

AGENDA



For a meeting of the
COUNCIL
to be held on
THURSDAY, 3 SEPTEMBER 2009
at
2.00 PM
in the
COUNCIL CHAMBER, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM
Beverly Agass, Chief Executive

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

1. PUBLIC OPEN FORUM

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

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

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

4. MINUTES

Minutes of the ordinary meeting held on 18 June 2009 and the Extraordinary meeting held on 24 July 2009.

(Enclosure)

5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

(Enclosure)

**6. MEDIUM TERM FINANCIAL PLAN 2009/10 - 2012/13 AND
SUPPLEMENTARY ESTIMATE 2009/10**

Report number CHFCS61 by the Assets and Resources Portfolio Holder.

(Enclosure)



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- 7. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE**
The Chairman of the Constitution Committee to submit the recommendations of the committee from its meeting held on 13 July 2009. **(Enclosure)**
- 8. ANNUAL SCRUTINY REPORT**
The Chairman of the Scrutiny Committee to present the annual Scrutiny report (report number DEM031). **(Enclosure)**
- 9. LEADER'S REPORT ON AN URGENT NON KEY DECISION**
In accordance with Access to Information Procedure Rule 17.3, the Leader to submit report number CAB13 on a non key decision taken under special urgency provisions. **(Enclosure)**
- 10. 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.
- 11. NOTICE OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:
From Councillor Mike Williams:**

“It is well known that productivity increases when staff feel involved and connected to the organisation in which they work.

To help build positive and productive links between members and officers I would like to suggest to this Council that we should start arranging opportunities and events where staff and members can get together and get to know each other.

This is not a frivolous idea, as the more we know each other and the issues that we need to deal with, the better we will be able to work together for the benefit of the community. I hope the council will support it. I am open to suggestions.”

PLEASE NOTE: The Notice of Motion deadline for the Council meeting on 29 October will be: 2.00pm on Friday 16 October 2009.

MINUTES

COUNCIL

THURSDAY, 18 JUNE 2009

2.00 PM



PRESENT

Councillor Bob Adams Chairman

Councillor Ray Auger
Councillor Harrish Bisnauthsing
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 Mike Exton
Councillor Stuart Farrar
Councillor John Harvey
Councillor Robert Hearmon
Councillor Trevor Holmes
Councillor Reginald Howard
Councillor Mrs Maureen Jalili
Councillor Kenneth Joynson
Councillor Mrs Rosemary Kaberry-Brown
Councillor Albert Victor Kerr

Councillor Reg Lovelock MBE.
Councillor Peter Martin-Mayhew
Councillor Andrew Moore
Councillor Mrs. Linda Neal
Councillor Benjamin Newcombe-Jones
Councillor John Nicholson
Councillor Alan Parkin
Councillor Mrs Margery Radley (Vice-Chairman)
Councillor Bob Russell
Councillor Susan Sandall
Councillor Bob Sandall
Councillor Trevor Scott
Councillor Ian Selby
Councillor Mrs Judy Smith
Councillor John Smith
Councillor Ian Stokes
Councillor Mike Taylor
Councillor Jeff Thompson
Councillor Frank Turner
Councillor Graham Wheat
Councillor Raymond Wootten

OFFICERS

Strategic Director (Ian Yates)
Acting Strategic Director (Tracey Blackwell)
Corporate Head, Finance & Customer Services (Richard Wyles)
Corporate Head, Sustainable Communities (Teena Twelves)

OFFICERS

Legal Services Manager - Monitoring Officer (Lucy Youles)
Human Resources & Organisational Development Service Manager (Joyce Slater)
Principal Democracy Officer (Paul Morrison)
Scrutiny Support Officer (David Lambley)



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22. PUBLIC OPEN FORUM

Question 1 – from Mr S Hewerdine:

I would like to know if, when the accounts are published, the report is going to be written in a succinct and clear manner and not laced with the usual “political jargon”. For example, in the Grantham Journal dated Friday 22 May 2009, an article makes reference to a payment of £5,052.50 for “specialist legal advice”. What on earth is this “specialist legal advice” and why should we – the general public – have to be paying for it when the council already has its own legal advisors?

Reply from Councillor Taylor:

Thank you for your question. I would respectfully advise that the annual statement of accounts is produced within a statutory framework and in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom – A Statement of Recommended Practice produced by CIPFA, which is the Chartered Institute of Public Finance and Accountancy, which sets out proper accounting practices required for the Statement of Accounts.

The Council is mindful of the complexity of the statement of accounts and annually produces a summary of accounts publication, which has been externally accredited with a crystal mark for plain English.

In relation to your enquiry regarding the details of specialist legal advice I am informed that you have been provided with a full copy of the response.

Mr S Hewerdine’s supplementary question:

As Resources and Assets portfolio holder, Councillor Mike Taylor, best value is important. Can you please tell me why the position of Chief Executive is being internally advertised and would it not be best to have a wider choice of applicants if advertised nationally, or is the reason being if it stays in house a lower salary would be offered, i.e. saving public money, would then the cabinet have cross panel of Councillors of all political groups on the interview panel make the final decision on the applicants experience so we have a committed Chief Executive who the public would have faith in, so restoring confidence in this administration and have value for money. Thank you.

