



AGENDA

For the annual meeting of the

COUNCIL

to be held on

THURSDAY, 17 APRIL 2008

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.

Please note: Before the start of formal business, the outgoing Chairman, Councillor Mike Taylor, will make a presentation to recognise volunteers who have given of their time to help the work of the Council.

~~~~~

**1. ELECTION OF CHAIRMAN OF THE DISTRICT COUNCIL.**

The Chairman will take the chair, make the declaration of acceptance of office and be invested with the chain of office.

**2. VOTE OF THANKS TO THE RETIRING CHAIRMAN.**

After the vote of thanks, the Chairman will make a presentation to the retiring Chairman. The retiring Chairman will then respond.

**3. APPOINTMENT OF VICE-CHAIRMAN OF THE DISTRICT COUNCIL.**

The Vice-Chairman will make the declaration of acceptance of office and be invested with the Vice-Chairman's medallion.

"Listening Learning Delivering"

South Kesteven District Council

STAMFORD • GRANTHAM • BOURNE • THE DEEPINGS

- 4. APOLOGIES FOR ABSENCE.**
- 5. DECLARATIONS OF INTEREST.**  
Members are asked to declare any interests in matters for consideration at the meeting.
- 6. MINUTES OF THE ORDINARY MEETING HELD ON 3RD MARCH 2008.**  
**(Enclosure)**
- 7. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)**
  - Letter dated 31<sup>st</sup> March 2008 from the Department for Work & Pensions on the Local Housing Allowance;
  - Outgoing Chairman's list of engagements. **(Enclosure)**
- 8. APPOINTMENT OF LEADER OF THE COUNCIL.**
- 9. DETERMINATION AS TO THE NUMBER OF CABINET SEATS AND THE NOTIFICATION OF THE CABINET MEMBERS AND PORTFOLIOS.**
- 10. APPOINTMENTS TO COMMITTEES OF THE COUNCIL, THE POLICY DEVELOPMENT GROUPS, AND THE CHIEF EXECUTIVE'S APPRAISAL PANEL.**  
Report number DEM011 by the Democracy Services Manager.  
**(Enclosure)**
- 11. TIMETABLE OF COUNCIL AND COMMITTEE MEETINGS 2008/2009**  
To approve a programme of ordinary meetings of the Council and its Committees for the new municipal year. **(Enclosure)**
- 12. ANNUAL APPOINTMENTS TO OUTSIDE REGIONAL BODIES**  
Report number DEM012 by the Democracy Services Manager.  
**(Enclosure)**
- 13. DRAFT CODE OF CORPORATE GOVERNANCE AND DRAFT ANNUAL STATEMENT**  
Report number CEX396 by the Chief Executive. **(Enclosure)**
- 14. ELECTORAL ADMINISTRATION ACT 2008: REVIEW OF POLLING DISTRICTS, POLLING PLACES, AND POLLING STATIONS**  
Report number DEM013 by the Returning Officer. **(Enclosure)**

**15. DESIGNATED PUBLIC PLACES ORDER (ALCOHOL CONTROL ZONES)**  
Report number POI 15 by the Access & Engagement Portfolio Holder. **(Enclosure)**

**16. LEISURE TRUST**  
Report number CHFR96 by the Healthy Environment and Assets and Resources Portfolio Holders. **(Enclosure)**

**17. QUESTIONS ON NOTICE**  
To note the list of questions asked under Council procedure rule 11.1 as circulated at the start of the meeting and their reference to the relevant Policy Development Group.

**18. NOTICES OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:**

**(1) From: Councillor Mike Taylor:**

"This Council deplores the actions initiated by the owners of land on California Gardens to evict allotment holders who have maintained allotments on this land for several generations. At a time when the Government preaches the environmental benefits of locally grown food it is grossly negligent of them to have failed to ensure that allotment holders have statutory protection.

I am aware that officers of this Council are actively reviewing the Council's land-holdings to ascertain suitable relocation sites and I urge that this work is concluded as a matter of urgency."

**(2) From: Councillor Ray Wootten**

"I move that the Council writes to our M.P. Quentin Davis, to express strong concerns that he is not representing the views of the electorate of the district by failing to sign up to the early day motion in support of allowing Gurkhas who have served 4 years in the British Army before 1997 to apply for indefinite leave to remain in the UK and allow them to settle in the district."

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

**DEADLINE FOR NOTICES OF MOTION TO COUNCIL ON  
19<sup>TH</sup> JUNE 2008: 2PM ON FRIDAY 6<sup>TH</sup> JUNE 2008**

# MINUTES

**COUNCIL**

**MONDAY, 3 MARCH 2008**

**2.00 PM**



## **PRESENT**

Councillor Michael Taylor Chairman

Councillor Bob Adams  
Councillor Ray Auger  
Councillor Harrish Bisnauthsing  
Councillor Pam Bosworth  
Councillor Christine Brough  
Councillor Robert Broughton  
Councillor Paul Carpenter  
Councillor Mrs Frances Cartwright  
Councillor Elizabeth Channell  
Councillor George Chivers  
Councillor Michael Cook  
Councillor Nick Craft  
Councillor Alan Davidson  
Councillor John Dawson  
Councillor Mike Exton (Vice-Chairman)  
Councillor Stuart Farrar  
Councillor John Harvey  
Councillor Robert Hearmon  
Councillor Bryan Helyar  
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 Moore  
Councillor Mrs. Linda Neal  
Councillor Benjamin Newcombe-Jones  
Councillor John Nicholson  
Councillor Alan Parkin  
Councillor Mrs Margery Radley  
Councillor Bob 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 O.B.E.  
Councillor Peter Stephens  
Councillor Ian Stokes  
Councillor Jeffrey Thompson  
Councillor Frank Turner  
Councillor Andrea Webster  
Councillor Tom Webster  
Councillor Graham Wheat  
Councillor Mike Williams  
Councillor Raymond Wootten

## **OFFICERS**

Chief Executive  
Strategic Directors (BA & IY)  
Corporate Head Finance & Resources  
Financial Services Manager

## **OFFICERS**

Monitoring Officer  
HR&OD Service Manager  
Principal Democracy Officer  
Electoral Services Officer



*"Listening Learning Delivering"*

## **85. PUBLIC OPEN FORUM**

[ 2.00pm to 2.15pm ]

### **Question 1: From Mr Terl Bryant of Stamford:**

Following the resolution passed by Council on the 24<sup>th</sup> January will the portfolio holder responsible for social housing undertake to write a letter on behalf of the council telling the Minister for Housing that this council at their last meeting "viewed with grave concern" her statement that "the government is considering a policy whereby couples over the age of 40 living in council accommodation in our towns and cities, whose children have left home, should leave their homes and be moved to rural areas, to make way for younger couples." ? That statement was according to your minutes subsequently confirmed, and there appears to be an intention "to pass legislation on this basis, in order to release what she considered to be in the region of hundreds of thousands of properties" and this political posturing obviously leaves SKDC tenants feeling "very unsettled" and threatened.

### **Reply: From Councillor Paul Carpenter (Housing portfolio holder):**

That was quite a long question but I think the thrust of it was, am I prepared to write a letter? I'm more than happy to do so Mr Bryant. I have a personal issue with this one – I was born and bred in a council house. I had my birthdays there, my family parties there and I think the whole crux of this is, is it a house or is it a home? Would you like to be removed from your home when you are forty years old? Or, would you like to be moved from your house when you are forty years old? I also think there is a further issue here, that if this goes through and people are required to be removed from their homes at the age of forty into a rural area, I see it as they still have at least twenty five years – maybe even twenty eight years – of a working life left that they've then got to commute somewhere from the countryside. Are we supposed to bring about policy to reduce the use of the motor car?

I can't see that this had been a very well thought out piece of legislation and I am more than happy to put together some words to send to the minister.

### **Mr Bryant's supplementary question:**

I'm sure the tenants are absolutely grateful for the near unanimous decision that this council took, that you are going to respond. It is interesting to see that on the 25<sup>th</sup> February – I'll give you this and I hope you embody it within your letter – that lifetime homes, lifetime neighbourhoods, housing in an aging society ....this is a letter published by

the Labour party.

[Chairman interjects: Mr Bryant, please would you stick to the question.]

Would you embody what Hazel Blears has said in your letter?

**Reply: From Councillor Carpenter:**

I cannot say I will embody something into a letter which I haven't yet read, but I will be happy to read the contents.

**Question 2: From Mr Frank Egerton Gilman (as a director and shareholder of companies who are substantial non-domestic ratepayers in South Kesteven District Council):**

Our Chamber wishes to encourage elected members to speak and vote that Stamford pay parking charges are priced to the market, in full consultation with our Chamber. Will the Leader of the Council likewise encourage elected members to support this position? I am able to answer questions."

**Reply: From Councillor Mrs Linda Neal, Leader of the Council:**

Mr Gilman, I believe that the proposals put forward by the Cabinet are priced to the market and we are undertaking full consultation on these proposals. We will take account of your comments in this process.

**Mr Egerton's supplementary question:**

Why is it Leader that you and your colleagues are determined, when offered the opportunity, not to do the right thing? You seem quite determined to do the wrong thing. Now tell me why is that?

**Reply: From Councillor Mrs Neal:**

It actually depends on what is the right thing and what the wrong thing is Mr Gilman. I am aware that your chamber has actually sent out a letter to all members of this district council and it is promoting a period of off peak charging and peak charging. It is suggesting that there should be a lesser sum of money required to park in Stamford car parks from Monday to Thursday, and with higher fees on Fridays and Saturdays.

I do know, and I was a member of this particular council at the time, when this was actually trialled. The historic trials took place for a three year period from 1999 to 2002. Evidence revealed that there was no significant change in customer behaviour, the usage patterns were not affected, and high demand remained on Fridays and Saturdays. Indeed, a report number BUS147 to the Economy & Environment PDC requested a review of these arrangements. In January of 2002 Cabinet resolved to abolish the peak

and off peak arrangements, following the PDC recommendations based on the evidence gathered. There was also some work done on assessing the market. The Resources PDC undertook that work, together with the Manager of Assets and Facilities, when they benchmarked South Kesteven District Council's proposals against neighbouring car park providers. Therefore all I can do is repeat that I believe that they are priced to the market and we have not been able to find any substantial evidence that peak and off peak charging regimes having any impact on driving or parking behaviour.

**Question 3: From Mr Stephen Hewerdine of Grantham:**

Can you tell me if the land next to the Castlegate on East Street has been sold for residential housing. If so, will the single people of Grantham be allocated first choice as putting together a deposit is very difficult if you are on a low income or unemployed or homeless?

**Reply: From Councillor Mrs Frances Cartwright (Economic portfolio holder)**

The sale of the land on East Street is progressing but we will not be building anything on it, the developer will submit an application in due course and they will be required to make affordable housing part of that application.

We have an excellent record for enabling affordable housing in our district of which we are justly proud.

Homeless people are assisted by our strategic housing department providing that they are not deemed to have made themselves deliberately homeless either by non payment of rent or by committing anti social behaviour.

**Mr Hewerdine's supplementary question:**

Has South Kesteven District Council any formal plans to work with other agencies i.e. the Salvation Army, the local churches, or Shelter to have a night shelter built in Grantham due to our ever growing town and homelessness is still a big problem which I believe will get worse?

**Reply: From Councillor Mrs Cartwright**

Its not part of my portfolio I'm afraid. You really need to address the housing portfolio holder.

**Question 4: From Mr Stephen Hewerdine of Grantham:**

As a responsible Council, the money allocated for this year's budget is not as much as one hoped for. Does he not agree savings have to be made

everywhere possible. For instance, money that is spent on the Chairman's annual dinner for ex-chairmen of the Council should be scrapped as it is out of date and only attended by a select few, so saving public money for better projects?

**Reply: From Councillor Taylor, Chairman of the Council**

I would like to thank Mr Hewerdine for his question. He would however not have needed to ask such a superfluous question had he bothered to pick out the relevant information which is freely available. Whilst I do agree that savings have to be made now that this government has yet again sold the shire counties short, I am sure that you will be pleased to know that savings have been made across the spectrum, including the Chairman's budget. With regard to the Chairman's lunch, this was cancelled due to across the board savings. However, we do have in our town someone who is civic minded and a traditionalist – unlike some left wing people who would like to get rid of our traditions. Past Chairmen will be pleased to learn that his company has decided to sponsor my Chairman's lunch this year. I am sure you will be pleased to know, Mr Hewerdine, that will mean no cost to the ratepayer.

**86. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Bisnauthsing (who arrived later at 3.25pm), Mrs Gaffigan, Mrs Kaberry-Brown, Lovelock, Avril Williams, and Wood.

**87. DECLARATIONS OF INTEREST**

Councillor Davidson declared a personal interest in agenda item 8 / minute 92 (New Pension Scheme Policy Statement) as a member of the Pensions Committee of Lincolnshire County Council.

The Chief Executive, Duncan Kerr, and the two Strategic Directors, Beverly Agass and Ian Yates, all declared interests under Section 117 of the Local Government Act 1972 in respect of agenda item 13/ minute 97 (Interim staffing arrangements for the Chief Executive) and left the room during its consideration. The Chief Executive returned to the room after resolution (1) had been concluded.

**88. MINUTES OF THE ORDINARY MEETING HELD ON 24TH JANUARY 2008**

The minutes of the ordinary meeting held on 24<sup>th</sup> January 2008 were confirmed as a correct record.

**89. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)**

(1) The Chairman advised that at the last meeting he had misread the intentions of Councillor Sam Jalili. There was no mention in the minutes of the last meeting nor of the September 2007 meeting that Councillor Jalili had offered his resignation from the Kesteven Blind Society and he wanted this to be noted. He also hoped that the Kesteven Blind Society would continue with its good work. The Chairman apologised to Councillor Sam Jalili for misreading the situation.

(2) Councillor Howard referred to the list of Chairman's civic functions and observed that the Chairman's annual civic dinner on 23<sup>rd</sup> February 2008 must have been a good one, since he had gone there twice. The Chairman acknowledged the typographical error explaining that the Vice-Chairman had also attended.

## **90. BUDGET 2008/2009 AND INDICATIVE BUDGET FOR 2009/10 AND 2010/11**

### **PART A: Revenue estimates 2008/09 and indicative budget 2009/10 and 2010/11**

#### **DECISION: That Council:-**

##### **General Fund Revenue Estimate**

- a) set a General Fund budget requirement of £15.755m for 2008/9 and an indicative target of £16.247m for 2009/10 and £16.766m for 2010/11 (inclusive of special expenses);;**
- b) set a Council Tax increase of 4.38% for 2008/9 (4.44% inclusive of Special Expenses);**
- c) approve the revised revenue base estimate for 2007/08; original base estimate for 2008/09; and indicative base estimates for 2009/10 and 2010/11 as detailed in the revised summary on page 1) of the addendum to the budget book;**
- d) approve the revised Treasury Management Strategy provided at Appendix B to report CHFR91;**
- e) approve increases in Fees and Charges for 2008/09 (in accordance with the Council's Fees and Charges Strategy) and as set out in pages 143 to 180 of the budget book;**
- f) approve a revised joining fee of £20 for the Green Waste Collection Scheme applicable to new entrants with effect from 1<sup>st</sup> April 2008;**
- g) agree that the earlier decision to give notice to Lincolnshire County Council to withdraw District Council support from the Dial A Ride project is not rescinded;**
- h) take into account in future years Special Expense Areas (SEAs) under/overspending balances when setting the level of the Council Tax for SEAs using a de-minimus level of 10% with effect from the Closure of Accounts for 2007/8;**
- i) create specific reserves for each of the SEAs to enable contributions to be made to the reserve at outturn and as part of the future council tax setting process to provide for asset renewal in future years;**

- j) approve the forecast balances of Revenue and Capital Reserves contained at revised page xi) of the budget book;
- k) delegate to the Section 151 Officer, in agreement with the Portfolio Holder for Finance and Assets, agreement of the final Pension Pool contribution rate following attendance at a seminar to present the Actuary's valuation report.

**Capital Programme**

- l) approves the revised Capital Programme for 2007/08 and Programme for 2008/09 to 2010/11 detailed in pages 140-142(2) of the budget book;
- m) authorises the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Resources, in consultation with the Portfolio Holder, during the preparation of the Statement of Accounts to optimise the use of Council resources;
- n) reviews the policy on the use of Housing Capital Receipts to enable them to be applied to finance the Council's overall capital programme in the most financially advantageous method as determined by the Corporate Head of Finance and Resources in consultation with the Portfolio Holder for Finance and Assets, subject to the view that in the longer term the capital resources made available to the Council as a housing authority are used for housing purposes.

**Housing Revenue Account (HRA)**

- o) sets dwelling rent increases in accordance with Government guideline rent, but with a cap on individual rent increases, with no rent being increased by more than "Rent + RPI @ 3.91% + 0.5% + £2" and no rent being reduced resulting in an average increase of 7.79%, providing an average rent of £59.06 per week (based on 52 weeks);
- p) sets an increase in garage rents of 4.4%;
- q) increases service charges by 3.9% (RPI Sept 2007); and

**Priority Plans**

- r) approves the Priority Plans, attached at appendix D to report CHFR88 Cabinet (Agenda item 4 on 11<sup>th</sup> February 2008), as part of the approval of the Budget proposals.

**PART B: Council Tax setting 2008/2009:**

**DECISION:** That the Council pass the following resolution to set the level of council tax for 2008/2009 based on an increase of 4.38% (4.44% inclusive of Special Expenses):

- 1) That the following amounts be calculated by the Council for the year 2008/9 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended)
  - a) £75,946,000 being the aggregate of the amounts which the

**Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act;**

b) £58,938,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act;

c) £17,008,000 being the amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;

d) £9,936,000 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant increased by the amount of the sum to be transferred from the Collection Fund to the General Fund;

e) £156.32 being the amount at c) above less the amount at d) above, all divided by the Council's tax base of 45,237.70 as recorded in minute 74 of the cabinet meeting of 3 December 2007, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2008/2009;

f) £1,836,000 being the aggregate amount of all special items referred to in Section 34(1) of the Act.

g) £115.74 being the amount of e) above, less the result given by dividing the amount of f) above by the Council's tax base relating to special items as set on 3 December, 2007 calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for year for dwellings in those parts of its area to which no special item relates;

| h) | Part of the Council's area | <u>Band D equiv.</u> |
|----|----------------------------|----------------------|
|    | Grantham                   | 159.30               |
|    | Stamford                   | 176.49               |
|    | Bourne                     | 146.52               |
|    | Deeping St James           | 156.78               |
|    | Market Deeping             | 231.66               |
|    | Allington                  | 158.58               |
|    | Ancaster                   | 162.99               |
|    | Aslackby & Laughton        | 139.68               |
|    | Barholm & Stow             | 124.47               |
|    | Barkston & Syston          | 136.35               |
|    | Barrowby                   | 158.22               |

|                                               |               |
|-----------------------------------------------|---------------|
| Baston                                        | <b>134.46</b> |
| Belton & Manthorpe                            | <b>119.34</b> |
| Billingborough                                | <b>138.87</b> |
| Bitchfield & Bassingthorpe                    | <b>115.74</b> |
| Boothby Pagnell                               | <b>119.61</b> |
| Braceborough & Wilsthorpe                     | <b>135.09</b> |
| Burton Coggles                                | <b>123.39</b> |
| Careby,Aunby & Holywell                       | <b>123.12</b> |
| Carlby                                        | <b>150.39</b> |
| Carlton Scroop & Normanton                    | <b>169.56</b> |
| Castle Bytham                                 | <b>130.68</b> |
| Caythorpe                                     | <b>146.43</b> |
| Claypole                                      | <b>136.26</b> |
| Colsterworth, Gunby, Stainby and North Witham | <b>145.17</b> |
| Corby Glen                                    | <b>137.16</b> |
| Counthorpe & Creeton                          | <b>115.74</b> |
| Denton                                        | <b>128.70</b> |
| Dowsby                                        | <b>147.60</b> |
| Dunsby                                        | <b>121.77</b> |
| Edenham                                       | <b>134.64</b> |
| Fenton                                        | <b>122.94</b> |
| Folkingham                                    | <b>139.86</b> |
| Foston                                        | <b>151.29</b> |
| Fulbeck                                       | <b>138.60</b> |
| Greatford                                     | <b>139.50</b> |
| Great Gonerby                                 | <b>145.44</b> |
| Great Ponton                                  | <b>153.63</b> |
| Haconby                                       | <b>117.00</b> |
| Harlaxton                                     | <b>157.77</b> |
| Heydour                                       | <b>135.00</b> |
| Honington                                     | <b>115.74</b> |
| Horbling                                      | <b>115.74</b> |
| Hougham                                       | <b>135.99</b> |
| Hough-on-the-Hill                             | <b>153.90</b> |
| Ingoldsby                                     | <b>127.53</b> |
| Irnham                                        | <b>119.07</b> |
| Kirkby Underwood                              | <b>127.71</b> |
| Langtoft                                      | <b>162.09</b> |
| Lenton,Keisby & Osgodby                       | <b>119.61</b> |
| Little Bytham                                 | <b>146.88</b> |
| Little Ponton & Stroxtion                     | <b>123.93</b> |
| Londonthorpe & Harrowby Without               | <b>131.85</b> |
| Long Bennington                               | <b>152.46</b> |
| Marston                                       | <b>141.84</b> |
| Morton                                        | <b>129.96</b> |
| Old Somerby                                   | <b>132.21</b> |
| Pickworth                                     | <b>115.74</b> |
| Pointon & Sempringham                         | <b>148.41</b> |
| Rippingale                                    | <b>159.75</b> |
| Ropsley, Humby, Braceby & Sapperton           | <b>130.23</b> |
| Sedgebrook                                    | <b>140.85</b> |

|                              |               |
|------------------------------|---------------|
| Skillington                  | <b>149.67</b> |
| South Witham                 | <b>162.09</b> |
| Stoke Rochford & Easton      | <b>143.82</b> |
| Stubton                      | <b>132.03</b> |
| Swayfield                    | <b>134.91</b> |
| Swinstead                    | <b>142.29</b> |
| Tallington                   | <b>133.92</b> |
| Thurlby                      | <b>134.01</b> |
| Toft, Lound & Manthorpe      | <b>115.74</b> |
| Uffington                    | <b>128.97</b> |
| Welby                        | <b>131.58</b> |
| Westborough & Dry Doddington | <b>132.21</b> |
| West Deeping                 | <b>138.42</b> |
| Witham-on-the-Hill           | <b>139.86</b> |
| Woolsthorpe                  | <b>139.50</b> |
| Wyville-cum-Hungerton        | <b>139.23</b> |

**being calculated by adding to the amount at (g) above the amounts of special item relating to dwellings in those parts of the Council's area, divided in each case by the individual tax bases as recorded in minute 74 in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which special item relates;**

i) **The amounts on the attached schedule (Appendix A to Part B of report CHFR91), being the amounts given by multiplying the amounts at g) above and h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in valuation Band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands;**

j) **That it be noted that for the year 2008/9 Lincolnshire County Council has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below:-**

**Valuation Band**

| <b>A</b><br><b>£</b> | <b>B</b><br><b>£</b> | <b>C</b><br><b>£</b> | <b>D</b><br><b>£</b> | <b>E</b><br><b>£</b> | <b>F</b><br><b>£</b> | <b>G</b><br><b>£</b> | <b>H</b><br><b>£</b> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>681.18</b>        | <b>794.71</b>        | <b>908.24</b>        | <b>1021.77</b>       | <b>1248.83</b>       | <b>1475.89</b>       | <b>1702.95</b>       | <b>2043.54</b>       |

k) **That it be noted that for the year 2008/9 Lincolnshire Police Authority has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-**

**Valuation Band**

| <b>A<br/>£</b> | <b>B<br/>£</b> | <b>C<br/>£</b> | <b>D<br/>£</b> | <b>E<br/>£</b> | <b>F<br/>£</b> | <b>G<br/>£</b> | <b>H<br/>£</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>156.90</b>  | <b>183.05</b>  | <b>209.20</b>  | <b>235.35</b>  | <b>287.65</b>  | <b>339.95</b>  | <b>392.25</b>  | <b>470.70</b>  |

**I) That, having calculated the aggregate in each case of the amounts at i), j) and k) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts in Appendix B to part B as the levels of Council Tax for the year 2008/9 for the categories of dwellings shown in Appendix A to part B of report CHFR91.**

The Council had before them an amended version of report number CHFR91 of the Resources & Assets portfolio holder on behalf of the Cabinet, together with two addendum reports on Part A and Part B respectively (circulated at the meeting and attached as an appendix to these minutes). Part B made certain recommendations in respect of the Council's budget for 2008/09 whilst Part A was in respect of the setting of the council tax, taking into account the Council's own level of income and expenditure together with the precepts of Lincolnshire County Council, Lincolnshire Police Authority and town and parish councils within the district.

