



AGENDA

For a meeting of the
COUNCIL
to be held on
THURSDAY, 6 SEPTEMBER 2007
at
2.00 PM
in the
**COUNCIL CHAMBER, COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM**
Duncan Kerr, Chief Executive

Members of the Council are invited to attend the above meeting to consider the items of business listed below.

1. PUBLIC OPEN FORUM

The public open forum will commence at **2.00 p.m.** and the following formal business of the Council will commence at **2.30 p.m.** or whenever the public open forum ends, if earlier.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

Members are asked to declare any interests in matters for consideration at the meeting.

**4. MINUTES OF THE ORDINARY MEETING HELD ON 21ST JUNE 2007.
(Enclosure)**

**5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)
(Enclosure)**

6. LEADER'S REPORT ON URGENT KEY AND NON KEY DECISIONS

In accordance with Access to Information Procedure Rule 17.3, the Leader to submit a report on key and non key decisions taken under special urgency provisions.
(Enclosure)

7. MEMBERS CODE OF CONDUCT

Report number LEG005 from the Standards Committee. **(Enclosure)**

[The Chairman and Vice-Chairman of the Standards Committee will attend the meeting to present the recommendations of the Standards Committee.]

The Standards Board for England Code of Conduct Members Guide is circulated with this agenda as a separate document.

8. MEMBER REPRESENTATIONS ON STANDARDS COMMITTEE

Report number LEG007 by the Legal Services Manager (Monitoring Officer). **(Enclosure)**

9. REVIEW OF PRIORITIES AND NON PRIORITIES

Report number CEX378 by the Chief Executive. **(Enclosure)**

10. REVIEW OF MEDIUM TERM FINANCIAL STRATEGY

Report number CHFR70 by the Corporate Head, Finance & Resources. **(Enclosure)**

11. REVIEW OF CAPITAL PROGRAMME 2007/08

Report number CHFR71 by the Corporate Head, Finance & Resources. **(Enclosure)**

12. CONCESSIONARY TRAVEL

Report number CHFR72 by the Cabinet. **(Enclosure)**

13. CHANGES TO THE CONSTITUTION: RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

The Chairman of the Constitution Committee to submit the recommendations of the committee as contained in minute number 2 of the meeting held on 16th July 2007. **(Enclosure)**

14. APPOINTMENTS AS REPRESENTATIVES ON OUTSIDE BODIES

Report number LEG006 by the Legal Service Manager (Monitoring Officer). **(Enclosure)**

15. APPOINTMENT OF MEMBER REPRESENTATION ON OUTSIDE BODIES: SOUTH LINCOLNSHIRE BLIND SOCIETY

Report number CEX379 by the Chief Executive. **(Enclosure)**

16. NOMINATION FOR MEMBER TO REPRESENT THE COUNCIL ON THE ELSEA PARK BOURNE BOARD OF TRUSTEES

Report number PLA673 by the Portfolio Holder for Economic Development. **(Enclosure)**

17. GAMBLING ACT 2005 - FEES PROPOSAL

Report number ENV380 by the Environmental Protection Service Manager. **(Enclosure)**

18. QUESTIONS ON NOTICE

To note the list of questions (if any) asked under Council procedure rule 11.1 as circulated at the start of the meeting and their reference to the relevant Policy Development Group.

19. NOTICE OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:

(1) From Councillor Paul Wood

“The heavy rainfall this year has caused severe flooding in many areas across the District. This has caused hardship and distress to the residents of South Kesteven with properties being flooded and lives disrupted.

We are particularly aware of the problems experienced in Westborough and Long Bennington and would like to know why SKDC did not inform the vulnerable Parish councils about the withdrawal of provision of sand bags

The Council’s corporate plan has a clear vision

“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”

The Council’s ambition is also to improve the quality of life in the District.

We would like to see the Council provide a brilliant service in the field of flood defence and work towards preventing flooding.

The Council should set up a working group to consider the following

- Co-ordinating the efforts of the other agencies (i.e. Environment Agency, Lincolnshire County Council, Water Authorities and Parish Councils)
- Identifying areas at risk within the district and instigating investigations/reports and action plans
- The policy of its emergency response to flooding and the provision of sand bags.”

20. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.

**DEADLINE FOR NOTICES OF MOTION TO COUNCIL
ON 25TH OCTOBER 2007:**

2.00PM ON FRIDAY 12TH OCTOBER 2007



MINUTES

COUNCIL

THURSDAY, 21 JUNE 2007

2.00 PM

PRESENT

Councillor Michael Taylor - Chairman

Councillor Robert Adams
Councillor Ray Auger
Councillor Christine Brough
Councillor Robert Broughton
Councillor Mrs Frances Cartwright
Councillor Elizabeth Channell
Councillor George Chivers
Councillor Alan Davidson
Councillor John Dawson
Councillor Mike Exton (Vice-Chairman)
Councillor Stuart Farrar
Councillor Mrs Joyce Gaffigan
Councillor John Harvey
Councillor Robert Hearmon
Councillor David Higgs
Councillor Trevor Holmes
Councillor Reginald Howard
Councillor Mrs Maureen Jalili
Councillor Sam Jalili
Councillor Kenneth Joynson
Councillor Jock Kerr
Councillor Albert Victor Kerr
Councillor Peter Martin-Mayhew

Councillor Stuart McBride
Councillor Andrew Roy Moore
Councillor Mrs. Linda Neal
Councillor Benjamin Newcombe-Jones
Councillor John Nicholson
Councillor Alan Parkin
Councillor Mrs Margery Radley
Councillor Robert Russell
Councillor Bob Sandall
Councillor Susan Sandall
Councillor Trevor Scott
Councillor Ian Selby
Councillor Mrs Judy Smith
Councillor John Smith
Councillor Mrs Maureen Spencer-Gregson
Councillor Peter Stephens
Councillor Ian Stokes
Councillor Jeffrey Thompson
Councillor Andrea Webster
Councillor Graham Wheat
Councillor Mike Williams
Councillor Avril Williams
Councillor Raymond Wootten

OFFICERS

Chief Executive
3 Strategic Directors: Beverly Agass; Geoff Plummer; Ian Yates
Corporate Head, Finance & Resources
Monitoring Officer
HR & Organisational Development Service Manager
Scrutiny Officer

20. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bisnauthsing, Mrs Bosworth, Carpenter, Craft, Helyar, Mrs Kaberry-Brown, Lovelock and Wood.

21. DECLARATIONS OF INTEREST

There were no declarations of interest.

22. MINUTES

The minutes of the meeting held on 17th May 2007 were signed as a correct record by the Chairman subject to the following:-

Page 13 LGA Rural Commission – name Portfolio Holder (Councillor John Smith).

23. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

A list of the Chairman and Vice-Chairman's engagements since the last Council meeting had been circulated with the agenda.

It was agreed that the earlier Members' Forum had been very successful and that a further session should be arranged before the next Council meeting.

24. AMENDMENTS TO THE CONSTITUTION - QUESTIONS BY MEMBERS

Decision:-

That the Council's Constitution be amended as follows:-

- 1. Delete clauses 11.1 through to 11.7 of the Council Procedure Rules contained in part 4 of the Constitution and as detailed at Appendix 1 attached to the report; and***
- 2. Substitute the wording relating to Questions on Notice as detailed at Appendix 2 attached to the report.***

The Council had before them report LEG1 of the Monitoring Officer which reported on proposed amendments to the Constitution. These had been considered at the Annual General Meeting on 17th May 2007 but could not be approved at that meeting since the proposals had to be referred to an Ordinary Meeting of the Council. The proposals constituted an amendment to the Council Procedure Rules as detailed in Part 4 of the Constitution.

The motion was duly proposed, seconded and carried.

25. CAPITAL STRATEGY 2007/2010

Decision:-

That the Council approve the Capital Strategy for 2007/10.

The Council had before them report CHFR51 of the Corporate Head of Finance and Resources on a draft Capital Strategy for 2007/10, which had been approved by Cabinet for Consultation on 2nd April 2007. It had also been reviewed by the former Resources Development and Scrutiny Panel on 5th April.

1) Following the review by the DSP, the Cabinet were now recommending the following amendments to the strategy:

- "The appropriate scrutiny body will receive regular reports from the Capital Asset Management Group to ensure that the scoring processes are robust" has been inserted into the section on project appraisal.
- A major repairs and maintenance position as quoted on page 13 of the Capital Strategy has been amended to attach the following words:

"Taking into account of the resolution of the lease arrangements" – in relation to the Deepings Leisure Centre item.

- "The Audit Committee will periodically consider whether the scoring mix for Capital Projects is fit for purpose" has been added into the section on project appraisal.

The motion was duly proposed, seconded and carried.

(Councillor Selby left the meeting at 2.09pm)

26. DRAFT COUNCIL ANNUAL PERFORMANCE PLAN 2007/08

Decision:-

That the Council:-

a) Adopts the Annual Performance Plan for 2006/07 – 2007/08 including the three year performance targets against the national performance indicators.

b) Agrees that the authority is delegated to the Chief Executive, in consultation with the Leader, to make any minor changes to the draft Plan that may be necessary prior to its publication at the end of June 2007.

The Council had before them report POI004 of the Corporate Head of Partnerships and Organisational Improvement which advised of the legal requirement to provide a Performance Plan by 30th June each year, although this would change when the current Local Government Bill became Law.

The Performance Plan summarised how the Council had performed in 2006/07 against its agreed delivery targets and set out the Council's targets for the year ahead.

Members asked questions in relation to some of the performance indicators as detailed in the report and also the performance of the Customer Services Centre. The Chief Executive observed that the Council had finite resources and that concentrating efforts in one area would result in less resources being available for other areas.

The Portfolio Holder (Councillor Auger) advised that any concerns about performance of the Customer Services Centre should be referred to himself. The new Head of Corporate and Customer Services was now in post.

The motion was duly proposed, seconded and carried.

27. DELEGATION OF APPROVAL OF ACCOUNTS

Decision:-

That the Council clarify the terms of reference of the Governance and Audit Committee (GAAC) by:

a) Revising term Q to read as follows:

"To review and accept the annual statement of accounts on behalf of the Council. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council".

b) Including an additional term of reference under the

accounts section to read as follows:

"To review and draw to the attention of Council issues arising out of financial reports in accordance with the Local Government Act 2003".

The Council had before them report CHFR52 of the Corporate Head of Finances and Resources which advised that clarity was required in respect of the terms of reference of the Governance and Audit Committee as agreed by Council on 1st March 2007.

The motion was duly proposed, seconded and carried.

28. MEMBERS' ALLOWANCE SCHEME 2007/08 - INTERIM ARRANGEMENTS
Decision:-

- a) To request a review of the Members' Allowance Scheme for the municipal year 2007/08 onward to reflect the new member structures; and***
- b) To adopt an interim scheme based on the existing Members' Allowance Scheme for the financial year 2007/08 until the outcome of the Members' Remuneration Panel is known.***

The Council had before them report CHFR55 of the Corporate Head of Finance and Resources which advised that the Local Authorities (Members) Allowance (England) Regulations 2003 put in place and consolidated and simplified a framework for allowances that covered district and parish councils. The Council were unable to revoke or amend its scheme of allowances without first considering the recommendations of an independent panel. In view of the revised arrangements for policy development and overview and scrutiny recently adopted by the Council, it was recommended that the Remuneration Panel examine in more detail the functions carried out by these new arrangements and determine the Members' Allowance Scheme for the future.

The motion was duly proposed, seconded and carried.

29. REPRESENTATION ON OUTSIDE BODIES
Decision:-

- a) That Mr John Kirkman be appointed to serve on the Lincolnshire Primary School Provisions Panel;***

b) That the appointment of the Assets and Resources Portfolio holder to the Shared Services Member Management Board be confirmed; and

c) That Councillor Hearmon replace Councillor Mrs Radley on the Lincolnshire Health Scrutiny Committee.

The Council had before them report DEM002 of the Democracy Services Manager which advised that three appointments to outside bodies were required to be made by the Council.

Following consideration of the nominations put forward, a vote was taken on each appointment and appointments were made as indicated above.

30. OVERVIEW AND SCRUTINY ANNUAL REPORT

Decision:-

To note the report.

The Council had before them report DEM003 of the Scrutiny Officer which outlined the work of the Council's former Development and Scrutiny Panels (DSPs) from May 2006 – May 2007. The report also detailed changes to scrutiny as proposed in the Local Government and Public Involvement in Health bill.

The Chairman of the Council's new Scrutiny Committee paid tribute to the improvement in the Council's scrutiny processes in the past year as a result of hard work by both members and officers.

The motion was duly proposed, seconded and carried.

31. REVIEW OF PENSION SCHEME

Decision:-

a) To approve the seven employer discretions and two administering authority discretions as detailed in the report to Cabinet SD13 and appendices;

b) To authorise the notification of the approved employer discretions and administering body discretions to the Council's pension administrators, Lincolnshire County Council;

c) To adopt the pension policy statement detailed in appendix 4 of report SD13; and

d) To give delegated authority to the Chief Executive, as Head of Paid Service, in consultation with the Portfolio Holder, to consider and incorporate outcomes from the consultation into the Council's pension discretions and Statement of Pensions Policy.

The Council had before them report HR0092 of the Human Resources and Organisational Development Service Manager which advised that Lincolnshire County Council as Pensions Administrators required the District Council to undertake a review of its pension fund discretionary policies to take account of changes in legislation such as age discrimination. A response was required by 29th June 2007.

In reviewing the discretions the opportunity had also been taken to review the Council's Pension Policy Statement. The discretions and policy statement would apply until 31st March 2008. After that date a new pension scheme would take effect.

Consultation with trade union representatives was ongoing and consultation with staff had commenced.

The motion was duly proposed, seconded and carried.

**32. NOTICE(S) OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:
By Councillor Jeff Thompson**

Decision:-

To not support the motion by Councillor Thompson.

Councillor Thompson had submitted and moved the following motion:-

"In view of the ability of all members to obtain a cup of whatever beverage they prefer whenever they like from the members' lounge and have water available in the Council Chamber, I believe that the suspension of business for about half an hour and the disruption caused together with the inability of visitors to avail themselves of such a privilege is totally unnecessary.

I therefore move that full Council business proceeds without a break in the future."

In moving the motion, Councillor Thompson advised the newer members that today's meeting was unusual in its short length, normally full council continued until 5-5.30pm. Council always

adjourned to take tea at 3.30pm and invariably half an hour was taken up. Water and tea were available at all times. There may be persons in the Chamber waiting to hear a particular item and Councillor Thompson suggested to break off business for 30 minutes did not create a good impression. The motion was seconded by Councillor Broughton.

Councillors Mike Williams, Maureen Jalili and Ibis Channell all spoke against the motion. Councillor Sam Jalili spoke as a medical practitioner, his earnest advice was that the physiology of human thinking is impaired after an hour or so, it was therefore imperative to keep the tea break. Councillor Howard reminded the meeting of the Noel Coward song which advised that "Everything stops for tea".

The Leader reminded the meeting that Full Council demanded high concentration levels, especially on the part of the Chairman and the Committee Officer, neither of whom were able to leave the meeting whilst it continued. The Chairman advised that it was the intention to have a division bell installed in time for the next meeting.

After further discussion, the motion was lost.

33. CLOSE OF MEETING

The meeting was closed at 3.07pm.

Agenda Item 5

CIVIC EVENTS INDEX LIST

Date	Ref	Host	Event	Transport
Sun 24 June	VC4	N.E. Lincolnshire Council Civic Service & Parade	N. E. Lincolnshire	Own
Sun 24 Jun	MT19	North Kesteven District Council Civic Service	St. John's Church, Washingborough	Chauffeur
Thu 28 Jun	MT25	Funeral of Private Andrew James Borketas	St. Wulframs Church, Grantham	Own
Thu 28.6.07	MT20	Rotary Club of Grantham Swimarathon Presentation	Central Technology and Sports College, Grantham	Own
Fri 29.6.07	VC5	University of Lincoln Presentation of Prizes	Lincolnshire Showground Exhibition Hall	Own
Sat 30.6.07	MT13	Stamford Festival Assoc Ltd & Stamford Kiwanis Parade	Streets of Stamford	Chauffeur
Sun 1.7.07	MT11	Market Deeping Town Council Civic Service	St. Guthlac's Church, Market Deeping	Chauffeur
Tue 3.7.07	MT12	Rotary Club of Bourne 39th Charter Anniversary Dinner	Corn Exchange Bourne	Own
Wed 4.7.07	VC8	East Lindsey D.C. London Mozart Players Chamber Ensemble	St. Wilfrid's Church, West Street, Alford	Own
Thu 5.7.07	VC6	Welland & Deepings IDB Annual Tour of Inspection	Assemble Pode Hotel Depot	Own
Sun 8 Jul	VC10	City of Peterborough Mayor's Charity Duck Race	River Nene by the Key Theatre	Own
Sun 8.7.07	MT14	Lincolnshire County Council Service of Dedication	Lincoln Cathedral	Chauffeur
Thu 12.7.07	MT31	Funeral of Jane Porter, Ex-Mayor Grantham C.T.	St. Wulframs Church	Own
Sun 15.7.07	VC9	Northampton Borough Council Civic Service	All Saints' Church, Northampton	Own
Sun 15.7.07	MT22	West Lindsey D.C. Civic Service (2p.m.)	All Saints Church, Gainsborough.	Chauffeur
Tuesday 17.7.07	VC7	Bishop Grosseteste College Degree Congregations	Lincoln Cathedral	Own

Tuesday 17.7.07	MT8	Royal Garden Party	Buckingham Palace	Chauffeur
Fri 20.7.07	MT24	Sleaford & District Furniture Recycling Project	97A East Road, Sleaford	Own
Sunday 22.7.07	MT23	Kettering Borough Council Civic Service	St. Edmunds Church, Warkton	Chauffeur
Fri 27.7.07	MT 27	RAF Cottesmore, Families Day	RAF Cottesmore, Oakham, Rutland	Chauffeur
Sat 28.7.07	MT29	East Lindsey D.C. Official Switch on of Lights	Skegness Boardwalk	Chauffeur
Sat 4.8.07	MT32	High Sheriff of Lincolnshire At Home	Brant Broughton, Lincolnshire	Own
17.8.07 & 20.8.07	MT45	Playscheme Visits	Around the region	Chauffeur
		Claypole Playscheme Visit	Half day visit	Chauffeur
Sat 25.8.07	VC12	British Model Flying Assoc British National Championships	RAF Barkston Heath	Own
Sun 26.8.07	MT34	British Model Flying Assoc British National Championships	RAF Barkston Heath	Chauffeur
Mon 27.8.07	MT43	Presentation of Cup at Cricket Match	Bottesford Cricket ground	Own
Fri 31.8.07	MT50	Ancaster Parish Hall	Presentation of Cheque	Own
Sat 1.9.07	MT42	Civic Tour Melton Borough Council	Council Offices, Cattle Market and Town Centre	Chauffeur
Sun 2.9.	MT40	Bassetlaw D.C. Civic Service	St. Joseph's R.C. Church, Retford	Chauffeur

Agenda Item 6

REPORT TO COUNCIL

REPORT OF: THE LEADER

REPORT NO. CAB005

DATE: 6th SEPTEMBER 2007

TITLE:	LEADER'S REPORT ON URGENT KEY AND NON KEY DECISIONS
FORWARD PLAN ITEM:	No
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Yes – urgent key decision made on 14 th June 2007

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Linda Neal, Leader of the Council	
CORPORATE PRIORITY:	Corporate Governance	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	Reports taken into consideration in the making of these decisions can be accessed electronically via the Local Democracy link on the Council's website www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Report number WCS26; report number ENV375; report number BTIM001	

1. INTRODUCTION

This report is to inform the Council of an urgent key decision taken on the 2nd July 2007 under Access to Information Procedure Rule 16 and two urgent non key decisions taken on 14th June 2007 and 5th July 2007 under Access to Information Procedure Rule 23.4.

