy. During the consultation and development of the Sustainable Community Strategy four cross-cutting themes emerged as key issues for Lincolnshire. In the Local Area Agreement these cross-cutting themes are set out as the following Headline Challenges:

- Improved access to services - and to information about services in ways that are appropriate for all
- Environment and climate change – protection of existing natural and built heritage and effective response to the challenge of climate change
- Community cohesion – valuing and incorporating the contributions that everyone can make
- Affordable housing – encouraging and enabling people to preserve existing housing stock to good standards, and providing a wide range of attractive and affordable places for people to live

The focus on these cross-cutting themes as headline challenges in our LAA ensures that we prioritise working across blocks and ensures that issues impacting on more than one block are tackled comprehensively.

Our approach to the LAA aims to focus resources most effectively across the County. Many parts of Lincolnshire enjoy a high quality of life that attracts investment and makes it a destination for people from other parts of the UK. At the same time there are areas that suffer from multiple deprivation and smaller areas where there is hidden rural deprivation that is difficult to analyse

through standard measures. The challenge for Lincolnshire's LAA is to ensure that our high performing areas are sustained and continue to develop, while those areas that need improvement can be brought closer to the Lincolnshire average through better targeted service delivery. We also recognise that certain issues spread beyond small locality boundaries, and can only be tackled through a broader approach.

Lincolnshire's approach is based on evidence with appropriate intervention where it is needed on priority issues across the County. It includes three levels of intervention - ranging from improvements for all across the County, to a co-ordinated and preventative approach that tackles problems early through pro-active joint working, and also a more focused intervention approach in specific geographical priority areas where need is greatest. Our LAA provides a clear vision of improvements to Lincolnshire:

<b>Our Vision</b>	"By 2021 Lincolnshire is seen as the place where people want to live, work, invest and visit." (Sustainable Communities Strategy)
<b>Our Block Priorities</b> (Outcomes, indicators targets) and  <b>Headline Challenges –</b> that cross blocks	<p>1. Safer and Stronger Communities (SSC)  2. Children and Young People (CYP)  3. Healthier Communities and Older People (HCOP)  4. Economic Development and Environment (EDE)</p> <p>1. Improved access to services  2. Environment and climate change  3. Community cohesion  4. Affordable housing</p>
<b>Our approach</b> (The Lincolnshire model)	<p>1. A sustaining approach with improvements for all across the County.  2. A co-ordinating and preventative approach that tackles problems early through pro-active joint working.  3. A more focused intervention approach in specific geographical priority areas where need is greatest.</p>

An inter-agency Project Management Board has guided the development of the LAA to final draft stage, reporting progress to the partner agencies involved and the Lincolnshire Assembly and its executive body. Following formal signing of the LAA by the Leader of the County Council and the Chairman of the Lincolnshire Assembly, a joint-agency Strategy Board will be responsible for strategic direction and implementation of the LAA. Further information on how the LAA will be delivered, the governance arrangements and who is involved is below in section 5 of this document and full details are in Background Paper 1.

## 2. Evidence for Lincolnshire's key priorities, headline challenges and geographical focus

In order to identify our priorities and headline challenges we have drawn on a robust evidence base for Lincolnshire. There are a number of reference documents that set out the evidence base in detail (see Background Paper 2 to this document). We highlight here a snapshot of the evidence of the particular issues that we are seeking to address through both the four LAA blocks and the Headline Challenge Partnerships:

- **A fast growing population with a “hidden crisis in economic growth and performance”.** Lincolnshire's population grew by 9.9% between 1991 and 2001, compared with a national growth rate of 2.6% and regional rate of 4%. Within Lincolnshire, North Kesteven experienced the fastest growth rate, at 17.5%. Further estimates of growth to 2004 remain substantially above the national and regional averages. Anecdotal estimates for the numbers of **migrant-workers** currently living in Lincolnshire have ranged from 50,000 to 70,000, (a baseline survey is currently being commissioned to clarify the situation.) The current annual growth of the Lincolnshire economy is 0.8% compared to a national growth rate of around 2.5%. The County's **economy** can be summarised as: being reliant on traditional industries; having low productivity; having a low skills base; offering low wages; hindered by a poor infrastructure. Currently many family professionals locate to the county because of attractive house prices but commute to work outside the area. Conversely, although house prices are attractive to family professionals, a large number of local residents suffer because of a lack of affordable housing;
- **Large rural, sparsely populated County with unequal access to services and opportunities.** Lincolnshire covers an area of 5,921 square kilometres, with a population density of 1.1 person per hectare. As a consequence of the size of the county, the highway network is extensive (9,018 kilometres). Within this network there is no motorway and just 66 kilometres of dual carriageway. Transport links have historically been poor outside the major urban areas (Lincoln, Boston, Grantham). Targeting of investment by the transport authority has meant that most towns have been linked by InterConnect services on the primary routes, supported by Demand Responsive CallConnect services, interlinking at transport hubs. However, there are still some communities without access to these important services, affecting their ability to get to places of further education, work, leisure, particularly for young people. Many communities and particularly **young people** are disadvantaged by where they live. This can affect their ability to get to places of work or learning and limit their choice of opportunity. Analysis shows the need to ensure a collaborative approach to 'getting people to services and services to people';
- **Inequalities across the County.** 14% of Lincolnshire's population live in neighbourhoods (referred to here as 'super output areas') that are among the 10% most deprived in England; 26% of Lincolnshire's population live in neighbourhoods that are among the 20% most deprived in England. Whilst overall the **health** of the population of Lincolnshire is better than the national average, there are variations within the county that highlight

**health inequalities across and within districts.** Lincolnshire-based health surveillance and health needs assessments reinforce the link between deprivation and ill-health. The disadvantaged areas of the county, as identified by the national Index of Multiple Deprivation (IMD) 2004, have disproportionately higher burdens of ill-health – namely the east coastal strip (Mablethorpe & Skegness), Lincoln (Spearhead status) and areas in Gainsborough, Grantham and Boston. Within Lincolnshire there is little 'narrowing of the gap' in ill-health between the best and worst wards. For Gainsborough, the health inequality gap is widening in terms of premature mortality;

- **Not always safer or stronger communities.** Although crime levels are below the national average, the vast majority of crimes were concentrated in the urban areas around town centres or in areas of high deprivation. Drug dependence is closely linked to acquisitive crime. During 2004/5, 2000 people entered structured drug treatment in Lincolnshire. This is a 25.5% increase on the previous year. In 2004-5 there were record levels of school exclusion due to drug and alcohol use. **Road Safety** is a major concern in Lincolnshire with 69 people killed and 369 people seriously injured in 2006, although the number of people killed or seriously injured on the county's roads has decreased by 22% compared to the previous year. On **Cohesion** 37.3% of BME respondents reported that they had been subject to some form of harassment or racial discrimination in the County according to a survey carried out in South Lincolnshire in 2006. Problems are compounded by scarcity, rural and cultural isolation and lack of support structures. Evidence highlights the need to **strengthen families** to be able to look after their children at home, and to ensure all children and young people are protected from accidental injury or death and are safe from bullying and discrimination;
- **Environment and climate change challenges.** Climate change is recognised as one of the most significant challenges we face. It will continue to have far reaching effects on Lincolnshire's people and places, economy, society and environment. The most recent regional study on the impacts of climate change concluded that whatever action is taken now to mitigate future climate change, the outcome for the next 50 years is probably fixed. In that timescale: temperatures could increase by up to 2°C depending on season – more than twice the change in the whole of the last century; winter rainfall could have increased by about 15%; summer rainfall could decrease by up to 30%; autumn soil moisture contents could fall by an additional 20 to 30%.

The impacts on Lincolnshire's agriculture, economy and health need to be planned for. On our coast, the sea level is predicted to rise by 355mm in the next 50 years, and a further 660mm in the following 50 years. Coupled with increases of up to 21% in extreme wave heights over the next 100 years, this will create challenges for Lincolnshire, where around 40% of land is below current day sea level. Although sea defences are in place to manage this risk, their effectiveness will reduce as these impacts of climate change are felt, unless remedial action is taken.