In moving the reports, the portfolio holder, Councillor Mrs Spencer-Gregson, thanked the Corporate Head, Finance & Resources (Sally Marshall) and her staff for all the hard work they had put in to producing these reports on her behalf.

The budget had been prepared taking into account £750,000 of efficiency savings that had been identified following challenging targets set by central government, particularly in respect of district councils. Other factors to be taken into account included above average increases in fuel and electricity prices.

Councillor Mrs Spencer-Gregson also thanked the Resources Policy Development Group who had undertaken detailed work on fees and charges on behalf of the Cabinet.

In setting the level of the Council's budget, account had been taken of the feedback received from the consultation processes undertaken in recent weeks, including the local forums.

In order to balance the budget, it would be necessary to use some of the Council's reserves this year. The original intention was that the Council's budget would result in a 4.95% increase in council tax this year. However, in the light of the decisions by the Lincolnshire Police Authority to increase its precept by almost 79%, the proposal was now to reduce the contribution towards balances to achieve a council tax increase of 4.38%.

In respect of the housing revenue account, the Cabinet had examined all the options and were recommending the lowest possible increase.

Councillor Craft, as Chairman of the Resources PDG, also thanked Sally Marshall and her team for all their hard work. Miss Marshall, as the Council's S.151 Officer, then drew the Council's attention to the key financial issues for consideration, namely:

- the efficiency agenda
- the staff vacancy factor
- increase in retail price index
- increased cost of electricity
- internal drainage board levies (new accounting arrangements)
- special expense areas – review
- fees and charges, including car park charges
- capital programme and the policy on housing capital receipts

By the end of 2010/11, it was likely that the Council would have to enter into unsupported borrowing; she also explained the impact of damping.

Miss Marshall confirmed that the housing revenue account settlement was for one year only. There had been no confirmation of LABGI for the forthcoming year and the Local Government Association had advised local authorities not to take this into account.

The Council then debated the budget and the proposed council tax levy. It was generally agreed that the proposals put forward were the best available options in what was a difficult time financially for the District Council. The motions in respect of (1) the Council's budget for 2008/09, and (2) the level of council tax were duly proposed and seconded.

[Councillor Bisnauthsing entered the meeting at 3.25pm.]

[The Council adjourned for tea from 3.30pm to 3.50pm.]

## **91. CORPORATE PLAN 2008-2011**

### **DECISION: That the Council**

- (1) approves the publication of the three year Corporate Plan; and**
- (2) authorises the Leader of the Council to sign off any minor amendments which may arise after the meeting.**

The Council had before it report number SD19 prepared by the Strategic Director (Beverly Agass) on the Council's new Corporate Plan 2008/2011 which it was proposed would henceforth be known as the "South Kesteven 3 Year Plan". The Plan was the Council's overarching strategy document that identified the Council's short and medium term plans based on its

approved vision and priorities. It was a key document to inform resource allocation decisions as outlined in the Council's medium term financial strategy.

Once approved, the Plan would form part of the Council's budgetary and policy framework and help to ensure the effective use of resources in line with Council priorities.

Approval of the three year plan was so moved and seconded, and following a vote, the motion was carried.

## **92. NEW PENSION SCHEME POLICY STATEMENT**

### **DECISION: That the Council**

- (1) adopts the policy statement detailed in appendix 1 of report number HR&OD95;**
- (2) adopts the discretions detailed in section 3 of the policy statement and requires that they be formally notified to the pension scheme administrators;**
- (3) notes that the policy statement is subject to the outcomes of consultations with the trade unions; and**
- (4) notes that the policy statement may be subject to further changes arising from Department of Communities & Local Government (DCLG) and Local Government Employers' (LGE) guidance.**

The portfolio holder for human resources and organisational development submitted report number HR&OD95 (as updated) which outlined the changes to the local government pension scheme that would take effect from 1 April 2008. The scheme however allowed some discretion on the part of the Council and a formal decision on these discretionary elements was required.

Councillor Craft confirmed that this report had been considered by the Resources PDG.

The recommendations contained in the report were moved and seconded, and following a vote, the motion was carried.

## **93. ELECTORAL ADMINISTRATION ACT 2006: REVIEW OF POLLING DISTRICTS, POLLING PLACES, AND POLLING STATIONS**

### **DECISION:**

- (1) That the proposals for the new polling districts and polling places as appended to report DEM10 be approved, taking into account all representations made;**

- (2) That the Council authorises the publication of the final proposals as required by legislation prior to re-publication of the current electoral register on 1 May 2008; and**
- (3) That the information in report DEM10 be referred to the Engagement Policy Development Group as part of the ongoing review of polling districts and polling places.**

The Council had before it report number DEM10 of the Chief Executive in his capacity as Returning Officer which advised that a complete review of all polling districts, polling places, and polling stations had been undertaken as required by the Electoral Administration Act 2006.

The review had been a comprehensive one but some members expressed concern at some of the proposals where the number of polling stations had been either reduced or an alternative location proposed. The Council received advice from the Electoral Services Officer on the process of the review and criteria that had been applied to assessing the size of polling districts, the location and selection of premises for use as polling places. A question was raised regarding disabled access to a particular station in Stamford to which the officer responded by outlining the legal obligations upon the Returning Officer with regard to disabled access and how that could practically be applied to each premises. Provision of disabled access ramps where needed would involve a cost to the Council. The Electoral Services Officer confirmed that the legislation placed a duty on the Returning Officer to keep the designation of polling districts, polling places and polling stations under review.

It was proposed and seconded that the proposals for the Greyfriars ward be re-examined. An amendment was proposed and seconded but subsequently withdrawn that the proposals, apart from the Greyfriars ward, be accepted.

Having regard to the concerns raised and further information provided by the Returning Officer in relation to the timescale for completion of this review, it was proposed and seconded as an amendment that the proposals as contained in the report be accepted and implemented but that, as part of the ongoing review, the Engagement PDG give consideration to the issues of concern raised at the meeting. Following a vote the amendment was carried becoming the substantive motion which was subsequently agreed.

[Councillor Miss Channell entered the meeting at 4.09pm.]

#### **94. CHANGES TO THE CONSTITUTION: RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE**

**DECISION: To concur with the following recommendations of the Constitution Committee and that the relevant amendments be made to the Constitution as set out and underlined in 1 to 6 below:**

1. **Page 38 – Article 2.3 of Part 2 section b, roles and functions of all councillors, Rights and duties to include -**

iv) **All district councillors are required to attend the core training programme within 12 months\* of their appointment as a councillor.**

\* For 2007/2008 only the core training is extended from 12 months from appointment by a further three months.

2. **Page 41- Article 4 of Part 2 part 4.2 iii) to read-**

**"agreeing and /or amending the terms of reference for committees or policy development groups, deciding on their composition and making appointments to them including the appointments of Chairman and vice chairman if not determined by the annual meeting and that no member be appointed in breach of the constitution".**

3. **Page 120 Article 1.2 viii) in part 4 to read -**

**that the chairmanship and vice chairmanship of all committees and PDG's excluding Standards Committee are appointed according to their suitability and merit in the opinion of the leader and that no member be appointed in breach of the constitution.**

4. **Page 61 (d) Head of Paid Service, Monitoring Officer and Chief Finance Officer**

**The Council has designated the following posts as shown below to be Statutory Officers of the Council.**

5. **Page 54(b) Terms of Reference of the Governance and Audit Committee**

(vi) **To approve and review the Code of Corporate Governance and the action plan.**  
(vii) **To inform and approve the Annual Governance Statement following consultation with all members of the Council.**

6. **Page 129 Motions without Notice**

(xviii) **a motion relating to any item on the agenda of that meeting where no motion has been proposed.**

7. ***That the Service Manager Human Resources and Organisational Development be required to inform group leaders of the attendance of Councillors at core training events prior to the annual general meeting; and***
  
8. ***That the Service Manager Human Resources and Organisational Development notify all Councillors of what core training they have completed to date and look at the possibility of issuing a certificate to those Members who have completed their training.***

The Council considered the minutes of the meeting of the Constitution Committee held on 25<sup>th</sup> February 2008 which contained a number of proposed amendments to the Council's Constitution. The Chairman of the Constitution Committee, Councillor Peter Martin-Mayhew, outlined the proposed changes and the reasons behind them.

After a discussion, the recommendations were so moved and seconded, and following a vote the motion was carried.

## **95. CONSTITUTION OF THE STANDARDS COMMITTEE**

**DECISION: To approve the changes to the constitution of the Standards Committee as follows, to be effective as soon as the appropriate part of the Local Government and Public Involvement in Health Act 2007 has been commenced:**

- (1) **that the Constitution be amended to provide for a minimum of 8 members of the Standards Committee in total with the addition of one District Councillor and one Parish Councillor;**
- (2) **that Council appoints cllr Andrew Moore as a member of the Standards Committee;**
- (3) **to approve the appointment of one additional parish councillor to be selected as required by rota in accordance with the current selection process for parish councillors to sit on the Standards Committee to ensure that at any time 2 members of parish councils may sit on the Standards Committee; and**
- (4) **that amendments to the Constitution be approved as detailed in the appendix to report number LEG015 to effect all the above recommendations.**

Members had before them report number LEG015 by the Legal Services Manager (Monitoring Officer) on the necessary changes to be made to the constitution of the Standards Committee consequent upon the enactment of

the Local Government and Public Involvement in Health Act 2007. The Act would result in additional work for the Standards Committee although no extra resources would be provided by central government.

In respect of the appointment of an additional member of the District Council to the committee, it was noted that there was no requirement to apply the rules relating to political balance to this appointment.

Councillors Moore, Mrs Gaffigan, and Mike Williams were all proposed and seconded to take the additional place on the Standards Committee. Members were asked to cast one vote for one of the three candidates. Councillor Moore received the higher number of votes and was subsequently appointed.

[Councillors Sam Jalili, Mrs Jalili, and Brough left the meeting at 4.34pm.]

## **96. REPRESENTATION ON OUTSIDE BODIES**

**DECISION: That the following appointments be made to the under mentioned outside bodies:**

- (1) Grantham Future Strategy Group: Councillor Mike Cook (until May 2011);**
- (2) Grantham Future Project Group: Councillor Stuart Farrar (until May 2011);**
- (3) Black Sluice Internal Drainage Board: Councillor Bob Russell (until 31 March 2010);**
- (4) Upper Witham Internal Drainage Board: Councillors Ben Newcombe-Jones and Councillor Nick Craft (until 31 March 2010);**
- (5) Welland & Deepings Internal Drainage Board: Councillors Ray Auger, Mike Exton, Bryan Helyar, and Ken Joynson (until 31 March 2010).**

Members had previously been circulated with report number DEM009 by the Democracy Services Manager concerning appointments required to fill two vacancies on Grantham Future, and also to make new or re-appointments to the three internal drainage boards to whom the Council paid a levy.

The Chairman called for nominations to these bodies and where the number of nominations exceeded the number of appointments to be made, members were asked to vote for each candidate. Those duly appointed had received the higher number of votes.

## **97. INTERIM STAFFING ARRANGEMENTS FOR THE CHIEF EXECUTIVE**

### **DECISION:**

- (1) That the Council authorise leave of absence for Duncan Kerr, the Chief Executive for a thirteen week period from Monday 2<sup>nd</sup> of June 2008;**
- (2) The Council appoints the officers identified below to discharge the following duties during the period specified:**

### **The duties:**

- Head of Paid Service, and**
- Electoral Registration Officer (in fulfillment of the requirement of Section 8 of the Representation of the People Act 1983) and Returning Officer (under the requirements of Section 41 of the Local Government Act 1972).**
- The full range of other duties set-down in the Chief Executive's job description.**

### **Officers Appointed and term:**

**Beverly Agass for the period from Friday 18th April to Tuesday 15th July 2008(inclusive), during which time Ian Yates will be the appointed deputy with full powers.**

**Ian Yates for the period from Wednesday 16th July to Sunday 28th September 2008, (inclusive) during which time Beverly Agass will be the appointed deputy with full powers.**

The Council had before it report number LN/08/1 by the Leader of the Council regarding a request from the Chief Executive that he be granted an authorised leave of absence for a period of 13 weeks over the summer of 2008.

*[The Chief Executive (Duncan Kerr) and the two Strategic Directors (Beverly Agass and Ian Yates) had all left the council chamber before consideration of this item. The Chief Executive returned during consideration of the second part of the resolution.]*

At the start of the discussion, it became apparent that contractual and other staffing matters would be raised. A proposal was therefore made that the press and public be excluded. A vote was taken on this proposal, and it was agreed that:

**In accordance with Section 100A(4) of the Local Government Act**

**1972 (as amended) the press and public be excluded from the meeting during consideration of the following item of business because of the likelihood that otherwise exempt information, as described in paragraph 1 of the Act would be disclosed to the press and public.**

*[At 5.14pm members of the press, public and all other officers with the exception of the Section 151 officer, the Monitoring Officer, the HR&OD service manager, and the clerk to the meeting, left the council chamber.]*

*[In accordance with council procedure rule 9, as the meeting was nearing being in progress for three hours, the majority of members present voted for the meeting to continue.]*

The Council discussed the request submitted by the Chief Executive. Arguments for and against the request were aired during which an amendment to the Leader's recommendation contained in her report was proposed and seconded. Upon being put to the vote, the amendment was lost.

After further debate, a vote was taken on the recommendation as presented paragraph 2.1 of the Leader's report and this was carried.

*[The press, public and those officers previously excluded from the meeting, including the Chief Executive, returned to the council chamber.]*

*[Councillors Miss Channell, Jock Kerr and Peter Martin-Mayhew left the meeting before the vote was taken on the second part of the resolution.]*

The recommendation contained in paragraph 2.2 of the Leader's report was so moved and seconded and, following a further vote, carried.

## **98. QUESTIONS ON NOTICE**

Members noted the following question on notice which had been submitted by Councillor Mike Williams to the Leader. The question stood referred to the Resources PDG:

*Following several complaints from various members, would the Leader please assure all members that in future, the Members' room is not used for meetings by officers and be for the sole use of members?*

## **99. CLOSE OF MEETING**

The meeting closed at 6.10pm.

Minute Item 90

## ADDENDUM TO AGENDA ITEM 6 TO COUNCIL

REPORT OF: Portfolio Holder for Assets and Finance on behalf of Cabinet

REPORT NO.: CHFR91

DATE: 3 March 2008

TITLE: Budget 2008/9 Part A  
Council Tax Setting Part B

### 1. INTRODUCTION

1.1 Part A updates the recommendations to Agenda Item 6 to reflect the proposed change to the General Fund Budget Requirement and level of Council Tax increase and Part B provides the revised recommendations in accordance with the relevant statutory requirements. The changed recommendations are highlighted in bold type.

### PART A

### 2 RECOMMENDATIONS

In considering the budgets of 2008/2009 the Cabinet makes the following recommendations to council. It is recommended that council:

#### General Fund Revenue Estimate

- a) set a General Fund budget requirement of £15.755m for 2008/9 and an indicative target of £16.247m for 2009/10 and £16.766m for 2010/11 (inclusive of special expenses);:
- b) set a Council Tax increase of 4.38% for 2008/9 (4.44% inclusive of Special Expenses).
- c) approve the revised revenue base estimate for 2007/08; original base estimate for 2008/09; and indicative base estimates for 2009/10 and 2010/11 as detailed in the revised summary on page 1) of the addendum to the budget book;
- d) **approve the revised Treasury Management Strategy provided at Appendix A;**
- e) approve increases in Fees and Charges for 2008/09 (in accordance with the Council's Fees and Charges Strategy) and as set out in pages 143 to 180 of the budget book
- f) approve a revised joining fee of £20 for the Green Waste Collection Scheme applicable to new entrants with effect from 1<sup>st</sup> April 2008
- g) agree that the earlier decision to give notice to Lincolnshire County Council to withdraw District Council support from the Dial A Ride project is not rescinded.
- h) take into account in future years Special Expense Areas (SEAs) under/overspending balances when setting the level of the Council Tax for SEAs using a de-minimus level of 10% with effect from the Closure of Accounts for 2007/8.
- i) create specific reserves for each of the SEAs to enable contributions to be made to the reserve at outturn and as part of the future council tax setting process to provide for asset renewal in future years.

- j) approve the forecast balances of Revenue and Capital Reserves contained at revised page xi) of the budget book;
- k) delegate to the Section 151 Officer, in agreement with the Portfolio Holder for Finance and Assets, agreement of the final Pension Pool contribution rate following attendance at a seminar to present the Actuary's valuation report.

#### **Capital Programme**

- l) approve the revised Capital Programme for 2007/08 and Programme for 2008/09 to 2010/11 detailed in pages 140-142(2) of the budget book
- m) authorise the funding proposals subject to an annual review of the financing options by the Corporate Head of Finance and Resources, in consultation with the Portfolio Holder, during the preparation of the Statement of Accounts to optimise the use of Council resources.
- n) review the policy on the use of Housing Capital Receipts to enable them to be applied to finance the Council's overall capital programme in the most financially efficient way by the Corporate Head of Finance and Resources in consultation with the Portfolio Holder for Finance and Assets, subject to the view that in the longer term the capital resources made available to the Council as a housing authority are used for housing purposes.

#### **Housing Revenue Account (HRA)**

- o) set dwelling rent increases in accordance with Government guideline rent, but with a cap on individual rent increases, with no rent being increased by more than "Rent + RPI @ 3.91% + 0.5% + £2" and no rent being reduced resulting in an average increase of 7.79%, providing an average rent of £59.06 per week (based on 52 weeks).
- p) **set an increase in Garage rents of 4.4%.**
- q) increase service charges by 3.9% (RPI Sept 2007)

#### **Priority Plans**

- r) approve the Priority Plans, attached at appendix D to report CHFR88 Cabinet (Agenda item 4 on 11<sup>th</sup> February 2008), as part of the approval of the Budget proposals

### **3. Statement by Chief Finance Officer**

3.1 My comments in report CHFR91 still stand, however, in compliance with the requirements of the Local Government Act 2003 whereby the Chief Finance Officer, in the Council's case the Corporate Head of Finance and Resources must report on:

- (a) the robustness of the estimates made for the purposes of the budget calculations, and
- (b) the adequacy of the proposed financial reserves.

I add the following comments regarding the proposed change to budget based on a council tax increase of 4.38% (4.44% inclusive of special expenses).

3.2 I can advise that the proposed change in budget and associated Council Tax increase are robust in their formulation. In proposing an increase of 4.38% rather than 4.95% the Cabinet are proposing to reduce the contribution to General Fund working balance as referred to in paragraph 10.2 of the main report by £28k to £172k providing a working balance of £2.131m. This is a marginal change and will result in the working

balance being 11.8% of estimated net service expenditure which will still ensure that the Council adheres to its general fund balance policy in 2008/9 and future years. Having analysed the risks to the budget and taking account of my updated comments on risk set out below I can confirm that the proposed level of working balance will remain adequate.

### 3.3 Risks to the budget

I update below my comments, (as shown in bold) in the circulated report, in relation to two of the risks I identified, firstly that the Government will cap the level of Council Tax increase for Local Authorities and secondly the impact on the use of reserves. These comments now reflect the proposed change in Council Tax increase. I believe the Council has adequate cover to mitigate against these and other previously identified risks.

- a. The Government will cap the level of Council Tax increase for Local Authorities. - The Government has reserve capping powers and has used them in 2004/5, 2005/6 and 2006/7. There is an indication from the Minister that it is expected that Council Tax increases will be kept substantially below 5%.

South Kesteven is a low taxing Council being 34<sup>th</sup> lowest in the country (based on 2007/08 council tax). The proposed increase of **4.38%** for a band D inclusive of special expenses is below the Government's previous 5% cap threshold. Given there is no Government guidance on capping any resultant impact from capping measures would need to be found from balances. **The cost of re-billing if capping did occur has been evaluated as £78.5k.**

- b. Reserves – the Reserves statement (page xi of the budget book) shows a total projected net use of **£16,146million** from 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2011 the period covered by the revised estimate for 2007/8 and the three year budgets for 2008/9 to 2010/11. This represents a **54.6%** reduction in the level of overall reserves (combined General Fund and HRA) during the period. It is essential that the use of reserves is kept under review to ensure they can continue to be applied in a sustainable manner. Particular caution should be exercised where any potential use of the reserve is to grow base service budgets year on year. This has not been the case in preparing the current three year proposals for the General Fund. In addition, where investment is made on an ongoing basis to category A and B priorities any subsequent review of the level of priority should take account of the need to manage realignment of resources as required, to ensure that the prioritisation process remains sustainable.

Contact Officer:

Sally Marshall

Corporate Head of Finance and Resources

01476 406511

[s\\_marshall@southkesteven.gov.uk](mailto:s_marshall@southkesteven.gov.uk)

**END OF PART A**

## **COUNCIL TAX SETTING - PART B**

### **1 INTRODUCTION**

The purpose of this part of the report is to set the level of Council Tax for 2008/9 in accordance with relevant statutory requirements based on an increase of **4.38% (4.44% inclusive of Special Expenses)**.

### **2 RECOMMENDATIONS**

The requirements are set out in paragraphs 32 to 36 of the Local Government Finance Act 1992 and it is necessary for the Council to adopt the following formal recommendations:-

- 1) That the following amounts be calculated by the Council for the year 2008/9 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (as amended)
  - a) **£75,946,000** being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act.
  - b) £58,938,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3) (a) to (c) of the Act.
  - c) **£17,008,000** being the amount by which the aggregate at a) above exceeds the aggregate at b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
  - d) £9,936,000 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed Non-Domestic Rates and Revenue Support Grant increased by the amount of the sum to be transferred from the Collection Fund to the General Fund.
  - e) **£156.32** being the amount at c) above less the amount at d) above, all divided by the Council's tax base of 45,237.70 as recorded in minute 74 of the cabinet meeting of 3 December 2007, in accordance Section 33(1) of the Act, as the basic amount of its Council Tax for the year 2008/2009.
  - f) £1,836,000 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
  - g) **£115.74** being the amount of e) above, less the result given by dividing the amount of f) above by the Council's tax base relating to special items as set on 3 December, 2007 calculated by the Council in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for year for dwellings in those parts of its area to which no special item relates.