2. RECOMMENDATION

Members are asked to note these decisions in accordance with Access to Information Procedure Rule 17.3

3. DETAILS OF REPORT

(i) Urgent Key Decision made on 2nd July 2007: Cabinet minute CO11

Confirmation of arrangements for the processing and handling of dry recyclable materials

DECISION: To authorise officers to continue with the existing arrangements negotiated with Mid UK Recycling Limited for a period of 12 months from the date of the decision.

This decision was taken as a matter of urgency in order to formalise an informal arrangement as quickly as possible for the processing and handling of dry recyclable materials in order to protect the Council's service interests.

(ii) Urgent Non Key Decision made on 14th June 2007 by the Portfolio Holder for Healthy Environment

Expenditure of grant from Dept of Health for implementation of Smoke Prohibition Legislation

Decision:

That approval is granted that the expenditure of the grant received from the Department of Health for the implementation of the regulations imposing the smoking ban in enclosed places which comes in to effect on the 1st July 2007 be as follows:

- Repeat advertising in local papers in June, also promoting a web based competition, linked to visits to several schools promoting food safety and the benefits of the ban. (£5,000)

- **Distribution of 50,000 specially designed beer mats promoting the ban and the appropriate disposal of litter, to be given to licensed/catering premises. (£5,500)**
- **Local radio advertising and other agreed joint initiatives across the County (£5,000)**
- **Part funding of a smoke cessation person who will work for 2 days per week for one year in the SKDC area assisting businesses with compliance and staff smoking cessation schemes. These will be businesses, which the council's health and safety enforcement officers would not normally routinely visit, as they are enforced by the HSE. (£10,000)**
- **Employment of a contractor during the summer and autumn to assist with catching up on visit and inspection work, which has been deferred due to smoke legislation related activity. It is also anticipated, based on the experience of Ireland, Scotland and Wales, that there will be surge of enforcement enquiries for the first few months after implementation of the ban. (£23,000)**
- **Subsidy of town centre cigarette waste bins, competition costs, internal training and miscellaneous. (£3,900)**

Total £52,400

This decision was taken as a matter of urgency in order to fully utilise the grant from the Dept. of Health, to maximise the effectiveness of this very important public health measure, and to work in partnership with other stakeholders in Lincolnshire for the optimum benefit of the population of SKDC.

(iii) Urgent on Key Decision made on 5th July 2007 by the Portfolio Holder for Corporate Governance & Housing on behalf of the Portfolio Holder for Access and Engagement.

Decision:

That approval is granted to award a contract to SoftwareAg for the continued development of the CRM system.

This decision was taken as a matter of urgency because the new national unlimited travel concession service is a critical public facing service to be delivered starting January 2008. Data cleansing is a key part of this service and the delivery mechanism requires a fundamental review and update in order to fulfil the statutory needs of the service. The system to be provided is an essential part of the provision.

Delays at this critical time in the project could have a detrimental effect on the delivery of this service in a number of key areas namely, delays with the software development, data cleansing and implementation.

4. OPTION ANALYSIS

As contained in reports WCS26, ENV375, and BTIM001

5. COMMENTS OF MONITORING OFFICER

This report is required in accordance with procedures outlined within the Constitution.

6. CONTACT OFFICERS

Urgent key decision on 2nd July 2007:

Tracey Blackwell
Corporate Head Healthy Environment

Urgent non key decision on 14th June 2007:

David Price
Healthy Communities Service Manager

Urgent non key decision on 5th July 2007:

Andy Nix
Business Transformation and Information Management Service Manager

Agenda Item 7

REPORT TO COUNCIL

REPORT OF: THE STANDARDS COMMITTEE

REPORT NO: LEG 005

DATE: 6TH SEPTEMBER 2007

TITLE:	MEMBERS CODE OF CONDUCT
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Paul Carpenter	
CORPORATE PRIORITY:	Corporate Governance	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	Unless exempt, this report is a public document and available from the Council's website at www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Report to Standards Committee - DLS0095 – 23 rd February 2007 Report to Council – DLS0099 - 17 th May 2007 Report to Standards Committee – LEG 003 – 6 TH July 2007	

1. INTRODUCTION

- 1.1 The Council is required under the Local Authorities (Model Code of Conduct) Order 2007 to adopt a revised members' code of conduct before 1st October 2007 ("the 2007 Order"). This Order prescribes a mandatory model code of conduct for adoption.
- 1.2 It is a function of the Standards Committee of this Council to advise this Council on the adoption and review of the Members' Code of Conduct.
- 1.3 The Standards Committee considered the mandatory provisions of the model members' code of conduct at its meeting on the 6th July 2007. The body of the report on the code of conduct made to the Standards Committee is attached for information at **appendix 1**. The Code of Conduct proposed for adoption together with a preamble by way of introduction detailing the 10 principles derived from the 7 principles of public life recommended by the Nolan Committee is attached to this report at **appendix 2**
- 1.4 Members have received with this report, a copy of the Standards Board for England Code of Conduct Members Guide.

2. RECOMMENDATIONS

- 2.1 **The Standards Committee recommends this Council adopts the mandatory provisions of the model code of conduct without revision to be this Council's Members' Code of Conduct with the addition of the preamble to that code setting out the 10 principles in the form attached to this report as set out at appendix 2**

3. DETAILS OF REPORT

- 3.1 All the provisions detailed in the proposed Members' Code of Conduct are mandatory provisions save for the preamble and the 10 principles. The form of the Members Code as detailed at **appendix 2**, if adopted, will be the Code which will appear in the Constitution.
- 3.2 All members will be required to give an undertaking to observe the Code as revised and register interests in accordance with clause 13 (1) of that Code subject to the provisions at clause 14 relating to sensitive information. These provisions relating to registration of interests are as before and must be made within 28 days of adoption of the Code. Provided there has been no change to a member's interests since registration on election in May of this year, it will be possible to register as declared at that time. The form for registration under the 2007 Order will be supplied to members on adoption of the Members' Code.

- 3.3 Following adoption, the Monitoring Officer will notify the Standards Board for England and advertise the adoption by way of notice in local newspapers. Parish and Town Councils within the District, which are also obliged to adopt the model code of conduct, have been advised the Council will advertise their Council's adoption with a combined notice provided the Monitoring Officer is notified of the adoption.
- 3.4 It is proposed that full training for Members on the Members' Code of Conduct to be adopted be given in due course.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

- 4.1 There is no other option available other than to adopt a revised code of conduct in accordance with the 2007 Order. If the Council fails to adopt a revised code, the mandatory model code will be deemed to apply and be enforced in any event by the Standards Board for England.
- 4.2 Whilst it would have been possible to make amendment to the model code, Council's are advised by the Standards Board for England to adopt the model code as drafted without further revision to ensure consistency throughout all authorities and to avoid confusion for members of more than one authority and the public. Any amendment would have to be approved by the Standards Board for England. No amendments have been proposed since the introduction of the consultation period when reported to Standards Committee in February 2007.
- 4.3 Members have had opportunity to comment on the provisions of the code during the statutory consultation period and consideration of the model code at Standards Committee on the 6th July 2007.

5. COMMENTS OF SECTION 151 OFFICER

The adoption of the code as proposed has only minor financial implications for the Council relating to the cost of advertising.

6. COMMENTS OF MONITORING OFFICER

Details of the model code of conduct proposed for adoption are given by the Monitoring officer in her report to Standards Committee on the 6th July 2007 as set out at **appendix 2** attached.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

8. CONCLUSION/SUMMARY

As the recommendation

9. CONTACT OFFICER

Lucy Youles
Legal Services Manager (Monitoring Officer)
e-mail: l.youles@southkesteven.gov.uk
Tel : 01476 406105

APPENDIX 1**REPORT TO STANDARDS COMMITTEE**

REPORT OF: LUCY YOULES
LEGAL SERVICES MANAGER (MONITORING OFFICER)

REPORT NO. LEG003

DATE: 6 JULY 2007

TITLE:	ADOPTION OF THE NEW MODEL CODE OF CONDUCT FOR LOCAL AUTHORITY MEMBERS
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILOR PAUL CARPENTER
CORPORATE PRIORITY:	CORPORATE GOVERNANCE
CRIME AND DISORDER IMPLICATIONS:	N/A
FREEDOM OF INFORMATION ACT IMPLICATIONS:	UNLESS EXEMPT, THIS REPORT IS A PUBLIC DOCUMENT AND AVAILABLE FROM THE COUNCIL'S WEBSITE www.southkesteven.gov.uk
THE INITIAL EQUALITY IMPACT ASSESSMENT	N/A
FULL IMPACT ASSESSMENT REQUIRED	NO
BACKGROUND PAPERS:	Report to Standard Committee LEG 003 and Local Authority 's Model Members Code of Conduct

1. INTRODUCTION

- 1.1 Following consultation on the form of a new model Local Authority members' Code of Conduct, a new Code of Conduct was enacted for approval by statutory regulation on 3 May 2007. The new model Code is attached at appendix 1. The statutory regulation permitted a transition period between 3 May 2007 to 1 October 2007 to allow Local Authorities to formally adopt the new model Code of Conduct. Accordingly, this new Code of Conduct must be adopted by the Council before the deadline given of 1 October 2007.
- 1.2 The purpose of this report is to confirm the terms of the new model Code of Conduct to the members of the Standards Committee to enable the Standards Committee to consider the new code and report it to the meeting of the Council set for 6 September 2007 for formal adoption at that meeting.
- 1.3 The Standards Committee must also consider the assistance it can offer to all Parish and Town Councils in the district in respect of each individual Parish and Town Councils adoption of the new code.
- 1.4 The Standards Board for England recommends that the Code of Conduct be adopted in its model form without amendment. This is to ensure consistency throughout Local Authorities and to avoid confusion for members and for the public. It is important to note that new provisions in the new model Code of Conduct to make representations, and answer questions and give evidence like a member of the public when a prejudicial interest exists is not a mandatory provision for Parish and Town Councils. Parish and Town Councils, when adopting the new code will only be able to rely on this provision provided this part of the code is specifically adopted by them.
- 1.5 The new model code does not include the ten general principles governing the conduct of members of local authorities. These ten general principles are set out at Appendix 2 to this report. The Standards Board for England recommend that each authority include a preamble to its code to be adopted, which outlines these principles. Whilst the principles do not create a statutory obligation for members, failure to act in accordance with the general principles may amount to a breach of the code in that any conduct in breach of these codes could reasonably be regarded as bringing members' office or authority into disrepute in accordance with paragraph 5 of the Code of Conduct.
- 1.6 On adoption, each local authority will be obliged to send notification of the adoption to the Standard Board for England, make copies available for inspection by the public and publish a notice in the local newspaper stating that the new code has been adopted. It will be permissible for the District Council to organise a combined notice for all councils in its area. To assist Parish and Town Councils, it is proposed that the Monitoring Officer coordinate a combined notice and request that Parish Clerks notify the Monitoring Officer with details of adoption and publication to produce a combined notice to be published in local newspapers within the district.

2. RECOMMENDATION

- 2.1 The Monitoring Officer is advised to write to all Town and Parish Councils within the district to confirm the District Councils' requirements in respect of a publication of a combined notice.
- 2.2 The Standards Committee approve the addition of a preamble to the code setting out the 10 principles detailed at appendix 2 of this report
- 2.3 The Standards Committee consider the adoption of the model Code of Conduct without amendment and recommend to Full Council that the model Code of Conduct without amendment be adopted as the Members' Code of Conduct for the District Council.

3. DETAIL OF THE NEW MODEL CODE OF CONDUCT

- 3.1 Many elements of the new code remain as the previous adopted Code of Conduct. There is no change to the general obligations relating to:-
 - Treating others with respect – paragraph 3(1)
 - Comprising the impartiality of officers of the Authority – paragraph 3(2)(d)
 - Preventing access to information – paragraph 4(b)
 - Using your position improperly – paragraph 6(a)
- 3.2 General obligations that are new or have changed in the new mode Code are as follows:-
 - Complying with equality (antidiscrimination laws)

The previous Code provided for members to promote equality by not discriminating unlawfully. The obligation under the new code is to not do anything that may cause an authority to breach any of the "equality enactments". This covers equal pay, sex discrimination, race discrimination, disability discrimination, disability discrimination, sexual orientation, religion or belief and age.

- Bullying and intimidation

This need not be a pattern of behaviour and can relate to a single incident. A working definition of "bullying and intimidation" has been given as "offensive intimidating, malicious, insulting or humiliating behaviour based on abuse or misuse of power or authority which attempts to undermine an individual or a group." Guidance from the Standards Board of England is expected to clarify the bullying and intimidation issue.

- Disclosing Confidential Information

Members must not disclose confidential information except where they have consent or are required to by law, the disclosure is made to a third party to obtain professional advice or disclosure is reasonable, in the public interest, made in good faith and complies with any reasonable requirements of the Authority.

- Disrepute and Scope of the Code

The new Code will currently apply to members acting in their official capacity only. It is proposed with the future enactment of the Local Government and Public involvement in Health Bill that the Code will apply where criminal activity has been committed in a private capacity.

- Using the Authority's Resources

Resources cannot be used for political purposes including party political purposes. This is stricter than the provision in the previous Code, which allowed use of resources for those purposes where it was conducive for the discharge of the functions of the Authority.

- Considering advice provided to you and providing reasons

Previously, members had to have regard to advice that was given under limited statutory duties. The new model Code requires members to have regard to advice given under any statutory duty and also for members to give reasons for the decisions as to whether or not that advice will be followed.

3.3 The new Code has amended the provisions relating to personal and prejudicial interest.

(a) Personal Interest

There are now two sorts of personal interest, which must be declared. These are-

- Those registered.
- Where the wellbeing or financial position of "relevant persons" is likely to be affected by the business of your authority more than would affect the majority of people living in the ward affected by the decision.

In respect of members of the District Council, members must now only consider the affect on the majority of people living in the ward rather than as previously in the whole district. This amended provision does not assist Parish Councils where no ward exists and the application of the provision relating to personal interest applies to the whole area of the Parish.

An exemption to the declaration of personal interests known as the Public Body Exemption now applies whereby you only need to make a declaration of that personal interest if you intend to speak on the issue if your personal interest relates to your membership of another public body. In addition, there is now no requirement to reveal sensitive information relating to a disclosure of an interest. Sensitive information is information, which if given, may create a serious risk to the member, or to a person living with you and the Monitoring Officer agrees that you do not have to register that interest. The new model Code now applies to personal interests which you ought to know about. It is important to note that gifts and hospitalities that have been registered by a member must now be declared as a personal interest.

(b) Prejudicial Interests

Provision relating to prejudicial interest have also changed under the new model Code. Prejudicial interests are defined as personal interests, which a member of the public who knows the relevant facts would reasonably think, are so significant that they would be likely to prejudice that members judgment of the public interest.. When considering whether or not you have a prejudicial interest, there are four questions that you need to ask:-

- Is there a personal interest?
- If so, does it fall within one of the exempt categories of decisions?
- If not, does it relate to the financial position of the interest
- or relate to deciding a regulatory matter?
- If so, what is the result of applying the general test detailed above?

Paragraph 12(2) of the new Code introduces the right for members who have a prejudicial interest to attend a meeting to make representations, answer questions or give evidence in respect of that interest **if** the public have the same right to do so for the same purpose. Members do not then have the same right to stay once those representations have been made. Members must leave the meeting and not take part in the vote. This provision is not mandatory for Parish Councils. If Parish Councils wish to take advantage of this provision, they must specifically adopt the provision when adopting the new Code. Even so, if a member has a prejudicial interest, it will not be possible for a member to exercise executive functions in relation to that business or seek to improperly influence a decision about that business. Members may still make written representations in their private capacity, use a professional representative to act on their behalf and get another member to represent the views of their constituents.