Councillor Adams:

Before I call on Councillor Taylor I have to say, Mr Hewerdine, that is not a supplementary question as I’m sure you’re well aware it doesn’t relate to the original question in any way, shape or form. I will ask Councillor Taylor if he wishes to respond. If he does not wish to respond he is quite within his legal right.

Reply from Councillor Taylor:

As in line with the Constitution, Mr Chairman, there is no relation to the original question I have got no comment.

Question 2 – from S Hewerdine:

I understand the South Kesteven District Council pay around £21,000 per year to Buckminster Trust for the rights to have a market in Grantham. Has the Council got any future plans to buy back the rights? If not, will the Council ask Buckminster – in light of the downturn in trade due to the global recession – to freeze the rent for at least two years in order to encourage more market traders to participate? I feel that if the cost of having a stall on the market continues to rise then more people will drop out and eventually we will end up without a market.

Reply from Councillor Cartwright:

Thank you for your question. The Council working with the Market Working Group and the local business community and the Market Traders Federation has considered a range of options to help revitalise the markets across the district.

The Council is fully aware of the current economic climate and the difficult trading conditions for businesses and traders and is working hard to offer support during this period. For example the market stall rents have not been increased for the last two years.

The Council has previously made enquiries in respect of the purchase of the Market Rights without success and it is a proposal that may be considered again in the future. The owner of the market rights has agreed to a less than inflation increase for this financial year.

Mr S Hewerdine's supplementary question:

Basically you have answered my question, has the Council got any plans to send out questionnaires to the market traders in how to encourage trade in Grantham?

Reply from Councillor Cartwright:

We do consult with the market traders all the time as part of normal practice, we've sought to minimize costs ourselves by reviewing operating practices and this has included looking at increasing income by providing additional and specialized markets and we do everything we can to encourage the markets.

23. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Mrs Bosworth, Dawson, Mrs Gaffigan, Sam Jalili, Vic Kerr, McBride, Mrs Spencer-Gregson, Tom

Webster, Andrea Webster, Mike Williams and Avril Williams.

24. DECLARATIONS OF INTEREST

Councillor Joynson declared a personal interest in relation to minute number ## as he was a member of the British Polio Fellowship.

25. MINUTES

The Minutes of the meeting of the Council held on 23 April 2009 were confirmed as a correct record, subject to an amendment at minute number 11 to include Councillor Cook as being a member of the Resources Policy Development Group.

26. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

Circulated with the agenda was a list of the Chairman's engagements for the period of 23 April 2009 to 17 June 2009. These were noted.

The Chairman drew particular attention to the visit on 17 June to the Rotary Club's Swimathon Presentation Evening at the Central School. It was reported that over £36,000 had been raised last year and it was pleasing to see the number of people who were enthusiastically involved with the project.

**27. SUPPLEMENTARY ESTIMATES 2009/10
DECISION:**

1. To approve the following Supplementary Estimates in respect of the following:
 - a. General Fund – Capital Programme of £4.589M 2009/10 as noted in appendix A of report number CHFCS49
 - b. General Fund Revenue estimate increase of £180k
 - c. Supplementary estimate for LABGI Income be approved for £193,849.62 and this be used to support economic development related initiatives, in line with Council priorities. The details of this to be delegated to the Corporate Head of Sustainable Communities and the Economic Development Portfolio Holder
 - d. Housing Revenue Account – Capital Programme of £4.631M for 2009/10 and £5.425m for 2010/11 as noted in appendix B of report number CHFCS49
 - e. Housing Revenue Account – Revenue increase of £654K
2. General Fund - Summary Revenue Estimate 2009/10 and Reserves Statement as attached at appendix C of report number CHFCS49
3. Capital Financing Statement attached at appendix D of report number CHFCS49
4. Housing Revenue Account – Revenue Account summary 2009/10

as attached at appendix E of report number CHFCS49.

Report number CHFCS49 was presented by the Portfolio Holder for Resources and Assets. It was noted that the fourth bullet point on page four should have stated “explore the possibility of ground source heating pumps”. The recommendations in the report were then moved and seconded.

The Corporate Head for Finance and Customer Services then explained the contents of the report, drawing Members’ attention to several key points:

- The Leisure Trust had not yet been granted charitable status by the Charity Commission which meant that the Council was still liable for the business rates on leisure premises until the Trust was granted charitable status.
- The Council had been awarded £193,849.62 of LABGI funding which was proposed to be used to support economic development initiatives which aligned with the “good for business” priority plan.

A debate took place and a number of issues were raised. Members expressed concern at the delay in the Leisure Trust being awarded charitable status and questioned whether the Council should seek an explanation from the Charity Commission. It was confirmed to Members that the issue was a matter for the Leisure Trust itself as it was responsible for the application. Councillor Thompson, who was to be the Council’s representative on the Leisure Trust management board explained that the application had been made in September 2008. No reply to the application had been received, although an answer from the Charity Commission had been promised in January 2009 and then in March 2009. It was now expected that an answer would be shortly forthcoming. A question was raised as to who would be responsible for how the LABGI funding would be spent. It was confirmed that proposals for spending this money would be made by the relevant Portfolio Holder and Corporate Head.

On being put to the vote, the motion was carried.

28. RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE DECISION:

- 1. To make the following amendments to Delegated Authority at Part 3 of the Constitution to include:**

Housing

- 1. to authorize grants under the Housing Grants, Construction and Regeneration Act 1996 as implemented under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 with the exception of discretionary Disabled Facilities Grants**

to include an additional delegation to the Corporate Governance and Housing Portfolio Holder:

Discretionary Disabled Facilities Grants

- 2. That the Council's Constitution be amended to take account of the new Councillor Call for Action (CCfA) process. The Constitution to be amended to include at page 189 after Call in a new item 12a**

12a. Councillor Call for Action (CCfA)

- 1. Any member of the Council can refer to the Scrutiny Committee, any 'local government matter' which is relevant to the functions of that committee.
 - i. local government matter" means - any matter relating to the functions of the authority which affect the member's area or any individual who lives or works in that area which is not an excluded matter"****
- 2. If a member wishes to refer a Councillor Call for Action to the Scrutiny Committee they must complete the approved Councillor Call for Action pro-forma and submit this to the Scrutiny Officer.**
- 3. The Scrutiny Officer in conjunction with the Chair of the Scrutiny Committee will assess whether the Councillor has completed the necessary checklist and if so will place the request on the agenda for the next meeting. Where approval for inclusion on the agenda is unlikely because the criteria have not been met, the Chairman will liaise with the Member raising the Call for Action. If there is disagreement the Call for Action will not be submitted to committee for determination.**
- 4. Prior to considering the request Members of the Scrutiny Committee will first confirm that the call for action is valid and meets the criteria in the checklist.**
- 5. The member raising the call for action will then be asked to present in person the issue before the committee. Should the member be unable to attend then they may request another councillor from their ward to present on their behalf. If no ward councillor is able to be present the committee will defer the item to a future meeting. The presentation should include an indication of what they would see as a satisfactory resolution**

6. Members will then consider the call for action and agree what they will do to resolve the issue. This may include calling witnesses (including portfolio holders, officers or external representatives). In making any recommendations for a solution on the matter before them, regard should be had to the resource implications for the Council.
7. Having considered and resolved the call for action as agreed the Committee will report the outcome to the member raising the call for action.
8. The matter should not be being separately considered by another local authority.

Insert into Constitution under Terms of Reference, Scrutiny Committee new point (v) on page 44.

(v) To consider Councillor Calls for Action.

3. To refer Members' Job Descriptions to the Scrutiny Committee
4. To make the following amendment to the Development Control Committee Delegation, (shown underlined) at page 79:

(Please note that as well as the amendment at a), points b) - f) have been reproduced for clarity)

The Development Control Committee shall only have delegated power to refuse an application against the clearly expressed advice from Development control Services Manager if it has acted in accordance with the following:

- a) If any such motion is put and seconded, the members so proposing and seconding the motion shall express the necessary planning reason for the motion at the meeting for consideration of the matter. If no such reasons are provided or the Development Control Lead Professional considers that the reasons given are not valid planning reasons or cannot be supported by evidence then the rules detailed below at clause 2(b), (c), (d), (e) and (f) shall prevail.
- b) If any such motion is put and seconded, the Chairman or Vice-Chairman shall before any vote is taken, inform the Committee and the public of these provisions.
- c) On first consideration the Committee is not empowered to determine the application against the officer recommendation. If the Committee is minded to do this it

must pass a resolution stating that on the basis of the consideration to date it is minded to refuse and therefore requires to defer a decision pending the receipt and consideration of further information clarifying the proposed reasons for refusal and the planning officers' responses to those reasons.

- d) This vote must be recorded and all members who support it must within the next five working days provide to the Development Control Services Manager, the planning reasons for their view and the evidences that supports it.**
- e) The application shall be placed on the agenda for consideration at the next Development Control Committee. At this meeting the Development Control Committee shall have the power to determine the application, but, before doing so the Development Control Lead Professional (Services Manager), having assessed the information provided to him, shall inform the Committee whether, in his opinion, the reasons advanced are substantial enough for the authority to defend the decision at an inquiry. In light of this additional information members may then determine, without being fettered by their vote at the previous meeting.**
- f) The second vote must also be recorded and any member who votes to refuse the application in contravention of the officer recommendation must be willing to appear for the authority and give evidence regarding the reasons for their decision at any planning inquiry.**

5. The Constitution Committee recommends to Council the following amendments to Local Choice Functions (page 87-89) in the Constitution:

- 17. The approval of key human resources and organisational development strategies and polices that have significant financial implications e.g. remuneration/pay, pensions, redundancy.**
 - Decision Making Body – Cabinet**
 - Delegation of function – The member with responsibility for human resources and organisational Development.**
- 18. The approval of operational human resources and organisational development policies, working procedures, protocols.**
 - Decision Making Body – The Head of Paid Service and their**

- management team**
- **Delegation of function – a list of powers delegated to the Chief Executive is to be found on page 90 of this Constitution**
-

& pages 175/176 under Consultation at 2.4 to include on the list

- **Key human resources and organisational development strategies and polices that have significant financial implications**
-

The list of powers delegated to officers on page 90 to be updated in respect of the responsibilities of the Chief Executive

1. All functions as Head of Paid Service, including the approval of operational human resources and organisational development policies, working procedures, protocols. The Head of Paid Service may delegate such approvals to the management team.

and the responsibilities of the Corporate Head of Finance and Customer Services (Chief Finance Officer)(S151 Officer) to include:

5. To make the appropriate financial arrangements and/or payments to mitigate risk, including litigation or risk management situations, taking such action as may be required for each situation/case based on appropriate professional opinion and advice.