In addition to short-term adaptation to the changes already in train, we need to mitigate against longer-term potentially catastrophic climate change by reducing greenhouse gas emissions (primarily CO<sup>2</sup> from buildings, transport etc). Whilst we do so, we need to understand and exploit the opportunities of a low carbon economy. So, for example, developing the infrastructure for an alternative energy economy provides a sustainable way forward. Linked to climate change we need to reduce waste going to landfill (with methane from landfill being 20 times more potent than CO<sup>2</sup>). Reducing consumption and increasing reuse, recovery, recycling and composting provide a well understood way forward.

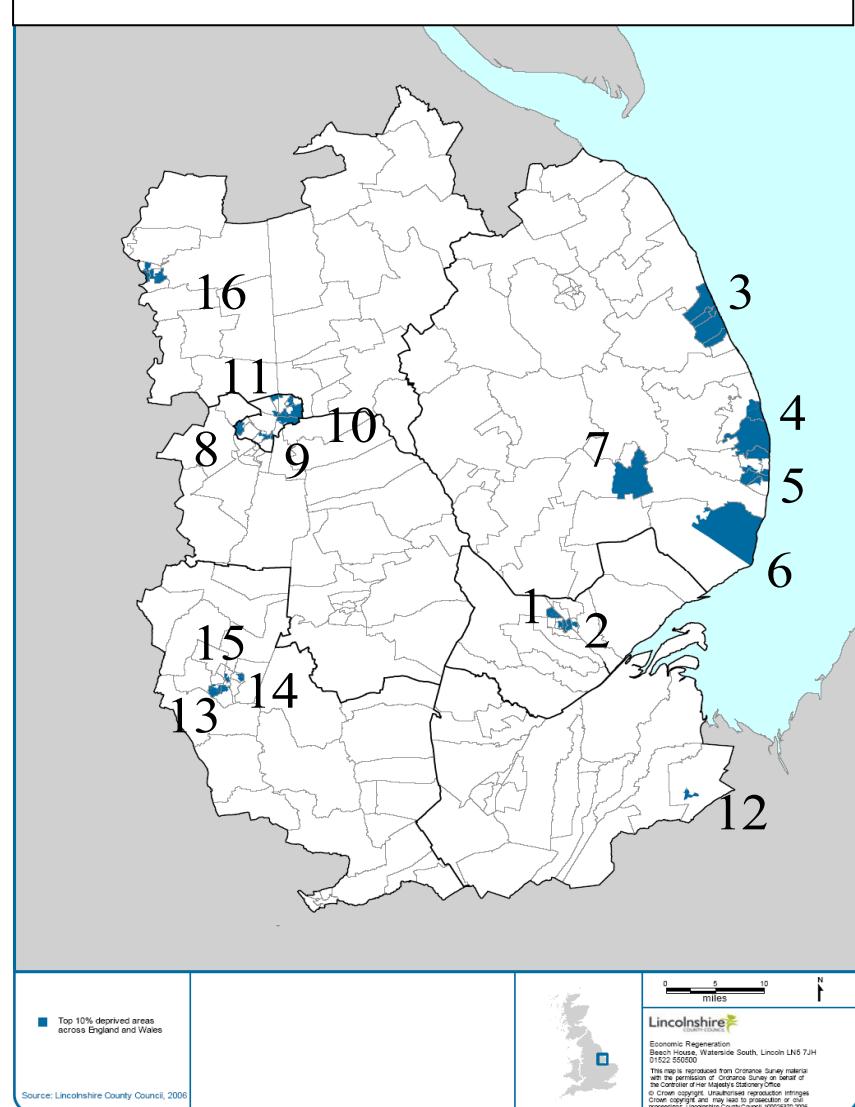
In addition to the environmental impacts of climate change, we face challenges in protecting and enhancing Lincolnshire's natural, historic and built environment. Amongst our assets are habitats and landscapes of international and national importance, although the general level of biodiversity is amongst the poorest in the country and in need of 'a step change'. The contribution of this green infrastructure and our natural and historic environment is important to quality of life, economy and attracting and retaining population.

### **Geographical Priority Areas**

Our approach to the LAA recognises that in a small number of geographic areas a greater difference can be made through targeted intervention. On the basis of the national Index of Multiple Deprivation (IMD) partners in the county identified sixteen groups of small neighbourhood areas (Super Output Areas) across Lincolnshire that fall within the 10% most deprived nationally for employment, health, crime and lack of qualifications. These sixteen clusters of Super Output Areas (SOAs) represent those neighbourhoods where there are the greatest concentration of issues and the greatest opportunities for developing a new and co-ordinated approach to tackling them on an area basis.

The map over-page shows each of the sixteen identified clusters, with a key identifying the wards or parts of wards that are included in each cluster, together with a population figure for the cluster as a whole. For this reason, population figures for the wards themselves will often be quite different.

## Lincolnshire LAA – geographical priority areas



### Key to LAA Priority Areas - Lincolnshire

Number	Wards or parts of wards within cluster	Population of cluster
1	Boston - Fenside	3,619
2	Boston - Central, Pilgrim, Skirbeck, Stanisland South	7,099
3	Mablethorpe, Trusthorpe, Sutton on Sea North	9,352
4	Ingoldmells, Chapel St Leonards, Winthorpe	7,081
5	Scarbrough, Seacroft, St Clements, Winthorpe	9,623
6	Wainfleet and Friskney	1,166
7	Halton Holegate	1,045
8	Lincoln - Birchwood	4,785
9	Lincoln - Moorland	4,700
10	Lincoln - Park, Abbey, Glebe, Minster, Carholme	11,327
11	Lincoln - Castle	3,073
12	Sutton Bridge	1,372
13	Grantham - Earlsfield	6,982
14	Harrowby	3,133
15	St Wulfram's	1,648
16	Gainsborough	8,972

We acknowledge that the scope of the LAA is greater than these priority areas alone, but they are most significant in respect of the opportunity for intervention in the key issues that we are seeking to address. Equally, it is important that formal ward or SOA boundaries should not be used to restrict work geographically should there be a need to address a specific issue over a wider area. This is particularly true of issues that extend into rural areas outside the urban centres.

Partners have agreed, therefore, that the clusters identified above should be grouped into five geographical priority areas, based on intensity of need and capacity for effective intervention. The priority areas will be addressed on a rolling basis over the next three years, as follows:

- Year One (2007-08) onwards - Lincoln (areas 8, 9 and 10) East Coast (areas 3, 4 and 5, possibly including 6.)
- Year Two (2008-09) onwards - Boston (areas 1 and 2), Gainsborough (area 16)
- Year Three (2009-10) onwards - Grantham (areas 13, 14 & 15)