- 3.4 There is a great deal of information contained within the new model Code for members to take on board and put into practise. Further guidance is proposed by the Standards Board for England, which will be produced to the committee and members from time to time as and when it is introduced. In addition, it is proposed that further training be sourced for members in respect of the provisions of the new Code.

4. CONTACT OFFICER

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APPENDIX 2

**SOUTH KESTEVEN DISTRICT COUNCIL
MEMBERS' CODE OF CONDUCT**

**(as adopted by Members of the Council at its meeting on the 6th September
2007)**

INTRODUCTION

Outlined below are the 10 general principles governing the conduct of all members of local authorities. These principles define the standards that all Members of South Kesteven District Council should uphold and serve as a reminder of the purpose of this Code of Conduct.

**THE TEN GENERAL
PRINCIPLES OF PUBLIC LIFE**

Selflessness – Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and integrity – Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity – Members should make decisions on merit, including when making appointments awarding contracts, or recommending individuals for rewards or benefits.

Accountability – Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

Openness – Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal judgement – Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others – Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion,

gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law – Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship – Members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

Leadership – Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

SOUTH KESTEVEN DISRTICT COUNCIL

MEMBERS' CODE OF CONDUCT

Part 1

General provisions

Introduction and interpretation

1. (1) This Code applies to **you** as a member of an authority.
- (2) You should read this Code together with the general principles prescribed by the Secretary of State.
- (3) It is your responsibility to comply with the provisions of this Code.
- (4) In this Code—
"meeting" means any meeting of—
 - (a) the authority;
 - (b) the executive of the authority;
 - (c) any of the authority's or its executive's committees, sub-committees, joint committees, joint sub-committees, or area committees;
"member" includes a co-opted member and an appointed member.
- (5) In relation to a parish council, references to an authority's monitoring officer and an authority's standards committee shall be read, respectively, as references to the monitoring officer and the standards committee of the district council or unitary county council which has functions in relation to the parish council for which it is responsible under section 55(12) of the Local Government Act 2000.

Scope

2. (1) Subject to sub-paragraphs (2) to (5), you must comply with this Code whenever you—
 - (a) conduct the business of your authority (which, in this Code, includes the business of the office to which you are elected or appointed); or
 - (b) act, claim to act or give the impression you are acting as a representative of your authority,

and references to your official capacity are construed accordingly.

- (2) Subject to sub-paragraphs (3) and (4), this Code does not have effect in relation to your conduct other than where it is in your official capacity.
- (3) In addition to having effect in relation to conduct in your official capacity, paragraphs 3(2)(c), 5 and 6(a) also have effect, at any other time, where that conduct constitutes a criminal offence for which you have been convicted.
- (4) Conduct to which this Code applies (whether that is conduct in your official capacity or conduct mentioned in sub-paragraph (3)) includes a criminal offence for which you are convicted (including an offence you committed before the date you took office, but for which you are convicted after that date).
- (5) Where you act as a representative of your authority—
 - (a) on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or
 - (b) on any other body, you must, when acting for that other body, comply with your authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

General obligations

- 3. (1) You must treat others with respect.
- (2) You must not—
 - (a) do anything which may cause your authority to breach any of the equality enactments (as defined in section 33 of the Equality Act 2006);
 - (b) bully any person;
 - (c) intimidate or attempt to intimidate any person who is or is likely to be—
 - (i) a complainant,
 - (ii) a witness, or
 - (iii) involved in the administration of any investigation of proceedings;

in relation to an allegation that a member (including yourself) has failed to comply with his or her authority's code of conduct; or

(d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your authority.

4. You must not—

(a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where—

(i) you have the consent of a person authorised to give it;

(ii) you are required by law to do so;

(iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

(iv) the disclosure is—

(aa) reasonable and in the public interest; and

(bb) made in good faith and in compliance with the reasonable requirements of the authority; or

(b) prevent another person from gaining access to information to which that person is entitled by law.

5. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.

6. You—

(a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and

(b) must, when using or authorising the use by others of the resources of your authority—

(i) act in accordance with your authority's reasonable requirements;

(ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

(c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

7. (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by—

- (a) your authority's chief finance officer; or
 - (b) your authority's monitoring officer,
- where that officer is acting pursuant to his or her statutory duties.
- (2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

Part 2

Interests

Personal interests

8. (1) You have a personal interest in any business of your authority where either—
- (a) it relates to or is likely to affect—
 - (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
 - (ii) any body—
 - (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),
of which you are a member or in a position of general control or management;
 - (iii) any employment or business carried on by you;
 - (iv) any person or body who employs or has appointed you;
 - (v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
 - (vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial

interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);

- (vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
 - (viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
 - (ix) any land in your authority's area in which you have a beneficial interest;
 - (x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
 - (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of—
- (i) (in the case of authorities with electoral divisions or wards) other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;
 - (ii) (in the case of the Greater London Authority) other council tax payers, ratepayers or inhabitants of the Assembly constituency affected by the decision; or
 - (iii) (in all other cases) other council tax payers, ratepayers or inhabitants of your authority's area.
- (2) In sub-paragraph (1)(b), a relevant person is—
- (a) a member of your family or any person with whom you have a close association; or

- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

Disclosure of personal interests

- 9.
- (1) Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
 - (2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
 - (3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
 - (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.
 - (5) Where you have a personal interest but, by virtue of paragraph 14, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
 - (6) Subject to paragraph 12(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
 - (7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

Prejudicial interest generally

10. (1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.
- (2) You do not have a prejudicial interest in any business of the authority where that business—
- (a) does not affect your financial position or the financial position of a person or body described in paragraph 8;
 - (b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8; or
 - (c) relates to the functions of your authority in respect of—
 - (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;
 - (ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;
 - (iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;
 - (iv) an allowance, payment or indemnity given to members;
 - (v) any ceremonial honour given to members; and
 - (vi) setting council tax or a precept under the Local Government Finance Act 1992.

Prejudicial interests arising in relation to overview and scrutiny committees

11. You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—

- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
- (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

Effect of prejudicial interests on participation

12. (1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority—
- (a) you must withdraw from the room or chamber where a meeting considering the business is being held—
 - (i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;
 - (ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;
- unless you have obtained a dispensation from your authority's standards committee;
- (b) you must not exercise executive functions in relation to that business; and
 - (c) you must not seek improperly to influence a decision about that business.
- (2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Part 3

Registration of Members' Interests

Registration of members' interests

13. (1) Subject to paragraph 14, you must, within 28 days of—

- (a) this Code being adopted by or applied to your authority; or
- (b) your election or appointment to office (where that is later),

register in your authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000) details of your personal interests where they fall within a category mentioned in paragraph 8(1)(a), by providing written notification to your authority's monitoring officer.

- (2) Subject to paragraph 14, you must, within 28 days of becoming aware of any new personal interest or change to any personal interest registered under paragraph (1), register details of that new personal interest or change by providing written notification to your authority's monitoring officer.

Sensitive information

14. (1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 13.
- (2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.
- (3) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

REPORT TO COUNCIL

REPORT OF: LEGAL SERVICES MANAGER (MONITORING OFFICER)

REPORT NO: LEG007

DATE: 6TH SEPTEMBER 2007

TITLE:	<u>MEMBER REPRESENTATION ON STANDARDS COMMITTEE</u>
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR PAUL CARPENTER – PORTFOLIO HOLDER FOR CORPORATE GOVERNANCE AND HOUSING	
CORPORATE PRIORITY:	N/A	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the Local Democracy link on the Council's website www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:		

1. INTRODUCTION

- 1.1 At its meeting on the 17th May 2007, the Council appointed Councillors Farrer, Lovelock and Mrs. Williams as members to the Standards Committee. At the time of appointment, the Council was advised that the requirements for political balance did not apply to this Committee. The Composition of standards committees is governed by the Relevant Authorities (Standards Committees) Regulations 2001
- 1.2 The appointments were made on the basis of political balance and did not adequately reflect the guidance of the Standards Board for England or the views of the independent Chair of the Standards Committee that representatives on the Committee should be drawn from as many of the political parties making up the membership of the Council as possible to ensure there is a fair and appropriate balance. The Chair of the Standards Committee is clear; it is a matter for members to decide the representatives from this Council

2. RECOMMENDATIONS

It is recommended Council:

- Reconsider the membership of the Standards Committee to take into account the requirement that political balance is not required.
- Confirm the membership as it currently exists, or;
- Confirm the appointment of one member from the Conservative Group and the member from the Independent Group and appoint one nominated member of the Liberal Democratic Group as District Council members of the Standards Committee.

3. S.151 OFFICER COMMENTS

There are no financial implications in this report and the s. 151 officer has no comments to make

4. CONTACT OFFICER

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REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO. CEX378

DATE: 6 September 2007

TITLE:	ANNUAL REVIEW OF PRIORITIES AND NON-PRIORITIES
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	YES

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	ALL	
CORPORATE PRIORITY:	ALL	
CRIME AND DISORDER IMPLICATIONS:	YES	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	THIS REPORT IS AVAILABLE VIA THE LOCAL DEMOCRACY LINK ON THE COUNCIL'S WEBSITE WWW.SOUTHKESTEVEN.GOV.UK	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Yes	Full impact assessment required?
BACKGROUND PAPERS:	CEX326	

Recommendations

1. That the Council approve the proposed priorities as recommended by the Cabinet.

Introduction

2. This report was placed before Cabinet on 6th August 2007 and the Cabinet approved the priorities proposed within it at that meeting.

Background

3. Although the Council's priorities are set for a four year period, they are reviewed annually. The Council's calendar makes provision for this review to be conducted over the summer so that the new priorities can drive the budget process for the following year.

This review is informed and influenced by the following:

- i) the outcome of the triennial residents' survey conducted over the winter.
- ii) a Gateway Review on progress on priorities by members of the Cabinet and PDG Chairs which was held on Monday the 11th of June.

To-date no public consultation has been conducted on the emerging issues. However there is an opportunity to seek the views of the public between this Cabinet meeting and the Council meeting on the 6 September which will conclude the review process.

Views from staff are currently being sought through the core briefing cascade system. The outcomes from this will be reported either orally to the Cabinet meeting or to the Council meeting as appropriate.

Proposed Categorisation of Priorities

4. Since 2004 the Council has tried to provide clarity to residents regarding its priorities by assigning all its major services to one of four categories. This approach has received favourable comment from auditors and greatly assisted the development of measure to align resources to priorities. For these reasons it is intended to continue to use this system.

The categories are as follows:

Category	Definition
A	A service where the Council commits to achieving a step-change in performance over the next four years.
B	A service where the Council commits to delivering annual incremental improvement over the next four years
M	A service where the Council seeks to maintain service standards and outcomes over the next four years
Z	A service where the Council will implement a programme of managed disinvestment to secure the resources required to implement improvement in its priorities

Current Priorities

5. The council last considered the categorisation of services in June 2006 when the following decisions were made:

Category A (Step-change):

- 1) Anti Social Behaviour
- 2) Recycling
- 3) Access
- 4) Town centre regeneration and the development of Grantham as a sub regional centre
- 5) Affordable housing
- 6) Communications
- 7) Use of Resources.

Category B (Incremental improvement priorities)

- 1) Street scene
- 2) Business Development
- 3) Diversity
- 4) Housing Management
- 5) LSP and Community Strategy
- 6) Maintenance of the Council's Assets

Category M (Maintain)

- Asset Management
 Business Rates
 Financial Services
 Licensing
 Business Management

Category M (Maintain) Contd.

Markets
Arts
Housing Repairs
Leisure
Legal and Admin
Human Resources
Parks
Emergency Planning
Environmental Health
Public Transport
Building Control

Category Z (Managed Disinvestment)

Pest Control
Discretionary grants
Discretionary expenditure on public transport
Strategic tourism

Results of the Triennial Residents Survey

6. This survey was conducted in accordance with the methodology set down by the DCLG. It was a postal survey with 4,000 forms being sent out and 2,610 returned a response rate of 65%.

The results from this survey were then weighted to ensure they were properly representative of the age and gender of the residents in the District.

The question within the survey that is most important in the determination of future priorities was question 2 which asks residents to identify the things that most need improving in their area.

In 2003 the “top five” areas for improvement were:

The level of crime
The level of traffic congestion
Road and pavement repairs
Activities for teenagers
Clean streets

In this year’s survey there had been some significant changes, and the top five are now:

The level of traffic congestion
Activities for teenagers
Road and pavement repairs
Health services
The level of crime/Public transport

Outcome from the Gateway Review

7. The gateway review focussed on the category A priorities. It assessed progress and reported this using a two point scale:
- 1) A number from 0 to 10 to indicate progress against targets. With 10 indicating that all targets had been met.
 - 2) A traffic-light colour (red, orange or green) to indicate the confidence that the members of the review team regarding the prospects for success in the light of achievements to-date.

Based on these two judgments the review team also made judgements regarding the future priority category of this service.

The results of this process were as follows:

Priority	Progress Score	Future Category	Improvement Prospects
RECYCLING	7	A	Amber
ACCESS TO COUNCIL SERVICES	6	A	Amber
AFFORDABLE HOUSING	10	A or B	Green
ANTI-SOCIAL BEHAVIOUR	8	B	Green
COMMUNICATIONS	6	A	Amber
USE OF RESOURCES	4	A	Amber
TOWN CENTRE REGENERATION	4	A	Amber

Proposals

8. Taking account of the resident's survey and the outcome of the gateway review it is recommended that the following priorities are set:

Category A Priorities

Priority	Definition	Scope	Lead Portfolio-holder	Proposed Targets
Recycling	Improving the percentage of household waste recycled or composted.	Waste Management	Healthy Environment	% household waste composted or recycled
Customer Service	Improving how we listen, and respond, to the needs of our customers	All services of the Council	Access	Improving customer satisfaction rates
Communications	Improving how the Council informs, and engages, with residents, stakeholders and staff	All sections of the Council	Access	% of residents and staff feeling well informed
Bourne and Grantham town-centres	Improving the attractiveness, and economic vitality, of these town-centres.	Economic Development	Economic Development	Economic data on vitality
Use of Resources	Improving the efficiency of the Council and developing the capacity to make it fit for purpose	All sections of the Council	Resources	Auditor scored judgement and peer review
Grantham Growth point	Securing growth status for Grantham and delivering this in a sustainable way.	Sustainable Communities	Economic Development	Successful delivery

Category B Priorities

Priority	Definition	Scope	Lead Portfolio-holder	Proposed targets
Local Neighbourhoods	Developing welcoming, safe and self-reliant communities with a strong sense of local identity.	Housing solutions Economic Development Anti-social behaviour	Corporate Governance and Housing	Improved residents scores for "a good place to live" in the worst communities
Housing Management	Improving the efficiency and effectiveness of the services we provide to Council tenants	Housing	Corporate Governance and Housing	2 star inspection
Public Assets	Ensuring all physical assets are fit for purpose and are managed efficiently	All	Resources	Audit of all assets
Climate Change	Providing local leadership in both preventing and responding to changes in the environment	Healthy Environment	Healthy Environment	Carbon plan and climate change strategy approved.

Category M Services – Service Minimums

Service	Operational minimum
Car parks	Maintain at least current number of spaces in each of the towns.
Public conveniences	Meantime current provision
Business rates	Achieve collection targets
Licensing	Meet statutory obligations
All internal services	Achieve customer satisfaction ratings of 80%
Leisure	Maintain compliance with specification.
Parks	Maintain current levels of resident satisfaction.
Emergency planning	Meet all statutory obligations
Development Control	Meet statutory on=obligations and government requirement regarding turn-around times.
Public Transport (Statutory)	Meet statutory requirements
Building Control	Meet statutory requirements and break-even
Markets	Break-even
Planning policy	Meet statutory timetable.
Enforcement services	Meet statutory obligations
Art centres	Achieve 85% satisfaction and subsidy per user below £1.72 per visit.
Care services	Maintain current service standards

Category Z - Non-priority areas for managed disinvestment

Service	Existing or new?
Strategic tourism	Existing
Pest control	Existing
Discretionary Grants	Existing
Discretionary assistance to public transport	Existing
Placing consultancy services onto a commercial basis	New

Comments of the Council's S151 Officer

9. The annual review of the Medium Term Financial Strategy will need to reflect the prioritisation proposals. Taking account of the likely outcome of the forthcoming Comprehensive Spending Review 2007 and the Formula Grant Settlement, it will be essential that the Council targets its resources at priority areas.
10. Also it will be necessary to keep the Category Z priorities under review to ensure that there is sufficient resource to deliver the Council's plans for its key priorities. During 2006/7 the Council achieved 76% of its target for Category Z savings, equivalent to

£347k which has been reinvested into priority services. A further £126k savings is due to be saved in 2008/9, based on the assumptions made in 2004/5 and the percentage savings achieved in 2006/7

Comments of the Monitoring Officer

11. The Monitoring Officer has no comments to make on this report"

Duncan Kerr
Chief Executive

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: Chief Executive	Names of those undertaking assessment: Duncan Kerr, Beverly Agass, Hilary Lovell	
Name of Policy to be assessed: Annual Review of Priorities and Non-Priorities (Report CEX378)	Date of Assessment: 14 th August 2007	Is this a new or existing policy?: Report to council
1. Briefly describe the aims, objectives and purpose of the policy: To determine the council's priorities for the next 3 years		
2. What are the key performance indicators? N/A		
3. Who will be affected by this policy? All residents of SKDC, visitors to the district, staff, elected members		
4. Who is intended to benefit from this policy and in what way? Residents of SKDC and visitors to the district		
5. Are there any other organisations involved in the delivery of the service? All partners of the authority		
6. What outcomes are required from this policy and for whom? To increase resident satisfaction with the way the council does things		
7. What factors/forces could contribute/detракt from the outcomes? Financial implications		
8. Who are the main stakeholders in relation to the policy? All residents of SKDC, visitors to the district, staff, elected members		
9. Who implements the policy, and who is responsible for the policy? Strategic Management team and Operational Management team		
10. Are there concerns that the policy <u>could</u> have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? Possibly. By having customer service and Local Neighbourhoods as priorities we would aim to improve integration and inclusivity. The results of the next residents survey will be monitored to ensure that the council's priorities are shared by members of all racial groups. Also by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services.		
11. Are there concerns that the policy <u>could</u> have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No – the results of the residents survey were weighted to ensure they were representative of residents in terms of age. Also by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services.		
12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No – by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services.		
13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No - by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services.		
14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?		