| <b>h)</b> | <b>Part of the Council's area</b> | <b><u>Band D equiv.</u></b> |
|-----------|-----------------------------------|-----------------------------|
|-----------|-----------------------------------|-----------------------------|

|                                               |               |
|-----------------------------------------------|---------------|
| Grantham                                      | <b>159.30</b> |
| Stamford                                      | <b>176.49</b> |
| Bourne                                        | <b>146.52</b> |
| Deeping St James                              | <b>156.78</b> |
| Market Deeping                                | <b>231.66</b> |
| Allington                                     | <b>158.58</b> |
| Ancaster                                      | <b>162.99</b> |
| Aslackby & Laughton                           | <b>139.68</b> |
| Barholm & Stow                                | <b>124.47</b> |
| Barkston & Syston                             | <b>136.35</b> |
| Barrowby                                      | <b>158.22</b> |
| Baston                                        | <b>134.46</b> |
| Belton & Manthorpe                            | <b>119.34</b> |
| Billingborough                                | <b>138.87</b> |
| Bitchfield & Bassingthorpe                    | <b>115.74</b> |
| Boothby Pagnell                               | <b>119.61</b> |
| Braceborough & Wilsthorpe                     | <b>135.09</b> |
| Burton Coggles                                | <b>123.39</b> |
| Careby,Aunby & Holywell                       | <b>123.12</b> |
| Carlby                                        | <b>150.39</b> |
| Carlton Scoop & Normanton                     | <b>169.56</b> |
| Castle Bytham                                 | <b>130.68</b> |
| Caythorpe                                     | <b>146.43</b> |
| Claypole                                      | <b>136.26</b> |
| Colsterworth, Gunby, Stainby and North Witham | <b>145.17</b> |
| Corby Glen                                    | <b>137.16</b> |
| Counthorpe & Creeton                          | <b>115.74</b> |
| Denton                                        | <b>128.70</b> |
| Dowsby                                        | <b>147.60</b> |
| Dunsby                                        | <b>121.77</b> |
| Edenham                                       | <b>134.64</b> |
| Fenton                                        | <b>122.94</b> |
| Folkingham                                    | <b>139.86</b> |
| Foston                                        | <b>151.29</b> |
| Fulbeck                                       | <b>138.60</b> |
| Greatford                                     | <b>139.50</b> |
| Great Gonerby                                 | <b>145.44</b> |
| Great Ponton                                  | <b>153.63</b> |
| Haconby                                       | <b>117.00</b> |
| Harlaxton                                     | <b>157.77</b> |
| Heydour                                       | <b>135.00</b> |
| Honington                                     | <b>115.74</b> |
| Horbling                                      | <b>115.74</b> |
| Hougham                                       | <b>135.99</b> |
| Hough-on-the-Hill                             | <b>153.90</b> |
| Ingoldsby                                     | <b>127.53</b> |
| Irnham                                        | <b>119.07</b> |
| Kirkby Underwood                              | <b>127.71</b> |
| Langtoft                                      | <b>162.09</b> |
| Lenton,Keisby & Osgodby                       | <b>119.61</b> |
| Little Bytham                                 | <b>146.88</b> |
| Little Ponton & Stroxtone                     | <b>123.93</b> |
| Londonthorpe & Harrowby Without               | <b>131.85</b> |
| Long Bennington                               | <b>152.46</b> |

|                                     |               |
|-------------------------------------|---------------|
| Marston                             | <b>141.84</b> |
| Morton                              | <b>129.96</b> |
| Old Somerby                         | <b>132.21</b> |
| Pickworth                           | <b>115.74</b> |
| Pointon & Sempringham               | <b>148.41</b> |
| Rippingale                          | <b>159.75</b> |
| Ropsley, Humby, Braceby & Sapperton | <b>130.23</b> |
| Sedgebrook                          | <b>140.85</b> |
| Skillington                         | <b>149.67</b> |
| South Witham                        | <b>162.09</b> |
| Stoke Rochford & Easton             | <b>143.82</b> |
| Stubton                             | <b>132.03</b> |
| Swayfield                           | <b>134.91</b> |
| Swinstead                           | <b>142.29</b> |
| Tallington                          | <b>133.92</b> |
| Thurlby                             | <b>134.01</b> |
| Toft, Lound & Manthorpe             | <b>115.74</b> |
| Uffington                           | <b>128.97</b> |
| Welby                               | <b>131.58</b> |
| Westborough & Dry Doddington        | <b>132.21</b> |
| West Deeping                        | <b>138.42</b> |
| Witham-on-the-Hill                  | <b>139.86</b> |
| Woolsthorpe                         | <b>139.50</b> |
| Wyville-cum-Hungerton               | <b>139.23</b> |

being calculated by adding to the amount at (g) above the amounts of special item relating to dwellings in those parts of the Council's area, divided in each case by the individual tax bases as recorded in minute 74 in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which special item relates.

- i) The amounts on the attached schedule (Appendix A to Part B), being the amounts given by multiplying the amounts at g) above and h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in valuation Band 'D', calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.
- j) That it be noted that for the year 2008/9 Lincolnshire County Council has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act, 1992, for each of the categories of dwellings shown below:-

#### Valuation Band

| <b>A</b><br><b>£</b> | <b>B</b><br><b>£</b> | <b>C</b><br><b>£</b> | <b>D</b><br><b>£</b> | <b>E</b><br><b>£</b> | <b>F</b><br><b>£</b> | <b>G</b><br><b>£</b> | <b>H</b><br><b>£</b> |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>681.18</b>        | <b>794.71</b>        | <b>908.24</b>        | <b>1021.77</b>       | <b>1248.83</b>       | <b>1475.89</b>       | <b>1702.95</b>       | <b>2043.54</b>       |

k) That it be noted that for the year 2008/9 Lincolnshire Police Authority has stated the following amounts as a precept issued to the Council in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:-

**Valuation Band**

| <b>A<br/>£</b> | <b>B<br/>£</b> | <b>C<br/>£</b> | <b>D<br/>£</b> | <b>E<br/>£</b> | <b>F<br/>£</b> | <b>G<br/>£</b> | <b>H<br/>£</b> |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>156.90</b>  | <b>183.05</b>  | <b>209.20</b>  | <b>235.35</b>  | <b>287.65</b>  | <b>339.95</b>  | <b>392.25</b>  | <b>470.70</b>  |

l) That, having calculated the aggregate in each case of the amounts at i), j) and k) above, the Council, in accordance with Section 30 (2) of the Local Government Finance Act 1992, hereby sets the amounts in Appendix B to part B as the levels of Council Tax for the year 2008/9 for the categories of dwellings shown in Appendix A to part B.

**3 BACKGROUND**

3.1 The Council's budget requirement has been recommended by the Cabinet and is dealt with in Part A of this report. Parish precepts are added to the District Council's net expenditure requirement. Government support and adjustments to Collection Fund relating to Community Charge and District Council's share of Council Tax are then deducted from the spending requirement to give a Demand on the Collection Fund.

3.2 The Council Tax Base of 45,237.7 was approved at the Cabinet meeting held on 3 December 2007 and the budget requirement will be spread by reference to the tax base previously approved, taking into account the precepts of individual Parishes recoverable over the Parish tax base.

3.3 The Council Tax bill for 2008/9 includes the requirements of Lincolnshire County Council and the Lincolnshire Police Authority which are responsible for setting their own Council Tax levels.

3.4 Lincolnshire County Council determined its Council Tax requirement at the meeting held on 15 February 2008, as follows:

|                               |                 |
|-------------------------------|-----------------|
| Total Council Tax Requirement | £234,826,390.00 |
| SKDC precept element          | £46,222,524.78  |
| Band D tax                    | £1,021.77       |

3.5 Lincolnshire Police Authority will determine its Council Tax requirement at a meeting to be held on 27<sup>th</sup> February 2008, as presented below (an addendum to this report will be circulated to members, following confirmation by Lincolnshire Police Authority).

|                               |                |
|-------------------------------|----------------|
| Total Council Tax Requirement | £54,088,876.01 |
| SKDC precept element          | £10,646,692.70 |

Band D tax £235.35

3.6 The overall increases for Band D tax payers, by Authority, are shown in the table below:

| <b>Council Tax Details 2008/9</b>            |                  |                  |               |               |
|----------------------------------------------|------------------|------------------|---------------|---------------|
|                                              | 2007/8<br>Band D | 2008/9<br>Band D | Increase<br>£ | Increase<br>% |
| Lincolnshire County Council                  | £987.21          | £1021.77         | 34.56         | 3.5           |
| Lincolnshire Police Authority                | £131.58          | 235.35           | 103.77        | 78.9%         |
| South Kesteven District Council              | £110.88          | <b>£115.74</b>   | <b>4.86</b>   | <b>4.38</b>   |
| South Kesteven + Special Expenses            | £123.15          | <b>£128.63</b>   | <b>5.48</b>   | <b>4.44</b>   |
| South Kesteven + Special Expenses + Parishes | £146.48          | <b>£156.32</b>   | <b>9.84</b>   | <b>6.71</b>   |

#### **4 SETTING THE COUNCIL TAX**

4.1 The Local Government and Finance Act 1992 requires the Council to set Council Tax across the 8 valuation bands, and all precepting Parishes. The levels of overall Council Tax by Parish are attached at Appendix B to part B.

#### **5. COMMENTS OF THE S151 OFFICER**

5.1 The financial implications of this section are included in Part A of the report above.

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

6.1 The Local Government Finance Act 1992 sets out the requirements placed upon the Council in relation to making formal recommendations relating to the setting of Council Tax and the Council's responsibilities as a billing authority.

Contact Officer:

Sally Marshall

Corporate Head of Finance and Resources

01476 406511

[s\\_marshall@southkesteven.gov.uk](mailto:s_marshall@southkesteven.gov.uk)

| PARISH                                        | SEA<br>£ | PRECEPT<br>£ | BAND @<br>£ | BAND A<br>£ | BAND B<br>£ | BAND C<br>£ | BAND D<br>£ | BAND E<br>£ | BAND F<br>£ | BAND G<br>£ | BAND H<br>£ |
|-----------------------------------------------|----------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Grantham                                      | 37.08    | 6.48         | 88.50       | 106.20      | 123.90      | 141.60      | 159.30      | 194.70      | 230.10      | 265.50      | 318.60      |
| Stamford                                      | 20.43    | 40.32        | 98.05       | 117.66      | 137.27      | 156.88      | 176.49      | 215.71      | 254.93      | 294.15      | 352.98      |
| Bourne                                        | 4.86     | 25.92        | 81.40       | 97.68       | 113.96      | 130.24      | 146.52      | 179.08      | 211.64      | 244.20      | 293.04      |
| Deeping St James                              | 2.79     | 38.25        | 87.10       | 104.52      | 121.94      | 139.36      | 156.78      | 191.62      | 226.46      | 261.30      | 313.56      |
| Market Deeping                                | 2.79     | 113.13       | 128.70      | 154.44      | 180.18      | 205.92      | 231.66      | 283.14      | 334.62      | 386.10      | 463.32      |
| Allington                                     |          | 42.84        | 88.10       | 105.72      | 123.34      | 140.96      | 158.58      | 193.82      | 229.06      | 264.30      | 317.16      |
| Ancaster                                      |          | 47.25        | 90.55       | 108.66      | 126.77      | 144.88      | 162.99      | 199.21      | 235.43      | 271.65      | 325.98      |
| Aslackby & Laughton                           |          | 23.94        | 77.60       | 93.12       | 108.64      | 124.16      | 139.68      | 170.72      | 201.76      | 232.80      | 279.36      |
| Barholme & Stow                               |          | 8.73         | 69.15       | 82.98       | 96.81       | 110.64      | 124.47      | 152.13      | 179.79      | 207.45      | 248.94      |
| Barkston & Syston                             |          | 20.61        | 75.75       | 90.90       | 106.05      | 121.20      | 136.35      | 166.65      | 196.95      | 227.25      | 272.70      |
| Barrowby                                      |          | 42.48        | 87.90       | 105.48      | 123.06      | 140.64      | 158.22      | 193.38      | 228.54      | 263.70      | 316.44      |
| Baston                                        |          | 18.72        | 74.70       | 89.64       | 104.58      | 119.52      | 134.46      | 164.34      | 194.22      | 224.10      | 268.92      |
| Belton & Manthorpe                            |          | 3.60         | 66.30       | 79.56       | 92.82       | 106.08      | 119.34      | 145.86      | 172.38      | 198.90      | 238.68      |
| Billingborough                                |          | 23.13        | 77.15       | 92.58       | 108.01      | 123.44      | 138.87      | 169.73      | 200.59      | 231.45      | 277.74      |
| Bitchfield & Bassingthorpe                    |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Boothby Pagnell                               |          | 3.87         | 66.45       | 79.74       | 93.03       | 106.32      | 119.61      | 146.19      | 172.77      | 199.35      | 239.22      |
| Braceborough & Wilsthorpe                     |          | 19.35        | 75.05       | 90.06       | 105.07      | 120.08      | 135.09      | 165.11      | 195.13      | 225.15      | 270.18      |
| Burton Coggles                                |          | 7.65         | 68.55       | 82.26       | 95.97       | 109.68      | 123.39      | 150.81      | 178.23      | 205.65      | 246.78      |
| Careby, Aunby & Holywell                      |          | 7.38         | 68.40       | 82.08       | 95.76       | 109.44      | 123.12      | 150.48      | 177.84      | 205.20      | 246.24      |
| Carlby                                        |          | 34.65        | 83.55       | 100.26      | 116.97      | 133.68      | 150.39      | 183.81      | 217.23      | 250.65      | 300.78      |
| Carlton Scroop & Normanton                    |          | 53.82        | 94.20       | 113.04      | 131.88      | 150.72      | 169.56      | 207.24      | 244.92      | 282.60      | 339.12      |
| Castle Bytham                                 |          | 14.94        | 72.60       | 87.12       | 101.64      | 116.16      | 130.68      | 159.72      | 188.76      | 217.80      | 261.36      |
| Caythorpe                                     |          | 30.69        | 81.35       | 97.62       | 113.89      | 130.16      | 146.43      | 178.97      | 211.51      | 244.05      | 292.86      |
| Claypole                                      |          | 20.52        | 75.70       | 90.84       | 105.98      | 121.12      | 136.26      | 166.54      | 196.82      | 227.10      | 272.52      |
| Colsterworth, Gunby, Stainby and North Witham |          | 29.43        | 80.65       | 96.78       | 112.91      | 129.04      | 145.17      | 177.43      | 209.69      | 241.95      | 290.34      |
| Corby Glen                                    |          | 21.42        | 76.20       | 91.44       | 106.68      | 121.92      | 137.16      | 167.64      | 198.12      | 228.60      | 274.32      |
| Counthorpe & Creeton                          |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Denton                                        |          | 12.96        | 71.50       | 85.80       | 100.10      | 114.40      | 128.70      | 157.30      | 185.90      | 214.50      | 257.40      |
| Dowsby                                        |          | 31.86        | 82.00       | 98.40       | 114.80      | 131.20      | 147.60      | 180.40      | 213.20      | 246.00      | 295.20      |
| Dunsby                                        |          | 6.03         | 67.65       | 81.18       | 94.71       | 108.24      | 121.77      | 148.83      | 175.89      | 202.95      | 243.54      |
| Edenham                                       |          | 18.90        | 74.80       | 89.76       | 104.72      | 119.68      | 134.64      | 164.56      | 194.48      | 224.40      | 269.28      |
| Fenton                                        |          | 7.20         | 68.30       | 81.96       | 95.62       | 109.28      | 122.94      | 150.26      | 177.58      | 204.90      | 245.88      |
| Folkingham                                    |          | 24.12        | 77.70       | 93.24       | 108.78      | 124.32      | 139.86      | 170.94      | 202.02      | 233.10      | 279.72      |
| Foston                                        |          | 35.55        | 84.05       | 100.86      | 117.67      | 134.48      | 151.29      | 184.91      | 218.53      | 252.15      | 302.58      |
| Fulbeck                                       |          | 22.86        | 77.00       | 92.40       | 107.80      | 123.20      | 138.60      | 169.40      | 200.20      | 231.00      | 277.20      |
| Greatford                                     |          | 23.76        | 77.50       | 93.00       | 108.50      | 124.00      | 139.50      | 170.50      | 201.50      | 232.50      | 279.00      |
| Great Gonerby                                 |          | 29.70        | 80.80       | 96.96       | 113.12      | 129.28      | 145.44      | 177.76      | 210.08      | 242.40      | 290.88      |
| Great Ponton                                  |          | 37.89        | 85.35       | 102.42      | 119.49      | 136.56      | 153.63      | 187.77      | 221.91      | 256.05      | 307.26      |
| Haconby                                       |          | 1.26         | 65.00       | 78.00       | 91.00       | 104.00      | 117.00      | 143.00      | 169.00      | 195.00      | 234.00      |
| Harlaxton                                     |          | 42.03        | 87.65       | 105.18      | 122.71      | 140.24      | 157.77      | 192.83      | 227.89      | 262.95      | 315.54      |
| Heydour                                       |          | 19.26        | 75.00       | 90.00       | 105.00      | 120.00      | 135.00      | 165.00      | 195.00      | 225.00      | 270.00      |
| Honington                                     |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Horbling                                      |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Hougham                                       |          | 20.25        | 75.55       | 90.66       | 105.77      | 120.88      | 135.99      | 166.21      | 196.43      | 226.65      | 271.98      |
| Hough-on-the-Hill                             |          | 38.16        | 85.50       | 102.60      | 119.70      | 136.80      | 153.90      | 188.10      | 222.30      | 256.50      | 307.80      |
| Ingoldsby                                     |          | 11.79        | 70.85       | 85.02       | 99.19       | 113.36      | 127.53      | 155.87      | 184.21      | 212.55      | 255.06      |
| Irtham                                        |          | 3.33         | 66.15       | 79.38       | 92.61       | 105.84      | 119.07      | 145.53      | 171.99      | 198.45      | 238.14      |
| Kirkby Underwood                              |          | 11.97        | 70.95       | 85.14       | 99.33       | 113.52      | 127.71      | 156.09      | 184.47      | 212.85      | 255.42      |
| Langtoft                                      | 13.32    | 33.03        | 90.05       | 108.06      | 126.07      | 144.08      | 162.09      | 198.11      | 234.13      | 270.15      | 324.18      |
| Lenton, Keisby & Osgodby                      |          | 3.87         | 66.45       | 79.74       | 93.03       | 106.32      | 119.61      | 146.19      | 172.77      | 199.35      | 239.22      |
| Little Bytham                                 |          | 31.14        | 81.60       | 97.92       | 114.24      | 130.56      | 146.88      | 179.52      | 212.16      | 244.80      | 293.76      |
| Little Ponton & Stroxtone                     |          | 8.19         | 68.85       | 82.62       | 96.39       | 110.16      | 123.93      | 151.47      | 179.01      | 206.55      | 247.86      |

| PARISH                              | SEA<br>£ | PRECEPT<br>£ | BAND @<br>£ | BAND A<br>£ | BAND B<br>£ | BAND C<br>£ | BAND D<br>£ | BAND E<br>£ | BAND F<br>£ | BAND G<br>£ | BAND H<br>£ |
|-------------------------------------|----------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Londonthorpe & Harrowby Without     |          | 16.11        | 73.25       | 87.90       | 102.55      | 117.20      | 131.85      | 161.15      | 190.45      | 219.75      | 263.70      |
| Long Bennington                     |          | 36.72        | 84.70       | 101.64      | 118.58      | 135.52      | 152.46      | 186.34      | 220.22      | 254.10      | 304.92      |
| Marston                             |          | 26.10        | 78.80       | 94.56       | 110.32      | 126.08      | 141.84      | 173.36      | 204.88      | 236.40      | 283.68      |
| Morton                              |          | 14.22        | 72.20       | 86.64       | 101.08      | 115.52      | 129.96      | 158.84      | 187.72      | 216.60      | 259.92      |
| Old Somerby                         |          | 16.47        | 73.45       | 88.14       | 102.83      | 117.52      | 132.21      | 161.59      | 190.97      | 220.35      | 264.42      |
| Pickworth                           |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Pointon & Sempringham               |          | 32.67        | 82.45       | 98.94       | 115.43      | 131.92      | 148.41      | 181.39      | 214.37      | 247.35      | 296.82      |
| Rippingale                          |          | 44.01        | 88.75       | 106.50      | 124.25      | 142.00      | 159.75      | 195.25      | 230.75      | 266.25      | 319.50      |
| Ropsley, Humby, Braceby & Sapperton |          | 14.49        | 72.35       | 86.82       | 101.29      | 115.76      | 130.23      | 159.17      | 188.11      | 217.05      | 260.46      |
| Sedgebrook                          |          | 25.11        | 78.25       | 93.90       | 109.55      | 125.20      | 140.85      | 172.15      | 203.45      | 234.75      | 281.70      |
| Skillington                         |          | 33.93        | 83.15       | 99.78       | 116.41      | 133.04      | 149.67      | 182.93      | 216.19      | 249.45      | 299.34      |
| South Witham                        |          | 46.35        | 90.05       | 108.06      | 126.07      | 144.08      | 162.09      | 198.11      | 234.13      | 270.15      | 324.18      |
| Stoke Rochford & Easton             |          | 28.08        | 79.90       | 95.88       | 111.86      | 127.84      | 143.82      | 175.78      | 207.74      | 239.70      | 287.64      |
| Stubton                             |          | 16.29        | 73.35       | 88.02       | 102.69      | 117.36      | 132.03      | 161.37      | 190.71      | 220.05      | 264.06      |
| Swayfield                           |          | 19.17        | 74.95       | 89.94       | 104.93      | 119.92      | 134.91      | 164.89      | 194.87      | 224.85      | 269.82      |
| Swinstead                           |          | 26.55        | 79.05       | 94.86       | 110.67      | 126.48      | 142.29      | 173.91      | 205.53      | 237.15      | 284.58      |
| Tallington                          |          | 18.18        | 74.40       | 89.28       | 104.16      | 119.04      | 133.92      | 163.68      | 193.44      | 223.20      | 267.84      |
| Thurlby                             |          | 18.27        | 74.45       | 89.34       | 104.23      | 119.12      | 134.01      | 163.79      | 193.57      | 223.35      | 268.02      |
| Toft, Lound & Manthorpe             |          | -            | 64.30       | 77.16       | 90.02       | 102.88      | 115.74      | 141.46      | 167.18      | 192.90      | 231.48      |
| Uffington                           |          | 13.23        | 71.65       | 85.98       | 100.31      | 114.64      | 128.97      | 157.63      | 186.29      | 214.95      | 257.94      |
| Welby                               |          | 15.84        | 73.10       | 87.72       | 102.34      | 116.96      | 131.58      | 160.82      | 190.06      | 219.30      | 263.16      |
| Westborough & Dry Doddington        |          | 16.47        | 73.45       | 88.14       | 102.83      | 117.52      | 132.21      | 161.59      | 190.97      | 220.35      | 264.42      |
| West Deeping                        |          | 22.68        | 76.90       | 92.28       | 107.66      | 123.04      | 138.42      | 169.18      | 199.94      | 230.70      | 276.84      |
| Witham-on-the-Hill                  |          | 24.12        | 77.70       | 93.24       | 108.78      | 124.32      | 139.86      | 170.94      | 202.02      | 233.10      | 279.72      |
| Woolsthorpe                         |          | 23.76        | 77.50       | 93.00       | 108.50      | 124.00      | 139.50      | 170.50      | 201.50      | 232.50      | 279.00      |
| Wyville-cum-Hungerton               |          | 23.49        | 77.35       | 92.82       | 108.29      | 123.76      | 139.23      | 170.17      | 201.11      | 232.05      | 278.46      |
| TOTAL                               |          |              | 6030.85     | 7237.02     | 8443.19     | 9649.36     | 10855.53    | 13267.87    | 15680.21    | 18092.55    | 21711.06    |
| S.K.D.C. ONLY BAND D CHARGE         |          |              |             | 115.74      |             |             |             |             |             |             |             |





**BAND D CHARGES**

|                                              | <b>2007/08<br/>Actual<br/>Base<br/>£'000</b> | <b>2008/09<br/>Actual<br/>Base<br/>£'000</b> | <b>2009/10<br/>Estimate<br/>Base<br/>£'000</b> | <b>2010/11<br/>Estimate<br/>Base<br/>£'000</b> |
|----------------------------------------------|----------------------------------------------|----------------------------------------------|------------------------------------------------|------------------------------------------------|
| Band D Properties on which charges are based | 44366.3                                      | 45237.7                                      | 45871.0                                        | 46513.2                                        |
| <b>Relating to Special Expense Areas</b>     |                                              |                                              |                                                |                                                |
| Bourne Special Expense Area Charge           | 4398.9                                       | 4600.0                                       | 4664.4                                         | 4729.7                                         |
| Deepings Special Expense Area Charge         | 4321.1                                       | 4375.4                                       | 4436.7                                         | 4498.8                                         |
| Grantham Special Expense Area Charge         | 10467.3                                      | 10729.9                                      | 10880.1                                        | 11032.4                                        |
| Langtoft Special Expense Area Charge         | 738.4                                        | 755.2                                        | 765.8                                          | 776.5                                          |
| Stamford Special Expense Area Charge         | 6811.6                                       | 6884.9                                       | 6981.3                                         | 7079.0                                         |
| <b>BAND D CHARGES</b>                        |                                              |                                              |                                                |                                                |
| South Kesteven District Council Charge       | 110.88                                       | 115.74                                       | 121.50                                         | 127.53                                         |
| Bourne Special Expense Area Charge           | 4.68                                         | 4.86                                         | 5.04                                           | 5.22                                           |
| Deepings Special Expense Area Charge         | 2.70                                         | 2.79                                         | 2.88                                           | 2.97                                           |
| Grantham Special Expense Area Charge         | 35.37                                        | 37.08                                        | 38.88                                          | 40.77                                          |
| Langtoft Special Expense Area Charge         | 12.69                                        | 13.32                                        | 13.95                                          | 14.58                                          |
| Stamford Special Expense Area Charge         | 19.53                                        | 20.43                                        | 21.42                                          | 22.41                                          |
| Average Parish Band D Charge                 | 23.33                                        | 27.68                                        | 28.98                                          | 30.42                                          |
| <b>2008/09 - SKDC Band D Charge</b>          |                                              |                                              |                                                |                                                |
| SKDC Band A                                  | 77.16                                        |                                              |                                                |                                                |
| SKDC Band B                                  | 90.02                                        |                                              |                                                |                                                |
| SKDC Band C                                  | 102.88                                       |                                              |                                                |                                                |
| SKDC Band D                                  | 115.74                                       |                                              |                                                |                                                |
| SKDC Band E                                  | 141.46                                       |                                              |                                                |                                                |
| SKDC Band F                                  | 167.18                                       |                                              |                                                |                                                |
| SKDC Band G                                  | 192.9                                        |                                              |                                                |                                                |
| SKDC Band H                                  | 231.48                                       |                                              |                                                |                                                |

RESERVES STATEMENT

|                                                              | Balance<br>as at<br>31 March 2007<br>£'000 | Transfer<br>to Reserve<br>in year<br>£'000 | Transfer<br>from Reserve<br>in year<br>£'000 | Balance<br>as at<br>31 March 2008<br>£'000 | Transfer<br>to Reserve<br>in year<br>£'000 | Transfer<br>from Reserve<br>in year<br>£'000 | Balance<br>as at<br>31 March 2009<br>£'000 | Movement<br>on Reserve<br>in year<br>£'000 | Balance<br>as at<br>31 March 2010<br>£'000 | Movement<br>on Reserve<br>in year<br>£'000 | Balance<br>as at<br>31 March 2011<br>£'000 | Movement<br>on Reserve<br>in year<br>£'000 | Balance<br>as at<br>31 March 2012<br>£'000 |
|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>General Fund</b>                                          |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| <b>Capital Reserve</b>                                       |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| General Fund Capital Reserve                                 | 2,249                                      | -                                          | (2,249)                                      | -                                          | -                                          | -                                            | -                                          | -                                          | -                                          | -                                          | -                                          | -                                          | -                                          |
| <b>Revenue Reserves</b>                                      |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| Insurance Reserve                                            | 500                                        | -                                          | -                                            | 500                                        | -                                          | 500                                          | -                                          | 500                                        | -                                          | 500                                        | -                                          | 500                                        | 500                                        |
| Pensions Reserve - Former Employees                          | 392                                        | -                                          | (65)                                         | 327                                        | (65)                                       | 262                                          | (65)                                       | 197                                        | (65)                                       | 132                                        | (65)                                       | 67                                         | 67                                         |
| - Current Employees                                          | 1,502                                      | -                                          | (20)                                         | 1,482                                      | -                                          | 1,482                                        | -                                          | 1,482                                      | -                                          | 1,482                                      | -                                          | 1,482                                      | 1,482                                      |