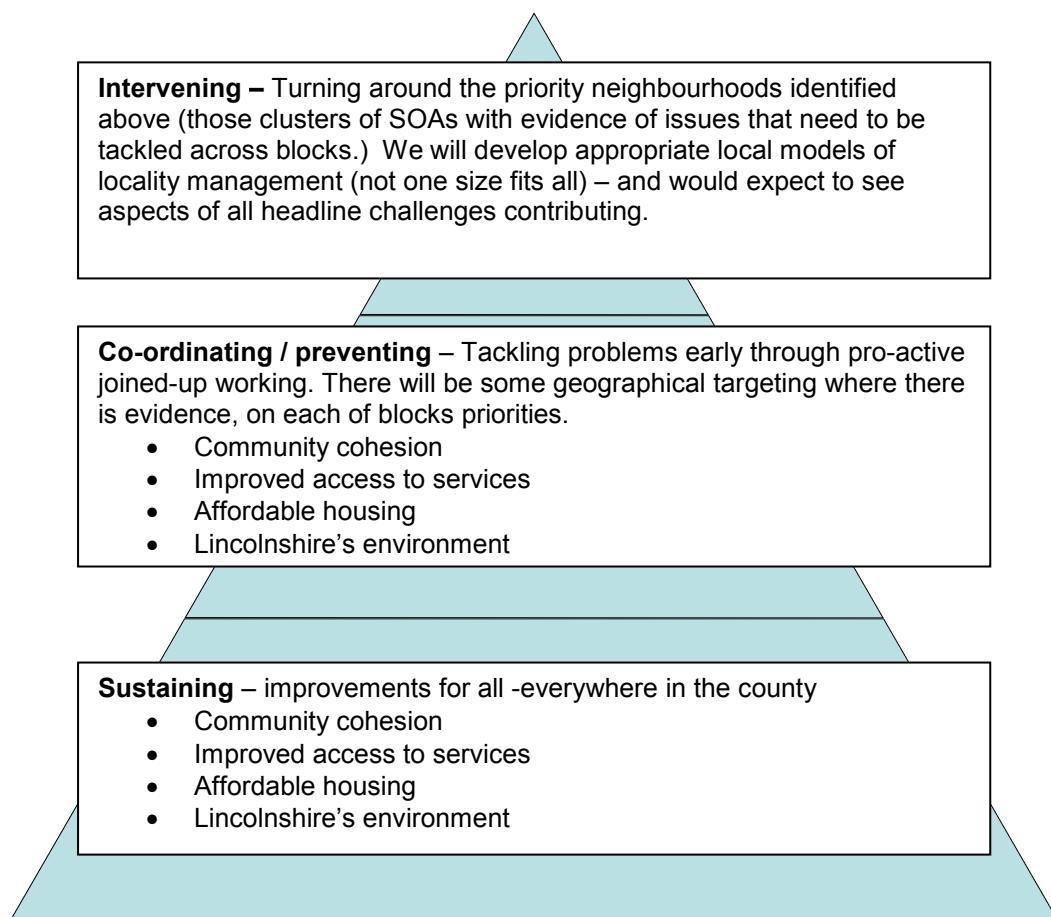
Not all the groups of SOAs highlighted above fall within the geographical priority areas. However, it is anticipated that local requirements and existing delivery mechanisms will have a significant influence in determining how the approach to the geographical priority areas will be developed on the ground.

### 3. Key features of the Lincolnshire approach

#### 3.1 What will be different?

Lincolnshire's LAA approach is set out in diagram below. It describes how we will work together on the issues identified from our evidence base at different levels according to need. It ranges from a sustaining approach with wide geographical impact and taking into account the circumstances of a sparse rural population, to a more focused intervention approach in specific priority areas that offer opportunities for more intensive development of improved ways of working.

Agreement on this approach represents a significant commitment for the County and partners. This model is reflected in each of the four LAA blocks (see appendices 1-4, where more detail is available for each of the blocks). It ensures that the key themes of the LAA can be implemented most effectively according to local circumstances, and takes advantage of existing delivery mechanisms, such as Local Strategic Partnerships (LSPs), Local Children's Partnerships, and the Lincolnshire Accessibility Partnership.



Throughout the development of the LAA we have challenged ourselves to focus on adding value to the work that we are currently doing as individual agencies and in existing partnerships. In this section we want to highlight some of the interventions that will contribute to the delivery of the LAA. This approach, the actions below and the drive from the new strategic board all represent a major and positive move forward for the County.

There will be a clear focus on action – by 1<sup>st</sup> April 2007 there will be delivery plans in place for:

- Each outcome in each of the four blocks;
- The headline challenges; and
- The geographic focus areas for Year 1 (Lincoln and the Coast).

Many of the interventions below are new and those that are existing commitments in other plans will benefit from the higher profile and drive that we will make sure the LAA brings for all partner agencies and partnerships.

### 3.2 Key features of our plans for the LAA block delivery

Healthier Communities and Older People	Children and Young People
<ul style="list-style-type: none"> <li>• Health inequalities targets addressed in Spearhead and non-Spearhead areas based on need</li> <li>• Agreed strategic frameworks on preventive approaches, e.g. physical activity &amp; health, food &amp; health, alcohol harm reduction, health at school</li> <li>• Development of joint commissioning functions and provider services with more jointly funded posts</li> <li>• A much larger pool of frontline staff available to be trained with a primary prevention remit and single assessment and unified referral process across a wide range of organisations</li> <li>• Service developments through the Long Term Conditions Programme to enhance independence, use of Community Matrons and models of care developed to maintain vulnerable older adults at home, where appropriate</li> <li>• Technology used to provide lifeline monitors, smoke detectors etc. to enable people to remain in their homes. Community Alarms services via Supporting People</li> <li>• As part of a wholesale rethink about how the Supporting People Partnership in Lincolnshire helps vulnerable people into tenancies, a new 5 year strategy and commissioning plan are being developed based on a detailed needs analysis with input from customers and suppliers. This will be completed in March 2007 and incorporated into the LAA at the earliest opportunity</li> </ul>	<ul style="list-style-type: none"> <li>• Manage Extended Provision (increased number of children's centres, extended services and the LCC Strengthening Families approach i.e. preventative services) through Extended Provision Managers</li> <li>• The establishment of clusters of schools based on local communities which will form a framework for universal services provision. These will be known as Local Children's Partnerships (15)</li> <li>• Annual increase in the number of schools with an approved School Travel Plan</li> <li>• Provision of integrated services for children and young people with a disability</li> <li>• Reduce NEET targeting resources on those areas and those young people where risk of NEET is greatest (NEET stands for those not in education, employment and training)</li> </ul>

Safer and Stronger Communities	Economic Development and Environment
<ul style="list-style-type: none"> <li>Targeted crime reduction through the Prolific and Priority Offenders Scheme and Crime and Disorder Reduction Partnerships (CDRPs);</li> <li>Reduced repeat domestic violence through support packages, enforcement and education;</li> <li>Partnership on litter, abandoned cars, graffiti and damage &amp; noisy neighbours – link environment with anti-social behaviour and crime generators;</li> <li>Joint referral to treatment centres – alcohol and drugs;</li> <li>Enforcement of licensing policy – to reduce alcohol harm and violence;</li> <li>Commission the voluntary sector through the Voluntary Sector Consortium and Compact agreements.</li> </ul>	<ul style="list-style-type: none"> <li>Lincolnshire Environment and Climate Change Advisory Panel will ensure that there is a much closer approach to working on the sustainability agenda;</li> <li>Local delivery partnerships such as RAZ, CAZ, BARC, GLP will develop targeted strategies to help those most at risk of labour market exclusion and to promote business investment;</li> <li>We seek to pool an element of the regional ERDF allocation within the LAA.</li> </ul>

### 3.3 Key features of our plans for the geographic focus priority areas

Year 1 - The Coast and Lincoln City
<p><b>Lincoln City</b></p> <ul style="list-style-type: none"> <li>A full set of integrated floor target and local area agreement delivery plans have been developed in Lincoln. They set out plans for prioritising key neighbourhoods and delivery across the four LAA blocks. They build on the Floor target action plans which were completed in March 2006 which focussed on Health, Crime, Worklessness, Housing and Education have been developed (September 2006). They include the LAA mandatory targets;</li> <li>Neighbourhood management is in place in two priority neighbourhoods in Lincoln. This approach is to be developed further with partners and forms a key action in each of the delivery plans. A neighbourhood strategy will facilitate the roll out of neighbourhood management in the City;</li> <li>Evidence base has been established for Lincoln, detailed targets at neighbourhood level are being agreed and will be included in the LAA refresh. Evidence base will be prioritised for the coastal areas;</li> <li>Lincoln LSP is commissioning a piece of work to explore and integrate community cohesion work across the priority themes. Phase 1 will be complete by the end of March 2007 and will identify key community cohesion issues for the city and recommend the priorities for phase 2 of the research;</li> <li>Colleagues in Lincoln and the Coast working together to develop appropriate model of locality working on the coast. Building on Coastal Action Zone work.</li> </ul>

## Year 1 - The Coast and Lincoln City

### East Coast

- Direct intervention on the East Coast will be developed in three priority areas:
  - Mablethorpe, Trusthorpe & Sutton on Sea North
  - Ingoldmells, Chapel St Leonards & Winthorpe
  - Scarbrough, Seacroft, St Clements & Winthorpe
- Interventions here will include:
  - Extending GP referral / exercise on prescription programmes
  - Providing adult skills training & creating new employment opportunities
  - Extending drug & alcohol treatment, test purchasing and licensing enforcement
  - Delivering measures to reduce fuel poverty & increase benefits take-up
  - Increasing support to parents on breastfeeding, smoking cessation & learning
  - Delivering work programmes set by Neighbourhood Management Panels
- Improving availability of services for older people;
- Delivering Children's Centres and Extended Schools Provision;
- Adopting the Nottingham Declaration on Climate Change & coastal defence measures;
- Developing use of fixed & mobile CCTV;
- Increasing reporting of domestic violence and hate crime;
- Improving access to dental services;
- Achieve Equality Standard;
- Increase recycling rates;
- Increase number of affordable homes and improve quality of housing stock.