<p>No - by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services.</p> <p>Policies (eg travel vouchers) which have a differential impact reflect national legislation. Activities for teenagers was highlighted in the survey as one of the “top five” areas for improvement. Local neighbourhoods (category B) may include this but this particular area will be monitored and may be revisited.</p>	
<p>15. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>No - by setting customer service as a category A priority the council is looking at reducing all barriers to accessing its services</p>	
<p>16. Are there concerns that the policy <u>could</u> have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p> <p>There are concerns about the differing needs of residents living in towns and those living in rural communities and the priorities have therefore been chosen to reflect the needs of all residents.</p>	
<p>17. Are there any obvious barriers to accessing the service eg language, physical access?</p> <p>No</p>	
<p>18. Where do you think improvements could be made?</p> <p>N/A</p>	
<p>19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.</p> <p>Needs of new migrant communities</p>	
<p>20. Is there a complaints system?</p> <p>Corporate complaints system</p>	
<p>21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?</p> <p>Not currently</p>	
<p>22. Do we have feedback from managers or frontline staff?</p> <p>Yes – through the core briefing system</p>	
<p>23. Is there any feedback from voluntary/community organisations?</p> <p>Feedback will be provided when the Corporate plan and Best value Performance plan are produced which reflect the council's priorities</p>	
<p>24. Is there any research or models of practice that may inform our view?</p> <p>N/A</p>	
<p>25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?</p> <p>No</p>	
<p>26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?</p> <p>No</p>	
<p>27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?</p> <p>No</p>	
<p>28. Should the policy proceed to a full impact assessment?</p> <p>No – but the plans for the Customer Service and Local neighbourhoods priorities will need to be put through a full impact assessment process</p>	
<p>29. Date on which Full assessment to be completed by</p> <p>N/A</p>	
<p>Signed (Lead Officer): ... Duncan Kerr.....</p>	

Date: ...14th August 2007.....

REPORT TO COUNCIL

REPORT OF: Corporate Head of Finance and Resources

REPORT NO: CHFR70

DATE: 6th September 2007

TITLE:	Medium Term Financial Strategy	
FORWARD PLAN ITEM:	Yes	
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	In April 2007 publication	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Policy Framework Proposal	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr M Spencer-Gregson Assets and Resources Portfolio holder	
CORPORATE PRIORITY:	Effective Use of Resources	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the Local Democracy link on the Council's website www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? To be undertaken	Full impact assessment required? Yes
BACKGROUND PAPERS:		

1. INTRODUCTION

The Cabinet approved the development of a more strategic forward looking approach to budgeting with a more robust three year planning process, demonstrating the direction of resources towards priority services at its meeting on 10th July, 2006. Following this decision the Council approved a Medium Term Financial Strategy (MTFS) for the Council for the five year period 2007/8 to 2011/12. Although the strategy is for a five year period, it is reviewed annually to ensure it remains fit for purpose.

2. RECOMMENDATIONS

- A) The Cabinet recommends to Council the approval of the revised Medium Term Financial Strategy for the period of 2007/8 to 2011/12, as attached, which takes account of annual data changes;**
- B) The Council notes that a fundamental review of the strategy will be undertaken taking cognizance of the Comprehensive Spending Review 2007 and the Local Government Financial Settlement to ensure the Council maximizes opportunities to deliver on its key priorities and overall objective to become a brilliant Council.**

3. DETAILS OF REPORT

Although the MTFS has been approved for the five year period 2007/8 to 2011/12, the data contained within the strategy needs to be reviewed annually to ensure it remains fit for purpose.

The Cabinet reviewed the existing MTFS at its meeting on the 6th August 2007 and resolved the following:

- "1. The Cabinet recommends to Council the approval of the revised Medium Term Financial Strategy for the period of 2007/8 to 2011/12, as attached, which takes account of annual data changes;*
- 2. The Cabinet notes that a fundamental review of the strategy will be undertaken taking cognizance of the Comprehensive Spending Review 2007 and the Local Government Financial Settlement to ensure the Council maximizes opportunities to deliver on its key priorities and overall objective to become a brilliant Council."*

Key issues which have been addressed in the revised strategy are:

- Current economic factors

- Current spending pressures
- Early indications of the potential outcome of the Comprehensive Spending Review 2007
- Government efficiency proposals
- Establishing the baseline for efficiency savings
- The outturn position for 2006/7
- The outcome of the ballot of tenants on Large Scale Voluntary Transfer
- Opportunities for future efficiencies

It is proposed that the first 13 principles contained in the strategy remain as stated but the 14th principle has been amended to read:

“Manage the financial viability of the Housing Revenue Account (HRA) and seek opportunities for investment funding without exposing the Council to unnecessary risks”.

This amendment has been made to reflect the outcome of the ballot of tenants.

The Government is proposing a 3% per annum cashable efficiency target for the public sector commencing in 2008/9 for a three year period. At this stage the basis of this calculation has not been announced, however, it is anticipated this will be calculated based on the Council’s net service cost (£17.610m for 2008/9), on this basis the Council’s estimated efficiency target would be £528k.

Although it should be noted that if this basis of calculation is used that around £6.1m of the Council’s expenditure is not directly controllable in the short term, as the Council has spending tied up in external contracts and other mandatory spending. As there are barriers to negotiating 3% cashable savings on this type of expenditure the efficiency target effectively becomes around 4.6%.

In light of the economic factors; financial pressures; likely outcome of the CSR07; and potential grant settlement the Council should aim for an overall efficiency target of 5%. All options should be considered for generating efficiencies from the areas of expenditure which are potentially within the Council’s direct control. The options for achieving efficiency targets include:

- Lincolnshire Shared Services – the various workstreams should be evaluated to examine the level of efficiencies that may be achieved.
- In-house provided services – the Council provides a number of frontline services together with a number of support services. All services should be benchmarked to evaluate value for money and identify potential for efficiencies through market testing

- Overheads – an examination of the Council’s overhead base to establish value for money and opportunities for achieving efficiencies.

Members will receive further reports providing an update on the outcome of the Comprehensive Spending Review and the announcement of the Grant Settlement and their implications for the MTFS and the budget proposals.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

The MTFS needs to be reviewed to ensure it remains fit for purpose.

5. COMMENTS OF SECTION 151 OFFICER

My comments are contained within the body of the report.

6. COMMENTS OF MONITORING OFFICER

As this strategy is part of the Council’s Budget and Policy Framework, it is essential it is reviewed annually to ensure it remains fit for purpose.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

8. CONCLUSION/SUMMARY

The MTFS has been reviewed to take account of current economic factors; current spending pressures; the potential outcome of the CSR07; the Government’s efficiency target proposals; and the likely grant settlement.

9. CONTACT OFFICER

Corporate Head of Finance and Resources
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Medium Term Financial Strategy

Introduction

The ability to deliver, and to continue to deliver South Kesteven District Council's Vision and Corporate Plan in the future is dependent upon having the required resources to do so. Good financial management remains key to the Council.

At its meeting of 10th July 2006 the Cabinet approved the development of a more strategic forward looking approach to budgeting with a more robust three year planning process, demonstrating the direction of resources towards priority services.

This document sets out the medium term financial strategy for South Kesteven District Council for the five year period 2007/8 to 20011/12, and updates the existing strategy.

This strategy has been reviewed to take account of the financial outturn position for 2006/7.

South Kesteven has managed its financial resources prudently over many years and as a result is well placed to deliver community priorities into the future. Other documents which should be read in conjunction with this strategy are: the Capital Strategy; the Asset Management Plan; the Treasury Management Strategy, the Fees and Charges Strategy, the Annual Efficiency Statement and the Financial Regulations.

This strategy identifies a number of fundamental principles, which may be summarised as:

- **Principle 1 - The Community Strategy, Corporate Plan and Annual Performance Plan drive the allocation of resources.** All key decisions of the Council should relate back to the approved priorities of the Council. The Council has adopted a four point prioritisation process:
 - Category A – priority areas for stepped improvement
 - Category B – priority areas for incremental improvement
 - Category M – priority areas for maintained performance
 - Category Z – priority areas for managed dis-investment
- **Principle 2 - Manage financial resources to achieve Efficiency and Value For Money, whilst maintaining a balance between quality and cost effectiveness**
- **Principle 3 - Maintain flexibility to respond to a changing local government environment**
- **Principle 4 - Maintain a sustainable Revenue Budget**

- **Principle 5 – Maintain a prudent approach when making estimates of external funding from Government**
- **Principle 6 - Identify and seek opportunities for external funding whilst maintaining prudent estimates of realisable funding**
- **Principle 7 - Manage the Council's Assets, Reserves, Balances and Receipts to optimise financial returns for future investment in the Council's priorities for the benefit of the Community**
- **Principle 8 - Maintain a robust Capital Strategy to support deliverable medium term capital programmes**
- **Principle 9 - Improve Treasury Management performance**
- **Principle 10 - Balance the need to meet local taxation demands with Community aspirations and ability of local taxpayers to meet them**
- **Principle 11 - Maintain a robust Fees and Charges Strategy**
- **Principle 12 - Manage the impact of the introduction of Local Area Agreements**
- **Principle 13 - Deliver the priorities of the Council without exposing the Council to unnecessary risks by targeting the use of resources linked to corporate risk**
- **Principle 14 - Manage the financial viability of the Housing Revenue Account (HRA) and seek opportunities for investment funding without exposing the council to unnecessary risks.**

Principle 1 – The Community Strategy, Corporate Plan and Annual Performance Plan drive the allocation of resources

All key decisions of the Council should relate back to the Community Strategy, Corporate Plan and Annual Performance Plan that reflect the approved priorities of the Council. The Council has adopted a four-point prioritisation process as follows:

- Category A – priority areas for stepped improvement
- Category B – priority areas for incremental improvement
- Category M – priority areas for maintained performance
- Category Z – priority areas for managed dis-investment

The Council undertook a consultation process in 2004 to identify priorities this resulted in the setting of Council priorities based on the above categories. The Council has since undertaken an annual review to ensure they remain fit for purpose. The review

incorporates a “¹Gateway Review” process, whereby, progress towards achieving outcomes and the effectiveness of the individual plans are reviewed.

The Council’s Capital and Revenue budgets should be allocated taking account of the four-point prioritisation process. The Capital Strategy and service planning templates have been developed to enable effective allocation of resources according to priorities.

Category A – Priorities for stepped improvement

Category A priorities are those areas identified for “stepped improvement”, as a result of responding to a major national or local priorities. Following the annual review of the four year priorities the Council’s Category A priorities are proposed as follows:

- Bourne and Grantham Town Centres
- Communications
- Customer Service
- Effective use of resources
- Grantham Growth point
- Recycling

Category B – Priorities for incremental improvement

Category B priorities are those identified for “incremental improvement”. A list of the category B priorities is appended to this Strategy at appendix 1.

Category M – Priorities for maintained performance

Category M priorities are areas of the Council’s operation that have been identified to be “maintained” at the current level of performance or to ensure that a statutorily defined level of service is achieved. Category M priorities are summarised at appendix 2.

Category Z – Service areas identified for managed dis-investment

The Council recognises that the resources available to it are finite and that there is a need to prioritise service investment into those areas that have been identified as either a category A,B or M. To enable this to be achieved the Council has identified service areas for a managed dis-investment, with a policy to re-invest these savings into the priority areas. A list of category Z services is appended to this strategy at appendix 3. To enable the forward

¹ Gateway review involves the service manager, Cabinet Members, members of the Management Board, and Scrutiny Panel members

plans to be achievable it is essential that the category Z savings are managed out within the identified timescales, in the event that this is not possible, alternative proposals will need to be identified and approved by members as part of the prioritisation process.

The savings within non-priority areas identified in October 2004 are included within appendix 3. During 2006/7 the council achieved 76% of its target for category Z savings equivalent to £347k which has been reinvested into priority services.

Principle 2 - Manage financial resources to achieve efficiency and “Value for Money”

To ensure that available resources are used to best effect, the Council is continuing to develop its Corporate and Service Planning approach. This approach includes the following.

Delegation of Budget Management

Budget management has been delegated to individual service managers with effect from 1st April 2007. This process has been supported by appropriate training and internal controls. The training for service managers will be ongoing to further develop their skills. This approach has been adopted to enable responsibility and accountability for delivering services within agreed resource levels to be placed at the heart of service delivery and to achieve improved outcomes for service users.

It is important that Service Managers take a medium term view of their service and in so doing, bid for appropriate and realistic levels of funding by presenting robust service plans and any additional requests for funding will be supported by valid business cases. Once the service budget has been approved, Service Managers will need to operate within the approved budget and utilise virement sparingly but effectively to provide the flexibility to deliver service outcomes efficiently.

Benchmarking and identifying efficiency gains

In response to the efficiency agenda and to ensure Value for Money is achieved, the Council is developing a robust benchmarking approach which will need to be embedded across the organisation. This will support the ongoing search for efficiency gains.

The aim of the local efficiency agenda is to ensure that resources available to local government are used in the optimum way to

deliver better public services according to local priorities. All local authorities are expected to achieve the following targets:

- Total efficiency gains equal to at least 2.5% of their 2004/5 baseline expenditure by the end of 2005/6 and 5% by the end of 2006/7 and 7.5% by end of 2007/8
- Cashable efficiency gains equal to at least 1.25% of their 2004/5 baseline expenditure by the end of 2005/6, 2.5% by the end of 2006/7 and 3.75% by end of 2007/8.

The Council's Annual Efficiency Statement, which sets out the annual efficiency target together with the detail of how the target will be achieved is produced in April each year and submitted to the Department of Communities and Local Government (formerly the Office of the Deputy Prime Minister). The Council's revised forecast for the three years 2005/6 to 2007/8 is £1,087,000 efficiency gains of which £543,500 is cashable².

All services are currently subject to a review, as part of the service planning and budget development process, in terms of costs, performance and quality. Policy development and scrutiny mechanisms are also in place, these include: Policy development groups; scrutiny panel, internal audit, external audit, and Governance & Audit Committee and "Gateway Reviews" of individual service plans.

The Chancellor of the Exchequer announced, in his pre-budget statement in December 2006, that the public sector efficiency target will be 3% with effect from 2008/9. It is currently proposed that this will be cashable but further information is expected in the Autumn as part of the comprehensive spending review 2007 (CSR07) and subsequent Grant Settlement announcements.

Establishing the baseline for efficiency savings – As part of the CSR07 submission to the Settlement Working Group, the Local Government Association (LGA) produced a paper reflecting the concerns of the majority of local authority treasurers that the 3% cashable target for CSR would equate nationally to over £5bn over the period, by seemingly applying this percentage to a much larger base than had been used for Spending Review 2004. In particular, the LGA expressed concern that the 3% cashable target should only apply to areas of spending where councils have real control over budgets. Often large amounts of spending are tied up in external contracts or other mandatory spending. Based on 2007/8 General

² Cashable – result of a direct financial saving or benefit, with money released that can be spent elsewhere or recycled within a service to deliver better results

Fund expenditure estimates the level of spending not directly controllable by the Council is around £6.1m.

a. External Contracts - The Council has some long term contracts. It will be difficult to deliver efficiencies on these, particularly where they are indexed linked to RPI. The value of these contracts within the General Fund is £1.3m.

In addition, software provider licences and support agreements is a substantial area of expenditure. The scale of the ongoing licensing commitments is being evaluated and an update will be provided to members [this has not been taken into account in the assumptions used in this paper]

b. Drainage Board Levies – £546k, this is mandatory expenditure.

c. Business Rates - £887k

d. Concessionary Travel – Mandatory spending currently estimated at £420k but early estimates are that this will increase substantially, possibly to £840k per annum following the introduction of the national scheme in April 2008.

e. External Audit Fee – Annual audit and inspection fee for 2006/7 £106k.

f. Fuel – The Council spend on fuel was £425k. in 2006/7.

g. Utilities – whilst the Council does seek competitive prices for energy costs, the estimate for utilities costs is £361k for 2008/9.

h. Capital charges – the capital charges included within the total service costs are £1,850k for 2008/9

If the 3% cashable target for CSR07 applies to the net cost of services, then the efficiency target effectively becomes 4.6% of costs directly controllable by the Council, as there are barriers to negotiating 3% cashable savings on this type of expenditure. The efficiency target is estimated to be £528k based on net service costs of £17.610m.

During the last financial year service managers were asked to identify a 5% efficiency target as part of the service planning approach. It is proposed that in the future efficiency gains are stepped to take account of priorities and value for money analysis but should target to achieve an overall efficiency of 5%.

Opportunities for future efficiencies – In light of the potential financial pressures and expenditure constraints all options should be considered for generating efficiencies from the areas of expenditure

which are potentially within the Council's direct control. The options for delivering efficiencies include:

- Lincolnshire Shared Services – the various workstreams should be evaluated to examine the level of efficiencies that may be achieved.
- In-house provided services – the Council provides a number of frontline services together with a number of support services. All services should be benchmarked to evaluate value for money and identify potential for efficiencies through market testing
- Overheads – an examination of the Council's overhead base to establish value for money and opportunities for achieving efficiencies.