| Building Control                                             | 276                                        | -                                          | 10                                           | 286                                        | (22)                                       | 264                                          | (37)                                       | 227                                        | (52)                                       | 175                                        | (67)                                       | 108                                        | 108                                        |
| Capacity Building, Priority Setting and Service Improvements | 1,557                                      | -                                          | (451)                                        | 1,106                                      | (200)                                      | 906                                          | -                                          | 906                                        | -                                          | 906                                        | -                                          | 906                                        | 906                                        |
|                                                              | 4,227                                      | -                                          | (526)                                        | 3,701                                      | -                                          | (287)                                        | 3,414                                      | (102)                                      | 3,312                                      | (117)                                      | 3,195                                      | (132)                                      | 3,063                                      |
| <b>Working Balance</b>                                       | 2,824                                      | -                                          | (865)                                        | 1,959                                      | 172                                        | -                                            | 2,131                                      | 100                                        | 2,231                                      | 100                                        | 2,331                                      | 100                                        | 2,431                                      |
| <b>Total General Fund Reserves</b>                           | <b>9,300</b>                               | <b>-</b>                                   | <b>(3,640)</b>                               | <b>5,660</b>                               | <b>172</b>                                 | <b>(287)</b>                                 | <b>5,545</b>                               | <b>(2)</b>                                 | <b>5,543</b>                               | <b>(17)</b>                                | <b>5,526</b>                               | <b>(32)</b>                                | <b>5,494</b>                               |
| <b>Net Movement in General Fund Specific Reserves</b>        |                                            |                                            |                                              | <b>(3,640)</b>                             |                                            | <b>(115)</b>                                 |                                            | <b>(2)</b>                                 |                                            | <b>(17)</b>                                |                                            | <b>(32)</b>                                |                                            |
| <b>Housing Revenue Account(HRA)</b>                          |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| <b>Capital Reserve</b>                                       |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| Major Repairs Reserve                                        | 7,643                                      | 3,477                                      | (5,772)                                      | 5,348                                      | 3,562                                      | (7,239)                                      | 1,671                                      | (1,671)                                    | -                                          | -                                          | -                                          | -                                          | -                                          |
| <b>Working Balance</b>                                       |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| Housing Revenue Account                                      | 7,863                                      | 865                                        | -                                            | 8,728                                      | 331                                        | -                                            | 9,059                                      | (622)                                      | 8,437                                      | -                                          | 1,046                                      | 7,391                                      | -                                          |
| <b>Total HRA Reserves</b>                                    | <b>15,506</b>                              | <b>4,342</b>                               | <b>(5,772)</b>                               | <b>14,076</b>                              | <b>3,893</b>                               |                                              | <b>10,730</b>                              | <b>(2,293)</b>                             | <b>8,437</b>                               | <b>(1,046)</b>                             | <b>7,391</b>                               | -                                          | <b>7,391</b>                               |
| <b>Other Capital Reserves</b>                                |                                            |                                            |                                              |                                            |                                            |                                              |                                            |                                            |                                            |                                            |                                            |                                            |                                            |
| Useable Capital Receipts Reserve                             | 4,757                                      | 671                                        | (1,353)                                      | 4,075                                      | 3,449                                      | (2,599)                                      | 4,925                                      | (2,463)                                    | 2,462                                      | (1,962)                                    | 500                                        | 0                                          | 500                                        |
| <b>Total Other Capital Reserves</b>                          | <b>4,757</b>                               | <b>671</b>                                 | <b>(1,353)</b>                               | <b>4,075</b>                               | <b>3,449</b>                               |                                              | <b>4,925</b>                               | <b>(2,463)</b>                             | <b>2,462</b>                               | <b>(1,962)</b>                             | <b>500</b>                                 | <b>0</b>                                   | <b>500</b>                                 |
| <b>Total Reserves</b>                                        | <b>29,563</b>                              | <b>5,013</b>                               | <b>(10,765)</b>                              | <b>23,811</b>                              | <b>7,514</b>                               |                                              | <b>21,200</b>                              | <b>(4,758)</b>                             | <b>16,442</b>                              | <b>(3,025)</b>                             | <b>13,417</b>                              | <b>(32)</b>                                | <b>13,385</b>                              |

**SUMMARY OF GENERAL FUND ESTIMATES**

|                                                             | 2007/08<br>Original<br>Base | 2007/08<br>Revised<br>Base | 2008/09<br>Estimate<br>Base | 2009/10<br>Estimate<br>Base | 2010/11<br>Estimate<br>Base |
|-------------------------------------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                             | £'000                       | £'000                      | £'000                       | £'000                       | £'000                       |
| Corporate and Customer Services                             | 2,267                       | 2,198                      | 2,539                       | 2,457                       | 2,496                       |
| Finance and Resources                                       | 4,501                       | 4,687                      | 4,305                       | 3,970                       | 4,004                       |
| Healthy Environment                                         | 6,842                       | 6,464                      | 6,621                       | 6,727                       | 6,886                       |
| Partnerships & Organisational Improvement                   | 626                         | 807                        | 932                         | 913                         | 928                         |
| Special Expense Areas                                       | 660                         | 632                        | 654                         | 681                         | 729                         |
| Sustainable Communities                                     | 3,271                       | 3,307                      | 3,197                       | 3,243                       | 3,382                       |
| LABGI One-off approved expenditure (Council March 2007)     | 215                         | 215                        | -                           | -                           | -                           |
| LABGI Invest to Save                                        | 250                         | 250                        | -                           | -                           | -                           |
| Salary Vacancy Factor                                       | (300)                       | -                          | (250)                       | (250)                       | (250)                       |
| Under/(over) allocation of Support Services                 | 28                          | 11                         | 44                          | 38                          | 37                          |
| <b>TOTAL SERVICE COSTS</b>                                  | <b>18,360</b>               | <b>18,571</b>              | <b>18,042</b>               | <b>17,779</b>               | <b>18,212</b>               |
| Interest and Investment Income                              | (800)                       | (944)                      | (613)                       | (536)                       | (400)                       |
| Interest Payable                                            | 282                         | 261                        | 248                         | 248                         | 332                         |
| Pension Interest Cost and Expected Return on Pension Assets | 200                         | 200                        | 250                         | 250                         | 250                         |
| Minimum Revenue Provision                                   | 236                         | 215                        | 208                         | 277                         | 344                         |
| Depreciation Charged to Revenue Accounts                    | (1,850)                     | (2,367)                    | (2,535)                     | (2,552)                     | (2,535)                     |
| Capital Grants Deferred                                     | 0                           | 422                        | 417                         | 391                         | 184                         |
| Financing of Capital Expenditure                            | 400                         | 420                        | 103                         | 642                         | 646                         |
| Movement on Reserves                                        |                             |                            |                             |                             |                             |
| -Pension Reserve                                            | (250)                       | (250)                      | (250)                       | (250)                       | (250)                       |
| -Net Movement in General Fund Specific Reserves             | (576)                       | (526)                      | (287)                       | (102)                       | (117)                       |
| -(Decrease)/Increase in General Fund Working Balance        | (865)                       | (865)                      | 172                         | 100                         | 100                         |
| <b>BUDGET REQUIREMENT - GENERAL FUND</b>                    | <b>15,137</b>               | <b>15,137</b>              | <b>15,755</b>               | <b>16,247</b>               | <b>16,766</b>               |
| Formula Grant                                               | (9,626)                     | (9,626)                    | (9,881)                     | (10,025)                    | (10,147)                    |
| Council Tax Collection Fund Surplus                         | (47)                        | (47)                       | (55)                        | -                           | -                           |
| <b>DISTRICT NET EXPENDITURE (EXC. PARISH PRECEPTS)</b>      | <b>5,464</b>                | <b>5,464</b>               | <b>5,819</b>                | <b>6,193</b>                | <b>6,590</b>                |
| SKDC Budget Requirement                                     | 4,919                       | 4,919                      | 5,236                       | 5,573                       | 5,932                       |
| Bourne Special Expense Area                                 | 21                          | 21                         | 22                          | 24                          | 25                          |
| Deepings Special Expense Area                               | 12                          | 12                         | 12                          | 13                          | 13                          |
| Grantham Special Expense Area                               | 370                         | 370                        | 398                         | 423                         | 450                         |
| Langtoft Special Expense Area                               | 9                           | 9                          | 10                          | 11                          | 11                          |
| Stamford Special Expense Area                               | 133                         | 133                        | 141                         | 150                         | 159                         |
| Parish Precepts                                             | 1,035                       | 1,035                      | 1,253                       | 1,316                       | 1,381                       |
| <b>GENERAL FUND EXPENDITURE/CALL ON COLLECTION FUND</b>     | <b>6,499</b>                | <b>6,499</b>               | <b>7,072</b>                | <b>7,509</b>                | <b>7,971</b>                |

## **Budget and Rent Setting Report and Treasury Management Strategy Report 2008/09 – England – HRA Authorities**

### **Recommendations**

This report outlines the Council's prudential indicators for 2008/09 – 2010/11 and sets out the expected treasury operations for this period. It fulfils three key reports required by the Local Government Act 2003:

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

A summary report outlines the key requirements from these reports.

### **The Council is recommended to:**

1. **Adopt the Prudential Indicators and Limits for 2008/09 to 2010/11 contained within Appendix A of the report.**
2. **Approve the Minimum Revenue Provision (MRP) Statement contained within Appendix A which sets out Council's policy on MRP.**
3. **Approve the Treasury Management Strategy 2008/09, and the treasury Prudential Indicators contained within Appendix B.**
4. **Approve the Investment Strategy 2008/09 contained in the treasury management strategy (Appendix B), and the detailed criteria included in Annex B1.**

### **Executive Summary**

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

| <b>Capital expenditure<br/>£m</b> | <b>2007/08<br/>Revised<br/>£'000</b> | <b>2008/09<br/>Estimated<br/>£'000</b> | <b>2009/10<br/>Estimated<br/>£'000</b> | <b>2010/11<br/>Estimated<br/>£'000</b> |
|-----------------------------------|--------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
| Non HRA                           | 4,900                                | 3,275                                  | 3,375                                  | 5,365                                  |
| HRA                               | 5,772                                | 7,239                                  | 6,096                                  | 4,912                                  |
| <b>Total</b>                      | <b>10,672</b>                        | <b>10,514</b>                          | <b>9,471</b>                           | <b>10,277</b>                          |

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

| <b>Capital<br/>Financing<br/>Requirement<br/>£m</b> | <b>2007/08<br/>Revised</b> | <b>2008/09<br/>Estimated</b> | <b>2009/10<br/>Estimated</b> | <b>2010/11<br/>Estimated</b> |
|-----------------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| Non HRA                                             | 5,125                      | 4,898                        | 4,680                        | 7,192                        |
| HRA                                                 | 2,159                      | 2,159                        | 2,159                        | 2,159                        |
| <b>Total</b>                                        | <b>7,284</b>               | <b>7,057</b>                 | <b>6,839</b>                 | <b>9,351</b>                 |

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

| £m                   | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|----------------------|--------------------|----------------------|----------------------|----------------------|
| Authorised limit     | 18,000             | 18,000               | 18,000               | 20,000               |
| Operational boundary | 9,000              | 9,000                | 9,000                | 11,000               |

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: | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|------------------------------------------------------------|--------------------|----------------------|----------------------|----------------------|
| Band D Council Tax                                         | 0.00               | (2.67)               | (2.56)               | 1.13                 |
| Housing rents levels                                       | 0.00               | 0.00                 | 0.00                 | 0.00                 |

**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.

| £m                                 | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|------------------------------------|--------------------|----------------------|----------------------|----------------------|
| Total resources                    | <b>23,811</b>      | <b>21,200</b>        | <b>16,442</b>        | <b>13,417</b>        |
| Working Capital                    | (1,560)            | (1,560)              | (1,560)              | (1,560)              |
| Total Investments                  | <b>22,251</b>      | <b>19,640</b>        | <b>14,882</b>        | <b>11,857</b>        |
| Principal sums invested > 364 days |                    | £12m                 | £8m                  | £5m                  |

## **Appendix A**

### **The Prudential Indicators 2007/08 – 2010/11**

#### **Introduction**

1. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce prudential indicators. This report revises the indicators for 2007/08, 2008/09 and 2009/10, and introduces new indicators for 2010/11. Each indicator either summarises the expected activity or introduces limits upon the activity, and reflects the outcome of the Council's underlying capital appraisal systems.
2. Within this overall prudential framework there is a clear impact on the Council's treasury management activity, either through borrowing or investment activity. As a consequence the treasury management strategy for 2008/09 is included as Appendix B to complement the indicators, and this report includes the prudential indicators relating to the treasury activity.

#### **The Capital Expenditure Plans**

3. The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This expenditure can be paid for immediately (by resources such as capital receipts, capital grants etc.), but if these resources are insufficient any residual expenditure will form a borrowing need.
4. A certain level of capital expenditure will be grant supported by the Government; anything above this level will be unsupported and will need to be paid for from the Council's own resources. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although no control has yet been required.
5. The key risks to the plans are that the level of Government support has been estimated and is therefore subject to change. Similarly some of estimates for other sources of funding, such as capital receipts, may also be subject to change over this timescale.
6. The Council is asked to approve the summary capital expenditure projections below, service details are at Annex A1. This forms the first prudential indicator:

| <b>£m</b>                                  | <b>2007/08<br/>Revised</b> | <b>2008/09<br/>Estimated</b> | <b>2009/10<br/>Estimated</b> | <b>2010/11<br/>Estimated</b> |
|--------------------------------------------|----------------------------|------------------------------|------------------------------|------------------------------|
| <b>Capital Expenditure</b>                 |                            |                              |                              |                              |
| Non-HRA                                    | 4,900                      | 3,275                        | 3,375                        | 5,365                        |
| HRA                                        | 5,772                      | 7,239                        | 6,096                        | 4,912                        |
| <b>Financed by:</b>                        |                            |                              |                              |                              |
| Capital receipts                           | 1,353                      | 2,599                        | 3,216                        | 2,733                        |
| Capital grants                             | 878                        | 523                          | 213                          | 213                          |
| Capital reserves                           | 8,021                      | 7,239                        | 5,355                        | 3,810                        |
| Revenue                                    | 420                        | 153                          | 687                          | 686                          |
| <b>Net financing need for<br/>the year</b> | <b>0</b>                   | <b>0</b>                     | <b>0</b>                     | <b>2,835</b>                 |

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

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

resources. It is essentially a measure of Council's underlying borrowing need. The capital expenditure above which has not immediately been paid for will increase the CFR.

8. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.
9. Draft CLG Regulations are currently issued for comment which, if implemented, will require full Council to approve **an MRP Statement**. This will need to be approved in advance of each year. Whilst the regulations will revoke current MRP requirements, councils are allowed to continue historical accounting practice. A variety of options are provided to councils to replace the existing Regulations, so long as there is a prudent provision. The timetable for implementation is very tight and so Members are asked to approve the following policy, based on the draft Regulations. Should the final regulations change this Statement, it will be re-submitted for approval.
10. The Council is recommended to approve the following MRP Statement:
11. For capital expenditure incurred before 1 April 2008 or which in the future will be Supported capital Expenditure, the MRP policy will be:
  - **Existing practice** - MRP will follow the existing practice outline in former CLG Regulations.
12. From 1 April 2008 for all unsupported borrowing the MRP policy will be:
  - **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Directive).
13. The Council is asked to approve the CFR projections below:

| £m                                   | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|--------------------------------------|--------------------|----------------------|----------------------|----------------------|
| <b>Capital Financing Requirement</b> |                    |                      |                      |                      |
| CFR – Non Housing                    | 5,125              | 4,898                | 4,680                | 7,192                |
| CFR - Housing                        | 2,159              | 2,159                | 2,159                | 2,159                |
| <b>Total CFR</b>                     | <b>7,284</b>       | <b>7,057</b>         | <b>6,839</b>         | <b>9,351</b>         |
| <b>Movement in CFR</b>               | <b>(236)</b>       | <b>(227)</b>         | <b>(218)</b>         | <b>2,512</b>         |

| <b>Movement in CFR represented by</b>   |              |              |              |              |
|-----------------------------------------|--------------|--------------|--------------|--------------|
| Net financing need for the year (above) | -            | -            | -            | 2,835        |
| MRP/VRP and other financing movements   | (236)        | (227)        | (218)        | (323)        |
| <b>Movement in CFR</b>                  | <b>(236)</b> | <b>(227)</b> | <b>(218)</b> | <b>2,512</b> |

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

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

| Year End Resources<br>£m    | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|-----------------------------|--------------------|----------------------|----------------------|----------------------|
| Fund balances               | 5,660              | 5,545                | 5,543                | 5,526                |
| Capital receipts            | 4,075              | 4,925                | 2,462                | 500                  |
| HRA reserve                 | 8,728              | 9,059                | 8,437                | 7,391                |
| Major Repairs Reserve       | 5,348              | 1,671                | 0                    | 0                    |
| <b>Total Core Funds</b>     | <b>23,811</b>      | <b>21,200</b>        | <b>16,442</b>        | <b>13,417</b>        |
| Working Capital*            | (1,560)            | (1,560)              | (1,560)              | (1,560)              |
| <b>Expected Investments</b> | <b>22,251</b>      | <b>19,640</b>        | <b>14,882</b>        | <b>11,857</b>        |

\* Working capital balances shown are estimated year end; these may be higher mid year

### Limits to Borrowing Activity

15. Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits
16. For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2008/09 and the following two financial years. This allows some flexibility for limited early borrowing for future years.

| £m              | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|-----------------|--------------------|----------------------|----------------------|----------------------|
| Gross Borrowing | (4,000)            | (4,000)              | (4,000)              | (5,335)              |
| Investments     | 22,251             | 19,640               | 14,882               | 11,857               |
| Net Borrowing   | 18,251             | 15,640               | 10,882               | 6,522                |
| CFR             | 7,284              | 7,057                | 6,839                | 9,351                |

17. The Corporate Head of Finance and Resources reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.
18. A further two prudential indicators control or anticipate the overall level of borrowing. These are:
19. **The Authorised Limit for External Debt** – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.
20. **The Operational Boundary for External Debt** – This indicator is based on the expected maximum external debt during the course of the year; it is not a limit.
21. The Council is asked to approve the following Authorised Limit and Operational Boundary:

| Authorised limit £m         | 2007/08 Revised | 2008/09 Estimated | 2009/10 Estimated | 2010/11 Estimated |
|-----------------------------|-----------------|-------------------|-------------------|-------------------|
| Borrowing                   | 18,000          | 18,000            | 18,000            | 20,000            |
| Other long term liabilities | -               | -                 | -                 | -                 |
| Total                       | 18,000          | 18,000            | 18,000            | 20,000            |
| Operational Boundary £m     | 2007/08 Revised | 2008/09 Estimated | 2009/10 Estimated | 2010/11 Estimated |
| Borrowing                   | 9,000           | 9,000             | 9,000             | 11,000            |
| Other long term liabilities | -               | -                 | -                 | -                 |
| Total                       | 9,000           | 9,000             | 9,000             | 11,000            |

### Affordability Prudential Indicators

22. 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:

23. **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.

| %       | 2007/08 Revised | 2008/09 Estimated | 2009/10 Estimated | 2010/11 Estimated |
|---------|-----------------|-------------------|-------------------|-------------------|
| Non-HRA | (4.51)%         | (2.31)%           | (1.77)%           | (0.41)%           |
| HRA     | (4.23)%         | (2.42)%           | (1.39)%           | (0.76)%           |

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

25. **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.

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

| £                           | Proposed Budget 2008/09 | Forward Projection 2009/10 | Forward Projection 2010/11 |
|-----------------------------|-------------------------|----------------------------|----------------------------|
| <b>Council Tax - Band D</b> | (2.67)                  | (2.56)                     | 1.13                       |

27. **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.

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

| £                                 | Proposed Budget 2008/09 | Forward Projection 2009/10 | Forward Projection 2010/11 |
|-----------------------------------|-------------------------|----------------------------|----------------------------|
| <b>Weekly Housing Rent levels</b> | 0.00                    | 0.00                       | 0.00                       |

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

## Appendix B Treasury Management Strategy 2008/09 – 2010/11

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

### **Debt and Investment Projections 2008/09 – 2010/11**

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

| £m                            | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|-------------------------------|--------------------|----------------------|----------------------|----------------------|
| <b>External Debt</b>          |                    |                      |                      |                      |
| Debt at 1 April               | (4,500)            | (4,000)              | (4,000)              | (4,000)              |
| Expected change in debt       | 500                | -                    | -                    | (1,335)              |
| Debt at 31 March              | (4,000)            | (4,000)              | (4,000)              | (5,335)              |
| Operational Boundary          | 9,000              | 9,000                | 9,000                | 11,000               |
| <b>Investments</b>            |                    |                      |                      |                      |
| Total Investments at 31 March | 22,251             | 19,640               | 14,882               | 11,857               |
| Investment change             | (5,752)            | (2,611)              | (4,758)              | (3,025)              |

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

| £m                                 | 2007/08<br>Revised | 2008/09<br>Estimated | 2009/10<br>Estimated | 2010/11<br>Estimated |
|------------------------------------|--------------------|----------------------|----------------------|----------------------|
| <b>Revenue Budgets</b>             |                    |                      |                      |                      |
| Interest on Borrowing              | 427                | 406                  | 406                  | 543                  |
| Related HRA Charge                 | (166)              | (158)                | (158)                | (211)                |
| Net General Fund<br>Borrowing Cost | 261                | 248                  | 248                  | 332                  |
| Investment income                  | (1,986)            | (1,335)              | (1,018)              | (797)                |

### Expected Movement in Interest Rates

#### Medium-Term Rate Forecasts (averages – Source Butlers)

|         | Bank Rate | 1-year<br>LIBOR | 5-year Gilt | 20-yr Gilt | 50-yr Gilt |
|---------|-----------|-----------------|-------------|------------|------------|
| 2006/07 | 4.8       | 5.3             | 4.9         | 4.4        | 4.0        |
| 2007/08 | 5.6       | 6.0             | 5.3         | 4.9        | 4.5        |
| 2008/09 | 5.2       | 4.9             | 4.9         | 4.7        | 4.6        |
| 2009/10 | 4.9       | 4.9             | 4.8         | 4.7        | 4.6        |
| 2010/11 | 5.0       | 5.3             | 4.9         | 4.8        | 4.8        |
| 2011/12 | 5.2       | 5.5             | 5.3         | 5.2        | 5.1        |

\*PWLB borrowing is normally between 0.10% - 0.15% above the equivalent gilt yield

7. **Short Term Interest Rates** - The summer's dip in inflation drew to a close in October and the latest Bank of England Inflation Report suggests this key aggregate will rise further in the months ahead before returning to the 2% mid-target level by early 2009.
8. The end to aggressive discounting on the High Street, the rise in oil and petrol prices, and the upward trend in food costs have contributed to the rebound in inflation. While domestically-generated inflation will remain heavily influenced by the strength of economic activity and the growth in consumer spending, external factors are likely to be under upward pressure for the foreseeable future.