### Commitments from Block Partnerships and agencies to joint working in these areas

- Specific crime reduction measures targeted at hot spots, joint agency diversionary projects to reduce the harm caused by anti-social behaviour. Combined enforcement action and support to drug and alcohol hot spots – drug & alcohol education to young and vulnerable people. Target violent hot spots – links to alcohol and substance abuse support;
- Co-ordinated community networks to promote and support healthy lifestyles & to ensure effective service delivery for vulnerable adults and older people, established initially in target areas;
- Networked & tiered model of healthy lifestyle support services and community programmes. Dedicated “Health Trainers” to develop & support personal health plans with people at risk of, and with long-term health conditions. Accessibility Planning - Improved transport in Boston area.

### 3.4 Key features of our plans for the headline challenges

Community cohesion	Improved access to services
<ul style="list-style-type: none"> <li>• Programme of action to build respect in communities and reduce anti-social behaviour;</li> <li>• Prioritise the establishment of comprehensive baseline intelligence on location, numbers and needs of BME and migrant worker communities;</li> <li>• Support the development of the Lincolnshire REC and its transition to an Equality Council;</li> <li>• Range of interventions at local level to empower people to have a greater choice and influence over local decision making and a greater role in public service delivery;</li> <li>• Participation in Audit Commission Fens Project on Migrant Workers;</li> <li>• Public sector agencies and their partners work towards reaching equality standards 2 and 3 on a shared timetable.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved access to and provision of appropriate public and community transport;</li> <li>• Increased number of Children's Centres;</li> <li>• Annual increase in the number of schools with an approved School Travel Plan ;</li> <li>• Shared services – the local authorities in the County are already committed to the development of shared services. This programme will now be focused on how we can use the benefits of the shared services principles to improve service access;</li> <li>• As a starting point there is a commitment to ensuring that by 2011 90% of households are within 30 minutes of a local service centre or supermarket by public transport.</li> </ul>
Environment and climate change	<b>Affordable housing</b> <ul style="list-style-type: none"> <li>• Establish Environment and Climate Change Partnership to provide co-ordinated action;</li> <li>• Local Authorities sign up to the Nottingham Declaration on Climate Change;</li> <li>• Reduce CO<sub>2</sub> emissions;</li> <li>• Grow Lincolnshire's sustainable energy economy, including development of biofuels;</li> <li>• Reducing amount of waste disposed of through landfill; sustaining biodiversity</li> <li>• Promoting environmental tourism;</li> <li>• Linkages with neighbouring areas e.g. Fens Pathfinder Project;</li> <li>• Promoting healthy lifestyles and improving mental health through improving access to opportunities for sports and leisure;</li> <li>• Developing cultural and heritage activities.</li> </ul>

## **4. Developing and delivering the Local Area Agreement**

### **4.1 Involvement**

The Lincolnshire Assembly is the overarching countywide partnership through which partners have worked to develop the LAA. A partnership Project Management Board, chaired by the Chief Executive of West Lindsey District Council, was established to co-ordinate development work to final draft stage, while block steering groups have also been established. Where possible, we built on existing partnerships/agencies to provide delivery vehicles for the LAA rather than setting up lots of new delivery vehicles.

A number of stakeholder workshops were held for the widest possible constituency of partners (December 2005, June, September and November 2006). In addition, briefings and consultation have been carried out at every Local Strategic Partnership (LSP) steering group meeting since January 2005. Workshops were also provided for elected Members, as well as presentations and briefings for individual partner agencies. Individual agencies have also developed their own methodologies for working with the LAA internally.

The voluntary sector is represented on the Lincolnshire Assembly Executive, and was involved in the LAA through two representatives of the LAA Project Management Board, and on each of the four LAA block steering groups. Block steering groups met regularly, and worked with block leads from the Government Office for the East Midlands (GOEM) and external consultants to develop draft block plans. Delivery against the headline challenges was implemented through nominated leads for each headline challenge, working with block leads to ensure an integrated approach to the final draft.

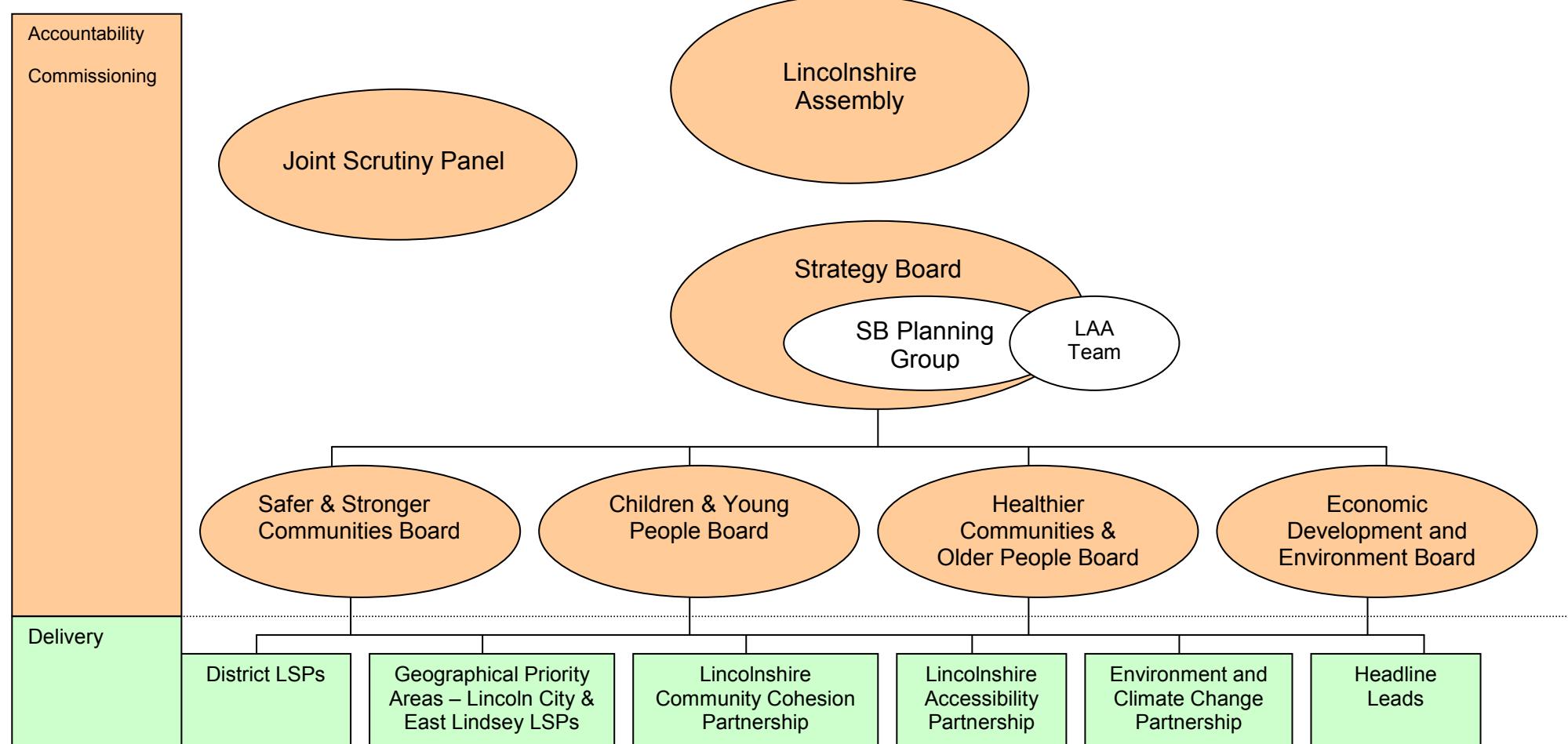
### **4.2 Governance Arrangements**

Partners have considered the longer-term requirements for governance of the LAA, particularly in light of the recently published Local Government White Paper, and with interests of accountability and effective performance management in mind. The governance structure outlined below was discussed and agreed by the Lincolnshire Assembly, and was confirmed at the first meeting of the Shadow Strategy Board on 19<sup>th</sup> January 2007.