Principle 3 - Maintain flexibility to respond to a changing local government environment

The Medium Term Financial Strategy is and will continue to be influenced by changing national and regional policies. A degree of flexibility needs to be allowed in allocating resources outside the annual budget process. This principle should be established in response to rapid change, national constraints, new Government regulation and direction. The risk and uncertainty of managing the Council needs to be counter-balanced with some spare capacity and contingent resources. The section on Managing the Council's Assets, Reserves and Balances also addresses with this issue.

"Horizon scanning" should be ongoing particularly in light of the CRS07. The CSR07 will be a zero based review across the whole of government. Whilst there have been a number of spending reviews this is the first comprehensive review in ten years. It is likely that Local Government will maintain a real terms neutral position. However, in terms of district councils it is likely that this will result in a decrease in real terms, as districts do not deliver the highest priorities identified by government such as Education and Adult Social Services. Themes being considered as part of the CSR07 include: the review of the level of balances and reserves; asset management and surplus assets; and efficiency and shared services.

In 2003/4 the Council set up a capacity building a priority setting reserve. Also, to enable the Council to optimise gains from specific initiatives within the changing environment, the budget for 2007/8 has made provision for an "Invest to Save" budget in the Council's overall revenue budget. This enable the flexibility to target resources where there is an opportunity to invest some revenue

funding to make efficiency gains for the future or save in the longer term. Access to the "Invest to Save" budget is by submission of a business case.

Principle 4 - Maintain a sustainable Revenue Budget

This strategy addresses the issues relating to the resource requirement to deliver the Council's Corporate Plan and Annual Performance Plan. The strategy makes more active use of resources to meet the vision of the Council and Government requirements over the next five years.

When closing the Accounts for 2005/6 the Council adopted an accounting policy of maintaining a General Fund working balance of between 4% to 5% of gross turnover or between 10% - 15% of net expenditure to provide adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year. This has been maintained in 2006/7.

The Council has previously identified a desire to move towards adopting zero based budgeting principles. This will be done on an incremental basis, by introducing activity based costing, incorporating value for money benchmarking into service planning and requiring the demonstration of a sound business case to support requests for funding.

Whilst there is a need to consider the longer term forecast of the impact of corporate demands it is essential that this is also reviewed annually as part of the budget setting process. The following corporate demands have been identified for 2008/9:

- **Overall inflation** based on consumer Price Index 2.4% (June 2007) (Retail Price Index 4.4% June 2007).
- **Energy costs** are likely to fall sharply during the last six months of 2007. The Council has fixed price contracts for gas and electricity and new contracts will be rigorously negotiated.
 - The Gas contract is for 2 years with Scottish and Southern power and expires 30 November 2007
- The current 3 year **pay settlement** came to an end at the end of 2006/7. Negotiations commenced in autumn 2006 and are still ongoing. The Chancellor has urged that public sector pay settlements are kept low. For the purposes of budgeting the council has provided a local settlement of 2% for 2007/8 and it is proposed that the CPI rate be used for future budgeting purposes.

- The Actuary is undertaking a '**Triennial' Review of the Pension Fund** and the report is due in December 2007. The early alert schedule received from the Actuary shows the likely need for a contribution rate of 21.7% (an increase of 0.3%) to take account of the effects of the changes of the pension scheme together with demographic changes.
- The **Leisure Contract** is due to expire in March 2008. The council is currently re-tendering this Contract. The evaluation of the tenders is due to take place in autumn 2007 and the outcome from this process will need to be addressed in the service planning process for 2008/9.
- There has been an increase in take-up and use of the **free bus pass**. In addition, the scheme will be extended on a national basis from April 2008. Regulations are currently being developed by Government and the impact of these is currently being evaluated. The council will have to bear set up costs which are estimated at £150k. The estimated increase in cost of the enhanced scheme may be up to 100%, a further £420k. It is proposed that there will be Government set up grant currently estimated at £36k plus an additional amount of grant included within the Formula Grant calculation towards the cost of operating the scheme. However it is unclear how much this will be. The Government's national budget is £212m to be distributed between the 291 Travel Concession Authorities.
- **Housing Benefit Administration Grant. The introduction of Local Housing Allowance** - the Department of Work and Pensions has announced a 5% cut in expenditure per annum in real terms for the 3 year period 2008/9 to 2010/11 resulting in a 5% per annum reduction in Benefit Administration Subsidy, with an estimated loss of £37.3k subsidy per annum. In addition, a recommendation from the Lyons review is for councils to encourage greater take up of benefit by eligible groups, creating a further budget pressure. The private sector rent rebate will be replaced by the Local Housing Allowance from 1st April 2008. The council has received notification of the announcement of £102k grant award set up costs, receivable over two financial years 2007/8 to 2008/9.

The district has one of the fastest growing populations in the country, and Grantham has been identified as a potential growth point, which should be reflected in the Tax Base (although this will be partly reflected in relatively lower Formula Grant). The Council has agreed to a review of the assumptions used to assess the Tax Base and Collection fund as follows:

- The estimated number of properties (in Band D terms) expected to be added for the period of the budget
- The collection rate assumptions
- The balance on the Collection Fund

Although the financial benefit from the above actions may not be major, it will enable the resource base to be increased in a sustainable way.

Following a ballot of Council House Tenants and the Council's subsequent decision to retain the Council's Housing Stock, officers are reviewing the Council's Housing Revenue Account business plan and developing proposals for the HRA's longer term sustainability, these will be considered by members in due course.

Principle 5 – Maintain a prudent approach when making estimates of external funding from Government

In 2003/4, the Council benefited from the methodology changes for the distribution of formula grant. In 2004/5 further changes to the grant system caused further difficulties in assessing the grant settlement. On a like for like basis the general level of grant received was a 2.3% increase; below the rate of general inflation. For 2005/6 the formula was more consistent than in the previous 2 years, although the capping criteria was harsher.

In 2006/7, the Government introduced a new system to distribute grant to local authorities – Under the new system the distribution of grant is determined by four elements known as the 4 block grant distribution system. The previous system involving the use of Formula Spending Share has been removed. The four elements are the Relative Needs Formulae (RNF); a Relative Resource Amount; a central allocation (an amount per head) and a floor damping scheme. The Council's formula grant for 2006/7 was £9.27m, this was an increase of 3.3% on 2005/6 on a like for like basis. The settlement provided for new money for the extension of concessionary travel from half to free fares for the over 60s and qualifying disabled. The funding was included in the level of formula grant received and cannot be separately identified.

Following the 2006 budget announcement of the introduction of free national bus travel during off peak times for the qualifying group referred to above with effect from April 2008, it is unclear at this stage how this scheme will be administered and how this will impact on the level of grant settlement in future years, therefore, the Council has agreed to ask officers to keep this under review until the outcome is known.

Also in 2006/7 the Government for the first time provided an 'indicative allocation' for more than one year ahead. The indicative allocation for 2007/8 was £9.626m, this was later confirmed. The Government has confirmed that, with its next comprehensive spending review (CSR07), it intends to move to announcing figures for 3 financial years as part of future years' grant settlements, starting with an announcement in 2008/9. Whilst this will enable more robust forward planning of the MTFS, as referred to in the text associated with principle 3 above, it is likely that future settlements for districts will result in a decrease in real terms, as a result of the CSR07. An announcement on formula grant is due in December 2007.

Taking account of the forgoing the assessment of future levels of government grant is always difficult although the table below sets out potential position for SKDC over the next four years (assumes inflation at 2.4% based on CPI wef 2009/10).

Final settlement 2006/7 £m	Final settlement 2007/8 £m	Assumed settlement 2008/9 £m	Assumed settlement 2009/10 £m	Assumed settlement 20010/11 £m	Assumed settlement 20011/12 £m
9.272	9.626	9.626	9.857	10.093	10.336

Sir Michael Lyons undertook a review of the function and funding of Local Government. The final report was published in spring 2007. It is likely the CRS07 and grant settlement may address some of the recommendations, although Government has already indicated it will not implement the recommendations in their entirety.

Specific grants - Specific grants are to be reviewed as part of the CSR07. The level of specific grant received by the council in 2007/8 totalled £1.799m, broken down as follows:

Specific Grants payable to SKDC in 2007/8	
Description	£'000
Housing benefit administration grant	745
Planning delivery grant 1 st Tranche	28
Smoke free legislation implementation grant	52
Waste performance and efficiency grant	109
Local Authority Business Growth Initiative grant	865
Total Specific Grants	£1,799

Principle 6 -Identify and seek opportunities for external funding whilst maintaining prudent estimates of realisable funding

This continues the strategy 4 of the Council's previous MTFS – "The Council must continue to find new sources of funding for its activity." This strategy was adopted in light of the fact that Government funding continues to be 'top-sliced' for specific projects. The council's policy is that if a specific scheme links with the Council's priorities then bids should be submitted.

The secured use of section 106 agreements have and continue to help develop community assets with less reliance upon the Council's own resources. It is essential that a database of section 106 agreements is maintained and managed to ensure that the community benefits are realised in line with the agreements made.

Examples of the council's previous successful access to additional external funding include:

- DEFRA funding to support the development of the Council's recycling priority
- Planning Delivery Grant for improved performance in line with the Council's category B priority at that time

The Council, along with other Lincolnshire Districts and the County Council have entered into a Public Service Agreement (round 2) and may receive performance reward grant if it can demonstrate achieving 'stretch' targets in line with the PSA. Service Managers will need to ensure the achievement of these targets is built into their service plans.

The medium term financial issues arising from additional funding streams are:

- If commitments are made that extend beyond the period or amount of grant funding and appropriate exit strategy or sustainability plan is put in place
- When integrating various funding streams into their programme delivery, Service Managers need to be clear about:
 - The use and timespan of that funding; and
 - The outputs and outcomes required as a result of receiving that funding

A review of the current position relating to Performance Grants, Challenge Funding and Partnership contributions will be undertaken during the remainder of the current financial year.

Principle 7 - Manage the Council's Assets, Reserves, Balances and Receipts to optimise financial returns for future investment in the Council's priorities for the benefit of the community

The Council has reviewed its Asset Management Plan, Capital Strategy and Treasury Management Strategies during 2006/7. These reviews have been undertaken on the basis of ensuring that financial returns for future investment in Council priorities are optimised for the benefit of the community.

The Asset Management Plan is the core document identifying those assets either not being fully utilised or those that are surplus to requirements. The Capital and Asset Management Performance Group evaluate operational issues arising from the AMP and feeds them back to the Management Board and Cabinet.

Reserves can be held for three main purposes:

- A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves
- A means of building up funds often referred to as earmarked reserves to meet known or predicted liabilities.

Whilst it is primarily the responsibility of the council and its section 151 officer to maintain a sound financial position, external auditors have a responsibility to review the arrangements in place to ensure that financial standing is soundly based. In the course of their duties external auditors review and report on the level of reserves taking into account their local knowledge of the council's financial performance over a period of time. The Annual Audit Letter and Use of Resources Assessment identified that "comparatively levels of reserves and balances are high and are in need of review to ensure they remain appropriate under current circumstances". It is also likely that a theme of the CSR07 will be a review of balances and reserves, asset management and surplus assets.

A schedule of reserves and the purposes for which they are held is attached at appendix 4. A review of the level of balances and reserves was undertaken as part of the closure of accounts and preparation of Annual Statement of Accounts for 2005/6 and 2006/7 together with a review during the preparation of the budgets for

2007/8. The balance of reserves as at 31st March 2007 was as follows:

General Fund Reserves	£9.3m
Capital Reserves	£4.7m
Housing Revenue Account	£15.5m

Details of the level of reserves and current estimated movements on reserves for 2007/8 are contained in Appendix 5 [to be circulated at the meeting]. The level of individual reserves was reviewed to take account of potential future use and particularly those, which are earmarked for specific purposes.

During the remainder of the financial year the Council will develop a clear protocol for the use of each reserve which will build on the attached schedule by:

- Identifying how and when the reserve can be used (based on the above rationale)
- Further develop procedures for the reserve's management and control
- Further develop a process and timescale for the ongoing review of each reserve to ensure continuing relevance and adequacy.

Principle 8 - Maintain a robust Capital Strategy to support a deliverable medium term capital programme

The Council's Capital Strategy was reviewed during 2006/7. The new strategy covers the period 2007/8. The new strategy fully addresses the new system of capital finance controls set out in the Prudential Code for Capital Finance in Local Authorities (the code).

The professional code of practice sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Code allows the council to determine the appropriate level of capital investment to properly deliver quality public services, subject to affordability.

To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators. These indicators are mandatory, but can be supplemented with local indicators if this aids the interpretation and many will cover three years forward. The indicators cover capital expenditure, affordability, prudence, external debt and treasury management. A

copy of the prudential indicators for 2007/8 is attached at appendix 6. The indicators are purely for internal use by the council and are not to be used as comparators between councils, as any comparisons will be meaningless. The indicators should not be taken individually, but rather there will be benefit from ongoing monitoring of trends over time and year on year changes.

In addition, the revised Capital Strategy sets out the Council's approach to capital investment and has resulted in the development of a medium term capital programme which will be reviewed to provide a forward five-year view. All capital schemes are appraised and scored when developing the medium term capital programme, however, it is essential that the process is flexible enough to deal with emerging or urgent schemes.

The Capital Strategy will need to be kept under review to ensure it remains 'fit for purpose'.

Principle 9 - Improve Treasury Management Performance

Treasury Management is the management of cash and working capital, including both short term cash and long term funds. The Council has an integrated treasury management strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services.

The Council has currently maintained a flexible approach to debt redemption and borrowing. Regular reports will be presented to the Governance & Audit Committee on performance.

Treasury Management is an important element within the value for money assessment. The Council has been repaying debts for a number of years and is left with a low level of debt but at 'relatively' high interest rates. If this is repaid early the Council will pay a premium for doing so, hence the current policy of repaying on maturity.

Given that the Council is looking to enhance its capital programme, the Prudential Code will be used to ensure the decisions made with regard to borrowing reflect affordability, sustainability and value for money. This will involve consideration of the following issues:

- Balancing investment income against new borrowing, ie it may be cheaper to bring back investments to fund new capital expenditure
- Leasing versus buying outright

- Ensuring that the balance of investment between General Fund and Housing Revenue Account is well defined and analysis of the impact of changes of debt and investment structure on both funds.

The current investment strategy is relatively cautious, and whilst it is respected that the Council will wish to be risk averse with regard to capital investment, there are opportunities to grow the returns from investments without undue risk.

The existing strategy should be widened to include alternative options available. The development of the strategy will also require the development of a longer-term Capital Programme, and a clearer link to the budget process so that resource base can be updated to include the best estimate of investment returns.

To develop the Treasury Management function the Council has engaged external advisors who:

- Have completed an overview of the Council's financial position with regard to its strategy and objectives, including an analysis of the Council's Consolidated Balance Sheet and relationship of borrowing to the Capital Financing Requirement. An examination of future year's forecasts and the implications for the debt and investment portfolios has also be undertaken and fed into an annual review of the Council's Treasury Management Strategy
- Undertake Interest Rate Forecasting and Economic Advice
- Undertake an analysis of the variable debt portfolio with reference to its structure and volatility
- Undertake a review of debt structuring
- Provide technical advice
- Assist with the annual treasury management report and stewardship statement
- Provide advice, assistance and recommendations relating to CIPFA Code of Practice and the Prudential code
- Review the Council's investment strategy to ensure compliance with Investment Guidance from the Department of Communities and Local Government

Principle 10 – Balance the need to meet local taxation demands with Community aspirations and ability of local taxpayers to meet them

The Council currently has the 2nd lowest council tax in Lincolnshire. Historically the council has been a low spend low tax authority. The Council is committed to achieving high quality and high performing services. The Corporate Plan currently in development acknowledges the need to spend more in order to improve the Council's status as a service deliverer and enabler.

With Government grant likely to reduce in real terms and spending already at a low level, the Government policy to keep tax increases from year to year at a modest level (5% for 2006/7) means that the Council is working from a relatively low resource base, therefore, all potential income streams need to be considered. In keeping with recent years it is likely that the level of Council Tax increase acceptable to Government will need to be limited to an increase of less than 5% taking account of the current capping regime. The table³ below sets out an indicative SKDC and Special Expenses budget requirement to be funded from Council Tax.

2006/7 £m	2007/8 £m	2008/9 £m	2009/10 £m	2010/11 £m	2011/12 £m
5.144	5.464	5.791	6.138	6.514	6.907

Principle 11 - Maintain a robust Fees and Charges Strategy

The Council approved a revised fees and charges strategy in 2006/7 to address both discretionary and mandatory fees over a rolling three year period. The Fees and Charges strategy should be read in conjunction with this strategy.

The strategy reviews income options taking into account the impact on service users' in terms of affordability and accessibility and requires the benchmarking of charges to ensure that a robust strategy is maintained. The fees and charges strategy should be read in conjunction with the schedule of charges, contained in the budget book. The schedule includes the date of revision, and the basis of calculation and takes account of the Local Government Act 2003, which permits Council's to charge for further areas. In addition, the strategy will need to address the final outcome of the Lyons Review in relation to the ability to raise local income.

³ Assumes a maximum of 5% tax increase and 1% increase in taxbase

Principle 12 – Manage the impact of the introduction of Local Area Agreements

SKDC and other Lincolnshire Councils were in the final phase of the first round of Local Area Agreements (LAAs). The Local Area Agreement was negotiated and agreed to the end of 2006/7.. It is essential that the impact of the introduction of LAAs is fully understood and managed to enable the funding outcomes to be incorporated into future revisions of the MTFS.