The minutes of the meeting of the Constitution Committee of 27 April 2009 and 18 June 2009 were presented to Council by the Chairman of the Constitution Committee. It was agreed that the Council would discuss and vote on each recommendation from the Constitution Committee separately.

Decision number 1 relating to changes to the Scheme of Delegation was moved and seconded. On being put to the vote the motion was duly carried.

Decision number 2 relating to Councillor Calls for Action was moved and seconded. On being put to the vote the motion was duly carried.

Decision number 3 relating to Members' Job Descriptions was moved and seconded. It was reported that the descriptions had been before the Policy Development Groups in order to seek the opinion of as many Members as possible. Members questioned where the need for job descriptions had come from. They had initially come from the priorities previously approved by Council and a set of tasks agreed by the Cabinet. A number of Members spoke to state that they did not see the point of Members' job descriptions and that this had

been the prevailing mood at the various Policy Development Group meetings, although it was noted that the descriptions did set out responsibilities that could be used as a basis for criticizing Councillors who were under performing and also to provide the general public with knowledge of the responsibilities of the various roles within the Council were. Members noted that it was the electorate who provided their mandate and assessed if they had the right attributes to undertake the role of Councillor. The Monitoring Officer stated that Members' Job Descriptions had come before the Council as it was part of the action plan for the code of good governance.

An amendment was moved and seconded to scrap Members' Job Descriptions in their entirety. On being put to the vote the motion was duly carried as a result of the Chairman's casting vote. The amendment now became the substantive motion. On being put to the vote the motion was defeated.

The Council then returned to the original motion to refer Members' Job Descriptions to the Scrutiny Committee. On being put to the vote the motion was duly carried.

Decision number 4 relating to the Development Control Committee was moved and seconded. It was clarified by the Monitoring Officer that the amendment removed the reference to a trial period and formalized the arrangements that were in place at the time. Some Members expressed concern that the arrangements placed too much control in the hands of officers rather than the elected Members of the Development Control Committee. Members of the Development Control Committee confirmed that they were in favour of the arrangements and confirmed that they were responsible for making the decisions, not an officer. Members of the Committee were of the opinion that the system was the most appropriate at the present time. On being put to the vote the motion was duly carried.

Decision number 5 relating to Local Choice Functions was moved and seconded. On being put to the vote the motion was duly carried.

29. REPRESENTATIVES ON OUTSIDE BODIES

DECISION:

- 1. To appoint Councillor Stokes to act as a substitute for Councillor Craft on the Grantham Growth Point Strategic Board.**
- 2. To confirm the appointment of Councillor Taylor as substitute for Councillor Mrs Cartwright on the Grantham Growth Point Strategic Board in his capacity as Assets and Resources Portfolio Holder.**
- 3. To appoint Councillor Mrs Cartwright to represent the Council on the Local Government Association Urban Commission and to hold the voting rights.**
- 4. To appoint Councillor Turner to represent the Council on the Local Government Association Urban Commission without voting rights.**
- 5. To appoint Councillor Nicholson as the Council's representative to**

the Stamford Endowed Schools.

Report number DEM028 was presented by the Portfolio Holder for Access and Engagement.

It was moved and seconded that Councillor Stokes act as substitute for Councillor Craft on the Grantham Growth Point Strategic Board. On being put to the vote the motion was duly carried.

It was moved and seconded that Councillor Taylor act as substitute for Councillor Mrs Cartwright on the Grantham Growth Point Strategic Board in his capacity as Assets and Resources Portfolio Holder. On being put to the vote the motion was duly carried.

Councillors Mrs Cartwright and Bisnauthsing were nominated and seconded to represent the Council on the Local Government Association Urban Commission and to hold the voting rights. On being put to the vote Councillor Mrs Cartwright was selected to represent the Council.

Councillors Turner and Bisnauthsing were nominated and seconded to represent the Council on the Local Government Association Urban Commission without voting rights. On being put to the vote Councillor Turner was selected to represent the Council.

Members considered the appointment of a representative to the Stamford Endowed Schools. Questions were raised as to why the existing arrangement of nominating a Governor to the schools could not be maintained. This was due to the governing body changing its constitution. Many independent schools were streamlining the number of governors and the appointment of a Council representative to the Stamford Endowed Schools would allow a link to be maintained. The importance of the link was emphasised by Members, particularly as the Stamford Endowed Schools were a major employer in the town.

Councillors Nicholson and Mrs Maureen Jalili were nominated and seconded to represent the Council to the Stamford Endowed Schools. On being put to the vote Councillor Nicholson was selected to represent the Council.

30. LEADER'S REPORT ON URGENT NON KEY DECISIONS

The report numbered CAB012 by the Leader of the Council was noted.

31. MODIFICATION ORDER TO PLANNING PERMISSION SO8/1318 DECISION:

That a modification order be made in respect of planning application reference S08/1318 in the form of the draft order attached at appendix 1 of report number CHSC20.

The recommendation made in report CHSC20 was moved and seconded. On being put to the vote the motion was duly carried.