9. The main restraining influence in the UK will be the prospective decline in economic activity. Recent developments in the financial markets threaten to make the slow-down more pronounced than forecast earlier. The deceleration in economic activity in the US is expected to spread to the Euro-zone and this will undermine the chances of continued export-driven growth. On the domestic front, the effect of interest rate increases upon consumer activity and confidence is set to emerge more strongly in the New Year.
10. Higher rates, concern about the stability of asset prices (notably housing where prices are faltering) and news of weakening activity are all likely to undermine consumer confidence. This would weaken further if the problems of the financial markets were to worsen.
11. Lower activity is set to emerge in the months ahead. This, together with signs of a pronounced slow-down in personal spending will be seen as providing scope for the MPC to relax its current, tight monetary stance. But uncertainty about the path of activity and prices over the medium term suggests the authorities will tread a cautious path and will confine interest rate cuts to a relatively small number.
12. **Long-term interest rates** - have been driven lower by the strong demand for safe haven instruments at a time of crisis in the banking industry. Yields were

driven down to levels that were hard to justify purely on economic grounds. While they have subsequently rebounded, they are still below levels that can be called attractive on fundamental grounds.

13. The crisis in the financial markets is set to continue for a while longer. More banks are likely to announce large losses in business linked with asset-backed securities. This will promote persistent nervousness and ensure demand for safe haven instruments, notably government securities (gilts), remains strong. Yields are set to remain volatile in this environment and there may be times when they are driven down to levels not justified by fundamental economic analysis.
14. The longer term outlook is not as favourable. The US Federal Reserve's aggressive cuts in interest rates since mid-September were driven by reaction to a combination of factors, including the weakening of economic activity, some improvement in inflation performance and the crisis in the US property market. But the move was seen as heavy handed and a threat to the long-term outlook for inflation. The US economy continues to post a mixed performance and inflation is only just below the ceiling the central bank considers acceptable.

#### **Borrowing Strategy 2008/09 – 2010/11**

15. The uncertainty over future interest rates increases the risks associated with treasury activity. As a result the Council will take a cautious approach to its treasury strategy.
16. Long-term fixed interest rates are expected to be higher over the medium term. The Corporate Head of Finance and Resources, under delegated powers, will take the most appropriate form of borrowing depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above. It is likely that longer term fixed rates will be considered earlier if borrowing rates deteriorate.
17. With the likelihood of increasing interest rates debt restructuring is likely to take place later in the financial year or in future years, although the Corporate Head of Finance and Resources and treasury consultants will monitor prevailing rates for any opportunities during the year.
18. A key change in the options for borrowing and rescheduling occurred on 1 November 2007 when the PWLB changed its interest rate structure to a more sensitive pricing method and also increased the relative cost of repaying debt. This will prompt a more cautionary approach to both borrowing and rescheduling.

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

19. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle the Council will ensure:
  - It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.
  - It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with

adequate security, and monitoring their security. This is set out in the Specified and Non-Specified investment sections below.

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

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

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

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

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

### **Investment Strategy 2008/09 – 2010/11**

22. Expectations on shorter-term interest rates, on which investment decisions are based, show a likelihood of the current 5.75% Bank Rate being the peak with the next fall in early 2008. The Council's investment decisions are based on comparisons between the rises priced into market rates against the Council's and advisers own forecasts. It is likely that investment decisions will be made for longer periods with fixed investments rates to lock in good value and security of return if opportunities arise, subject to over riding credit counterparty security. The Corporate Head of Finance and Resources, under delegated powers, will undertake the most appropriate form of investments depending on the prevailing interest rates at the time, taking into account the risks shown in the forecast above.

### **Sensitivity to Interest Rate Movements**

23. Future Council accounts will be required to disclose the impact of risks on the Council's treasury management activity. Whilst most of the risks facing the treasury management service are addressed elsewhere in this report (credit risk, liquidity risk, market risk, maturity profile risk), the impact of interest rate risk is discussed but not quantified. The table below highlights the estimated impact of a 1% increase/decrease in all interest rates to treasury

management costs/income for next year. That element of the debt and investment portfolios which are of a longer term, fixed interest rate nature will not be affected by interest rate changes.

| £m                              | 2008/09<br>Estimated<br>+ 1% | 2008/09<br>Estimated<br>- 1% |
|---------------------------------|------------------------------|------------------------------|
| <b>Revenue Budgets</b>          |                              |                              |
| Interest on Borrowing           | 406                          | 406                          |
| Related HRA Charge              | (158)                        | (158)                        |
| Net General Fund Borrowing Cost | 248                          | 248                          |
| Investment income               | (1,592)                      | (1,078)                      |

### Treasury Management Prudential Indicators and Limits on Activity

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

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

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

| £m                                                         | 2008/09 | 2009/10 | 2010/11 |
|------------------------------------------------------------|---------|---------|---------|
| <b>Interest rate Exposures</b>                             |         |         |         |
|                                                            | Upper   | Upper   | Upper   |
| <b>Limits on fixed interest rates based on net debt</b>    | 7,000   | 7,000   | 9,500   |
| <b>Limits on variable interest rates based on net debt</b> | 2,000   | 2,000   | 3,000   |
| <b>Limits on fixed interest rates:</b>                     |         |         |         |
| • <b>Debt only</b>                                         | 100%    | 100%    | 100%    |
| • <b>Investments only</b>                                  | 100%    | 100%    | 100%    |
| <b>Limits on variable interest rates</b>                   |         |         |         |
| • <b>Debt only</b>                                         | 30%     | 30%     | 30%     |
| • <b>Investments only</b>                                  | 30%     | 30%     | 30%     |

| <b>Maturity Structure of fixed interest rate borrowing 2008/09</b> |              |              |
|--------------------------------------------------------------------|--------------|--------------|
|                                                                    | <b>Lower</b> | <b>Upper</b> |
| Under 12 months                                                    | 0%           | 20%          |
| 12 months to 2 years                                               | 0%           | 20%          |
| 2 years to 5 years                                                 | 0%           | 50%          |
| 5 years to 10 years                                                | 0%           | 75%          |
| 10 years and above                                                 | 0%           | 100%         |
| <b>Maximum principal sums invested &gt; 364 days</b>               |              |              |
| Principal sums invested ><br>364 days                              | £12m         | £8m          |
|                                                                    |              | £5m          |

### **Performance Indicators**

26. 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 2007/08.

## Annex B1

### Treasury Management Practice (TMP) 1 (5) – Credit and Counterparty Risk Management

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

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

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

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

The investment policy proposed for the Council is:

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

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

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

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

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

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

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

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

- All investments restricted to sterling denominated instruments;
- Investments made with local authorities, the top 30 building societies, English and Scottish clearing banks (and their subsidiaries) and overseas banks. The placing of funds with overseas banks is restricted to institutions with a credit rating of F1+ (short term loans) and AA rating (long term loans);
- Amounts invested with anyone institution or group should not exceed 25% of the fund value or a maximum of £7m for periods of more than one month;
- Investments for periods exceeding 364days limited to 25% of fund held;
- Forward commitment investments limited to 25% of fund held; and
- Portfolio management is measured against the return provided by the 3 month sterling LIBID.

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

# Agenda Item 7



Department for  
Work and Pensions

Website: [www.dwp.gov.uk](http://www.dwp.gov.uk)

E-mail Ministers at: [ministers@dwp.gsi.gov.uk](mailto:ministers@dwp.gsi.gov.uk)

Ministerial Correspondence Unit, Adelphi, 1-11 John Adam Street, London WC2N 6HT

Ms Lena Shuttlewood  
South Kesteven District Council  
Council Offices  
St Peters Hill  
Grantham  
Lincolnshire  
NG31 6PZ

**Your Reference:**

**Our Ref: TO/08/03244**

**Date: 31 March 2008**

Dear Ms Shuttlewood

Thank you for your letter of 31 January to James Purnell concerning the Local Housing Allowance. I have been asked to reply and I apologise for the delay in responding to you. I am sorry that the Secretary of State has not been able to reply to you personally, but I hope you will understand that he receives a great deal of correspondence on a variety of subjects and it is not possible for him to reply to each letter individually.

The Local Housing Allowance is a radical change to the way that Housing Benefit is paid in the private rented sector. It is much fairer simpler and more transparent way of calculating Housing Benefit.

One of the key features of the Local Housing Allowance is that, where possible, the benefit will be paid to the tenant, so that they can take more personal responsibility for their housing. This will help unemployed tenants to prepare for when they move into work.

The Government wanted to be absolutely sure that this reform would deliver genuine benefits so the Local Housing Allowance has been piloted in 18 local authority areas and has been subject to a wide-ranging and comprehensive evaluation. The evaluation evidence showed very clearly that tenants were able to pay their rent reliably; 84 per cent of tenants are successfully managing their own rent payments in the Pathfinder areas. Landlord's initial fears that people would fall into ever increasing rent arrears have proved to be entirely unfounded. Similarly, predictions that landlords would pull out of the market have also not materialised.

The experience in the pilot areas has, therefore, been overwhelmingly positive and the Government has every confidence that the experience will be reflected when the Local Housing Allowance is rolled out nationally on 7 April.

Of course there will be some people who cannot manage their own rent payments, so there will be a comprehensive package of safeguards to stop these tenants falling into unmanageable difficulties. Again the evaluation evidence has shown that these safeguards have been working extremely well in the pathfinders with only 16 per cent of customers requiring payments to be made direct to their landlord.

It should also be noted that the LHA evaluation found that most LHA claimants treated paying their rent as a priority and compared to the control areas, claimants in the Pathfinders were less likely to fall into arrears.

Over the evaluation period the supply of accommodation available to those on LHA went up by around 7%. Although a small number of landlords left the market, others joined, therefore, there was no large scale exodus from the housing benefit markets in which the LHA was piloted.

The Government understands the concerns raised at the meeting you refer to in your letter. The same concerns were raised, particularly by private landlords, in the Pathfinder areas when the pilot schemes began in November 2003. We are pleased to say that many of the concerns about increases in the level of arrears and debt absconders did not materialise, bearing out the Government's belief that benefit payment by way of the LHA brings with it a change in the way individuals take responsibility for their own financial affairs.

We understand that the authorities that took part in the Pathfinder scheme, which include North-East Lincolnshire, would be happy to share their experience and offer advice to other authorities.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael Whitworth".

Michael Whitworth

**OUNCILLOR MIKE TAYLOR**  
**CHAIRMAN'S CIVIC EVENTS**  
**4.3.08 TO 17.4.08**

| <b>Date</b>        | <b>Event</b> | <b>Organisation</b>                                             | <b>Venue</b>                                              |
|--------------------|--------------|-----------------------------------------------------------------|-----------------------------------------------------------|
| <b>6.3.08</b>      | <b>MT96</b>  | <b>South Holland Civic Reception</b>                            | <b>South Holland Centre, Market Place, Spalding.</b>      |
| <b>7.3.08</b>      | <b>MT101</b> | <b>West Lindsey D.C. Civic Dinner</b>                           | <b>Hemswell Court, Hemswell Cliff,</b>                    |
| <b>Sun 9.3.08</b>  | <b>MT92</b>  | <b>Rutland County Council Thanksgiving Service</b>              | <b>Church of St. John The Evangelist Ryhall, Stamford</b> |
| <b>Mon 10.3.08</b> | <b>MT94</b>  | <b>Opening of Mid Lent Fair in Grantham. Mayor of Grantham</b>  | <b>Angel &amp; Royal and Market Cross</b>                 |
| <b>Thu 13.3.08</b> | <b>MT106</b> | <b>Stamford Business Awards Champagne Reception then awards</b> | <b>Greetham Valley Golf Club, Greetham, Nr. Oakham</b>    |
| <b>Thu 13.3.08</b> | <b>VC34</b>  | <b>Stamford Business Awards Champagne Reception then awards</b> | <b>Greetham Valley Golf Club, Greetham, Nr. Oakham</b>    |
| <b>Fri 14.3.08</b> | <b>MT98A</b> | <b>Col. Underhill, Commanding Officer Passing Out Parade</b>    | <b>Prince William of Gloucester Barracks</b>              |
| <b>Fri 14.3.08</b> | <b>MT98</b>  | <b>Boston B.C. Civic Dinner</b>                                 | <b>Assembly Rooms, Boston</b>                             |
| <b>Fri 14.3.08</b> | <b>VC32</b>  | <b>Newark and Sherwood Civic Reception and Dinner</b>           | <b>Kelham Hall, Newark, Notts.</b>                        |
| <b>Sat 15.3.08</b> | <b>MT105</b> | <b>Grantham Music Festival Concert</b>                          | <b>Finkin Street</b>                                      |
| <b>Sat 22.3.08</b> | <b>MT102</b> | <b>Market Deeping T.C. Civic Dinner and Charity Ball</b>        | <b>Coronation Hall, Market Deeping</b>                    |
| <b>Thu 27.3.08</b> | <b>MT100</b> | <b>Mrs. J. Ware DL High Sheriff 2008 Rock Challenge Evening</b> | <b>Merces Leisure Centre, Grantham</b>                    |
| <b>Thu 27.3.08</b> | <b>VC33</b>  | <b>Mrs. J. Ware DL High Sheriff 2008 Rock Challenge Evening</b> | <b>Merces Leisure Centre, Grantham</b>                    |
| <b>Fri 28.3.08</b> | <b>MT107</b> | <b>North Kesteven Civic Reception</b>                           | <b>Civic Suite, NKDC Offices</b>                          |
| <b>Sat 29.3.08</b> | <b>MT110</b> | <b>Chairman's Charity Dance</b>                                 | <b>Belton Park Golf Club</b>                              |

|                        |              |                                                                            |                                                                      |
|------------------------|--------------|----------------------------------------------------------------------------|----------------------------------------------------------------------|
| <b>Tue<br/>1.4.08</b>  | <b>MT95</b>  | <b>Commandant RAF Cranwell<br/>H.M. The Queen's Birthday<br/>Reception</b> | <b>College Hall, RAF 90 Anniversary</b>                              |
| <b>Fri<br/>4 Apr</b>   | <b>MT103</b> | <b>Chairman's Own Race Night</b>                                           | <b>Guildhall Ball Room</b>                                           |
| <b>Sat<br/>5 Apr</b>   | <b>MT104</b> | <b>Bassetlaw D.C.<br/>Annual Civic Dinner</b>                              | <b>Worksop Town Hall</b>                                             |
| <b>Wed<br/>9 Apr</b>   | <b>MT88</b>  | <b>Installation of new Provost Dame<br/>Judith Mayhew-Jonas, DBE</b>       | <b>Lincoln Cathedral followed by lunch<br/>at University College</b> |
| <b>Wed<br/>9 Apr</b>   | <b>VC35</b>  | <b>Installation of new Provost Dame<br/>Judith Mayhew-Jonas, DBE</b>       | <b>Lincoln Cathedral followed by lunch<br/>at University College</b> |
| <b>Sat<br/>12.4.08</b> | <b>MT95A</b> | <b>Grantham Lions Club<br/>37th Charter Anniversary Dinner</b>             | <b>Belton Park Golf Club</b>                                         |
| <b>Sun<br/>13.4.08</b> | <b>MT107</b> | <b>Lincoln City Council<br/>Civic Service</b>                              | <b>Lincoln Cathedral</b>                                             |
| <b>Wed<br/>16.4.08</b> | <b>MT109</b> | <b>Boston Borough Council<br/>Charity Chinese Banquet</b>                  | <b>Oriental Palace Restaurant, West<br/>Street, Boston</b>           |

## REPORT TO COUNCIL

**REPORT OF:** Democracy Service Manager

**REPORT NO.** DEM011

**DATE:** 17<sup>th</sup> April 2008

|                                                                            |                                                                                                                     |                                                       |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| <b>TITLE:</b>                                                              | Appointments to Committees of the Council, the Policy Development Groups, and the Chief Executive's appraisal panel |                                                       |
| <b>COUNCIL<br/>AIMS/PORTFOLIO<br/>HOLDER NAME<br/>AND<br/>DESIGNATION:</b> | Councillor Ray Auger: Portfolio Holder for Access and Engagement (Democratic Representation)                        |                                                       |
| <b>CORPORATE<br/>PRIORITY:</b>                                             | Corporate Governance: Management of the Council's business                                                          |                                                       |
| <b>CRIME AND<br/>DISORDER<br/>IMPLICATIONS:</b>                            | None                                                                                                                |                                                       |
| <b>FREEDOM OF<br/>INFORMATION<br/>ACT<br/>IMPLICATIONS:</b>                | This report is publicly available on the Council's website via the Local democracy link                             |                                                       |
| <b>INITIAL<br/>EQUALITY<br/>IMPACT<br/>ASSESSMENT</b>                      | <b>Carried out and<br/>appended to report?</b><br><br>Not Applicable                                                | <b>Full impact assessment<br/>required?</b><br><br>No |
| <b>BACKGROUND<br/>PAPERS:</b>                                              | <b>Report CEX376 to Council on 17<sup>th</sup> May 2007</b>                                                         |                                                       |

### 1. INTRODUCTION

Under Council Procedure Rule 1.1 (viii) relating to the Annual meeting of the Council, the Council is required to appoint members to the Policy Development groups, the Standards Committee and such other committees it considers appropriate to deal with matters which are neither reserved to the Council nor are executive functions.

Under Rules 1.2 (iii) and (iv), at the annual meeting, the Council will decide the allocation of seats to political groups in accordance with the political balance rules and receive nominations of Councillors to serve on each committee or group.

The Constitution was recently amended to provide that no member be appointed to a committee or panel, or appointed a Chairman or Vice-Chairman thereof who has not undertaken the relevant mandatory training. Therefore no appointment should be made which is in breach of the constitutional rules: Part 2, article 4, rule 4.2(iii), and Council procedure rule 1.1 (viii).

## **2. RECOMMENDATIONS**

- (1) In accordance with the legislative provisions regarding political balance and the relevant constitutional provisions, the Council appoints members to its committees, policy development groups (PDGs), and Chief Executive's appraisal panel;**
- (2) Upon advice of the Leader as to the suitability and merit of candidates, the Council appoints the Chairman and Vice-Chairman of each committee (except the Standards Committee) and PDGs.**

## **3. DETAILS OF REPORT**

The schedule of committees is set out below:

| Committee                                | No of members                              | Political Balance Applies? | Training      |
|------------------------------------------|--------------------------------------------|----------------------------|---------------|
| Resources Policy Dev Group (PDG)         | 7                                          | Yes                        | Compulsory    |
| Engagement PDG                           | 7                                          | Yes                        | Compulsory    |
| Communities PDG                          | 7                                          | Yes                        | Compulsory    |
| Scrutiny Committee                       | 11                                         | Yes                        | Compulsory    |
| Development Control                      | 17                                         | Yes                        | Compulsory    |
| Licensing                                | 11                                         | Yes                        | Compulsory    |
| Chief Executives Appraisal Panel         | 4                                          | Yes                        | Discretionary |
| Constitution Committee                   | 5                                          | Yes                        | Discretionary |
| Corporate Governance and Audit Committee | 5<br>(with option for one external member) | Yes                        | Compulsory    |
| Standards Committee                      | 4*<br>(with 2 external members)            | No                         | Compulsory    |

\*amended by Council to 4 members: minute 95, Council meeting on 03.03.08

The current Committee memberships, taking account of the existing political balance is detailed in Appendix A.

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

Members' allowance and travel expenses will need to be contained within the 2008/09 budget previously agreed by Council.

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

Any comments will be made at the meeting.