Principle 13 – Deliver the priorities of the Council without exposing the Council to unnecessary risks by targeting the use of resources linked to an assessment of corporate risk

SKDC is enhancing its approach to managing risk both at a strategic and operational level. Mechanisms are currently in place to manage strategic risks through a regular ongoing review of the Strategic Risk Register by the Management Board. In addition, the service planning template incorporates a risk assessment to be completed by Service Managers. Further work is ongoing to embed risk management across the authority, with the creation of an operational risk group.

There is a need to ensure that the Council is not exposed to unnecessary risks by adopting a policy of targeting the use of resources linked to an assessment of corporate risk and ensuring that appropriate mechanisms are in place to monitor the effectiveness of this approach and ensure that it is being embedded. The mechanisms will include a greater emphasis on risk assessment in the preparation of requests for resources through the service planning and budget process.

Principle 14 – Manage the financial viability of the Housing Revenue Account (HRA) and seek opportunities for investment funding without exposing the council to unnecessary risks

The Council produces a 30 year business plan for the HRA, this is currently under review.

The MTFS will need to take account of the outcome of the review of the business plan to establish the extent of tenant aspirations that can be afforded with the level of resources that can be provided by the HRA.

In the interim, the financial viability of the HRA should be managed and maintained within government guidelines.

Appendix 1 – Category B Priorities for incremental improvement

- Local Neighbourhoods
- Housing Management
- Public Assets
- Climate Change

Appendix 2 – Category M priorities for maintained performance or statutorily defined level

- Arts centres
- Business Rates
- Care Services
- Car parks
- Emergency Planning
- Enforcement services
- Internal services
- Leisure
- Licensing
- Markets
- Parks
- Public Conveniences
- Public Transport (statutory requirements)

Appendix 3 – Category Z projected annual savings

Projected Category Z savings

Service	Proposal	2007/8 £k estimate	2008/9 £k estimate	2009/10 £k estimate	2010/11 £k estimate	2011/12 £k estimate
Travel vouchers	Restrict eligibility for new applicants	0	200	0	0	0
Rural routes	Terminate subsidy on rural routes	0	36	0	0	0
Discretionary rate relief	Develop new scheme	0	5	0	0	0
Business support grants	Terminate current scheme but create new scheme encouraging inward investment	38	0	0	0	0
Grants to Arts, Leisure & Housing orgs	Terminate current scheme but create new scheme established under vulnerable persons priority	0	0	0	0	0
Historic Building Grants	Terminate schemes	0	0	0	0	0
LCC recreation grants	Reduce contribution to 16.6% and max budget of £25k with no funding to schemes not supported by LCC	0	0	0	0	0
Archaeology services	Reduce contract to meet only statutory obligations Continue to provide TIC at Grantham & Stamford but curtail investment in strategic tourism development	0	0	0	0	0
Tourism		0	0	0	0	0
Annual sub total		38	241	0	0	0
Parish council election exes	Re-charge Parish election exes to parish councils in years of election	6	0	0	0	0
Sub total		44	241	0	0	0
Revised Z savings estimate		44	241	0	0	0

The above projections do not show the amounts which have been saved through managed dis-investment in previous years as these have now been re-invested into priority areas in line with the Council's prioritisation process.

Appendix 4 –Schedule of Reserves

Category of earmarked reserve	Rationale
Insurance Reserve (Revenue)	A high level of 'Self-insurance' is a mechanism used by the Council to reduce external premiums. Sums are held in this earmarked reserve to meet potential and contingent liabilities.
Pension Reserve (Revenue)	<p>Former Employees – This reserve provides for matching added years payments in respect of former employees. The Council does not currently operate a policy for added years and this reserve will reduce over time.</p> <p>Current Employees – This reserve is used to finance the capital costs of early retirement decisions taken by the Council and to help protect the Council from large changes in Council Tax resulting from unanticipated rises in the employer's contribution rate following the triennial valuation</p>
Building Control (Revenue)	Annual surpluses from the chargeable element of Building control activities are set aside in this reserve and it is then used to finance service improvements and offset any future deficits
Stock Option Ballot Reserve (Revenue)	This reserve was set up to offset any abortive costs arising from the ballot of Tenants, to protect the General Fund from any impact. The abortive costs of the LSVT were offset against it during the preparation of the Statement of Accounts. The remaining balance has been transferred to the capacity reserve and the reserve closed as part of the Closure of Accounts process.
Capacity building, priority setting and service improvement reserve (Revenue)	This reserve has been created to finance stepped improvements required for delivery of the Council's priority services and support the creation of additional corporate capacity.
Major Repairs Reserve (Capital)	This is the mechanism whereby the Council is required to account for the resources provided through the Major Repairs Allowance, which is provided through Housing Revenue Account Subsidy and is available to fund capital expenditure on HRA assets.
General Fund (Capital reserve)	This reserve is earmarked to finance the Council's future capital programme

Balances	
Housing Revenue Account (HRA)	The HRA is maintained in accordance with the Local Government and Housing Act 1989 which sets out the framework for "ring-fencing" the HRA. The account has to be self financing and there is a legal prohibition on cross subsidy to or from the General Fund
General Fund	Council has approved the policy of maintaining a General Fund working balance of between 4% to 5% of gross turnover or between 10% - 15% of net expenditure to provide adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year
Collection Fund	The balance on the Collection Fund is available for financing the expenditure of Lincolnshire County Council, Lincolnshire Police Authority and SKDC

Appendix 5 – Movements in Reserves

	Balance as at 31 March 2007 £'000	Transfer to Reserve in year £'000	Transfer from Reserve in year £'000	Balance as at 31 March 2008 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2009 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2010 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2011 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2012 £'000
General Fund												
Capital Reserve												
General Fund Capital Reserve	2,249	-	(2,249)	-	-	-	-	-	-	-	-	-
Revenue Reserves												
Insurance Reserve	500	-	-	500	-	500	-	500	-	500	-	500
Pensions Reserve - Former Employees	392	-	(65)	327	(65)	262	(65)	197	(65)	132	(65)	67
- Current Employees	1,502	-	-	1,502	-	1,502	-	1,502	-	1,502	-	1,502
Building Control	276	-	(35)	241	(35)	206	(35)	171	(35)	136	(35)	101
Capacity Building, Priority Setting and Service Improvements	1,557	-	(476)	1,081	(288)	793	(532)	261	(261)	0	0	0
	4,227	-	(576)	3,651	(388)	3,263	(632)	2,631	(361)	2,270	(100)	2,170
Working Balance	2,824	-	(865)	1,959	-	1,959	-	1,959	-	1,959	-	1,959
Total General Fund Reserves	9,300	-	(3,690)	5,610	(388)	5,222	(632)	4,590	(361)	4,229	(100)	4,129
Net Movement in General Fund Specific Reserves			(3,690)		(388)		(632)		(361)		(100)	
Housing Revenue Account(HRA)												
Capital Reserve												
Major Repairs Reserve	7,643	3,477	(7,490)	3,630	(2,378)	1,252	(220)	1,032	(220)	812	(220)	592
Working Balance												
Housing Revenue Account	7,863	-	(456)	7,407	25	7,432	538	7,970	-	7,970	-	7,970
Total HRA Reserves	15,506	3,477	(7,946)	11,037	(2,353)	8,684	318	9,002	(220)	8,782	(220)	8,562
Other Capital Reserves												
Useable Capital Receipts Reserve	4,757	1,675	(2,700)	3,732	500	4,232	(1,696)	2,536	(1,696)	840	(840)	-
Total Other Capital Reserves	4,757	1,675	(2,700)	3,732	500	4,232	(1,696)	2,536	(1,696)	840	(840)	-
Total Reserves	29,563	5,152	(14,336)	20,379	(2,241)	18,138	(2,010)	16,128	(2,277)	13,851	(1,160)	12,691

Appendix 6 – Prudential Indicators –

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

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
Total	14,043	10,945	8,048	8,086

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
Total	7,520	9,300	10,949	12,532

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	15,000	17,000	18,000	20,000
Operational boundary	8,000	11,000	12,000	14,000

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	0	£1.02	£2.95	£4.78
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	21,433	19,587	17,346	15,336
Working Capital	(1,020)	(1,520)	(1,520)	(1,520)
Total Investments	20,413	18,067	15,826	13,816
Principal sums invested > 364 days	£m 11	£m 9	£m 7	

Affordability Prudential Indicators

1. 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:
2. **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%)

3. The estimates of financing costs include current commitments and the proposals in this budget report.
4. **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.

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

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

6. 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.

7. Incremental impact of capital investment decisions Housing Rent levels

	Proposed Budget 2007/08 £	Forward Projection 2008/09 £	Forward Projection 2009/10 £
Weekly Housing Rent 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.*

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

Extract from Treasury Management Strategy 2007/08 – 2009/10

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.

REPORT TO COUNCIL

REPORT OF: CORPORATE HEAD FINANCE AND RESOURCES

REPORT NO.: CHFR71

DATE: 6th September 2007

TITLE:	REVIEW OF CAPITAL PROGRAMME 2007/08
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	In Forward Plan published on 16.07.07.
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Budget Policy Framework

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr M Spencer-Gregson	
CORPORATE PRIORITY:	Effective Use of Resources	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's web site www.southkesteven.gov.uk via the local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Relevant local government finance legislation	

1. INTRODUCTION

The Council approved the capital programme for 2007/08 to 2009/10 at the budget setting meeting on 7 March 2007. A review was made at the beginning of April 2007 to reflect additional funding received from central government. It is important that the capital programme is reviewed on a regular basis to ensure it remains fit for purpose and is able to reflect any revisions to the programme required as a result of progress towards delivery of the approved programme.

This report represents a full review of the Capital Programme for 2007/08 in light of the outturn position for 2006/07. The preparation of service plans and budgets for the financial year 2008/09 onwards will necessitate a further review of the programme at the time of setting the budget.

2. RECOMMENDATIONS

It is recommended that Council:

- 2.1. Approve the revised capital programme as attached at appendix A – C.
- 2.2. Note the comments of the s151 officer has provided as an indicative proposal for financing the capital programme. The actual financing of the capital programme will be finalised as part of the accounts closure process for 2007/08 when full details of the delivery of the programme and available financing options are known.
- 2.3. Note that the s151 officer will consider the longer term impact of capital financing in conjunction with the Capital and Treasury Management advisors as part of the preparation of budgets for 2008/09 and provide further advice to the Council in the Budget Report for 2008/09.

3. DETAILS OF REPORT

The revised Capital programme is attached at appendix A – C. The projected outturn for 2007/08 is £13.230m, of this £6.996m relates to the Housing Revenue Account, £6.234m relates to other services in the General Fund.

Whilst the revised programme shows details for 2008/09 and 2009/10 the focus of this report is to draw members attention to the delivery of the programme within the current financial year (2007/08).

HRA Capital Programme

Report no. CHFR62 Revenue and Capital Outturn 2006/07 to the Audit and Governance Committee on 28th June 2007 reported that the HRA capital programme for 2006/07 showed an outturn of £4.930m compared to a revised base of £7.432m.

The programme for 2007/08 has been reviewed to take account of the outturn position (to include programme slippage from 2006/07) together with current officer and contractor capacity available to deliver the 2007/08 capital programme. As a result the projected outturn for the housing capital programme is now revised to £6.996m which is £0.976m more than the budget originally approved.

Significant changes here include:

- Upgrading Sheltered Housing Scheme, reduction in value of the work by £50k
- Increase in re-wiring, re-roofing and communal doors expenditure to take into consideration slippage in the 2006/07 capital programme, for works which will now be completed in 2007/08.
- Reduction in Kitchen and Bathroom refurbishments to take into consideration the availability of contractors, from £3.451m to £3.000m.
- Central Heating and Heating and Ventilation have been combined into one group of work. The original budget has been reduced by £85k in 2007/08.

Currently there has been no amendment to the housing capital programme for future years. A full review will be undertaken later in the year when the results of the stock condition survey have been received.

General Fund Capital Programme

With regard to the general fund capital programme the outturn position for 2006/07 as reported to Governance and Audit Committee in Report no. CHFR67 together with up to date information relating to the delivery of the current years programme has been considered when reviewing the capital expenditure. As a result the revised programme for 2007/08 is now £6.234m, a total of £1.028m higher than originally approved. The main changes are summarised below:

- Town Centre Development has been allocated in two parts. The Bourne Core Area at £250k in 2007/08 and a further £500k over the next two years. The remaining £750k for the next three years remains unallocated to specific projects; this may lead to some budget slippage and 2007/08 expenditure moving into future years.
- Wheelie Bin procurement – part of the phased rollout of wheelie bins slipped from 2006/07 into the beginning of 2007/08.
- Car Parking - Multi-storey Welham Street Grantham - £246k slippage in the programme due to weather conditions and reduced daily working hours in response to issues relating to the 'Considerate Constructor' accreditation awarded to the project. The budget has been re-profiled to reflect the revised contract completion date.

- Access to Services - the modernisation programme will now extend into 2007/08.
- Provision for existing assets – the provision has been allocated to a further three projects to be completed in 2007/08. This includes: refurbishment of the gentlemen's toilets at the Council Offices in Grantham £13k. Changing room refurbishment at Deepings Leisure Centre £113k. Works at the cemetery (phase two) £100k in 2007/08 and (phase three) £100k in 2008/09.

The format for reporting the general fund capital programme has been amended to be consistent with the revenue budgets and is now shown on corporate themes (as reported in Report no. CHFR35 – Budget Presentation).

S151 Comments regarding the financing of the revised capital programme

The Council has a number of financing options available to finance capital investment, these being:

- Borrowing
- Sale of fixed assets (capital receipts)
- Direct Revenue financing
- Capital grants and contributions
- Major Repairs Reserve (for HRA investment)

This report and the associated appendices set out indicative financing arrangements for the capital programme, the actual financing of the programme will be determined as part of the closure of accounts process for 2007/08 and will be subject to the delivery of the programme and a more detailed review of the financing options.

It is planned to fund the housing capital programme entirely from the Major Repairs Allowance and Reserve in 2007/08.

Funding the general fund capital programme includes a number of sources of financing, these have been reviewed here in light of the outturn from the 2006/07 capital programme and changes in the timing of capital receipts in 2007/08 and future years.

The original budget report anticipated the financing of the 2007/08 capital programme to include capital receipts of £2.696m. Revised projections for capital receipts in the current financial year are £1.647m, due to a reduction in the number of council house sales and the timing of general fund assets sales. In addition, following the closure of accounts for 2006/07 the level of resources available as at 31 March 2007 is higher than planned, due to programme slippage and has been confirmed as follows:

- | | |
|------------------------------------|---------|
| • Capital Reserve | £2.249m |
| • Useable Capital Receipts Reserve | £4.757m |

It was proposed in the Report no. CHFR20 to Cabinet and subsequent Report no. CHFR21 to Council, to utilise housing receipts as a temporary internal financing source to support the general fund. Resources will then be made available for housing purposes in the future once anticipated general fund receipts are received during 2007/08. These

receipts are now anticipated to be received in 2007/08 with the remaining receipts being received in 2008/09. It is proposed to extend this arrangement into 2007/08.

Therefore, in financing the general fund programme for 2007/08, £4.761m will be financed from capital receipts. This will fully utilise the general fund capital reserve of £2.249m and will require use of capital receipts received in year of £1.647m and an element from useable capital receipts reserves of £0.835m. This will reduce the useable capital receipts reserve balance to £3.922m.

Capital grants and contributions will be used to finance £1.083m of the general fund programme. This funding relates to specific projects including; Wharf Road car park, disabled facility grants and private sector renewal. £0.420m of the general fund capital programme will be directly financed from revenue.

A further review of the capital programme will be undertaken in the autumn to ensure that it remains fit for purpose. It is planned to discuss the longer-term financing issues with the Council's Capital and Treasury Management advisors prior to the this review and the outcome of these discussions will be fed into the budget proposals for 2008/09.

4 COMMENTS OF MONITORING OFFICER

As part of the budget policy framework it is essential the recommendation for review of the capital programme is approved by full Council.

5 SUMMARY

This report has provided members with an update on the progress of the delivery of the Capital Programme for 2007/08 and has also identified for approval some amendments to the programme to take account of the outturn position for 2006/07 and the current officer and contractor capacity to deliver the programme by the end of the financial year.