32. QUESTIONS ON NOTICE

No questions on notice were received.

33. CLOSE OF MEETING

The meeting closed at 3:26 pm.

MINUTES

EXTRAORDINARY COUNCIL MEETING
FRIDAY, 24 JULY 2009
3.30 PM



PRESENT

Councillor Bob Adams Chairman

Councillor Ray Auger
Councillor Robert Broughton
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor George Chivers
Councillor Nick Craft
Councillor Alan Davidson
Councillor John Dawson
Councillor Mike Exton
Councillor Stuart Farrar
Councillor Robert Hearmon
Councillor David Higgs
Councillor Reginald Howard
Councillor Mrs Maureen Jalili
Councillor Kenneth Joynson
Councillor Mrs Rosemary Kaberry-Brown
Councillor Albert Victor Kerr
Councillor Jock Kerr
Councillor Reg Lovelock MBE.
Councillor Peter Martin-Mayhew

Councillor Andrew Moore
Councillor Mrs. Linda Neal
Councillor Benjamin Newcombe-Jones
Councillor John Nicholson
Councillor Alan Parkin
Councillor Mrs Margery Radley
Councillor Bob Sandall
Councillor Ian Selby
Councillor Mrs Judy Smith
Councillor John Smith
Councillor Ian Stokes
Councillor Mike Taylor
Councillor Jeff Thompson
Councillor Frank Turner
Councillor Andrea Webster
Councillor Tom Webster
Councillor Graham Wheat
Councillor Mike Williams
Councillor Raymond Wootten

OFFICERS

Interim Chief Executive (Beverly Agass)
Strategic Director (Ian Yates)
Monitoring Officer (Lucy Youles)
Corporate Head, Finance and Customer
Service (Richard Wyles)
Service Manager, Human Resources and
Organisational Development (Joyce
Slater)

OFFICERS

Service Manager, Performance
Management and Engagement (Sharon
Yates)
Communications Officer (Sheila Ashton)
Principal Democracy Officer (Paul
Morrison)
Democratic and Scrutiny Support Officer
(Jenni Gibson)



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34. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bisnauthsing, Mrs Bosworth, Brough, Cook, Mrs Gaffigan, Harvey, Helyar, Holmes, Sam Jalili, McBride, Scott, Selby, Spencer-Gregson, Avril Williams and Wood.

35. DECLARATIONS OF INTEREST

There were no declarations of interest.

36. APPOINTMENT OF CHIEF EXECUTIVE

(15.32pm - The Interim Chief Executive, Beverly Agass, left the room).

Decision:

1.) That Beverly Agass be appointed to the post of Chief Executive, Head of Paid Service, Electoral Registration Officer (to act as Returning Officer) with effect from 24th July 2009.

Members had previously been circulated with report A1 prepared by the Chief Executive's Performance Panel. In presenting the report and the recommendations contained therein, the Leader drew attention to a typographical error which mistakenly recommended that Beverly Agass be appointed with effect from the 23rd July. This should have read 'from 24th July 2009'.

The Leader highlighted the assistance received from Tribal Resources in the robust recruitment process. In moving the recommendation contained within the report, the Leader noted that Mrs Agass' leadership skills were exceptional in relation to her peers, and that this quality had been highlighted by Tribal Resources.

Councillor Mrs Jalili, in seconding the motion, commended Mrs Agass for the manner in which she dealt with the rigorous recruitment process. Councillor Mrs Jalili noted how the Appointments Panel had brought the different political parties together to unite for a vision for the future.

There was cross-party support for the motion, and various Members spoke in support of Mrs Agass. Members felt strongly that Mrs Agass was the correct person to lead the Council into the future.

In summing up, the Leader thanked the members of the Appointments Panel for their hard work and dedication. She reminded Members that the Appointments Panel was recommending Mrs Agass because she was exceptionally qualified and experienced and was the right person for this authority at this time.

On being put to a vote, the motion was carried unanimously.

(3.44pm – Mrs Agass re-entered the room)

On behalf of the Council, the Chairman congratulated Mrs Agass on her new appointment and wished her every success. Mrs Agass in turn thanked Members for their support, and expressed her pleasure in accepting the post. Several Members offered their congratulations and support to Mrs Agass.

37. CLOSE OF MEETING

The meeting closed at 3.50pm.