#### **6. CONTACT OFFICER**

Lena Shuttlewood – Democracy Service Manager  
Tel: 01476 406119 e-mail: [l.shuttlewood@southkesteven.gov.uk](mailto:l.shuttlewood@southkesteven.gov.uk)

**SOUTH KESTEVEN DISTRICT COUNCIL**  
**COMMITTEE MEMBERSHIP 2007-2008**

| <u><b>Committee/Group</b></u> | <u><b>Conservative</b></u>                                                                                                                  | <u><b>Independents</b></u>                    | <u><b>Liberal Democrats</b></u> | <u><b>Labour</b></u> |
|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|---------------------------------|----------------------|
| <u><b>RESOURCES PDG</b></u>   | Nick Craft - CM<br>Bob Adams -VCM<br>Ian Stokes<br>Mrs. Judy Smith<br>Trevor Scott                                                          | Bob Sandall                                   | Sam Jalilli                     |                      |
| <u><b>ENGAGEMENT PDG</b></u>  | Mike Taylor - CM<br>Tom Webster - VCM<br>Bob Russell<br>Mike Cook                                                                           | Stuart McBride<br>Jock Kerr                   |                                 | Ian Selby            |
| <u><b>COMMUNITY PDG</b></u>   | John Nicholson - CM<br>Peter Martin-Mayhew<br>Ray Wootten<br>Peter Stephens                                                                 | Jeff Thompson -VCM<br>Miss. Ibis Channell     | Harrish Bisnauthsing            |                      |
| <u><b>SCRUTINY</b></u>        | David Higgs<br>Stuart Farrar<br>Mrs. Rosemary Kaberry-Brown<br>Mrs. Judy Smith - VCM<br>Brian Helyar<br>Andrea Webster<br>Mrs. Pam Bosworth | Jeff Thompson<br>Mike Williams<br>Rob Hearmon | Ken Joynson - CM                |                      |

| Committee/Group                                                                                                                                                         | Conservative                                                                                                                                                                                         | Independents                                              | Liberal Democrats                           | Labour |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------|--------|
| <u>DEVELOPMENT CONTROL</u><br><br><b>* The Labour group is entitled to one seat but agreed to relinquish it, taking the number of Conservative seats from 10 to 11.</b> | Alan Parkin -CM<br>John Harvey<br>David Higgs<br>Trevor Scott<br>Ben Newcombe-Jones<br>Mrs. Rosemary Kaberry-Brown<br>Mike Exton -VCM<br>Mike Cook<br>Bryan Helyar<br>Andrea Webster<br>Frank Turner | Vic Kerr<br>Avril Williams<br>Trevor Holmes<br>Reg Howard | Mrs. M.aureenJalilli<br>Mrs. Joyce Gaffigan | *      |
| <u>LICENSING</u>                                                                                                                                                        | Frank Turner -CM<br>Mrs. Margery Radley<br>Graham Wheat - VCM<br>Bob Russell<br>Mrs. Pam Bosworth<br>Mike Exton<br>George Chivers                                                                    | Mike Williams<br>Reg Howard<br>Bob Broughton              | Christine Brough                            |        |
| <u>CORPORATE GOV. AND AUDIT</u>                                                                                                                                         | Reg Lovelock - CM<br>Andrew Moore - VCM<br>John Harvey                                                                                                                                               | John Dawson                                               | Sam Jalilli                                 |        |
| <u>CONSTITUTION</u>                                                                                                                                                     | Peter Martin-Mayhew - CM<br>Ray Wootten<br>Alan Parkin - VCM                                                                                                                                         | Susan Sandall                                             | Ken Joynson                                 |        |
| <u>STANDARDS</u>                                                                                                                                                        | Reg Lovelock<br>Stuart Farrar<br>Andrew Moore                                                                                                                                                        | Avril Williams                                            |                                             |        |
| <u>CHIEF EXECUTIVE'S APPRAISAL PANEL</u>                                                                                                                                | Mrs Linda Neal<br>Paul Carpenter                                                                                                                                                                     | Rob Hearmon                                               |                                             |        |
| <u>PERFORMANCE BOARD</u>                                                                                                                                                | Mrs. Linda Neal<br>Paul Carpenter                                                                                                                                                                    | Mike Williams                                             |                                             |        |

# SOUTH KESTEVEN DISTRICT COUNCIL – PROGRAMME OF PUBLIC MEETINGS 2008/2009 – draft III

|       | MAY                                      | JUNE                       | JULY                                     | AUG                  | SEPT                                     | OCT                         | NOV                                      | DEC                       | JAN                                      | FEB                             | MAR                                      | APR                     |
|-------|------------------------------------------|----------------------------|------------------------------------------|----------------------|------------------------------------------|-----------------------------|------------------------------------------|---------------------------|------------------------------------------|---------------------------------|------------------------------------------|-------------------------|
| MON   |                                          | 2<br>CABINET               |                                          |                      | 1<br>CABINET                             |                             | 3<br>CABINET                             | 1<br>CABINET              |                                          |                                 | 2<br>COUNCIL                             |                         |
| TUES  |                                          |                            | 1<br>DEV<br>CONTROL                      |                      | 2<br>DEV<br>CONTROL                      |                             | 4<br>DEV<br>CONTROL                      |                           |                                          |                                 |                                          |                         |
| THURS |                                          | 5<br>ENGAGEM'T<br>PDG      |                                          |                      | 4<br>COUNCIL                             |                             |                                          | 4<br>GOV & AUDIT<br>CMTTE |                                          |                                 |                                          |                         |
| FRI   | 2<br>Licensing<br>Standards<br>Cmte (PM) | 6<br>Licensing             | 4<br>Licensing<br>Standards<br>Cmte (PM) | 1<br>Licensing       | 5<br>Licensing<br>Standards<br>Cmte (PM) | 3<br>Licensing              | 7<br>Licensing<br>Standards<br>Cmte (PM) | 5<br>Licensing            | 2<br>Licensing<br>Standards<br>Cmte (PM) | 6<br>Licensing                  | 6<br>Licensing<br>Standards<br>Cmte (PM) | 3<br>Licensing          |
| MON   |                                          |                            | 7<br>CABINET                             | 4<br>CABINET         |                                          | 6<br>CABINET                |                                          |                           | 5<br>CABINET                             | 9<br>CABINET                    | 9<br>CABINET                             | 6<br>CABINET            |
| TUES  | 6<br>SCRUTINY<br>CMTTE                   | 10<br>DEV<br>CONTROL       |                                          |                      |                                          |                             |                                          |                           | 6<br>DEV CONTROL                         |                                 | 10<br>DEV<br>CONTROL                     |                         |
| THURS |                                          |                            |                                          |                      |                                          | 9<br>RESOURCES<br>PDG       | 13??<br>Parish Council<br>Conference     |                           |                                          | 12<br>RESOURCES<br>PDG          |                                          |                         |
| FRI   |                                          |                            |                                          |                      |                                          |                             |                                          |                           |                                          |                                 |                                          |                         |
| MON   | 12<br>CABINET                            |                            | 14<br>Constitution<br>Cmte.              |                      |                                          | 13<br>Constitution<br>Cmte. | 17<br>Policy Dev't<br>Co. Group          |                           | 12<br>Constitution<br>Cmte.              | 16<br>Policy Dev't<br>Co. Group |                                          |                         |
| TUES  |                                          |                            |                                          | 12<br>DEV<br>CONTROL |                                          | 14<br>DEV CONTROL           | 18<br>SCRUTINY<br>CMTTE                  | 16<br>DEV<br>CONTROL      |                                          | 17<br>DEV<br>CONTROL            |                                          |                         |
| THURS | 15<br>COMMUNITIES<br>PDG                 | 19<br>COUNCIL              |                                          |                      | 18<br>COMMUNITIES<br>PDG                 | 16<br>ENGAGEM'T<br>PDG      |                                          |                           |                                          |                                 | 19<br>GOV & AUDIT<br>CMTTE               |                         |
| FRI   |                                          |                            |                                          |                      |                                          |                             |                                          |                           |                                          |                                 |                                          |                         |
| MON   |                                          |                            | 21<br>Policy Dev't<br>Co. Group          |                      |                                          |                             |                                          |                           |                                          |                                 |                                          |                         |
| TUES  | 20<br>DEV CONTROL                        |                            | 22<br>DEV<br>CONTROL                     |                      | 23<br>DEV CONTROL                        |                             | 25<br>DEV<br>CONTROL                     |                           | 20<br>SCRUTINY<br>CMTTE                  | 24<br>SCRUTINY<br>CMTTE         |                                          | 21<br>DEV<br>CONTROL    |
| THURS | 22<br>RESOURCES<br>PDG                   | 26<br>GOV & AUDIT<br>CMTTE |                                          |                      | 25<br>GOV & AUDIT<br>CMTTE               |                             |                                          |                           | 22<br>COUNCIL                            | 26<br>ENGAGEM'T<br>PDG          |                                          | 23<br>ANNUAL<br>COUNCIL |
| FRI   |                                          |                            |                                          |                      |                                          |                             |                                          |                           |                                          |                                 |                                          |                         |
| MON   |                                          |                            |                                          |                      |                                          |                             |                                          |                           |                                          |                                 | 27<br>Constituti...<br>Cmte.             |                         |
| TUES  |                                          |                            | 29<br>SCRUTINY<br>CMTTE                  |                      | 30<br>SCRUTINY<br>CMTTE                  |                             |                                          |                           | 27<br>DEV CONTROL                        |                                 | 31<br>DEV<br>CONTROL                     |                         |
| THURS | 29<br>GOV & AUDIT<br>CMTTE               |                            |                                          |                      | 30<br>COUNCIL                            |                             |                                          |                           | 29<br>COMMUNITIES<br>PDG                 |                                 |                                          |                         |

Agenda item 11

## REPORT TO COUNCIL

**REPORT OF: Democracy Service Manager**

**REPORT NO. DEM012**

**DATE: 17<sup>th</sup> April 2008**

|                                                            |                                                                                                                                       |                                                          |
|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>TITLE:</b>                                              | Annual Appointments to Outside Regional Bodies                                                                                        |                                                          |
| <b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b> | Councillor Ray Auger, Portfolio Access & Engagement                                                                                   |                                                          |
| <b>CORPORATE PRIORITY:</b>                                 | Access and democratic representation                                                                                                  |                                                          |
| <b>CRIME AND DISORDER IMPLICATIONS:</b>                    | None                                                                                                                                  |                                                          |
| <b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>            | This report is publicly available on the Council's website via the Local democracy link                                               |                                                          |
| <b>INITIAL EQUALITY IMPACT ASSESSMENT</b>                  | <b>Carried out and appended to report?</b><br><br><b>Not Applicable</b>                                                               | <b>Full impact assessment required?</b><br><br><b>No</b> |
| <b>BACKGROUND PAPERS:</b>                                  | Democracy Services file containing correspondence to outside bodies and responses received in relation to those seeking appointments. |                                                          |

### 1. INTRODUCTION

This report concerns annual appointments (from 1<sup>st</sup> May) for District Council representation on Local Government East Midlands, the East Midlands Regional Assembly, and the Local Government Association (General Assembly and Rural Commission).

## **2. RECOMMENDATION**

**That the Council invites nominations for representatives at the meeting and:**

- (1) appoints one member to represent the Council on Local Government East Midlands;**
- (2) appoints one member to represent the Council on the East Midlands Regional Assembly;**
- (3) appoints one member to represent the Council on the Local Government Association General Assembly;**
- (4) appoints two members to represent the Council on the Local Government Association Rural Commission, designating which member shall hold the authority's voting rights on this body.**

## **3. DETAILS OF REPORT**

Formal nominations are sought to represent the district council on the following regional bodies. The previous year's representatives are shown in italics.

|                                                    |                                                                            |
|----------------------------------------------------|----------------------------------------------------------------------------|
| (1) Local Government East Midlands                 | - <i>The Leader (Councillor Mrs Linda Neal)</i>                            |
| (2) East Midlands Regional Assembly                | - <i>The Leader (Councillor Mrs Linda Neal)</i>                            |
| (3) Local Government Association: General Assembly | - <i>The Leader or Deputy Leader in his/her absence</i>                    |
| (4) Local Government Association: Rural Commission | - <i>Healthy Environment Portfolio Holder and Councillor Martin-Mayhew</i> |

\*The portfolio holder to hold the voting rights

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

Reimbursement of travel expenses will be in accordance with the Council's members' remuneration scheme and are budgeted for within Democratic Representation service budget.

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

Any appointment to such bodies must be registered by the members appointed as a registerable interest. In accordance with the new members code of conduct, such interests need only be declared as personal interests at this authorities meetings if a matter relating to the outside body is to be discussed at the meeting, the interest is not prejudicial and the member appointed does not intend to speak on the issue.

## **7. CONTACT OFFICER**

Lena Shuttlewood – Democracy Service Manager  
Tel: 01476 406119 e-mail: l.shuttlewood@southkesteven.gov.uk

## REPORT TO COUNCIL

**REPORT OF:** Chief Executive

**REPORT NO.:** CEX396

**DATE:** 17 April 2008

|                                                            |                                                                                                                                                       |                                  |               |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|---------------|
| <b>TITLE:</b>                                              | Code of Corporate Governance and Draft Annual Statement                                                                                               |                                  |               |
| <b>COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:</b> | Corporate Governance, Councillor Linda Neal, Leader of the Council                                                                                    |                                  |               |
| <b>CORPORATE PRIORITY:</b>                                 | All                                                                                                                                                   |                                  |               |
| <b>CRIME AND DISORDER IMPLICATIONS:</b>                    | None                                                                                                                                                  |                                  |               |
| <b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>            | This report is available via the local democracy link on the council's website <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a> |                                  |               |
| <b>INITIAL EQUALITY IMPACT ASSESSMENT</b>                  | Carried out and appended to report?<br><br><b>Not Applicable</b>                                                                                      | Full impact assessment required? | <b>Yes/No</b> |
| <b>BACKGROUND PAPERS:</b>                                  | Report CEX389 to Governance and Audit Committee                                                                                                       |                                  |               |

### 1. INTRODUCTION

Under the new Audit Regulations the Leader and myself are required to sign an annual governance statement which is then approved by the Governance and Audit Committee under delegated powers. There is a very tight timescale for this as the signing of this statement is an intrinsic part of the closing of the accounts.

As part of these new arrangements Local Authorities are encouraged to prepare and maintain a local code of corporate governance. The Audit and Governance Committee have prepared such a code and consulted the public on it.

The purpose of this report is to formally adopt the local code of governance and to seek views from the Council on the draft content of the annual statement. Unfortunately it is not possible to present the full annual statement as it cannot be finalised until the accounts for 2007/08 are ready to be presented to the Governance and Audit Committee.

## **2. RECOMMENDATIONS**

- a) That the Council approve the local code of governance as enclosed as Appendix A to this report.
- b) That the Council notes, and makes any recommendations on, the content of the draft Annual Governance statement enclosed as Appendix B.

## **3. DETAILS OF REPORT**

### **The Code of Governance (Appendix A)**

In preparing the Draft Code, cognisance of the CIPFA/SOLACE framework has been taken, which has been developed as a result of the Langlands Commission 2004.

The framework sets out 6 principles of Corporate Governance which have been reflected within our draft Code however I have adopted the specific commitments under each principle to reflect the circumstances of the Council.

The contents of this code are largely self-explanatory. It has been subject to public consultation via the Council's web-site.

Compliance with the code will be monitored by the Governance and Audit Committee through the preparation of an action plan. The code will be an evolving document and changes can be made to reflect new governance concerns.

### **The annual statement (Appendix B)**

The annual statement replaces the previous responsibility to prepare a statement of internal control. A considerable proportion of the content is prescribed and explains the arrangements within the Council for the discharge of our Corporate responsibilities. The remaining parts of the statements are a judgement endorsed by the Leader and myself identifying the significant governance issues facing the Council. In view of the nature of this statutory responsibility it seemed appropriate to bring the draft statement to Council for their comments.

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

Governance arrangements are vitally important to all tax payers and residents. Good governance is important to all involved in local government. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for residents and service users.

I have been consulted throughout the process of preparing our action plan and Code of Governance and believe that they will provide a framework to promote the principles of good governance. The Audit and Governance Committee, being

those charged with Governance, will need to review the Council's progress against the delivery of the action plan on an ongoing basis and report any material issues to Council

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

The Monitoring Officer has been consulted throughout the process of producing the action plan and code. Such a code is essential to ensure the principles of good governance are recognised and followed.

Comprehensive Performance Assessment will require the promotion and maintenance of high ethical standards. The introduction of the Code of Corporate Governance will assist with that.

The draft Code has been developed in accordance with guidance issued by CIPFA and SOLACE on the delivery of good governance in Local Government.

## **6. CONCLUSION/SUMMARY**

The Code is now presented to Council for approval and the statement for consultation.

## **7. CONTACT OFFICER**

Duncan Kerr  
Chief Executive

# **South Kesteven District Council**

## **Draft Local Code of Governance 2008**

“Ensuring we are doing the right things in the right way, for the right people, in an open, honest inclusive and timely manner”

## **Contents**

Introduction

Principle 1 – Vision, forward planning and performance

Principle 2 – Members’ and officers’ roles and responsibilities

Principle 3 – Standards of conduct

Principle 4 – Scrutiny and risk management

Principle 5 – Developing capacity

Principle 6 – Engaging with local people and stakeholders

### **Local Code of Governance**

#### **Introduction**

Welcome to the first edition of our Local Code of Governance.

The Local Code of Governance has been developed from a framework document produced by The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), but the content is very much our own. The six sections of the code define how we comply with the six principles of good governance laid down by the independent commission on good governance in public services. These are:

## Appendix A

- vision, forward planning and performance
- members' and officers' roles and responsibilities
- standards of conduct
- scrutiny and risk management
- developing capacity
- engaging with local people and stakeholders

### **What is Governance?**

Sometimes there can appear to be an air of mystique about the subject of governance which can hinder improvement. To avoid this it helps to be clear about the definition of the term, so we all know what we are talking about. South Kesteven defines governance as

**“Ensuring we are doing the right things in the right way, for the right people, in an open, honest inclusive and timely manner”**

### **How important is it?**

South Kesteven recognises that all democratic and public governance relies on high standards of probity. When conduct and behaviour are corrupt or improper it erodes confidence in the democratic system. The UK has a strong reputation for high standards in public life, however citizen expectations are always increasing and it is important for the future well-being of local government and democracy that these standards are not only maintained, but improved, in the future.

### **How does it work in practice?**

South Kesteven District Council, like every other local authority, operates through a governance framework which brings together an underlying set of legislative requirements, governance principles and management processes. Over the last few years, we have put considerable effort into codifying principles and processes. Perhaps the clearest manifestation of this is our constitution, published for the first time in May 2002 and reviewed regularly thereafter. No less effort has gone into the development of protocols for our internal procedures, recently the financial regulations have been revised and a new code of members conduct introduced.

The Local Code of Governance brings all these practices together into one document and makes them open and explicit. It identifies areas where further action is required to meet changing circumstances (for example the introduction of the Local Government and Public Involvement in Health Act) and/or to ensure that we are following best practice in all aspects of governance.

The code will be reviewed annually and will support the Annual Governance Statement that we are required to approve from April 2008.

## Appendix A

We can not achieve our aim of providing brilliant services to our residents without the bedrock of sound governance and the commitment of members and officers to maintaining those standards. We hope that, by making explicit the underlying principles and processes, the code will assist members and officers to sustain high standards in the future.

### **The council commits itself to the following principles:**

**Principle 1** - Focusing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

Leadership is exercised by clearly communicating the authority's purpose and vision and its intended outcomes for citizens and service users. We ensure that users receive a high quality of service whether directly, or in partnership or by commissioning. We also ensure that we make the best use of resources and that taxpayers and service users receive excellent value for money.

In pursuance of this principle we will ensure:

1. Both priorities and non-priorities are clear, evidenced-based, robust and understood by all staff and partners
2. All of our priorities are accompanied by a plan setting out the key outcomes
3. Priorities align with, and contribute to, the Sustainable Community Strategy and the Lincolnshire Local Area Agreement
4. The allocation of resources is driven by the priorities
5. Our residents are involved in the setting of the priorities, and informed of the targets and progress being made through an annual report
6. Our priorities are subject to an annual outcome review and refreshed
7. The contribution all services can make to our priorities is regularly reviewed through the preparation of service plans
8. When working in partnership there is a common vision underpinning the work of the partnership that is understood and agreed by all partners

**Principle 2** – Members and officers working together to achieve a common purpose with clearly defined functions and roles

## Appendix A

Effective leadership requires clarity regarding the roles of executive and non-executive members and respect and recognition for the scrutiny function. In addition to this constructive working relationship between members and staff, mutual respect for each of these respective roles is vital. Finally we need to ensure that residents understand our role and the levels of service they can expect. This is particularly important where the district council operates alongside the county as well as parish and town councils.

In pursuance of this principle we will ensure:

1. Roles and responsibilities are defined in the constitution which is kept under regular review
2. Responsibilities delegated to particular members of the executive (such as portfolio-holders) are explained, in an appropriate way, to residents
3. Decisions taken by officers under powers delegated to them are properly recorded
4. Proper levels of resources are provided to equip the scrutiny function to perform effectively
5. Time and resources are invested to help staff and members develop their respect and mutual understanding of the different roles that they perform as part of "Team South Kesteven"
6. Customers are regularly asked for their views and, where valuable, these are translated into clear service standards
7. When working in partnership there is clarity about the legal status of the partnership, the roles and responsibilities of the partners and the extent of the authority to bind their organisation to partner decisions
8. Appropriate provision is made for the appointment of, and discharge of legal duties by, officers who hold statutory appointments (i.e. the chief executive, section 151 officer and monitoring officer)
9. Officers and members respect each others roles, establish and maintain clear boundaries, and do not exert any improper influence

**Principle 3 – Promoting our values and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

## **Appendix A**

High standards of conduct and effective governance can only be achieved if those who hold public office have the highest standards of behaviour and encourage others to do so by providing leadership by visibly embodying our core values of listening, learning and delivering.

In pursuance of this principle we will ensure:

1. Appropriate core values are developed and communicated in such a way that both staff and members understand what they mean and support them
2. Clear and robust codes of conduct for members are developed and reviewed
3. Staff appraisals take into account our core values
4. Staff and members in positions of responsibility are encouraged to consider the consequences of their behaviour through techniques such as 360 degree appraisals
5. Our people strategy makes these behaviours explicit
6. The Standards Committee is properly resourced and effectively administered
7. Appropriate advice on conflicts of interests is provided by the monitoring officer
8. Members are not appointed to committees, or to hold office, if they do not fully accept or agree with any functions or restrictions with that particular role
9. Organisational culture is regularly monitored through the staff survey and an action plan is prepared to highlight the findings

## Appendix A

### **Principle 4** – Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Informed decision-making is a fundamental part of good corporate governance. It requires councils to be both rigorous in their examination of options but also open to consider representation and views from all sectors of the community and policy development groups. Complementing this we need to have robust knowledge of the community needs and the quality of the services we are providing or commissioning. Finally we have to robustly manage the risks associated with these activities and ensure that we use (but do not exceed) the legal powers available.

In pursuance of this principle we will ensure:

- 1 Proper resources are provided for an effective scrutiny function both for the council itself and the wider community
- 2 Decision-making reports include advice from all statutory officers and explain the background in an open and transparent way
- 3 We conduct as much business as possible in the public domain (subject to the constraints of the Local Government Act)
- 4 We develop and maintain effective audit, standards and governance and audit committees, which are independent of the executive and scrutiny function
- 5 Reports to decision-making bodies comply with the standards template and include a formal justification for the proposed action to be taken, including explanations of technical matters together with an unambiguous recommendation
- 6 A corporate risk register is maintained and regularly reviewed
- 7 An appropriate methodology is maintained for the management of major council projects
- 8 We adopt a pro-active approach to the use of legal provisions to protect, or improve services to our residents

## Appendix A

### **Principle 5 -** Developing the capacity and capability of members and officers to be effective

Ensuring that members and officers have the necessary skills to operate a multi-million pound organisation that provides a multitude of different services, often to highly dependent residents, and in addition govern the district by preparing it to meet the challenges of the future, is one of the most important aspects of governance. Setting and monitoring performance is one way of rising to this challenge.

In pursuance of this principle we will ensure:

1. Our People Strategy commits us to developing a learning organisation and a culture of continuous improvement
2. Job roles are developed for all member appointed posts
3. A formal, mandatory, training programme is provided for all members appointed to designated committees
4. Every councillor is given the opportunity to have an individual development interview to help them complete a personal development plan (PDP)
5. All staff have an annual performance development review
6. All managers are assessed annually using a thorough competency scheme
7. Development needs of the statutory officers are reviewed annually in their PDRs (personal development reviews)
8. We participate actively in leadership development and similar programmes
9. The cabinet, and all other committees, review their own performance on an annual basis

### **Principle 6 -** Engaging with local people and other stakeholders to ensure robust local public accountability

Public authorities not only have to do things in the right way, but have to face the additional challenge of being seen to do things in the right way. This requires full engagement with local people through a process which is planned and resourced in a way that is fair. We are a “people” business providing services to people by people. People are our most important, and our most expensive asset, so a planned approach to their development is required.

## **Appendix A**

In pursuance of this principle we will ensure:

1. Proper investment is made in communications so that residents can understand clearly the functions and performance of the council
2. We work with other public sector partners to help residents understand our respective responsibilities and what we aim to achieve by working in partnership
3. We engage in consultation in a meaningful way and through mechanisms which seek to capture the views of all residents
4. We regularly monitor staff morale and initiate appropriate actions
5. We produce an annual report on all scrutiny activities
6. We seek to improve against the Equality Standard for Local Government

**South Kesteven District Council**  
**Draft Statement on Corporate Governance 2008**

Scope of responsibility

The authority is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

The authority has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website. This statement explains how the authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment)(England) Regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the authority's policies, aims and objectives, to evaluate the likelihood of those risks being realised, the

## Appendix B

impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the authority for the year ended 31 March 2008 and up to the date of approval of the annual report and statement of accounts.

### Arrangements for Identifying and Communicating the Council's vision, core values and intended outcomes.

The Council's vision is to provide brilliant services to our customers. This vision along with our core values of listening, learning and delivering, and both our priorities and non-priorities are fully explained in the Council's Corporate Plan for 2008 to 2011. These are informed by the results of an annual survey conducted by the Council to ascertain the views and priorities of residents.

### Reviewing the vision and its implications for governance arrangements

The vision, core values and priorities are reviewed annually by Cabinet and then full Council. The last review occurred on the 6<sup>th</sup> September 2007. Each priority is supported by a plan which is approved along with the budget. Progress against these priorities is assessed monthly by both the Cabinet and the Management Board.

Annually, progress on all priorities is subject to a comprehensive gateway review which also involves some of the members of the Council's Policy Development Groups and Scrutiny Committee

### Measuring the quality of services for users, ensuring they are delivered in accordance with our objectives and represents best value for money

Following consultation with users the Council specifies service standards for those aspects of service delivery which are most influential on customer satisfaction levels.

In the preparation of their service plans, managers are required to measure the value for money provided by their service and to set-out measures for improving it in the future. This has enabled the council to realise efficiency savings of over £700,000 this year.

## Appendix B

### Defining and Documenting the roles and responsibilities of members and officers.

The Council's Constitution defines the responsibilities of the members and officers involved in building and maintaining high standards of governance. During the year these have been clearly communicated to both members and officers through training and development sessions and through the production of a management guide.

### Developing, Communicating and Embedding codes of conduct and defining standards of behaviour for members and staff

The Council has adopted codes of conduct for both members and staff and these are detailed within the Council's Constitution. Compliance with the member's Code of Conduct is monitored by the Standards Committee.

During the year the Council prepared, and has consulted its residents on a Local Code of Governance. This is based on the CIPFA/Solace framework and is now included within the governance statement. It will be reviewed annually by the Governance and Audit Committee.

Training on both this local code, and on the codes of conduct as well as governance issues generally, has been provided to all service managers during the year. Knowledge of these issues is formally assessed by the Manager Competency and Development scheme which applies to all Service Managers.

### Reviewing and Updating Standing Orders and delegation scheme.

The Council's standing orders and financial regulations were thoroughly reviewed and updated in 2006/7 and have been monitored by the Section 151 officer during the current year. The procedures for making delegated decisions are detailed within the Council's constitution. The preparation of procedures and controls to record all decisions taken in accordance with the provisions in the constitution has been recognised within the corporate governance action plan as an area for improvement during 2007/8.

### Undertaking the core functions of an Audit Committee.

During 2007/8 the council established and has revised the remit for the Corporate Governance and Audit Committee to ensure that it complies fully with the advice provided by CIPFA.

## Appendix B

### Ensuring Compliance with laws and regulations, and internal policies and procedures and that expenditure is lawful.

Following risks identified as a result of our corporate governance procedures, formal agenda meetings chaired by the Chief Executive and involving all statutory officers, have been introduced to ensure that all reports going to decision-making Committees have been properly scrutinised for all governance issues including not only legal and financial compliance but also compliance with internal policies such as the completion, where required, of equality impact assessments.

### Whistle-blowing and Investigating complaints from the public.

The Council's whistle-blowing policies and complaints from the public regarding governance matters are formally considered at a monthly Corporate Governance meeting again chaired by the Chief Executive.

### Identifying the development needs of members and senior officers and providing appropriate training.

The council has shown clear leadership on this issue by requiring all members of its Committees to attend training courses which deal with corporate governance as well as other corporate issues. The training needs of all staff are formally assessed through their Performance Appraisals and additionally, for service managers, through the Council's own Competence and Development Scheme.