6. CONTACT OFFICER

Sally Marshall
Corporate Head Finance and Resources
01476 406511
s_marshall@southkesteven.gov.uk

CAPITAL PROGRAMMES

Appendix A

SUMMARY FINANCING STATEMENT

	Description	2007/2008 Estimate Base £'000	2007/2008 Revised Base £'000	2008/2009 Estimate Base £'000	2009/2010 Estimate Base £'000
<u>HOUSING REVENUE ACCOUNT</u>					
1	Stock Improvements	5,990	6,915	5,853	5,891
2	Demolitions	30	10	25	25
3	IT Software	-	71	-	-
4	TOTAL - HOUSING REVENUE ACCOUNT	6,020	6,996	5,878	5,916
<u>OTHER SERVICES</u>					
5	Sustainable Communities	2,766	2,736	1,600	1,550
6	Healthy Environment	260	528	60	60
7	Finance and Resources	1,950	2,446	500	500
8	Partnerships and Organisational Improvement	120	414	-	-
9	Tenancy Services	110	110	110	120
10	TOTAL - OTHER SERVICES	5,206	6,234	2,270	2,230
11	TOTAL - CAPITAL PROGRAMME	11,226	13,230	8,148	8,146
<u>FINANCED BY:</u>					
12	Supported Borrowing	-	-	-	-
13	Unsupported Borrowing	1,034	-	1,000	1,500
14	Capital Receipts (in year)	2,696	1,647	1,057	1,233
15	Capital Receipts (from reserves)		3,084	-	-
16	Capital Grants and Contributions	1,076	1,083	213	213
17	Major Repair Reserve	6,020	6,996	5,878	5,200
18	Direct Revenue Financing	400	420	-	-
19	TOTAL - CAPITAL PROGRAMME	11,226	13,230	8,148	8,146

CAPITAL PROGRAMMES

Appendix B

HOUSING INVESTMENT PROGRAMME

	Description	2007/2008	2007/2008	2008/2009	2009/2010	
		Estimate Base £'000	Revised Base £'000	Estimate Base £'000	Estimate Base £'000	
<u>HOUSING REVENUE ACCOUNT</u>						
Tenancy Services						
Repairs and Improvements						
1	Upgrading Sheltered Housing Scheme	355	300	100	-	
2	Structural Repairs	150	150	160	200	
Energy Efficiency Initiatives:						
3	Windows	237	230	245	252	
4	Central Heating	297	450	551	567	
5	Heating and Ventilation	238				
Refurbishment and Improvement:						
6	Miscellaneous Residual Properties	136	250	140	145	
7	Re-roofing	534	1,000	550	566	
8	Re-wiring	202	955	208	214	
9	Kitchen & Bathroom Refurbishments	3,451	3,000	3,549	3,655	
10	Communal Doors	190	380	150	92	
11	Disabled Adaptations	200	200	200	200	
		5,990	6,915	5,853	5,891	
Demolition Works						
12	Garages	30	10	25	25	
		30	10	25	25	
IT Software						
13	Total Repairs Module	-	71	-	-	
		-	71	-	-	
14	TOTAL - HOUSING INVESTMENT PROGRAMME	6,020	6,996	5,878	5,916	

CAPITAL PROGRAMMES

Appendix C

OTHER SERVICES

	Description	2007/2008 Estimate Base £'000	2007/2008 Revised Base £'000	2008/2009 Estimate Base £'000	2009/2010 Estimate Base £'000
SUSTAINABLE COMMUNITIES					
1	Town Centre Development	1,000			
1	Town Centre Projects - Bourne Core Area		250	250	250
2	Town Centre Projects - Unallocated/Provision		750	750	750
3	Capital Grant				
3	Stamford Gateway	350	350	-	-
4	Economic Grant - Northfields Mkt Deeping	160	160	-	-
5	Building Control Scanner	-	20	-	-
6	Affordable Housing				
6	Aire Road	475	475	-	-
7	Private Sector Renewal	331	281	100	50
8	Disabled Facilities Grant	450	450	500	500
		<hr/>	<hr/>	<hr/>	<hr/>
		2,766	2,736	1,600	1,550
HEALTHY ENVIRONMENT					
9	Waste Management				
9	Wheelie Bin Procurement and Freighter Enhancements	200	468	-	-
10	Purchase of Vehicles				
10	Purchase of Pool Vehicles	60	60	60	60
		<hr/>	<hr/>	<hr/>	<hr/>
		260	528	60	60
FINANCE AND RESOURCES					
11	Car Parking				
11	Wharf Road, Stamford	500	500	-	-
12	Welham Street Multi Storey, Grantham	950	1,196	-	-
13	Langtoft Playing Fields - Tennis Courts	-	16	-	-
13	Provision for Existing Assets				
14	Committed				
14	Windows, Council Offices, Grantham	100	100	-	-
15	Refurbishment of Toilets, Stamford Arts Centre	41	30	-	-
16	Restatement Works at Grantham Canal	250	250	-	-
17	Gentlemen's Toilets, Council Offices, Grantham	-	13	-	-
18	Cemetery Works (Phase 2 and 3)	-	100	100	-
19	Changing Rooms, Deepings Leisure Centre	-	113	-	-
20	Provision	109	128	400	500
		<hr/>	<hr/>	<hr/>	<hr/>
		1,950	2,446	500	500
PARTNERSHIPS AND ORGANISATIONAL IMPROVEMENT					
21	Partnerships and Organisational Improvement				
21	Modernisation	120	414	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		120	414	-	-
TENANCY SERVICES					
22	Tenancy Services				
22	Purchase of Vehicles				
22	Care Services	30	30	30	40
23	Housing Maintenance	80	80	80	80
		<hr/>	<hr/>	<hr/>	<hr/>
		110	110	110	120
24	TOTAL - OTHER SERVICES	5,206	6,234	2,270	2,230
		<hr/>	<hr/>	<hr/>	<hr/>

REPORT TO COUNCIL

REPORT OF: CABINET

REPORT NO.: CHFR72

DATE: 6th September 2007

TITLE:	Concessionary Travel Bus Pass – M Service Travel Vouchers – Z Service
FORWARD PLAN ITEM:	Yes
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	1 May 2007
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Key Decision/Policy Framework Proposal

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Mrs Maureen Spencer-Gregson – Assets and Resources Councillor R Auger – Access and Engagement	
CORPORATE PRIORITY:	Concessionary Travel Bus Pass – M Service Travel Vouchers – Z Service	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report will be publicly available on the Council website at www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Yes	Full impact assessment required? Yes
BACKGROUND PAPERS:	Department for Transport briefing papers are available at www.dft.gov.uk CHFR65	

INTRODUCTION

1. With effect from April 2008 the national (England only) concessionary travel scheme comes into operation. As a consequence it is necessary to review the current schemes in operation in South Kesteven.

At its meeting on 6th August 2007 Cabinet made the following decisions:

- Notes the implementation of the national concessionary travel scheme as set out in the national framework, which will come into effect from 1 April 2008
- Seeks the inclusion of South Kesteven District Council into the Lincolnshire Concessionary Travel Scheme with effect from 1 April 2008 subject to the conditions of joining the operation being to the satisfaction of the s151 Officer and grants delegated authority to the Resources and Assets Portfolio Holder to enter such an agreement
- Recommends to Council that the cessation of the travel voucher scheme is approved with effect from 1 January 2008 and to ease transition to the new national scheme, to permit residents to redeem vouchers until 31 March 2008
- To seek by virement the additional funding (£75,000) from savings in other areas. If this is not sufficient, approval is given by Council to provide for the funding from the Capacity Building Reserve in order to specifically finance:

Temporary additional resources in customer services in order to be able to respond to all forms of customer enquiries

Temporary project management and delivery resources to ensure the smooth implementation of the national scheme

DETAILS

Appendix A (extract of CHFR65) to this report provides full details of the current concessionary travel arrangements at South Kesteven in respect of the travel voucher service and the current bus pass service. It is stated in the report that the national (England only) concessionary travel scheme comes into operation in April 2008 which will provide free unlimited bus travel for eligible residents of South Kesteven.

RECOMMENDATION

Council is asked to:

- Approve the cessation of the travel voucher scheme with effect from 1 January 2008 and to ease transition to the new national scheme, to permit residents to redeem vouchers until 31 March 2008.

COMMENTS OF SECTION 151 OFFICER

My comments are contained in the body of the report contained at Appendix A. I can confirm that the additional one-off funding request of £75,000 can be financed from current years salary underspends and a virement will be undertaken. Therefore there will be no requirement to seek approval for use of the Capacity Building Reserve.

COMMENTS OF MONITORING OFFICER

My comments are contained in the body of the report contained at Appendix A.

CONTACT OFFICER

Richard Wyles – Service Manager, Finance and Risk Management
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Appendix A

Mandatory Concessionary Travel Scheme

2. From April 2008 the national (England only) concessionary travel scheme comes into operation. This new scheme will allow a resident (who meets the eligibility criteria – aged 60 and over or disabled people (as defined in section 146 of the Transport Act 2000) to apply for a bus pass card which will entitle them to free unrestricted local travel in England. This represents a significant service improvement from the current arrangement of free travel within South Kesteven boundaries. From April 2008 reimbursement of bus operators by local authorities will be linked to where the trip starts so the Council will be required to reimburse operators for all trips starting in its area that are covered by the statutory minimum concession regardless of where the pass holder resides. Whilst it is proposed that there will be some government funding through the grant mechanism to support the operation of the scheme, it is considered unlikely this will meet the full cost of operating the scheme. Therefore this will place a significant cost on the Council for budget 2008/09 and beyond and so it is proposed that only the mandatory scheme is adopted from 2008. The mandatory scheme allows travel by a pass holder between the hours of 9.30am to 11pm Monday to Friday and all Saturday and all Sunday (excluding carers). This can be reviewed once a full year of costs are known.

Travel Vouchers - Background

3. The Council introduced a discretionary travel voucher scheme as an alternative to the statutory bus pass scheme in 2001. At that time the criteria for eligibility was the same as the bus pass scheme. The main reasons for providing an alternative scheme was in response to the concerns raised by residents following the imposition of 'South Kesteven travel only' for the bus pass scheme (in order to receive subsidised travel). This restriction was particularly felt in those areas of the district where the main shopping area was outside of district boundaries.

Travel Voucher scheme details

4. Since January 2006 the scheme has only been available to new residents (joining the scheme) who are aged 70 and over (disabled criteria remaining the same). This change of policy was in response to the Council declaring this particular element of concessionary travel a 'z' service (managed disinvestment). However since this date the service has not budgeted to deliver any of the savings anticipated due to the demand led nature of the service. However the table shows that in real terms savings of over £20K have been achieved over the last 3 financial years.

Travel vouchers are valid for one calendar year and can be used for travel for both service buses and taxis (who have decided to accept the vouchers). They are issued in £1 denominations within specific bandings based on the distance the resident lives from the nearest town:

0-2 miles £18 (per annum)

2-5 miles “

5+ miles £28

“

The table below identifies the costs of providing travel vouchers for the last 3 financial years with associated redemption rates:

Financial Year	No. voucher booklet issued	Amount vouchers issued	Actual amount of vouchers redeemed	Redemption rate
2004/05	£18 – 10,019 £22 – 1,461 £28 – 1,866	£264,732	£198,782	75%
2005/06	£18 – 10,019 £22 – 1,461 £28 – 1,866	£271,486	£187,939	69%
2006/07	£18 – 10,019 £22 – 1,461 £28 – 1,866	£250,686	£179,815	72%

For 2007/08 the budget for this service is £200,000 which it is estimated will meet the reimbursement costs up to and including 31 December 2007.

From the above table it can be seen that over 13,346 residents (approx.75% living in town centre area) applied for vouchers in 2006 and a total 9,609 actually used them. This figures compares with 9,000 bus passes currently in circulation (although the number actually being used is currently unknown as the current lack of technology in both the cards and the buses is unable to monitor specific usage).

New Bus Pass arrangements

5. The new national (England only) bus pass scheme, which comes into effect from April 2008, will enable eligible residents to receive a national bus pass entitling them to free unlimited national travel. As stated above, the costs fall on the authority where the journey commences so will be a major cost impact for the District Council. From a resident perspective this fundamental change of usage completely removes one the key usage restrictions of the current bus pass (i.e. within border free travel). It is expected that the number of passes issued and the associated usage will significantly increase putting a considerable budget pressure on the Authority from 2008/09.

Funding Arrangements of new scheme

6. At this stage the additional cost this will place is unknown but prudently it is anticipated that the budget could increase by 100%. Therefore the anticipated budget allocation required for the mandatory scheme is approximately £800,000. The Government has set aside a specific sum to financially assist local authorities but it is unclear how this additional cost will be funded or indeed whether the costs of the service will be fully met (as it is a demand led service). Due to the high risk of significant costs associated with the new scheme it is proposed that the discretionary

element of the service (travel vouchers) is withdrawn from 1 January 2008. This proposed change of policy can be reviewed after a year once the costs of delivering the mandatory arrangements are known.

OTHER OPTIONS CONSIDERED AND ASSESSED

7. The Council must introduce the statutory concessionary travel scheme and whilst it may consider introducing additional alternative schemes, any of these would not fall within the Councils agreed priorities as any discretionary concessionary travel schemes is a 'z' service (managed disinvestment).

County Scheme

8. Cabinet will be aware that currently all Lincolnshire authorities, with the exception of South Kesteven, jointly participate in the Lincolnshire Scheme for the concessionary travel arrangements. East Lindsey District Council is the lead partner and a travel consultant has been appointed to manage the reimbursement scheme and collect and manage data from the bus operators.

At the time of the formation of the Group, South Kesteven declined the invitation to join largely due to the issue of cross border travel and the potentially significant costs the Authority would incur if cross border travel was permitted. This was a particularly relevant issue in the south of the district where a high volume of South Kesteven residents use the bus services to Peterborough. However with effect from 1 April 2008 the national bus pass scheme comes into effect which does not allow for border restrictions (England only) and as such, the cross border issue that had prevented participation in the County scheme is removed.

There are a number of advantages and, potentially, disadvantages for joining the Lincolnshire scheme that need to be considered before the decision to join can be made. These are:

Advantages	Disadvantages
All negotiations with the bus operators will be undertaken by the travel consultant	Management cost incurred for participation in Lincolnshire scheme (although this will be offset against internal costs currently being incurred for scheme administration)
All operator reimbursements will be undertaken by the travel consultant	Lack of clarity whether current locally determined arrangements with operators can be maintained or whether adoption of County arrangements will be imposed
Any scheme appeals will be handled by the travel consultant fully utilising both their specialist resources and their expertise	Enhanced risk of appeals by bus operators may be realised (Lincolnshire
Robust audit of scheme to ensure generation factor level remains valid and	

<p>appropriate</p> <p>Closer scrutiny and monitoring of generation factor levels taking into consideration all of the Department of Transport model requirements</p> <p>Mitigation for the need for additional staff resource to operate the enhanced scheme.</p>	<p>scheme currently has 7 appeals whilst South Kesteven's currently has none</p>
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OTHER OPTIONS CONSIDERED AND ASSESSED FOR ADMINISTRATION OF SCHEME

9. The alternative option is for the District Council to continue the current arrangement of operating and administering the concessionary travel scheme at 'local' level. Whilst this has worked successfully over the last few years it obviously has internal resource cost implications as the implementation of the new scheme will mean greater resource requirements for scheme administration. The costs involved in the scheme currently are the casual staff costs of auditing the scheme (circa £5,000) and the internal staff costs of negotiation and reimbursement. For the 2007/08 budget this figure was costed at £6,000 (excluding management time). However the 2008 scheme will potentially double the amount of time needed for reimbursement work of which there is currently no internal resource available.

COMMENTS OF SECTION 151 OFFICER

10. There are a number of financial implications arising from the introduction of the new statutory concessionary travel scheme which need to be considered in the light of the broader financial constraints and pressures that the Council faces for 2008/9 and beyond. These constraints and pressures are articulated in the proposed Medium Term Financial Strategy report elsewhere on the agenda.

Guidance on the implementation of the new scheme is continually being released by the Department for Transport, therefore, at this stage it is difficult to fully evaluate the potential financial implications. However, the set up costs are currently estimated at £150k to cover new software for data collection; re-issue of cards; and procurement of smart card technology. The smart card technology will provide for robust data capture for management purposes and will provide a greater level of security and integrity in the system. Government funding under section 31 of the Local Government Act 1972 is currently estimated to be £36k, a budget provision of £50k has already been approved by Council in the 2007/8 budget, it is proposed the balance will be funded from the supplementary estimate request for £75k referred in this report.

It is difficult to estimate the financial impact of the ongoing operation of the scheme at this stage as the level of government funding is not likely to be announced until the outcome of the comprehensive spending review 2007 and the grant settlement both due in October and December respectively. Whilst the additional cost of the scheme is prudently estimated to be a further £420k it is unclear how much the Council will receive, it should be noted Government are proposing a budget of £212m available within England for all 291 Travel Concession Authorities.

With regard to the participation in the Lincolnshire scheme, I will oversee the negotiations and keep the Portfolio Holder briefed and will update members accordingly.

COMMENTS OF MONITORING OFFICER

11. The Concessionary Bus Travel Act 2007 received royal assent on the 19th July 2007. By virtue of this act, anyone to whom a current statutory travel concession scheme permit has been issued and who travels on an eligible journey on an eligible service will be entitled, on production of a permit, to a concession consisting of a waiver of the fare for the journey by the operator of the service.

It is proposed the provisions of the act are commenced in April 2008

CONTACT OFFICER

Richard Wyles – Service Manager, Finance and Risk Management
01476 406210
Email:r.wyles@southkesteven.gov.uk



MINUTES

CONSTITUTION COMMITTEE
MONDAY, 16 JULY 2007

COMMITTEE MEMBERS PRESENT

Councillor Kenneth Joynson
Councillor Peter Martin-Mayhew
(Chairman)
Councillor Alan Parkin (Vice-Chairman)

Councillor Susan Sandall
Councillor Raymond Wootten

OFFICERS

Chief Executive
Corporate Head of Finance and Resources
Service Manager, Democratic
Democratic Officer

OTHER MEMBERS

Councillor Sam Jalili

1. DECLARATIONS OF INTEREST

Councillor Joynson declared a personal interest in agenda item 3 due to his membership of the Deepings St James United Charities.

2. REVIEW OF THE CONSTITUTION

Recommendation

The Constitution Committee recommends the following changes to the Constitution:

1) Clause 2.01 (b) of Part 2 of the Constitution to read:

Only registered voters of the District, or those living or working there, or owning property or renting property within the District will be eligible **to stand for election as a Councillor**.

2) Clause 4.2(d) of Part 2 to read:

appointing the Leader (**the Leader to appoint and select the Cabinet**)

3) Clause 5.1 of Part 2 relevant paragraph to read:

The Chairman will have the use of the Chairman's Room, motor car and the services of a Civic Officer, all at his or her **discretion within budget and policy framework**, for the performance of those ceremonial duties.

4) Clause 14.2 of part 2 to delete the words "or advise the Council"

5) Clause 15.1 (b) & (c) of Part 2 to read:

- b) The **Chief Executive** may engage such offices as he considers necessary to carry out its functions.
- c) The **Chief Executive** will engage persons for the following posts, who will be designated chief officers:

6) Protocol for changes to the Council's Constitution (page 33) to include all of Part 4.