Agenda Item 5

CIVIC EVENTS **18TH June 2009 to 3rd September 2009**

Date	Ref	Organisation/Host	Event
20.6.09	BA10	Grantham Carnival 2009 Grantham Carnival Committee	Parade and judging of floats
21.6.09	VC2	Grantham Carnival	Classic Car Club
21.6.09	BA2	South Kesteven District Council Annual Civic Service Armed Forces Day Flag Raising	St Mary's Church followed by reception at Guildhall.
21.6.09	VC1	South Kesteven District Council Annual Civic Service	See above
25.6.09	BA18	Boston Borough Council RAF Coningsby Freedom Parade	Assembly Rooms Boston
27.6.09	BA16	Stamford Festival Association Ltd Stamford Festival	Browns Hospital, Stamford, And the Streets of Stamford
2.7.09	VC7	Welland and Deepings Internal Drainage Board	Annual Tour of Inspection
5.7.09	VC9	West Lindsey D.C.	Civic Service
7.7.09	BA3	Lord Chancellor Royal Garden Party	Buckingham Palace
8.7.09	VC10	Girlguiding Grantham Division Annual Review	Isaac Newton School Dysart Road
8.7.09	VC8	Upper Witham Internal Drainage Board,	Annual Tour of inspection
11.7.09	VC12	Sunset Concert with the Band of the RAF College	Lincolnshire Aviation Heritage Centre, East Kirkby
12.7.09	BA17	Lincolnshire County Council Service of Dedication	Lincoln Cathedral and Reception in the Grounds of Lincoln Castle
23.7.09	VC11	Belvoir Hunt supports Club Lunch with Henny Pitman OBE	Olde Barne Hotel, Marston.
14.8.09	VC15	St. John Care Trust Barbecue	Gregory House, Welby Gardens, Grantham NG31 8BN
29.8.09	BA21	British Model Flying Association British National Championships	RAF Station Barkston Heath
30.8.09	VC14	British Model Flying Association British National Championships	RAF Station Barkston Heath

REPORT TO COUNCIL

REPORT OF: Resources and Assets Portfolio Holder

REPORT NO: CHFCS61

DATE: 3rd September 2009

TITLE:	Medium Term Financial Plan 2009/10 – 2012/13 and Supplementary Estimate 2009/10	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Policy Framework Proposal	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Resources and Assets Portfolio Holder	
CONTACT OFFICER:	Richard Wyles – Corporate Head of Finance and Customer Services 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
Equality and Diversity	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	CHFR116	

1. RECOMMENDATION

A) Council approves the Medium Term Financial Plan for the period of 2009/10 to 2012/13, as attached.

B) Council approves a supplementary estimate in the current financial year of a maximum of £400,000 to meet the costs of the business rates and the management fee of the leisure centres and stadium in South Kesteven subject to Cabinet agreeing interim management arrangements at their meeting on 7th September. This

amount to be met from the capacity building, priority setting and service improvement reserve.

2. PURPOSE OF THE REPORT

The Medium Term Financial Plan (MTFP) is a key strategic document and brings together the Council's financial position demonstrating how the revenue and capital financial resources are organised in order to deliver the Council's priorities.

The MTFP will be reviewed each year in order to take into account the final outturn position for the year and to take into consideration emerging financial issues from both a national and local perspective.

3. DETAILS OF REPORT

Cabinet considered the MTFP at its meeting on 3 August 2009 and made the following decisions:

The Cabinet recommends to Council the approval of the Medium Term Financial Plan for the period of 2009/10 to 2012/13, as attached.

The Cabinet requests the development of a resources and efficiency plan that identifies the actions needed to ensure a balanced and sustainable budget for 2011/12 and beyond.

That Members' who represent the Council on Internal Drainage Boards make representations to keep the levy below 5%.

The Resources PDG has also reviewed the MTFP at its meeting on 23rd July 2009 and made a number of recommendations to Cabinet which were taken into consideration.

Since the report was considered by Cabinet there has been clarification in respect of the future delivery of the leisure services and the MTFP has been updated to include this issue.

The MTFP spans four financial years which include the current financial year (2009/10) and the following three years. This period includes two years of the current grant settlement (CSR07) and two years of the anticipated grant settlement (CSR10). The latter two years of the plan are particularly difficult to predict at this time as there is great uncertainty surrounding the level of government grant that may be made available to Councils. It is highly likely and widely

anticipated that the Government will reduce its public spending taking effect from 2011/12 and therefore the grant settlement could be significantly less, in real terms, than in previous years. The MTFP reflects this uncertainty and includes financial modelling for a 5% and a 10% reduction (£507K and £1.015M reduction respectively). In addition the Government has increased the amount of efficiency savings the public sector will be required to achieve which will place an additional financial pressure.

Due to the level of uncertainty and the significance of the financial implications the MTFP includes a number of scenarios in order to identify the potential financial impact the Authority could be facing. The areas included in the scenario planning are:

- Government grant settlement
- Transfer of concessionary travel service
- Council tax rises
- Fees and charges
- Utilities and fuel
- Pensions (employer contributions)
- Pay increases
- Public Protection service (shared service proposal)
- Efficiency savings

Summary of Plan

General Fund

The MTFP provides an update of the current financial year (2009/10) and identifies emerging issues that will need to be considered within the context of the current year's budget framework. Specifically these are in respect of continuing reductions in income received (compared with budget) and costs incurred in respect of leisure centre business rates and the management fee. In respect of the latter, Council approved in June additional resources for the payment of 6 months business rates. However it is now confirmed that the Trust will not be put in operation and therefore Council is asked to approve additional financial resources in the current year. This was a risk that was identified at the time of compiling the budget for 2009/10 and Council were made aware accordingly. Unfortunately this is a significant amount that will need to be drawn from reserves. Therefore within the current approved budget framework work will now commence to identify potential sums to mitigate the impact on the Council's reserves. This will be incorporated into the in-year forecasting process. If an alternative solution is found the amount required will be less. An updated 'Reserves Statement' and

'Summary of General Fund Estimates' are shown at Appendix E and G respectively.