Each of the block partnerships developed proposals for a Block Board with linkages to existing delivery mechanisms - including the provision for progress against headline challenges to be reported through the Block Boards as integral elements of the block plans. These Boards, along with the LAA Strategy Board, will exist in shadow form from January 2007, and will come into full operation in April 2007.

The relationship of the Block Boards to the Strategy Board is set out in the overall governance arrangements for the LAA (see below and in Background Paper 1). This includes general principles such as: the presence of the relevant County Council portfolio holder and district representation on each Board; the approval of the block governance arrangements by the Strategy Board; and the appointment of chairmen to the Block Boards on the basis of nomination by the Boards to the Strategy Board.

## Lincolnshire Local Area Agreement - Governance Arrangements



## **Governance Arrangements - LAA and headline challenge delivery**

Our Block Outcome Plans will be developed and delivered by a combination of delivery vehicles these are either:

1. Organisations in their own right;
2. Existing partnerships - with terms of reference modified to ensure LAA delivery;
3. New partnerships where needed to plug the gaps not filled by (1) and/or (2) and meet our new aspirations in the LAA.

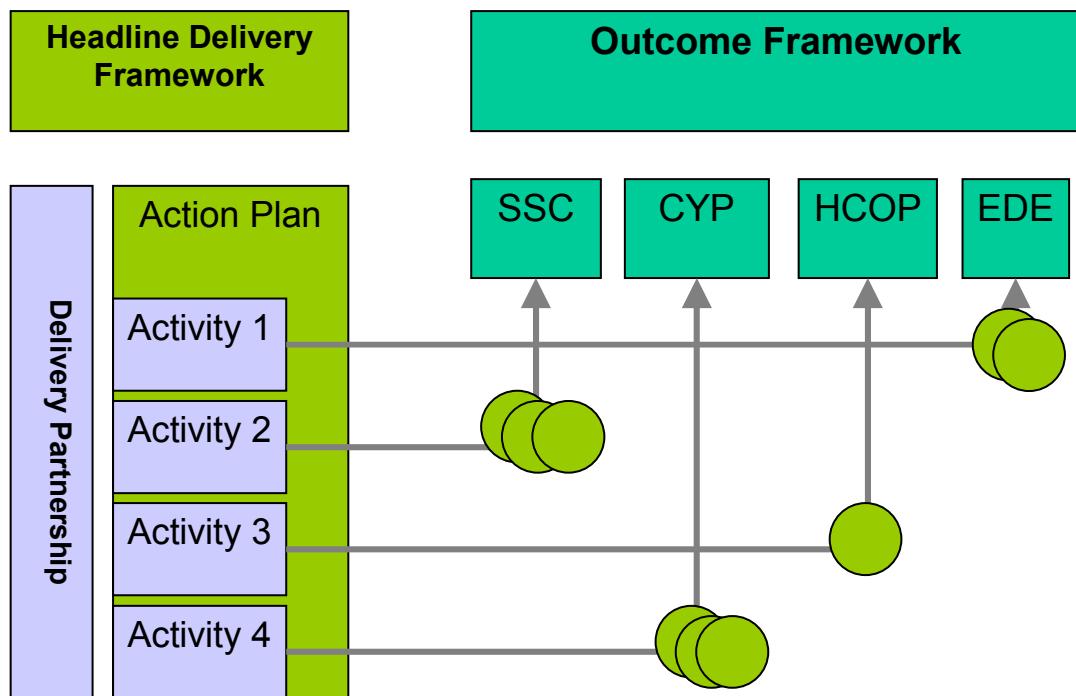
It is proposed that all block outcomes will be delivered through action plans that are owned and delivered through one of these vehicles. The partnerships will report their progress using the LAA Performance Management system (details below) to the LAA Strategy Board. As LAA delivery vehicles the role will include the following functions:

- Directly delivering block and headline action plans (scoping, defining programmes and projects);
- Facilitating and influencing delivery through other partnerships/agencies;
- Supporting and advising other delivery partnerships/agencies.

Examples of where existing partnerships will focus on LAA Outcomes and Headlines Initiatives include:

<b>Direct and/or Influencing Role</b>		
<b>Partnership</b>	<b>Blocks</b>	<b>Headline</b>
Lincolnshire Accessibility Partnership	1,2,3,4	Improve Access
Lincolnshire Waste Partnership	4	Environment
Children & Young People Strategic Partnership	2	All
Safer and Stronger Communities Board	1	Cohesion, Inequality
Local Strategic Partnerships (LSP)	1,2,3,4	All
Healthier Communities & Older People Partnership	3	Access, Cohesion
Community Cohesion Partnership	1,2,3,4	Cohesion
Note- for the purposes of the above:  Block 1 = Safer and Stronger Communities Block 2 = Children and Young People Block 3 = Healthier Communities and Older People Block 4 = Economic Development and Environment (EDE)		

## Governance Arrangements - Typical arrangement proposed:



Further detail of block delivery is set out in the appendix and in the action plans that will be in place by April 1<sup>st</sup> 2007.

### 4.3 Performance Management

A comprehensive, best practice performance management framework is being developed and implemented to support both the Sustainable Community Strategy and Local Area Agreement in Lincolnshire.

The County Council has agreed to co-ordinate this work and will host information on their PerformancePlus™ system (already used successfully in several LAAs). This approach will include a web based database covering:

- Community Strategy priorities linked to LAA objectives
- Performance indicators
- Targets for each measurement period so we can evaluate progress towards end targets for the LAA
- Comparative information (where available – usually for statutory performance indicators only)
- Initiatives to secure changes in performance and regular tracking of progress
- Significant risks to delivering LAA outcomes and actions to manage them

Best practice techniques used will include clear responsibilities for delivering objectives/initiatives, an audit trail and development of leading performance indicators where shifts in outcomes may occur late in the lifetime of the LAA

(or even afterwards). Reports will be tailored to the needs of specific stakeholders and the governance framework including: GOEM and government agencies; Lincolnshire Assembly and Lincolnshire Assembly Executive; LAA Public Service Board; Delivery agencies; the public of Lincolnshire.

These reports will vary in detail and content according to purpose and stakeholder. Reporting frequency will be quarterly (rather than six monthly) with formats based on 'latest available information' to cope with any lags in the provision of data or where data is available less frequently.

Reports and other information will be made available on the Lincolnshire Assembly website. Other agencies will be able to link to this from their own website and intranets. The system will also be used to cover non-LAA elements of the Sustainable Community Strategy for Lincolnshire. A recent Audit Commission report concluded that the County Council's approach to managing data quality exceeds minimum standards but also made recommendations covering the integrity of third party data. These will be acted upon to make sure all stakeholders have confidence in the performance management framework for the LAA and LSP.

Work will be co-ordinated by the County Council's Assistant Chief Executive (Performance) with day to day co-ordination by the council's Performance Team, with links to LAA governance arrangements and representatives from delivery agencies. This is an experienced team, whose experience includes work on pilot LAAs and effective performance management systems for LAAs, LSPs and other partnership working.

Progress in developing the framework will be reported to the LAA Management Board against criteria in the Government Office Assessment Tool for local performance management arrangements. A timetable has been agreed (see below) that envisages quarterly monitoring. 2006-7 baselines and quarter 1 (Q1) performance (where available) will be reported in August 2007 as a dry run for the half-year review in November 2007.