7) Clause 19.1 (c) to read:

- c) Rules capable of Suspension

The following Rules may be suspended:

All of the Councils Rules of Procedure except Rule **16.5** and **19.2**.

8) Clause 1.1 (vii) of part 4 delete.

9) Clause 1.1 (ix) of part 4 Council Procedure Rules to read:

That the Chairmanship and Vice-Chairmanships of **all Committees and PDG's** excluding Standards Committee are appointed according to their suitability and merit in the opinion of the Leader.

10) Clause 2 (vi) of part 4 Council Procedure Rules to read:

Deal with any business from the last Council meeting including the appointment of Chairman and Vice-Chairman of Policy development Groups and such other committees as the Council considers appropriate where such appointments have not been made or concluded at the Annual Meeting **or as a result of any vacancies which have arisen.**

11) Clause 2 (x) of part 4 to read:

Consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's budget and policy framework and reports of the Policy Development Groups, Scrutiny Committee and **other Committees** for debate.

12) Clause 9 of part 4 to read:

Unless the majority of members present vote for the meeting to continue, any meeting that has lasted for 3 hours excluding any temporary adjournment will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting **after the minutes of the previous meeting have been dealt with.**

13) Clause 10 (10.1) of part 4 to read:

Residents of the District or any non-domestic ratepayer may ask questions of **any member of the Council** at ordinary meetings of the Council during a period of 30 minutes set aside at the start of the meeting.

14) Clause (g) of part 4 to read:

to withdraw a motion by the mover only

15) Clause 14.12 to read:

Point of Order

A member may raise a point of order at any time. The Chairman will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure, **the Articles contained in Part 2 of this Constitution** or the law. The member must indicate the rule, article or law and the way in which he/she considers it has been broken. The ruling of the Chairman on the matter will be final.

16) Clause 15.3 to read:

The debate will be chaired by the Chairman, **the Vice-Chairman, or if neither are present a Chairman elected by the Council for that meeting.**

17) Clause 23.2 to read:

Amendment

Any motion to add to, vary or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the **next annual or** ordinary meeting of the Council after having been debated by the Constitution Committee.

18) Clause 14 of the Scrutiny Committee Procedure Rules (page 141) 10 (a) to read:

The Scrutiny Committee or constituted working group of the Committee, as well as reviewing documentation, in fulfilling the scrutiny role, **may reasonably** require any member of the Cabinet, Head of Paid Service and/or any senior officer to attend before it to explain in relation to matters within their remit: (i)

.....

A report by the Monitoring Officer had been circulated to members highlighting minor anomalies within the Constitution. Members discussed each anomaly and agreed a change where necessary.

**3. REVIEW OF COUNCIL PROCEDURE RULE 1.2 (IV)
APPOINTMENTS TO OUTSIDE BODIES**

Recommendation

The Constitution Committee recommends to Council that no amendment is made to the Constitution and allows only appointments from nominations received from existing Councillors.

Members had been circulated with report LEG005 which concerned representation on outside bodies. Reference was made to the recent Council meeting at which three appointments had been made to organisations by people who were not councillors. Currently these appointments stood suspended.

Some members felt that representations on outside bodies fell into two categories. The smaller category was more localised and therefore these would be better represented by a local person who was interested in the organisation rather than a Councillor who had no interest in the organisation. Other members disagreed with this and indicated that within the 58 members of the Councillor a representative should be found. The Chief Executive suggested that

maybe the organisation should be contacted to see if they required someone who represented the Council, in which case this would need to be a Councillor, or wished for advice on finding someone locally who had an interest and would be willing to attend meetings but who did not represent the Council.

Further discussion followed and a comment was made about the control of delegations, this currently was in sufficient and should be addressed. Following which it was moved, seconded and agreed that no amendment be made to the Constitution and to allow only appointments from nominations received from existing Councillors.

4. NON KEY DECISIONS

Decision

That the Constitution Committee agree in principle for work to be undertaken to look at changing the Constitution to allow delegation to officers to approve tenders for goods and services rather than Portfolio Holders. All appropriate safeguards and checks to be included.

The Chief Executive explained to the Committee the current position with regard to how tenders for goods and services were approved and the background work involved up to the approval of a tender. Members needed to get involved at an earlier stage in the tender processes and he referred to the recent call-in and how this had "halted" a process that had begun sometime ago. Members agreed that information should come to them at an earlier stage and agreed in principle for work to be undertaken to look at changing the Constitution to delegate the approval of tenders to Officers rather than Portfolio Holders. A question was asked about tenders for the sale of assets but the Corporate Head of Finance and Resources replied that this was a separate issue and would still be made by either a key or non key decision by the Cabinet or the Portfolio Holder.

5. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT

The following item was discussed due to the timescales involved in getting the document ready for distribution.

A mock A5 version of the Constitution was circulated to members for their views. The version included a "How to use the Constitution" and each part was colour coded. Members were happy with the work that had been done to date and looked forward to seeing a final draft version.

An item on the number of call-ins that the Scrutiny Chairman can request was asked to be put on the agenda for the next meeting together with an amendment to allow the Vice-Chairman of the Scrutiny Committee to request a call-in if the Chairman of Scrutiny was unavailable.

6. CLOSE MEETING

Meeting closed at 2pm.

REPORT TO COUNCIL

REPORT OF: LEGAL SERVICES MANAGER (MONITORING OFFICER)

REPORT NO: LEG006

DATE: 6TH SEPTEMBER 2007

TITLE:	<u>APPOINTMENTS AS REPRESENTATIVES ON OUTSIDE BODIES</u>
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR PAUL CARPENTER – PORTFOLIO HOLDER FOR CORPORATE GOVERNANCE AND HOUSING	
CORPORATE PRIORITY:	N/A	
CRIME AND DISORDER IMPLICATIONS:	N/A	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the Local Democracy link on the Council's website www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Reports to Constitution Committee LEG005	

1. INTRODUCTION

- 1.1 Historically and at its annual general meeting on the 17th May 2007, Council has agreed to the appointment of representatives to outside bodies who are not members of the Council.
- 1.2 At its meeting on the 16th July 2007, the Constitution Committee considered report number LEG005 relating to the appointment of representatives of the Council on outside bodies. The Constitution Committee recommended to Council that appointments should only be allowed from existing members of the Council. Members must now consider whether to accept the recommendation of the Constitution Committee.
- 1.3 The purpose of this report is to advise members further on appointments of non-member representatives.

2. RECOMMENDATIONS

- 2.1 It is recommended Council consider the further advice of the monitoring officer if considering the appointment of non-member representatives as follows:
 - The terms of appointment of all outside bodies must be checked prior to appointment to ensure the outside body is able to accept non-council representatives.
 - The Council must be prepared to consider all nominations received from all non-members to ensure fair treatment of any person who wishes to be considered for nomination. Strict criteria for putting forward nominations will have to be established and followed.
 - Non-member representatives will not be subject to the Members' Code of Conduct. This code is enforced by the Standards Board for England and does not apply to non-members. The reputation of the Council is at risk if the Council is unable to enforce its policies, procedures and codes of conduct on such representatives.
 - Provision will have to be made in the Constitution to require regular reports from non-member representatives. No such provision currently exists

3. CONCLUSION

Whilst it is possible for Council to refuse to accept the recommendation of the Constitution Committee, the monitoring officer's advice must be considered and implemented if non-member representatives are to be considered for appointment to represent the Council on outside bodies.

4. S.151 OFFICER COMMENTS

There are no financial implications in this report and the s. 151 officer has no comments to make

5. CONTACT OFFICER

Lucy Youles – Legal Services Manager (Monitoring Officer)
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email: l.youles@southkesteven.gov.uk

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO. CEX379

DATE: 6 September 2007

TITLE:	Appointment of Member Representatives on Outside Bodies: South Lincolnshire Blind Society
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Cllr Ray Auger	
CORPORATE PRIORITY:	Democratic Representation	
CRIME AND DISORDER IMPLICATIONS:	No	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	THIS REPORT IS AVAILABLE VIA THE LOCAL DEMOCRACY LINK ON THE COUNCIL'S WEBSITE WWW.SOUTHKESTEVEN.GOV.UK	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required?
BACKGROUND PAPERS:	None	

Recommendations

- 1. That the Council consider whether they wish to replace Councillor Sam Jalili as a representative at South Lincolnshire Blind Society**

Background

2. At the Council's Annual General Meeting on 17th May 2007, Councillor Sam Jalili was nominated and appointed to represent the authority on the executive of the committee of the South Lincolnshire Blind Society. The Leader and myself have now received a letter from this Society dated 2nd August 2007 and requesting the authority to consider the replacement of Councillor Sam Jalili with another member.

Duncan Kerr
Chief Executive

Agenda Item 16

REPORT TO COUNCIL

REPORT OF: Portfolio Holder for Economic Development

REPORT NO.: PLA673

DATE: 6 September 2007

TITLE:	Nomination for Member to represent the Council on the Elsea Park Bourne Board of Trustees
FORWARD PLAN ITEM:	n/a
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	n/a
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	n/a

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Frances Cartwright: Economic Development Portfolio Holder	
CORPORATE PRIORITY:		
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the council's website via the Local Democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? No	Full impact assessment required? No
BACKGROUND PAPERS:	None	

1. INTRODUCTION

This report is to inform members of the entitlement for a member to be nominated to join the Board of Trustees of the Elsea Park Community Trust in Bourne.

2. RECOMMENDATIONS

This report recommends:

That council approve the nomination of a member to represent the Council on the Elsea Park Community Trust

3. DETAILS OF REPORT

The section 106 agreement that was negotiated for the Elsea Park Development in Bourne required a Community Trust to be set up to look after the interests of the people who live and work in Elsea Park.

Each residential unit on Elsea Park pays an annual fee to the trust to administer such aspects as to advance education and to provide facilities in the interests of social welfare for recreation and leisure time use with the object of improving the conditions of life for the inhabitants.

This will include such areas as the establishment of a community centre, promotion of transport initiatives, maintenance and management of open spaces, play spaces and amenity land.

The Articles of Association of Elsea Park Community Trust allow one person nominated by South Kesteven District Council to be on the Board of Trustees.

Although the Trust has been set up and operating for some time the Council has not had a representative on the Board.

This report seeks to redress this situation by requesting that the Council agrees a nomination.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

The only other option is for the council to refuse a place on the board of trustees. This would leave the residents of Elsea Park without district council representation and the Council unable to provide an input into the running of this important organisation for the development.

5. COMMENTS OF SECTION 151 OFFICER

I have no specific financial comments to make regarding the contents of this report.

6. COMMENTS OF MONITORING OFFICER

The appointment is as a trustee. Any member appointed must make themselves aware of the terms of the trust deed and ensure they act in accordance with that deed to protect the assets of that trust. Trustees must not profit from their appointment.

Trustees can be personally liable to third parties for the actions of the trust. Any appointee should ensure they obtain an indemnity from the trust to cover such liability where they have acted properly in accordance with the wishes of the trust when incurring liability. The Trustee must insure the Trust has insurance in place to cover such liability.

A personal interest of such a position must be registered. Under the proposed new code of conduct for members, if adopted, there is an exemption from declaring a personal interest when the interest arises solely from the member's membership on any body to which they have been appointed or nominated by the authority. In this case, provided the member does not have a prejudicial interest, they need only declare their interest if they speak. If the member does not want to speak to the meeting, they may still vote on the matter without declaring a personal interest.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

8. CONCLUSION/SUMMARY

This report seeks to ask Council to nominate a member to represent South Kesteven District Council on the Elsea Park Community Trust

9. CONTACT OFFICER

Stuart Vickers, Development Services Manager
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REPORT TO COUNCIL

REPORT OF: **Environmental Protection Service Manager**

REPORT NO.: **ENV380**

DATE: **6 SEPTEMBER 2007**

TITLE:	GAMBLING ACT 2005 – FEES PROPOSAL
FORWARD PLAN ITEM:	YES
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	In Forward Plan published 16 th August 2007
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	POLICY FRAMEWORK PROPOSAL

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR RAY AUGER	
CORPORATE PRIORITY:	M – STATUTORY FUNCTION	
CRIME AND DISORDER IMPLICATIONS:	NONE	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available via the Local democracy link on the council's website: www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	ENV 354	

1. INTRODUCTION

The Gambling Act 2005 (Premises Licence Fees Regulations, The Regulations) provides a wide range of fees for applications under the Act. The fees are prescribed in the legislation and are set by Central Government. In some cases the legislation allows each licensing authority to set fees within the maximum allowed by the legislation. Those fees must be set on a cost recovery basis

This report is submitted to the Council for consideration, approval and publication.

2. RECOMMENDATIONS

That the Council adopts the proposed fee structure for 2007/2008 as set out in appendix 1 attached, and future fees are reviewed within the Regulations and the Council's budgetary processes.

3. DETAILS OF REPORT

The Gambling Act 2005 creates a premise licence regime for a range of gambling premises, the responsibility for which lies with local authorities. This process is not the same as with fees set under the Licensing Act 2003, under which Central Government sets all fees under that Act.

The following categories of premises are:

- Casinos
- Bingo premises
- Adult gaming centres
- Family entertainment centres
- Betting shops

The Regulations set a maximum limit and require local authorities to ensure that the fees properly reflect local costs in administering the gambling premises licensing regime and that local gambling businesses do not provide general income for licensing authorities. The fees proposed in Appendix 1 are anticipated to meet the cost of delivering this service.

There are at present 17 licensable premises in the district, all of which have applied for premises licences under the Act. These consist of 1 bingo hall, 12 bookmakers and 4 arcades, (2 in Grantham, 1 in Stamford town centres). The fourth is situated on the A1 service area outside Grantham. All of these are operated as part of national or local chains.

By way of consultation, personal visits have been made to each of the premises and letters sent to all of the operator's head offices, to publicise the proposed fees and encourage their views. The fees have also been placed on the Council's web site. There have been no responses received at this point in time.

The cost of the service includes the processing and grant of applications, together with the cost of inspecting such premises. All of the premises have made use of the "fast-track" procedure and it is unlikely that there will be much involvement for the Licensing Committee at this stage.

The gambling industry is heavily controlled by legislation and rarely creates problems. With the above factors in mind, the fee levels have been set to reflect the use of the 'fast track application procedure' and the low level of risk-based enforcement action that will be undertaken by the Council, as the Licensing Authority.

In an attempt to estimate the costs involved, guidance has been sought from The Department of Culture Media and Sport's template fees exercise. The licensing team have worked with the Council's Accountancy Service to calculate the likely costs involved. A formal "benchmarking" exercise has also been carried out with 3 of the local authorities in the County Licensing Group, with consultation with the remaining Lincolnshire Authorities so as to ensure parity of the fees.

The fee levels for 2007/08 proposed in appendix 1 have been set to recover the anticipated costs associated with running this service. Any changes to resourcing requirements over the next 12 months will be considered, and if necessary, fee levels will be revised for 2008/09.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

The Act requires and makes provision for the setting of premises fees by local authorities. Those fees are set to a maximum and on a cost recovery basis, which was subject to a costing exercise. This has been done and there is no other option.

5. COMMENTS OF SECTION 151 OFFICER

I confirm I have been consulted regarding the setting of the proposed fees and can confirm a full cost recovery approach has been taken. The proposed fees and associated budget income did not form part of the budget setting proposals for 2007/08 (CHFR35) and so will require incorporation into the revised budget if approved.

6. COMMENTS OF MONITORING OFFICER

The Regulations set maximum fees which can be charged for each application for a premises licence. It is for the Council to set the actual fee payable by applicants.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

8. CONCLUSION/SUMMARY

The fees costing exercise is now complete and meets the legislative requirements of the Gambling Act and Central Government advice. Consultation has taken place with those likely to be involved and the report now awaits approval from the full Council.

Every effort has been made to comply with the legislation and set fees that are acceptable to the gambling businesses in the district, whilst at the same time cover the cost of the service.

9. CONTACT OFFICER

M J Brown Environmental Protection Services Manager.
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Appendix 1

SOUTH KESTEVEN DISTRICT COUNCIL

PROPOSED FEES FOR GAMBLING ACT 2005

Licence type	Proposed Fee 2007 – 2008 £	Maximum fee in Regulations 2006 £
Bingo Premises Licence		
Fast track advance application	235	300
Non-Fast track advance applications	535	1750
Application fee for provisional statement	555	3500
Licence for provisional statement premises	370	1200
Application fee new premises	580	3500
Annual Fee	390	1000
Variation of Licence	535	1750
Transfer fee	445	1200
Application for reinstatement	445	1200
Adult Gaming Centre		
Fast track advance application	235	300
Non-Fast track advance applications	490	1000
Application fee for provisional statement	510	2000
Licence for provisional statement premises	325	1200
Application fee new premises	535	2000
Annual Fee	345	1000
Variation of Licence	490	1000
Transfer fee	400	1200
Application for reinstatement	400	1200

Licence type	Proposed Fee 2007 – 2008	Maximum fee in Regulations 2006
	£	£
Family Entertainment Centre		
Fast track advance application	235	300
Non-Fast track advance applications	490	1000
Application fee for provisional statement	510	2000
Licence for provisional statement premises	325	950
Application fee new premises	535	2000
Annual Fee	345	750
Variation of Licence	490	1000
Transfer fee	400	950
Application for reinstatement	400	950
Betting Premises (general)		
Fast track advance application	235	300
Non-Fast track advance applications	490	1500
Application fee for provisional statement	510	3000
Licence for provisional statement premises	325	1200
Application fee new premises	535	3000
Annual Fee	345	600
Variation of Licence	490	1500
Transfer fee	400	1200
Application for reinstatement	400	1200
Miscellaneous		
Change of circumstances	25	50
Fee for copy of a license	15 (Statutory Fee)	