The MTFP then considers the financial years up to and including 2012/13. This future forecasting takes into consideration the next round of Government grant settlement period (commencing in 2011/12). This makes future prediction of the financial position of the Council extremely difficult due to the uncertainty of the grant settlement. The MTFP considers the areas that are particularly volatile and includes scenario planning and sensitivity analysis of the financial position. In summary the MTFP predicts a potential budget shortfall in 2010/11 of £0.9m, in 2011/12 £2.7M and a budget gap of £2.9M in 2012/13 (based on current spending levels). The MTFP details how this forecast shortfall has been calculated and includes all of the assumptions. It then considers a range of options that will need to be considered in order to ensure a balanced budget is produced from 2010/11. This means the Council will need to deliver recurrent savings and efficiencies of £897k in 2010/11 and a further £1778k and £219k in 2011/12 and 2012/13 respectively.

The Government has introduced an annual cashable efficiency target for the public sector. Currently this is 3% per annum and increases to 4% per annum from 2010/11. This target is one of the Local Area Agreement targets (NI179) and is 'non-designated' to the Council. However the Council will need to continue to embed its Value for Money (VFM) agenda and other initiatives throughout services in order to ensure resources are utilised efficiently and effectively.

Housing Revenue Account

The long term financial planning of the Housing Revenue Account (HRA) will be undertaken to reflect both the updated HRA business plan and the outcome of stock condition survey. Opportunities for securing the long term financial sustainability of both the revenue and capital budget will need to be identified and incorporated into HRA service planning.

The findings of the review of the HRA and subsidy system have been announced by the Government and a consultation process is now underway. In the meantime, it will be necessary to keep the position under review as part of the rolling 30 year business plan for the HRA.

Robust budget monitoring and control has been maintained throughout 2008/09 to ensure that the HRA remains financially sound in the medium term. This has focussed on the escalating cost of responsive repairs and maintenance. More recently, tenants have been appraised of the financial position of the HRA through

consultation. In acknowledging that the Council cannot continue with its current approach of undertaking all categories of repair work, tenants have been consulted on a range of options for identifying alternative way of delivery the service and the current level of service delivery. The findings of this consultation will be considered by Council prior to its incorporation into the Tenancy conditions and the future budget headings.

4. OTHER OPTIONS CONSIDERED

The Council must approve a Medium Term Financial Plan as part of the setting of the budget framework.

5. RESOURCE IMPLICATIONS

The MTFP identifies the resources of the Council for the medium term.

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

A risk analysis is included in the MTFP

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None are specifically identified from the MTFP

8. CRIME AND DISORDER IMPLICATIONS

None are specifically identified from the MTFP

9. COMMENTS OF SECTION 151 OFFICER

My comments are included in the report.

10. COMMENTS OF MONITORING OFFICER

As this strategy is part of the Council's Budget and Policy Framework, it is essential it is reviewed annually to ensure it remains fit for purpose. The recommendation includes a supplementary estimate for provision of expenditure for leisure centres which was not anticipated at budget setting. This provision has to be made to ensure adequate provision of the leisure service.

11. APPENDIX: Medium Term Financial Plan

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: Financial Services & Risk Management	Names of those undertaking assessment: Richard Wyles Malcolm Gorringe	
Name of Policy to be assessed: Medium Term Financial Plan	Date of Assessment: 17 July 2009	Is this a new or existing policy?: Revision to existing strategy
1. Briefly describe the aims, objectives and purpose of the policy: The aim of the plan is to provide a framework for medium term financial planning for the Authority		
2. What are the key performance indicators? The strategy provides key themes which will be monitored		
3. Who will be affected by this policy? All stakeholders		
4. Who is intended to benefit from this policy and in what way? The MTFP is designed to enable the Authority to deliver on specific service policies which have their own impact assessments		
5. Are there any other organisations involved in the delivery of the service? None		
6. What outcomes are required from this strategy and for whom? The plan provides a financial framework which need to be adhered to in order to provide and maintain robust financial planning		
7. What factors/forces could contribute/detract from the outcomes? External forces specifically the allocation of Government funding		
8. Who are the main stakeholders in relation to the policy? Council tax payers, rent payers, business rate payers, parish councils, partners, other local government partners		
9. Who implements the policy, and who is responsible for the policy? Council is responsible for setting the policy following advice and lead from the s151 officer		
10. Are there concerns that the policy 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?		

No
11. Are there concerns that the policy <u>could</u> have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
15. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
16. Are there concerns that the policy <u>could</u> have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No
17. Are there any obvious barriers to accessing the service eg language, physical access? No
18. Where do you think improvements could be made? None identified
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? Corporate complaints system
21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief? N/a
22. Do we have feedback from managers or frontline staff? N/a
23. Is there any feedback from voluntary/community organisations? None
24. Is there any research or models of practice that may inform our view? N/a
25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy? N/a
26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy? N/A
27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason? N/A
28. Should the policy proceed to a full impact assessment? No
29. Date on which Full assessment to be completed by N/A
Signed (Lead Officer): Richard Wyles
Date: 17 July 2009

SOUTH KESTEVEN DISTRICT COUNCIL

4 Year Medium Term Financial Plan (MTFP) **(2009/10 to 2012/13)**

Contents

Overview

What is the MTFP?

What key factors & risks influence the Council's MTFP?