Agreed Timetable:

January 2007	Draft to Ministers
February 2007	Demonstrate prototype based on January submission
March 2007	Signed off
August 2007	Report baselines on 2006-07 and Q1 where available
November 2007	Half-year review
February 2008	Report Quarter 3 (Q3)
July 2008	Annual report for 2007-08 Report Quarter 1 (Q1) 2008-09

Part of developing the framework will be to agree criteria for a 'ladder of intervention' between the delivery agencies and other elements of the overall governance arrangements. All of the arrangements described above will meet the requirements for performance management of LAAs (as set out in Annex

C of the Round 3 Guidance for LAAs). In addition, these arrangements have been devised with a view to future developments such as Part 6 of 'Strong and prosperous communities; The Local Government White Paper' (Cm 6939-1: October 2006).

#### **4.4 Approach to funding**

Partners are committed where appropriate to aligning the use of resources – including funds and personnel – to support the delivery of the LAA. Our approach to funding in the LAA seeks to:

- Ensure that funding is clearly linked to the LAA Delivery/Action Plans and will be performance managed. Each activity will be given an owner; the owner will be the most appropriate available in each case; this could be a single entity, an existing partnership or a new partnership. The owner will be responsible for delivery;
- Take a phased evolutionary approach to the use of funding to deliver the LAA outcomes, seeking to build on the commitments we will include in year 1. We will continue to explore how mainstream funding can further support the outcomes of the agreement throughout the agreement (progress on this will be reviewed annually.) The LAA will form the framework for the allocation of any relevant non-mainstream or funds that may be announced over the lifetime of the agreement;
- Align funds as far as is practical on the basis of the agreed shared outcomes to support the delivery of the LAA – with specific reference to the model and headline initiatives set out in the LAA;
- Pool funds where partners consider there to be a sound case for enhancing the delivery of the LAA outcomes – particularly with reference to the Lincolnshire approach and headline initiatives – we seek to build this part of the agreement over time.

Full details are set out in the appendices for each block.

## **5. Statement of Community Involvement with the LAA**

### **5.1 Engaging the Voluntary and Community Sector with the LAA**

All partners are committed to ensuring that the engagement and participation of the voluntary and community sector (VCS) with the LAA is fundamental to the success of the Local Area Agreement. This is both in terms of helping shape future service planning by bringing an understanding of the needs of particular client groups, and in terms of delivery of the LAA through commissioning direct provision of services from the sector.

The VCS is involved at all levels in the LAA structure, including the Lincolnshire Assembly Executive, the LAA Project Management Board, and the steering groups for the four LAA blocks. In addition we have engaged with locally based voluntary and community groups through the district area Local Strategic Partnerships, and through stakeholder conferences and events.

Following a number of meetings and briefing sessions, the sector convened a conference on 6<sup>th</sup> December that aimed to develop a consensus approach to engaging with and contributing to the delivery of the LAA. The event was well attended and facilitated by a National Neighbourhood Renewal Adviser provided by GOEM. There was broad consensus on a number of key issues and commitment to developing an action plan to move the sector forward in relation to the LAA. A full report of the event is available on the Lincolnshire Assembly website. It is clear that:

- The Lincolnshire Assembly continues to welcome and accept the VCS as full members. We also recognise that partners are seeking representation from the sector on the new Strategy Board and that we are working together on identifying the most appropriate way forward. We are doing this with the assistance of GOEM and a programme has been set for further consideration at the follow up event on the 26<sup>th</sup> January;
- There is more to be done to support and train colleagues in the sector to enable effective participation and there is commitment from partners to support this type of activity. We appreciate the work of colleagues in the sector who have taken on the LAA development and are helping to share understanding and knowledge but recognise that more work on communication is required. This will be addressed through the LAA Year 1 action plan;
- Lincolnshire values VCS members' views and contributions in different partnerships including LSPs and Block Partnerships such as the Children and Young People's Strategic Partnership and the Community Safety Partnerships locally. At the Block level there are best practice examples of engagement with the sector - for example, the Children and Young People's Voluntary and Community Sector Forum. This network was established in 2003 and now has a membership of 65 organisations. There is a Strategic Group of 12 members who now act as the main Forum but with responsibility for liaising with the remaining organisations to

ensure that they act as a voice for the sector and not just themselves. This is a key issue - the 12 representatives are not there as individual organisations but to also disseminate information, briefings, access to training and funding as well as consulting with the rest of the network. The Forum is currently looking at the geographical spread of the membership and hopes to liaise with other networks on this. Part of the way forward plan for the sector as a whole will be to consider how this model can be rolled out across the blocks;

- An initial mapping exercise was undertaken to identify the extent to which the VCS are providers and where the VCS want to/could deliver more. One positive example has been included from Shelter, which has looked at how VCS Housing and Homelessness issues could contribute across the LAA blocks. Longer-term work is required and the event on the 26<sup>th</sup> January will set out the details of how and when this will be completed;
- There is an agreed Compact for Lincolnshire guiding the work of partners and these principles will be extended to work in relation to the LAA. Lincolnshire County Council is supporting work with the sector promoting the value of community engagement and providing support and guidance on measuring impact and outcomes from this. Partners have also been working on the concept of a Community Bank. Further details are available but this will promote good practice in supporting the capacity building needs of the VCS to engage in partnership working. It will support training and development to allow officials, members and the VCS to develop their skills in order to work collaboratively and to gain better understanding of each other's roles and responsibilities.

## **5.2 Engaging citizens and communities**

Major consultation exercises with the general public were undertaken in the development of the Countywide Community Strategy and the District Community Strategies prior to the LAA. The feedback from these consultation events has been used in the development of the priorities for the LAA.

A key document in this regard is the 'State of Lincolnshire Report' prepared by MORI for the County Council, which was designed to help shape the development of the County Council's corporate priorities in alignment with the development of the Sustainable Community Strategy. The main findings in that document informed the priorities and cross-cutting themes in the Sustainable Community Strategy, and are progressed as actions within the LAA.

Despite difficulties with the timescales, the VCS have involved both residents and service users that are already active in established VCS groups and members of the public. E-access and other mechanisms are planned for the future, based on the recently launched Lincolnshire Assembly website.

### **5.3 Communications Strategy**

The LAA will be officially launched in April 2007. We recognise that communications will play a central role in ensuring the successful delivery of the LAA Project Management Board has agreed a communications strategy.

The aim of the communications strategy is to bring coherence to the internal and external communications between all stakeholders of the LAA, to support its vision and enhance stakeholder engagement. It sets out our principles, objectives and key messages for the LAA, our values and communications channels, our action plans and crucially, in terms of developing the transparency and accountability of delivering tangible outcomes for local communities, our performance measures.

As part of the development of the communications strategy, reference groups have been established including nominated lead members and officers from all local authorities and LSPs to ensure regular and consistent information flow between the LAA Block Partnerships, the Delivery Partners and the Strategic Management Board. In addition, a Lincolnshire Assembly website has recently been launched at [www.lincolnshireassembly.com](http://www.lincolnshireassembly.com) with considerable space dedicated to the LAA.

### **5.4 Equalities**

In order to embed compliance with the Race Relations Amendment Act 1976, equalities and diversity issues are considered as part of community cohesion headline challenge. Under development is a specific and agreed countywide outcome for all local authorities to reach equality standards 2 & 3 by an agreed timescale, with a dedicated resource to progress the initiative. More broadly, work is in progress to develop an approach to assist the migrant worker community in the county. The Lincolnshire Community Cohesion Partnership is the core body that will develop and ensure implementation of emerging proposals in this area. The Sustainable Community Strategy, which is delivered by the LAA, has been subjected to an Equalities Impact Assessment, which has been validated by an independent advisor.