### Establishing Clear Channels of Communication with all sections of the community and stakeholders and encouraging open consultation.

The Council has established a clear framework for consulting its communities through our six local forums. During the year these meetings have been supplemented by specific consultation events on key issues such as the Grantham growth bid and key issues in the preparation of the Local Development Framework.

These arrangements will be reviewed in 2008 as part of our preparation for the implementation of the duty to consult.

The Council's newspaper "SK today" is the principal method for communicating with the authority's 130,000 residents on the roles and responsibilities of the Council.

## Appendix B

### Incorporating good governance arrangements in respect to partnerships

The Council has participated in a number of partnerships aimed at improving the services we provide to the community.

When drawing together different partners with varying organisational cultures and methodologies for handling governance issues, it is important that clear protocols are established at an early stage to minimise and manage risk. This is a priority that has been identified with the Corporate Governance action plan.

#### Level of Assurance

This cannot be undertaken until I have received the annual internal audit report, external audit letter, material issues that arise during the close down of the accounts, final quarterly assurance statement from managers for 7/8, end of year letter from the ombudsman and end of year performance data.

#### Review of effectiveness

The authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

#### Significant governance issues

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed ..... ....

Chief Executive

Leader of the Council

## REPORT TO COUNCIL

REPORT OF: RETURNING OFFICER

REPORT NO. DEM013

DATE: 17<sup>th</sup> April 2008

|                                                                  |                                                                                                                     |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>TITLE:</b>                                                    | <b>Electoral Administration Act 2006:<br/>Review of Polling Districts, Polling Places, and<br/>Polling Stations</b> |
| <b>FORWARD<br/>PLAN ITEM:</b>                                    | Yes                                                                                                                 |
| <b>DATE WHEN<br/>FIRST<br/>APPEARED IN<br/>FORWARD<br/>PLAN:</b> | 1 <sup>st</sup> November 2007 to 29 <sup>th</sup> February 2008                                                     |
| <b>KEY DECISION<br/>OR POLICY<br/>FRAMEWORK<br/>PROPOSAL:</b>    | N/A – Legislative requirement for Council decision                                                                  |

|                                                                            |                                                                                                                                                                     |                                                 |
|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| <b>COUNCIL<br/>AIMS/PORTFOLIO<br/>HOLDER NAME<br/>AND<br/>DESIGNATION:</b> | Access & Engagement Portfolio Holder: Councillor Ray Auger                                                                                                          |                                                 |
| <b>CORPORATE<br/>PRIORITY:</b>                                             | Category M: Statutory requirement                                                                                                                                   |                                                 |
| <b>CRIME AND<br/>DISORDER<br/>IMPLICATIONS:</b>                            | Minor                                                                                                                                                               |                                                 |
| <b>FREEDOM OF<br/>INFORMATION<br/>ACT<br/>IMPLICATIONS:</b>                | Unless exempt, this report is a public document and available from the Council's website:<br><a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a> |                                                 |
| <b>INITIAL IMPACT<br/>ASSESSMENT</b>                                       | <b>Carried out and appended<br/>to the report: Yes, to<br/>previous report DEM010</b>                                                                               | <b>Full impact assessment<br/>required: Yes</b> |
| <b>BACKGROUND<br/>PAPERS:</b>                                              | Electoral Commission circular on guidance for conducting the review; report DEM010 to Council on 03.03.08                                                           |                                                 |

## **1. INTRODUCTION**

At the last meeting of the Council on 3<sup>rd</sup> March 2008, members considered a report prepared by the Returning Officer about new legislative requirements under the Electoral Administration Act 2006 that requires each local authority to undertake a complete review of all polling districts, polling places and polling stations within their area. The report included details of the final proposals for the new polling districts, polling places and polling stations within the urban wards for approval by the Council.

The Council resolved:

- (1) *That the proposals for the new polling districts and polling places as appended to report DEM10 be approved, taking into account all representations made;*
- (2) *That the Council authorises the publication of the final proposals as required by legislation prior to re-publication of the current electoral register on 1 May 2008; and*
- (3) *That the information in report DEM10 be referred to the Engagement Policy Development Group as part of the ongoing review of polling districts and polling places.*

## **2. RECOMMENDATIONS**

**The Council is recommended to**

- (1) approve the amended proposals for the polling districts and polling stations for the Harrowby ward in Grantham;**
- (2) authorise the publication of the final proposals as required by the legislation;**
- (3) approve the incorporation of these changes as part of the annual publication of the electoral register on 1<sup>st</sup> December 2008, having regard to the time and resources required in order to implement the work.**

## **3. DETAILS OF REPORT**

3.1 During debate at the last Council meeting, a number of issues were raised by some ward representatives on proposals to change or amalgamate some polling stations and access for disabled voters. Concerns were also raised that polling districts should take account of additional residential development. The Electoral Services Officer advised that there was a statutory obligation on the Returning Officer continually to keep polling districts and polling stations under review.

3.2 The Council agreed the proposals as presented with the caveat that the Engagement PDG give consideration to the issues raised as part of the ongoing review of polling districts and polling places. As there was a scheduled meeting of the Engagement PDG on 27<sup>th</sup> March, it was opportune to refer the issues raised at Council to that meeting. Members of the PDG considered specific issues relating to the Greyfriars ward and Harrowby ward in Grantham and disabled access to the polling station located at the Essex Road GOPD scheme in Stamford taking into account representations made by ward members and the advice of the Electoral Services Officer. The resultant recommendation from the PDG was to propose changes to the Harrowby ward to provide for four polling districts instead of three and to reinstate use of the Belton Lane school as a polling station (see attached appendix).

3.3 The implementation of the outcome of the review has been deferred pending referral back to the Council. Subject to approval of changes to the Harrowby ward, the implementation work to integrate the changes within the electoral software and GIS systems can proceed. Given that this will now take some six to eight weeks to implement and having regard to there being no major elections this year, the Returning Officer recommends that the register is not now re-published but that the changes will be effective for the autumn 2008 canvass and the annual publication of the register on 1<sup>st</sup> December 2008.

#### **4. COMMENTS OF CORPORATE HEAD OF FINANCE AND RESOURCES (SECTION 151 OFFICER)**

(As supplied with report DEM010):

The Service Manager has confirmed that the proposals can be contained within existing budget provision and are likely to result in £2,000 savings compared to previous arrangements.

#### **5. COMMENTS OF THE LEGAL SERVICES MANAGER (MONITORING OFFICER)**

(As supplied with report DEM010):

This review was essential to rationalise the allocation of polling places throughout the district and the polling districts in urban areas. The legislation does not allow for review of polling districts for rural areas. These districts must remain the same as the parish boundaries.

The last review was carried out in 1997. Since that time polling places have been added without consideration of existing places and polling districts in urban areas have increased substantially in size.

This work has been undertaken as a statutory requirement. It has involved considerable staff time to complete to this stage and the use of temporary staff has been necessary to enable the operation of the normal statutory service to continue.

Further work will be necessary after the recommendations have been agreed to allow the integration of these proposals within the software system ready for re-publication of the electoral register.

## **6. CONTACT OFFICERS**

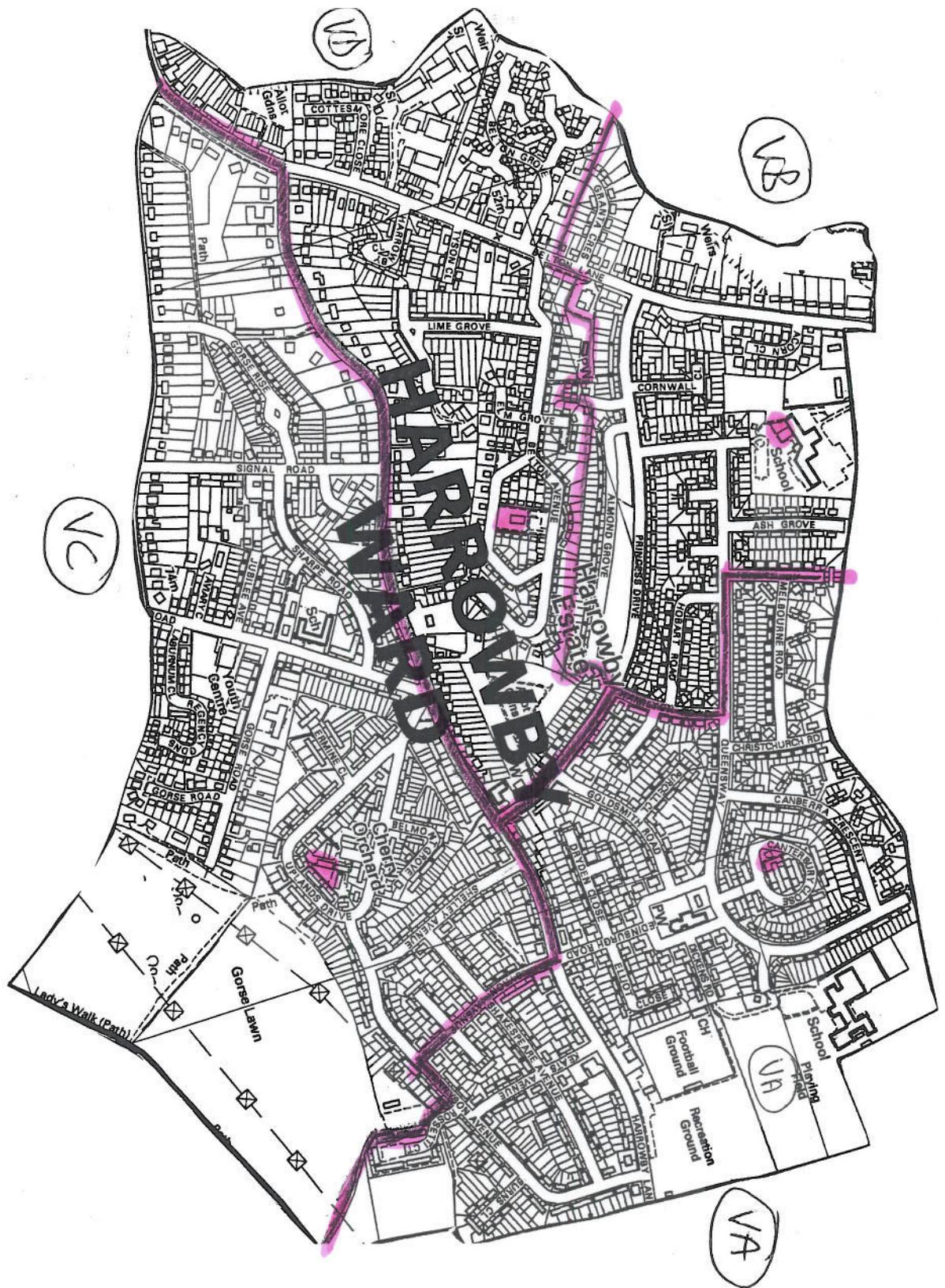
**Lena Shuttlewood**  
**Democracy Service Manager**  
**01476 406119**  
**e-mail: [l.shuttlewood@southkesteven.gov.uk](mailto:l.shuttlewood@southkesteven.gov.uk)**

**Sue Gibson**  
**Electoral Services Officer**  
**01476 406125**  
**e-mail: [s.gibson@southkesteven.gov.uk](mailto:s.gibson@southkesteven.gov.uk)**

## GRANTHAM – HARROWBY WARD

| Ward/ Polling District | Polling Place                                               | Electorate | Voters in person | Proposed arrangements                                                                                                                                                                                               |
|------------------------|-------------------------------------------------------------|------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VCI PART<br>VE1        | Communal Room<br>Canterbury Close<br>Grantham               | 1541       | 1420             | Polling district to be called VA.                                                                                                                                                                                   |
| VA1<br>VD1             | Communal Room<br>Belton Avenue<br>Grantham                  | 1644       | 1400             | Existing polling districts VD and VA (part) to be called VB and VD.<br>Polling Stations to be at Belton Lane School (VB) and Communal Room, Belton Avenue (VD). Central location provided in each polling district. |
| VB1<br>VC1 PART<br>VF1 | Communal Room<br>Central Place<br>Uplands Drive<br>Grantham | 1300       | 1080             | Polling District to be called VC                                                                                                                                                                                    |

The reorganization will allow for Harrowby Ward electors to vote within the ward.



## REPORT TO COUNCIL

REPORT OF: Cllr Ray Auger  
Portfolio Holder Access and Engagement

REPORT NO.: POI 15

DATE: 17<sup>th</sup> April 2008

|                                                   |                                                        |
|---------------------------------------------------|--------------------------------------------------------|
| <b>TITLE:</b>                                     | Designated Public Place orders (Alcohol Control Zones) |
| <b>FORWARD PLAN ITEM:</b>                         | Alcohol Control Zones                                  |
| <b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>  | 1 October 07 to 31 January 08                          |
| <b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b> | Key Decision                                           |

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:</b> | Cllr Ray Auger:<br>Access and Engagement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>CORPORATE PRIORITY:</b>                                  | B: Local Neighbourhoods                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>CRIME AND DISORDER IMPLICATIONS:</b>                     | Section 17 of the Crime and Disorder Act 1998 as amended by the Police and Justice Act 2006 requires responsible authorities to consider crime and disorder ( including anti social behaviour and other behaviour adversely affecting the local environment); and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision making. This means that in all policies, strategies and service delivery there is a need to consider the likely impact upon crime and disorder. |

|                                                 |                                                                                                                                                                                                                   |                                                           |
|-------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|
|                                                 | Yes- As detailed in the report this proposed initiative will offer new powers to the Police enabling them to confiscate alcohol from individuals should a Police Officer or accredited PCSO consider it necessary |                                                           |
| <b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b> | This report is publicly available via the Local Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>                                                   |                                                           |
| <b>INITIAL EQUALITY IMPACT ASSESSMENT</b>       | <b>Carried out and appended to report?</b><br><br>Yes                                                                                                                                                             | <b>Full impact assessment required?</b><br><br><b>YES</b> |
| <b>BACKGROUND PAPERS:</b>                       | Non Key Decision Report 24 <sup>th</sup> Dec 2007 Number POI 9<br>Report to Communities PDG 6 <sup>th</sup> March 2008 POI 11<br>Report to Cabinet 7 <sup>th</sup> April 2008 POI 16                              |                                                           |

## 1. INTRODUCTION

A non key decision to carry out formal consultation to establish a number of Designated Public Place Orders (DPPO's) covering the main towns of South Kesteven was made in December 2007. This report sets out the results of this exercise and how such orders will be enforced by the Police. Full Council are asked to consider adopting these Designated Public Place Orders.

Letters of support for the introduction of DPPO's within South Kesteven have been received from the Assistant Chief Constable, Lincolnshire Police and the Divisional Commander, South Division, Lincolnshire Police.

### Formal Consultation

The Council is required to demonstrate a thorough consultation process and this has been achieved using the local media, SKDC website and SK today as well as directly consulting with over 500 statutory consultees.

As part of the consultation 513 letters were sent out to the groups as below. So far over 100 responses have been received and nearly all (96%) have been in favour of the DPPO. The results of this consultation

demonstrated overwhelming support for the implementation of a designated public place order.

Elected members of wards covered by the proposed scheme  
Statutory Partners  
Licensees  
Parish/Town Councils  
Schools  
Licensing service

In the latest residents' survey (November 2007) 90% stated they supported moves for the council to control the consumption of alcohol in public places. A year earlier (2006/07 Best Value User Satisfaction Survey) 30% of residents thought that people being drunk or rowdy in public places was a very or fairly big problem in their local area.

There has also been correspondence from the local Police beat teams, Community groups and local forums pledging their support in this matter.

The introduction of such a scheme has also been discussed at the South Lincolnshire Community Safety Partnership Strategic Board meeting and at a meeting of the South Kesteven Local Strategic Partnership Executive Board, with full support from both partnership groups.

## **Legislation**

The Criminal Justice and Police Act 2001 allows full council, on behalf of the Local Authority, to introduce Designated Public Place Orders (DPPO's) to specified geographical areas that have known problems with anti-social drinking, nuisance and crime and disorder.

Within a DPPO it is an offence to drink alcohol after being requested by a Police Officer or any other accredited person (e.g. Police community Support Officer) not to do so. The police have the power to require the surrender of opened alcohol containers, those who fail to comply with the confiscation will be liable to arrest.

The legislation governing alcohol confiscation is frequently confused with blanket bans on drinking alcohol in public places. It must be emphasised that the powers that the DPPO provide do not equate to a blanket ban. The intention of this legislation is to reduce the incidence of disorder and public nuisance arising from alcohol consumption in public places.

This legislation does not affect the powers or responsibilities for police and/or accredited officers to seize and retain alcohol from young persons under the age of 18. These powers are given in the Confiscation of Alcohol (young persons) Act 1997.

The DPPO also does not affect the right of licensed premises to place table and chairs outside the premises and allow consumption within a designated area, provided that the premises are properly licensed by the local authority.

## **2. RECOMMENDATION**

**It is recommended that the Council consider the information contained within this report, including the recommendation from the Cabinet and agree to adopt the Designated Public Place Orders as set out in annexe A.**

## **3. DETAILS OF REPORT**

### **Background information**

#### **Purpose**

The objective of the enforcement of the DPPO is to reduce the incidence of disorder, anti- social behaviour and public nuisance arising from alcohol consumption in public places. The powers available to a Police Officer, PCSO and other authorised persons can be used at their discretion. It is totally acceptable for groups of people to congregate on public places. Many people often enjoy meeting friends and family in public places, such as parks, outside public buildings, and both inside and outside shopping parades and arcades. Providing they do so within the law and without causing fear, alarm and distress to others there is no reason to assume that confiscation should be automatic. It is important not to alienate the public and for example, it would be inappropriate to challenge individuals having a quiet picnic with a glass of wine or a can of beer in one of the Districts open spaces. There are now over 400 DPPO schemes being used throughout the country, with Boston Borough Council being the closest DPPO area to South Kesteven. The Boston scheme has been operating since December of last year and has proved to be a valuable tool for the Police and PCSO's who patrol the area.

## **Need**

Incidents of alcohol related disorder supplied by Lincolnshire Police and supporting anecdotal evidence obtained from the relevant community police teams strongly suggest that the implementation of a DPPO in the areas as identified (attached at annex A) would reduce these incidents, improve the quality of life for the residents of and visitors to our district and also increase confidence in both the Police and District Council.

Consultation with the police has identified central hot spot clusters in the centres of Bourne, the Deepings, Grantham and Stamford as areas suffering from alcohol related crime and disorder. This is supported by incident statistics supplied by Lincolnshire Police and has supporting anecdotal evidence from the community beat teams and the community safety manager at South Kesteven District Council.

### Alcohol-related Police Incidents, Bourne, the Deepings, Grantham and Stamford for the period October 2006- September 2007

#### Method

All police incidents for the period 1<sup>st</sup> October 2006 to 30<sup>th</sup> September 2007 were extracted from the Police incident recording system. Those incidents that had been given 'alcohol-related' qualifiers were then extracted and are shown in the table below.

|              |      |
|--------------|------|
| Bourne       | 91   |
| The Deepings | 79   |
| Grantham     | 622  |
| Stamford     | 228  |
| Total        | 1020 |

#### Note on Statistics

According to the National Standards for Incident Recording (NSIR), 'alcohol-related' qualifiers must be used "when the incident contains any reference to the behaviour or well being of any person being affected by the consumption of alcohol". Thus these figures do not simply represent incidents where alcohol has been consumed in public places- but can include, for instance, alcohol-fuelled assaults that have occurred on the street, but which are a result of alcohol consumption in a private dwelling. These figures will also exclude incidents of alcohol related anti-social behaviour that has not been reported to the police. Therefore they should be used as a guide only and are not necessarily a

representation of the true number of incidents reported to the police where alcohol has been consumed in a public place.

The Local Strategic Partnership has identified alcohol and the harm caused by excessive consumption (both health and anti-social behaviour) as a key priority to address.

It was agreed however, after further police consultation and in the light of the experiences of many other councils (who had established tightly drawn DPPO areas purely based on disorder statistics) and then observed the disorder being displaced to areas outside the DPPO boundaries to widen the proposed South Kesteven DPPO areas.

This approach has been successfully adopted by other councils such as Ipswich Borough Council, Portsmouth City Council and Brighton and Hove District Council.

The Cabinet considered this proposal on the 7<sup>th</sup> April 2008 and agreed;

**DECISION:**

- 1. The Cabinet approves the amended proposed Designated Public Place Order boundaries to include the residential development on the former hospital site (East of the A15) in Bourne and also to include the whole of Belton Park and Belton Village in Grantham.**
  
- 2. The Cabinet endorses this proposal and recommends to Council the adoption of the proposed Designated Public Place Orders as per the up dated plans circulated at the meeting which include those amendments in 1. above (see attached annex A)**

**Enforcement**

The designation order will mean that if a person continues to drink in public when asked not to do so by a police officer or a police community support officer they may be arrested and fined £500 if convicted. The police can also arrest someone failing to surrender alcohol in the area when asked to do so.

## **Financial Considerations**

A successful funding bid was submitted to the Lincolnshire Safer and Stronger Communities Board to access £9000 from the Safer and Stronger Communities fund in December of 2007. This funding will pay for the full implementation of the scheme including, consultation, publicity, signage and installation. There are not expected to be any significant revenue costs associated with the scheme.

## **Performance Monitoring**

A 6-month and thereafter yearly review of the performance and effectiveness of the Order should be made. The South Lincolnshire Community Safety Partnership will be asked to manage this review on behalf of the Council. It is anticipated that the cost of monitoring and evaluation of the Orders will be borne within the operational structure and budgets of the South Lincolnshire Community Safety Partnership.

## **Predicted Timeline**

Consultation (Phase 2- Notices in Local newspapers) 14<sup>th</sup> March- 28<sup>th</sup> March  
Cabinet 7<sup>th</sup> April  
Full Council 17<sup>th</sup> April (Decision made to implement DPPO's)  
Order activated May 19<sup>th</sup> 2008

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

Smaller areas were originally considered but following discussions with Lincolnshire Police it was decided that this would lead to displacement and be difficult to police. Displacement has been a real issue in other Cities/Districts that have implemented smaller DPPO areas, leading to problems in adjacent areas.

A number of other areas were suggested during the consultation, these areas were given due consideration and their inclusion discussed with representation from Lincolnshire Police. Two areas have subsequently been added to the original area, these being;

**Bourne**- the former hospital site (East of the A15) and;

**Grantham-** to include the whole of Belton Park and Belton village

Revised maps can be found at annex A

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

The report states that the allocation of funding will be sufficient to finance the associated costs with the erection and installation of the signs. However the on-going maintenance costs will be the responsibility of the Council and the appropriate budget provision will need to be located in the service area.

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

The consultation has been carried out in accordance with the Local Authorities (Alcohol Consumption in Designated in Designated Public Places) Regulations 2007. As a result of that consultation, representations have been received which have requested amendment to the area covered by the proposed orders. The provisions of the Police and Criminal Justice Act relating to DPPO's are discretionary. There has been very little adverse comment received to date from the consultation carried out.

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

Environmental Protection Service Manager

The introduction of such areas will provide the police with additional powers that will assist in the promotion of the Licensing objectives, which are the corner stones of the Licensing Act 2003. These are the prevention of crime and disorder, prevention of public nuisance, the promotion of public safety and the protection of children from harm.

## **8. CONCLUSION/SUMMARY**

It is expected that Lincolnshire Police and South Kesteven District Council emphasis a proportional and appropriate enforcement approach based on an assessment of need, viewing the DPPO as an additional tool, among many to target alcohol problems as and when appropriate. The introduction of such areas will reduce crime and disorder, have a positive impact upon those affected by street drinking and its associated

problems and also offer assurance to our residents and visitors that the council takes its responsibilities in relation to crime and disorder seriously.

A designated public place order would be a valuable instrument in a multi-pronged approach to addressing the problems of alcohol-related disorder and anti-social behaviour in the areas as detailed in annex A.