## 6. Summary of Outcomes

<b>Safer and Stronger Communities</b>	
<b>Outcome</b>	<b>Outcome Reference</b>
Reduce Crime	<b>SSC1</b>
Neighbourhood Renewal Fund – Reduce overall British Crime Survey comparator recorded crime in the NRF local authority area and narrowing the gap between the worst performing wards/neighbourhoods and the rest of the local authority area	<b>SSC3</b>
Reduce Violent Crime	<b>SSC2</b>
To reassure the public, reducing the fear of crime	<b>SSC4</b>
Reduce the harm caused by illegal drugs as a problem	<b>SSC5</b>
Reduce harm related to alcohol misuse	<b>SSC6</b>
Build respect in communities and reduce anti-social behaviour	<b>SSC7</b>
Empower local people to have a greater choice and influence over local decision making and a greater role in public service delivery	<b>SSC8</b>
Cohesive communities	<b>SSC9</b>
As part of an overall housing strategy for the district ensure that all social housing is made decent by 2010, unless a later deadline is agreed by DCLG (Department for Communities and Local Government) as part of the Decent Homes programme.	<b>SSC10</b>
Cleaner, greener and safer public spaces Improve the quality of the local environment by reducing the gap in aspects of liveability between the worst wards/neighbourhoods and the district as a whole, with a particular focus on reducing levels of litter and detritus.	<b>SSC11</b>
Reduce the numbers of people killed or seriously injured on Lincolnshire's roads	<b>SSC12</b>
Improved quality of life for people in the most disadvantaged neighbourhoods; service providers more responsive to neighbourhood needs; and improved service delivery	<b>New Outcome</b>

<b>Children and Young People</b>	
<b>Outcome</b>	<b>Outcome Reference</b>
Reduction of health inequalities in the county	<b>CYP1</b>
Improved Lifestyles in the county	<b>CYP2</b>
Improved parenting	<b>CYP3</b>
All children and young people are protected	<b>CYP4</b>
Tackling under achievement and raising aspirations	<b>CYP7</b>

<b>Healthier Communities and Older People</b>	
<b>Outcome</b>	<b>Outcome Reference</b>
Improve health and reduce health inequalities	<b>HCOP1</b>
Improved independence of older people	<b>HCOP2</b>

<b>Economic Development and Environment</b>	
<b>Outcome</b>	<b>Outcome Reference</b>
Increase employment and economic stability	<b>EDE1</b>
Increase the number of successfully completed accredited qualifications by adults	<b>EDE2</b>
Provide the infrastructure to transform economic growth	<b>New Outcome</b>
Promote growth and sustainability of enterprise and small business in Lincolnshire	<b>EDE6</b>
Increase economic growth and productivity in Lincolnshire	<b>EDE5</b>
Help people living in Lincolnshire to realise their economic potential	<b>New Outcome</b>
Reduce waste going to landfill	<b>EDE3</b>
To work in partnership to increase awareness of and response to climate change	<b>EDE11</b>
Identify, protect and enhance Lincolnshire's distinctive and diverse landscapes, built and natural habitats; improving the Green Infrastructure	<b>EDE13</b>
To improve access to, and provision of, appropriate community and public transport	<b>EDE14</b>

## **Appendix to Agenda item 7**

**Extract from Cabinet record: 5<sup>th</sup> February 2007**

**Minute CO92: Local Area Agreement – Consideration of Preliminary LAA**

**DECISION:**

**The Cabinet endorses the Local Area Agreement and delegates authority to the Leader to represent the Council on the Strategic Board and to be consulted about, and agree, any further changes necessary to secure sign-off of this agreement from GOEM.**

Considerations/ Reasons for decision:

- (1) (1) Report number CEX364 by the Chief Executive on the draft Local Area Agreement and the appended draft document;
- (2) (2) Changes could be needed to reach agreement with GOEM on the document;
- (3) (3) Comments made by the Section 151 Officer. Pooling of resources will require continuous scrutiny.

## Resources DSP - Performance Monitoring 2006/07

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	August	September	October	November	December	January	Are We Improving Yr on Yr?	2007/2008 SKDC Targets	2008/2009 SKDC Targets
	<b>USE OF RESOURCES Priority A</b>																			
<b>BVPI 9</b>	Council Tax collected	Craig Scott	C		98.30%	98.3%	<b>98.60%</b>	10.56%	20.89%	30.34%	39.8%	49.27%	58.77%	68.37%	77.90%	<b>87.26%</b>	<b>96.6%</b>	Y	98.70%	98.80%
<b>SK90</b>	% of CT payers paying by direct debit	Craig Scott	C		66.30%	N/A	<b>70%</b>	69.91%	70.69%	71.65%	71.94%	72.29%	72.56%	72.77%	72.88%	<b>72.61%</b>	<b>72.50%</b>	Y	71%	72%
<b>BVPI 10</b>	NDR collected	Jeanette Strutt	C		98.90%	99.10%	<b>99.0%</b>	12.20%	23.78%	33.07%	41.89%	50.97%	59.80%	70.06%	79.01%	<b>87.79%</b>	<b>96.11%</b>	Y	99.1%	99.2%
<b>BVPI 12</b>	Days sick per member of staff	Joyce Slater	CA		8.10	8.40	<b>8</b>	6.24	6.77	6.53	6.17%	6.13	6.13	6.67	7.04	<b>7.18</b>	<b>7.44</b>	Y	7.9	7.8
<b>SK113</b>	% of large projects delivered on time and within budget	Paul Stokes	%		N/A	N/A	<b>80%</b>	n/a	n/a	n/a	N/A	N/A	N/A	N/A	N/A	N/A	N/A	n/a	80%	90%
<b>SK114</b>	% availability of Revs & Benefits systems during core working hours	Andy Nix	CA		95%	N/A	<b>96%</b>	n/a	98.5%	98.75%	98.75%	99.00%	99.00%	100%	99.45%	<b>97.80%</b>	Under review for 2007/08	n/a	97%	97.5%
<b>SK117</b>	% of "Z" savings achieved	Richard Wyles	%		N/A	N/A	<b>100%</b>	n/a	n/a	n/a	54%	54%	54%		60%	<b>71%</b>		n/a	100%	100%
<b>SK118</b>	Use of Resources - Assessment Score	Sally Marshall (lead)	N Y		N/A	N/A	<b>Level 2</b>											n/a	Level 2	Level 3
<b>SK119</b>	% of Gershon targets achieved	Richard Wyles	C Q		N/A	N/A	<b>100%</b>									<b>78%</b>		n/a	100%	100%
	<b>OTHER BVPIS - CORPORATE HEALTH BASED</b>																			
<b>BVPI 8</b>	Invoices paid on time	Sally Dalby	C		98.30%	95.90%	<b>99.5%</b>	100%	99.8%	99.56%	99.26%	99.35%	99.32%	99.29%	99.25%	<b>99.27%</b>	<b>99.23%</b>	Y	99.5%	99.5%
<b>BVPI 15</b>	Ill health retirements / staff	Joyce Slater	C		0.20%	0.1%	<b>0.30%</b>	0%	0%	0	1%	1%	0.41%	0.35%	0.31%	<b>0.27%</b>	<b>0.24%</b>	Y	0.30%	0.30%
<b>SK110</b>	Number of FTE staff employed by SKDC	Joyce Slater	N		547	N/A	<b>545</b>	550	553	548	544	544	547	548	547	<b>553</b>	<b>570</b>	N	545	545
<b>SK111</b>	% Turnover of leavers from SKDC in year	Joyce Slater	C		6%	N/A	<b>10%</b>	17%	11%	11%	8.42%	8.58%	8.02%	7.90%	7.15%	<b>8.54%</b>	<b>8.69%</b>	n/a	10%	10%
<b>SK112</b>	% of elected members that have attended SKDC elected member training & development programme events	Joyce Slater	C Q		N/A	N/A	<b>90%</b>			32.7%			32.7%	32.70%	32.70%	<b>32.70%</b>	<b>32.70%</b>	n/a	90%	90%
<b>SK115</b>	Number of Staff satisfaction survey's done using the Opinionometer	Ellen Breur	C H		N/A	N/A	<b>1</b>						N/a			N/a	N/a	n/a	2	2
<b>SK116</b>	% Performance & Development Reviews completed	Joyce Slater	C		N/A	N/A	<b>100%</b>	n/a	9%	10%	11%	20%	39%	44%	59%	<b>59%</b>	<b>60%</b>	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.

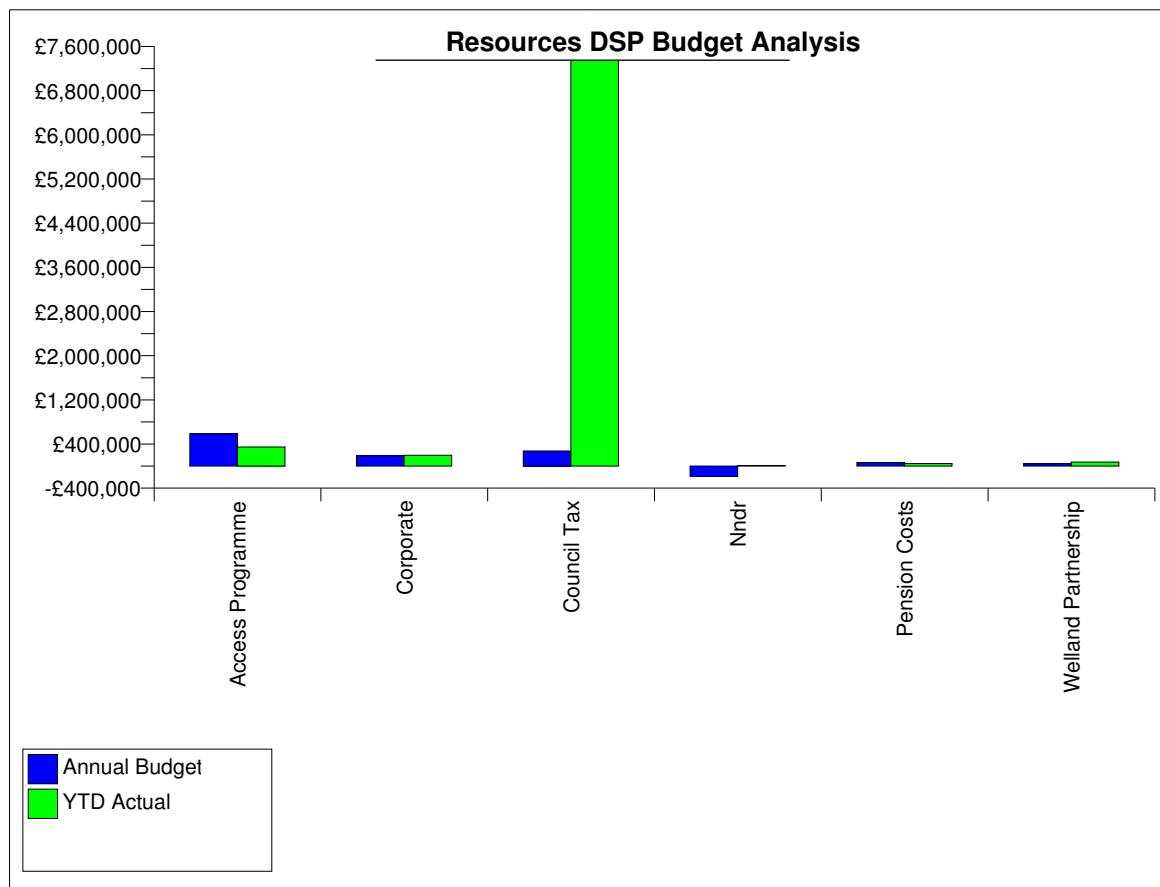
**DEVELOPMENT AND SCRUTINY PANELS (DSPs)**  
**WORK PROGRAMME 2006/7**

<b>RESOURCES DSP</b>			
<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>
Budget Monitoring		N/a	review quarterly
Car park charges			Working group established
Revenues and Benefits awaited legislation	N/a	N/a	Late 2007
Dial a ride update	N/a	N/a	Cllr Joynson to investigate alternatives
Treasury Management Strategy		Not before March 2007	15.03.07
Internal insurance reserve and associate figures		N/a	15.03.07
Local Area Agreement – approval	Dec 06	Not before March 2007	15.03.07
Gershon savings achieved through CEDAR		N/a	15.03.07
Payback of the investment on infrastructure		N/a	15.03.07
Strategy on use of resources including VFM and carbon plan strategy	Dec 06	April 2007	15.03.07
Grantham Masterplan – potential financial issues	N/a	N/a	joint DSP tba May 2007

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

Internal Audit – update on recs from PricewaterhouseCoopers	N/a	N/a	15.03.07
People Strategy	Dec 06	Not before April 07	15.03.07
Pension Capital Costs	N/a	N/a	15.03.07
Local Govt Pension Scheme	N/a	N/a	June 2007
Lyons Enquiry – outcome of report	Dec 06		June 2007
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
Staffing Restructure Working Group	N/a	N/a	Feedback on 15.03.07

SERVICE AREA	ANNUAL BUDGET £'000	YTD ACTUALS £'000	VARIANCE £'000	VARIANCE OF SPEND %	VARIANCE OF UNDERSPEND %
Access Programme	587	346	-241	59%	-41%
Corporate	187	196	9	105%	5%
Council Tax	274	7,365	7,091	2684%	2584%
Nndr	-188	11	200	-6%	-106%
Pension Costs	65	48	-17	74%	-26%
Welland Partnership	45	73	28	163%	63%
<b>Total for Resources DSP</b>	<b>969</b>	<b>8,039</b>	<b>7,070</b>		



## Budget Report for Resources Dsp 2007 Period 11

### Access Programme

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Employee Expenses	435,845	257,930	-177,915
Premise Expenses	300	0	-300
Supplies And Services	150,515	86,988	-63,527
Transport Expenses	100	1,134	1,034
<b>Total for Access Programme</b>	<b>586,760</b>	<b>346,053</b>	<b>-240,707</b>

### Corporate

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Employee Expenses	0	3,234	3,234
Income	-46,700	85	46,785
Premise Expenses	1,000	826	-174
Supplies And Services	216,970	180,779	-36,191
Transport Expenses	15,750	11,238	-4,512
<b>Total for Corporate</b>	<b>187,020</b>	<b>196,162</b>	<b>9,142</b>

### Council Tax

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Employee Expenses	770,860	664,452	-106,408
Income	-19,804,410	-688	19,803,722
Premise Expenses	55,350	0	-55,350
Supplies And Services	205,790	168,310	-37,480
Transfer Payments	19,035,400	6,520,907	-12,514,493
Transport Expenses	11,450	12,212	762
<b>Total for Council Tax</b>	<b>274,440</b>	<b>7,365,194</b>	<b>7,090,754</b>

### Nndr

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Income	-192,000	0	192,000
Supplies And Services	3,650	11,203	7,553
<b>Total for Nndr</b>	<b>-188,350</b>	<b>11,203</b>	<b>199,553</b>

## Budget Report for Resources Dsp 2007 Period 11

### Pension Costs

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Employee Expenses	65,000	47,939	-17,061
<b>Total for Pension Costs</b>	<b>65,000</b>	<b>47,939</b>	<b>-17,061</b>

### Welland Partnership

DETAIL	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
Employee Expenses	0	25,944	25,944
Income	0	-107	-107
Supplies And Services	44,550	46,704	2,154
<b>Total for Welland Partnership</b>	<b>44,550</b>	<b>72,540</b>	<b>27,990</b>

	ANNUAL BUDGET	YTD ACTUALS	VARIANCE
<b>Total for Resources DSP</b>	<b>969,420</b>	<b>8,039,100</b>	<b>7,069,671</b>

**Comments from Financial Services to  
accompany this report**

1. The majority of items relating to year end adjustments such as support services have been taken out of this report in order to provide more meaningful data for scrutiny.
2. There is no budget profiling in place for this financial year.
3. The majority of Premise expenditure is recharged at the Financial Year End
4. Council Tax income is transferred into the Financial System at the Financial Year End
5. Council Tax Transfer Payments - Council Tax Benefits are paid weekly via the Financial System, but Rent Allowances and Rent Rebates are input into the Financial System at the Financial Year End
6. NDR income relates to the cost of collection allowance which is input into the Financial System at the Financial Year End