## **9. CONTACT OFFICER**

### **Mark Jones**

Service Manager for Partnerships and Community Safety

Contact tel- 01476 406421

Mob- 07803 796180

E-Mail- [m.jones@southkesteven.gov.uk](mailto:m.jones@southkesteven.gov.uk)

## **INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                |                                                                                 |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------|--|
| Section:<br>Partnerships and Community Safety                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                | Names of those undertaking assessment:<br>Mark Jones Carol Drury Sandy Kavanagh |  |
| Name of Policy/Procedure to be assessed:<br>Designated Public Places Order                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Date of Assessment:<br>19.3.08 | Is this a new or existing policy/procedure?<br>New                              |  |
| <p><b>1. Briefly describe the aims, objectives and purpose of the policy/procedure:</b></p> <p>The objective of the enforcement of the DPPO is to reduce the incidence of disorder, anti- social behaviour and public nuisance arising from alcohol consumption in public places. The powers available to a Police Officer, PCSO and other authorised persons can be used at their discretion. It is totally acceptable for groups of people to congregate on public places. Many people often enjoy meeting friends and family in public places, such as parks, outside public buildings, and both inside and outside shopping parades and arcades. Providing they do so within the law and without causing fear, alarm and distress to others there is no reason to assume that confiscation should be automatic. It is important not to alienate the public and for example, it would be inappropriate to challenge individuals having a quiet picnic with a glass of wine or a can of beer in one of the Districts open spaces. There are now over 400 DPPO schemes being used throughout the country, with Boston Borough Council being the closest DPPO area to South Kesteven. The Boston scheme has been operating since December of last year and has proved to be a valuable tool for the Police and PCSO's who patrol the area.</p> |                                |                                                                                 |  |
| <p><b>2. What are the key performance indicators?</b></p> <p>No specific BVPI's are available for this scheme; however the community safety team in conjunction with the community safety partnership will be closely monitoring incidents of alcohol related crime in order to gauge the effectiveness of this order.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |                                                                                 |  |
| <p><b>3. Who will be affected by this policy/procedure?</b></p> <p>The communities inhabiting, visiting and working within Grantham town, Bourne town, Stamford town and the Deepings.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                |                                                                                 |  |
| <p><b>4. Who is intended to benefit from this policy and in what way?</b></p> <p>As 3</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                |                                                                                 |  |
| <p><b>5. Are there any other organisations involved in the delivery of the service?</b></p> <p>Lincolnshire Police – South Division</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                |                                                                                 |  |
| <p><b>6. What outcomes are required from this policy and for whom?</b></p> <p>The DPPO as an additional tool to be used by the police and other authorised</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                |                                                                                 |  |

officers to target alcohol problems as and when appropriate. The introduction of such areas will reduce crime and disorder, have a positive impact upon those affected by street drinking and its associated problems and also offer assurance to our residents and visitors that we as an Authority take our responsibilities in relation to crime and disorder seriously. Making the district and the communities within it safer.

7. What factors/forces could contribute/dettract from the outcomes?

Active and effective partnership working, proactive approaches to target identified hotspots in order to reduce alcohol related anti-social behaviour and crime and disorder

8. Who are the main stakeholders in relation to the policy/procedure?

SKDC, Lincolnshire Police, South Lincolnshire Community Safety Partnership.

9. Who implements the policy, and who is responsible for the policy/procedure?

SKDC is responsible for the procedure and Lincolnshire Police will be responsible in partnership with the district council in implementing it.

10. Are there concerns that the policy/procedure could have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

There is a possibility that this procedure could be seen to have a differential impact on different racial groups. Anecdotal evidence through the police and community safety team suggests that Eastern European migrants are amongst the highest group of street drinkers. This is not to say that they are singled out as being responsible for alcohol related anti-social behaviour or crime and disorder but it needs to be considered and investigated.

11. Are there concerns that the policy/procedure could 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

12. Are there concerns that the policy/procedure could have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

13. Are there concerns that the policy/procedure 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

14. Are there concerns that the policy/procedure could 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?

No – although intelligence suggests that many of the identified incidents are connected to young people within the district

15. Are there concerns that the policy could 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?

No

16. Are there concerns that the policy could 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?

No

17. Are there any obvious barriers to accessing the service eg language, physical access?

Taking into consideration point 10 one may have to question whether language could be an issue – again this requires investigation.

18. Where do you think improvements could be made?

This is a new procedure and as such requires testing before this question can be answered effectively.

19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.

No

20. Is there a complaints system?

Yes Flare System (Home Office approved, secure, encrypted investigation system)

21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?

If relevant

22. Do we have feedback from managers or frontline staff?

We have consulted with relevant officers within the district (151, monitoring, relevant service managers) council and police.

23. Is there any feedback from voluntary/community organisations?

Parish Council and a number of community groups have been consulted with positive feedback from all areas.

24. Is there any research or models of practice that may inform our view?

The Community Safety team have researched this type of order extensively and have looked at models of good practice from across the country with similar demographic to South Kesteven.

25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy/procedure?

No

26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy/procedure?

Yes. Further consultation coupled with education, with people of other nationalities who have migrated to South Kesteven will need to be carried out. The Partnerships and Community Safety officers have excellent connections within many of these communities.

27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?

Potentially – this could be a race issue, however, see 26 for potential solution

28. Should the policy proceed to a full impact assessment?

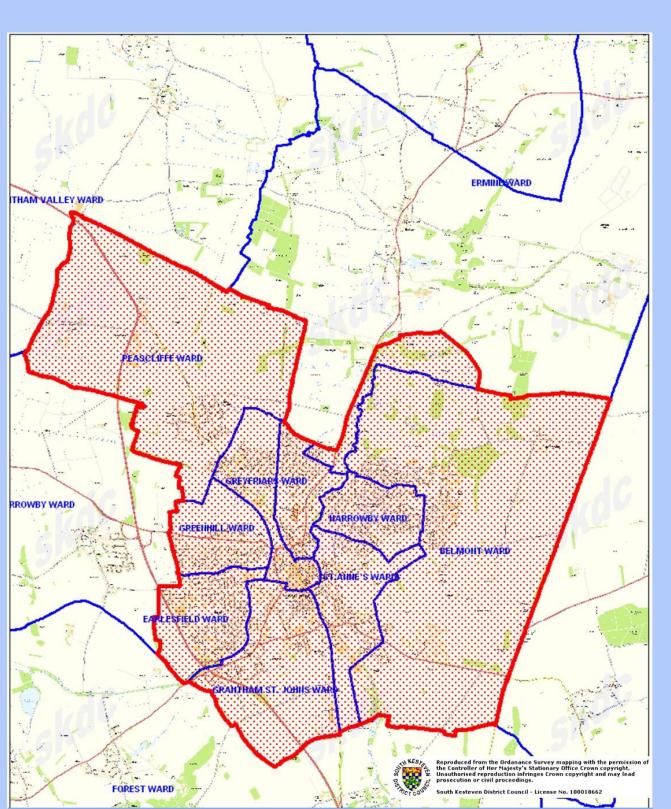
Yes

29. Date on which Full assessment to be completed by

25 April 2008

Signed (Lead Officer): ... Mark Jones, Carol Drury, Sandy Kavanagh

Date: ...19.3.08.....

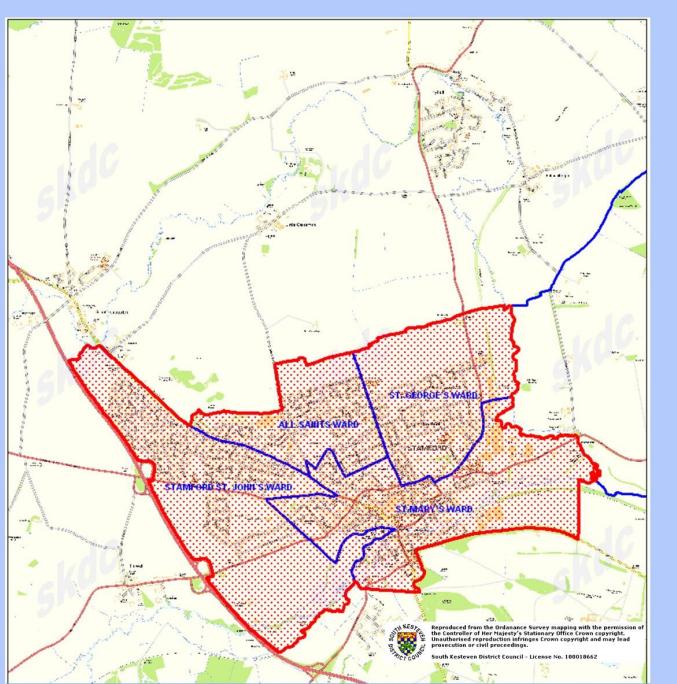


**Designated Public Places Order Consultation Map**

Proposed Area in Grantham edged in red

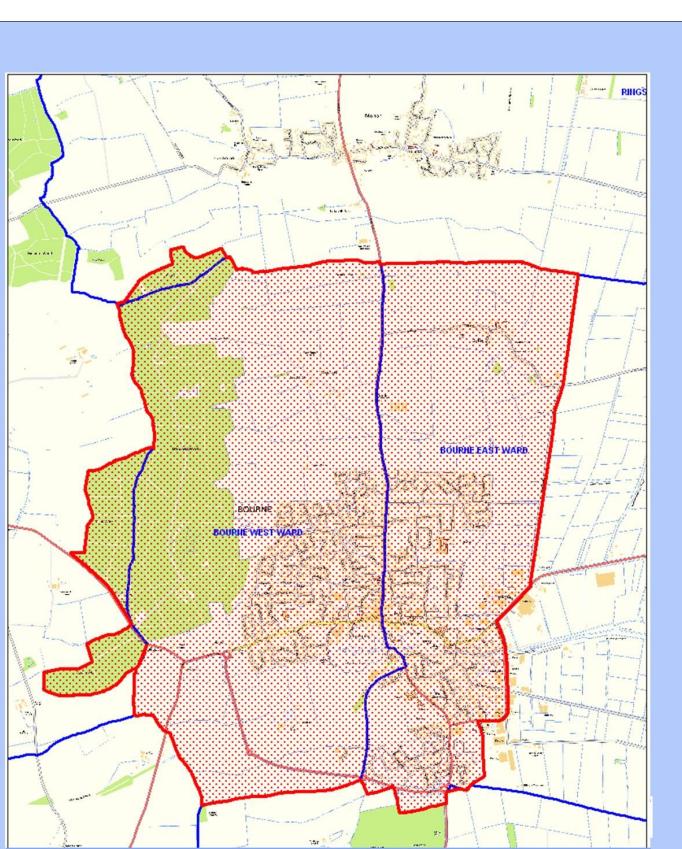
Reproduced from the Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office. Unauthorised reproduction infringes Crown copyright and may lead to legal action.

South Kesteven District Council - Licence No. 18001862



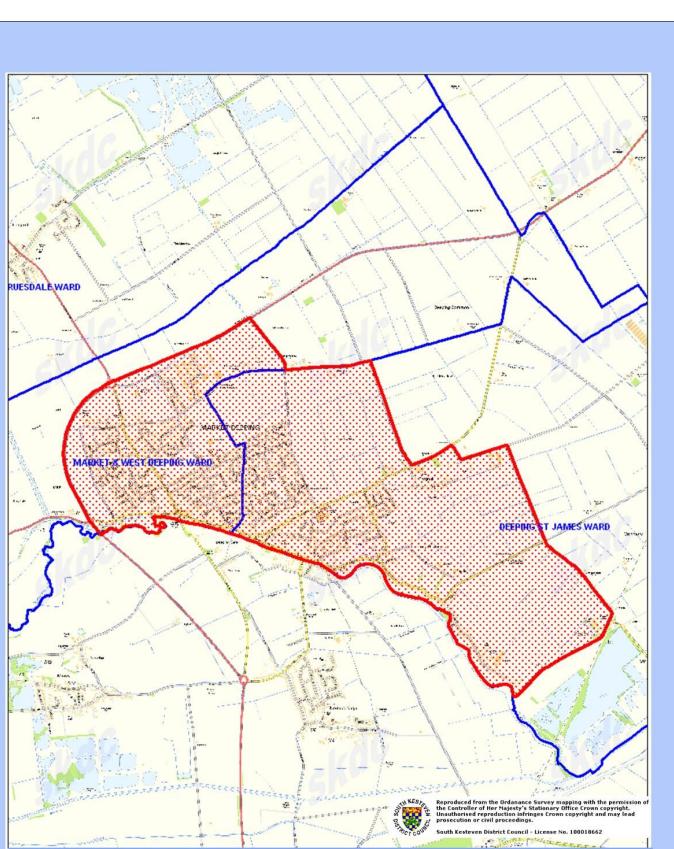
**Designated Public Places Order Consultation Map**

Proposed Area in Stamford edged in red



**Designated Public Places Order Consultation Map**

Proposed Area in Bourne edged in red



**Designated Public Places Order Consultation Map**

Proposed Area in The Deepings edged in red

## REPORT TO COUNCIL

REPORT OF: PORTFOLIO HOLDERS HEALTHY ENVIRONMENT AND FINANCE AND ASSETS

REPORT NO.: CHFR96

DATE: 17<sup>th</sup> April 2008

|                                                             |                                                                                                                                                                    |                                                          |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>TITLE:</b>                                               | LEISURE TRUST                                                                                                                                                      |                                                          |
| <b>FORWARD PLAN ITEM:</b>                                   | YES                                                                                                                                                                |                                                          |
| <b>DATE WHEN FIRST APPEARED IN FORWARD PLAN:</b>            | 1 <sup>st</sup> JANUARY 2008                                                                                                                                       |                                                          |
| <b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>           | POLICY FRAMEWORK PROPOSAL                                                                                                                                          |                                                          |
| <b>COUNCIL AIMS/ PORTFOLIO HOLDER NAME AND DESIGNATION:</b> | HEALTHY ENVIRONMENT PORTFOLIO HOLDER<br>COUNCILLOR JOHN SMITH<br>FINANCE AND ASSETS PORTFOLIO HOLDER<br>COUNCILLOR MAUREEN SPENCER-GREGSON<br>OBE                  |                                                          |
| <b>CORPORATE PRIORITY:</b>                                  | USE OF RESOURCES                                                                                                                                                   |                                                          |
| <b>CRIME AND DISORDER IMPLICATIONS:</b>                     | NONE                                                                                                                                                               |                                                          |
| <b>FREEDOM OF INFORMATION ACT IMPLICATIONS:</b>             | This report is publicly available via the Local Democracy link on the Council's website:<br><a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a> |                                                          |
| <b>RISK ASSESSMENT</b>                                      | CARRIED OUT AND INCLUDED IN REPORT                                                                                                                                 |                                                          |
| <b>INITIAL EQUALITY IMPACT ASSESSMENT</b>                   | <b>Carried out and appended to report?</b><br><br><b>Not Applicable</b>                                                                                            | <b>Full impact assessment required?</b><br><br><b>No</b> |
| <b>BACKGROUND PAPERS:</b>                                   | LAC146, LAC147, LAC148, LAC149, LAC150, AFM0040, AFM0050, AFM 0051                                                                                                 |                                                          |

## **1. INTRODUCTION**

1.1 The Cabinet agreed to tender the Leisure Management Contract at its meeting on 7<sup>th</sup> August 2006. As part of the tender process, at the "invitation to submit detailed solutions stage" prospective bidders were invited to submit their solution on the basis of a straightforward Leisure Management Contract or a through a Charitable Trust. The bidders all submitted tenders on the basis of a Leisure Trust. The evaluation of the bids has been undertaken and a preferred bidder selected. This report requests Council approval for the transfer of the Council's Leisure Facilities by lease to a Leisure Trust for the period of the leisure agreement.

## **2. RECOMMENDATION**

2.1 It is recommended that Council:

- a) approve the transfer of the Council's Leisure Facilities for a period of 15 years or for the period of the leisure agreement which ever is the shorter.
- b) Subject to a) above, delegate the negotiations on the terms of the transfer, for the venues set out below, to the Service Manager –Assets and Facilities Management in agreement with the Portfolio holder for Finance and Assets in consultation with the Portfolio holder Healthy Environment and to the satisfaction of the Council's Statutory Officers. The following venues will be transferred by lease:
  - o Grantham Meres Leisure Complex (incorporating the Grantham Meres Leisure Centre and the South Kesteven Sports Stadium)
  - o Stamford Leisure Centre
  - o Bourne Leisure Centre; and
  - o the Deepings Leisure Centre will be transferred by Licence

## **3. DETAILS OF REPORT**

### **Background**

On 15<sup>th</sup> May 2007 a notice was published in the Supplement to the Official Journal of the European Union seeking expressions of interest from private sector bidders. An information Memorandum and Pre-Qualification Questionnaire were forwarded to interested parties.

Seven bidders completed the initial Pre Qualification Questionnaire and from this, five bidders were selected to progress to the Invitation to Submit Documents Stage (ISDS). Of the five bidders, four submitted solutions which were evaluated to select a final two bidders to progress to the final tender stage.

Officers and external advisors entered into detailed competitive dialogue on behalf of the Council with the final two bidders. The competitive dialogue with these remaining bidders was closed on 5<sup>th</sup> March 2008 and at this stage Final tender submissions were requested by 7<sup>th</sup> March 2008. The final tenders from both bidders were submitted on the basis of a Leisure Management Contract through a Leisure Trust only.

Cabinet at its special meeting on 26<sup>th</sup> March 2008 resolved:

- (1) *To award preferred bidder status for the provision of the leisure management contract to Leisure Connection and to confirm the named reserve bidder;*
- (2) *To grant delegated authority to the Assets & Facilities service manager, in consultation with the Healthy Environment portfolio holder, to conclude the negotiations and proposed transfer of the facilities to the Leisure Trust;*
- (3) *To recommend to Council that the transfer of the Council's facilities on a lease to the proposed Leisure Trust subject to the satisfactory conclusion of negotiations referred to in exempt report AFM0051.*

### **Transfer of Assets to Leisure Trust**

3.5 The Leisure Connection proposal is a Local Trust model, where the Council would contract directly with a newly created local charitable company (Trust) to provide the services. This model requires the Council to contract with the Trust to provide the service (Leisure Management Agreement) and grant a lease of the relevant Leisure Facilities and land to the Trust. The Trust will then enter into a contract, mirroring the Leisure Management Agreement, that passes on all obligation regarding the services to Leisure Connection to act as the Trust's agent. It is proposed the local trust can be established within the timescale required by the Council for the commencement of Leisure Management Agreement.

3.6 To facilitate the finalisation of the new Leisure Management Agreement, Cabinet are recommending to Council that the Council's Leisure Facilities and Land are transferred by way of a lease at a peppercorn value to the Trust. The arrangements for the Deepings facilities and part of the Bourne facilities will be by of a Licence to occupy the premises, as these are subject to a separate informal agreement with the County Council.

3.7 The facilities and land to be transferred on lease may be summarised as:

- Grantham Meres Leisure Complex (incorporating the Grantham Meres Leisure Centre and the South Kesteven Sports Stadium)
- Stamford Leisure Centre
- Bourne Leisure Centre (incorporating the playingfield in Council ownership and other leisure facilities in County Council ownership)
- Deepings Leisure Centre

3.8 The duration of the lease would be for a maximum period of fifteen years or for the duration of the Leisure Management Agreement whichever is the shorter.

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

4.1 As the current contract has previously been extended and taking account of the Cabinet's decision on 10<sup>th</sup> March to negotiate a short term contract extension with the present incumbent for the period 1<sup>st</sup> April 2008 to 30<sup>th</sup>

June 2008, with a provision to extend by mutual consent on a monthly basis for a maximum of six months, it is inappropriate not to proceed with the finalisation of a new Leisure Management Agreement. Both of the final bids received only operated through a Leisure Trust and for this to proceed the assets will need to transfer to the Trust. It would therefore be inappropriate not to proceed with the negotiations on the transfer of assets if the new Leisure Agreement is to be entered into within this timescale.

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

- 5.1 The main benefits of a Leisure Trust for the Leisure provider (which have been reflected in the value of tenders received) is the fact that the Trust can apply for Non Domestic Rate relief (NDRR) and VAT exemptions.
- 5.2 In relation to the liability for Business Rates, the Leisure Trust would become the "liable party" upon the granting of a lease to the Trust and if their application for NDRR is successful the Trust would receive relief of 80% against the Business Rates.
- 5.3 There is a potential risk that the Trust structure may not permit the awarding of NDRR, however, this risk should be considered in the light of the comments of the Service Manager – Benefits and Revenues set out below. In addition, the bidder has identified that should there be a change in legislation that would impact on either the NDRR or VAT exemptions, these risks would be borne by the Council and reflected in a revised contract sum.
- 5.4 In the event of the Trust going into bankruptcy the assets would revert to SKDC and the Contract with Leisure Connection would be broken.
- 5.5 **Matters Arising out of the accounting treatment related to the transfer of facilities** – Due to the specialist nature of the proposals and the proposed introduction of the International Financial Reporting Standards in future years, external specialist advice has been sought in respect of the accounting treating of the proposed arrangements for the transfer of facilities to the Leisure Trust. Also an initial consultation with the Council's external auditors has been undertaken regarding the potential implications for accounting treatment, further discussions will be held with the auditors as the proposals are finalised.
- 5.6 When determining the Accounting Treatment of the lease I will have regard to (Statement of Standard Accounting Practice 21) SSAP21, an initial evaluation of the proposed lease has been undertaken and it is likely that the lease would be treated as an "Operating lease" within the Council's Balance Sheet. In 2010/11 the change to International Financial Reporting Standards (IFRS) will have substantial impact on local government and in particular accounting for leases.
- 5.7 The potential for substantial impact arises from the fact that International Accounting Standard 17 (IAS17) would require leases relating to land and buildings to be split and analysed separately with regard to the two elements, on the presumption that land retains its value. The land element

would be likely then to be an operating lease, increasing the potential for the building element to be a finance lease. Whilst IAS17 does not include the "90%" test that was previously taken to be definitive under SSAP21, it does retain the basic qualitative requirements that require a lessor to transfer substantially all risks and rewards incidental to ownership for a finance lease to exist. At this stage no firm proposals have been developed to define how IAS17 is to be adopted by Local Government, therefore, this will be kept under review.

- 5.8 The substantial influence of these changes for the Council is an increased potential for a finance lease to arise in relation to the buildings covered by the lease. If this is the case, then any amounts payable to the authority would fall to be treated as capital receipts. Where there is an operating lease, the usual position would be for rentals to be accounted for as they fall due. As the proposal is for a peppercorn rental, this should not be a material issue for the Council, however, further advice may be required on this aspect once the terms of the lease are defined.
- 5.9 If assets or liabilities are transferred to a charitable trust and goods and services are procured from such a trust, then these are accounted for in the same way as if the dealings had been with an independent business, no matter whether the authority is a trustee of the trust.
- 5.10 Any potential implications arising from the Council's requirement under the Prudential Code to comply with the Prudential Framework will be kept under review during the finalisation of the terms of lease.
- 5.11 Clearly, there are number of potentially complex financial and accounting treatment issues. However, on the basis of the proposals submitted and subject to the mitigation and reduction of the risks I have identified above, the transfer of the assets to the Leisure Trust for the duration of the Leisure Management Agreement, have the potential for providing substantial financial benefits for the Council, which have been reflected in the value of the tender received from the preferred bidder, namely as a result of VAT exemptions; NDR relief; the potential for the Trust to access external funding which may not be available to the Council

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

- 6.1 The proposals will require the grant of leases/licences of the premises involved to the local trust to be set up and agreement on the terms of any leases/licences.
- 6.2 It will be essential the trust is not permitted to assign, or sub-let the premises.
- 6.3 Any lease/licence of the premises will be excluded from the provisions of the Landlord and Tenant Act 1954 preventing the creation of business tenancies giving security of tenure. This will ensure that the leases will absolutely terminate on the termination of the contract with the trust with no automatic rights of renewal.

- 6.4 The lease/licences are proposed at a peppercorn rent. This is a disposal at less than best price. This is permitted in accordance with s. 123 of the Local Government Act 1972 and the General Disposal Consent 2003. It is understood the Secretary of States consent will be required in accordance with the General Disposal Consent.
- 6.5 Specialist advice has and will be sought on the contact documentation, the set up of the trust and the disposal of the premises.

## **7. COMMENTS OF OTHER SERVICE MANAGERS**

### **Comments of the Service Manager – Asset and Facilities Management**

- 7.1 Significant benefits are presented by the ability of the Leisure Trust to access grants not necessarily available direct to a management contractor or the local authority. These grants could provide local community initiatives and opportunities for development.
- 7.2 The local Trust model will also seek to include community members on the board.

### **Comments of the Service Manager – Benefits and Revenues**

- 7.3 In relation to liability for Business Rates, the Leisure Trust would become the "liable party" upon the granting of a lease to the Trust.
- 7.4 With regard to the award of Business Rate Relief I am satisfied that the route being considered gives me effective assurance of independent control for the trust. At this stage I am comfortable that there are no outstanding issues to be addressed. However, the determination of rate relief can only be considered once an application has been submitted by the Leisure Trust and on the basis of the legislation in place at the time of the application

## **8. CONTACT OFFICERS**

Paul Stokes  
Service Manager – Assets & Facilities Management  
[p.stokes@southkesteven.gov.uk](mailto:p.stokes@southkesteven.gov.uk)  
01476 406524

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