Developing the MTFP – How the Council will respond positively to the key issues and risks identified

Detail

General Fund Revenue Budget

Capital Budget

Housing Revenue Account

Reserves & Balances

Risk Analysis

Appendices:

- A 5 Year Revenue Money Plan (incorporating 4 Year MTFP)**
- B 5 Year Summary Capital Money Plan (incorporating 4 Year MTFP)**
- C 5 Year Summary HRA Money Plan**
- D Schedule of Reserves**
- E Movement in Reserves**
- F Risk Assessment**

WHAT IS THE MTFP?

The Medium Term Financial Plan (MTFP) brings together the Council's financial position for both the General Fund and the Housing Revenue Account and demonstrates how revenue and capital financial resources are organised in order to deliver the Council's priorities. The Plan is reviewed each year in order to take into account the final outturn position for the year just ended (2008/09) and to reflect emerging national and local issues that will impact in the short to medium term. It is also reviewed each March prior to delivery of the Annual Budget and will evolve and develop in response to Council priorities, national issues and the economic climate.

This 4 year Plan covers the remainder of the current year (2009/10) and incorporates the last year (2010/11) of the Government's current 3 year Comprehensive Spending Review (CSR07) and the first two years of the next Comprehensive Spending Review (CSR10). It also acknowledges that in a global recession and during a period of deflation and relatively low interest rates, financial forecasting beyond 2010/11 is difficult. This heightens uncertainty surrounding future grant settlements and the impact of uncontrollable elements of the Council's budget.

The Plan is important for residents, stakeholders and partners because it provides them with an overview and understanding of the Council's financial position over the short to medium term. In addition, it provides important information on the Council's approach to delivering savings and efficiencies. This in turn provides members of the local community with details of expected outcomes from value for money work so that they can become more engaged.

This Plan consolidates projections and emerging themes for the Council over the four year period. More specifically, in terms of the overarching policy and financial framework, it takes account of each of the following:

- ❖ Corporate Plan
- ❖ Capital Strategy
- ❖ Sustainable Communities Strategy
- ❖ Asset Management Plan
- ❖ Treasury Management Strategy
- ❖ Fees and Charges Strategy
- ❖ ICT Strategy
- ❖ Fleet Management Strategy
- ❖ Debt Management Strategy
- ❖ People Strategy
- ❖ Value for Money Strategy
- ❖ Financial Regulations
- ❖ Carbon Management Plan

WHAT KEY FACTORS & RISKS INFLUENCE THE COUNCIL'S MTFP?

The following are relevant to the Council:

- There is uncertainty over the Government's spending and funding plans for the public sector and local government. Whilst the current 3 year timeline for grant settlements provides greater security for the public sector in the short to medium term, there is likely to be a significant real terms reduction in government funding from 2011/12 in order to pay for increasing public sector borrowing. This will be reflected in the next Comprehensive Spending Review (CSR10). Some prominent bodies including the Institute of Fiscal Studies have forecast significant cuts in government funding for the 3 years from 2011/12 – up to 10%. In addition all Councils will also need to find an extra £5bn in efficiency savings from 2010/11 – on top of the £30bn already planned.
- The last 12-15 months has seen unprecedented times for the world financial markets and banking sector and this has impacted on the Council's Treasury Management Strategy. The TM strategy has been updated to reflect this uncertainty and promote a risk adverse approach. The strategy will be further reviewed during the current financial year to ensure the Council optimises risk and reward.
- The economy is experiencing a period of deflation but is forecast to return to an inflationary position during 2010. The Government's target for inflation measured as the Consumer Price Index (CPI) and public sector pay increase remains at 2%. As at June 2009, the RPI and CPI was -1.6% and +1.8% respectively. In addition, many public sector bodies have external contracts where annual reviews are linked to the Retail Price Index (RPI) and in a period of deflation these will come under increasing pressure to negotiate a reduction in costs.
- Forecast interest rates for borrowing and investment - interest rates are of particular importance to the Council, in that they affect its performance on investments and borrowing. As at June 2009, the Bank Rate was 0.5%; the lowest level on record. In addition, the current economic climate will have a negative impact on the Council's projected investment interest forecast and will impact on fixed term contracts linked to inflationary RPI (retail price index), business rates, utility rates and salary forecasts.
- The Council will need to be well positioned to respond to rising unemployment in the community and support this by ensuring services are adequately resourced to deal with increasing workloads (e.g. increase in benefit applications and homelessness applications). In addition, some income

streams are suffering which is placing a greater financial burden on the Authority.

- Although no specific guidance has been published the Government expects to see Council Tax increases significantly below the capping level of 5%.
- The White Paper, 'Strong and Prosperous Communities' published in 2006 recommended that official recognition be given to the role of authorities in convening local partnerships, with Local Area Agreements (LAA's) being put on a statutory footing and a specific duty to cooperate placed on named partners. The Government also expects Councils to work closer with the third sector due to the loss of voluntary donations/investment income and more people needing help and support.
- From 2009, Comprehensive Area Assessments (CAA) replaced Comprehensive Performance Assessments (CPA). This marks a significant change to the current assessment regime and looks at the public services in an area delivered by councils and their partners including private and voluntary sectors rather than focussing on services provided by local authorities. More importantly, it is also more relevant to local people by focusing on issues that are important to their community, e.g. crime, community cohesion, a sustainable environment (e.g. climate change and energy efficiency) or public health issues.
- In terms of delivering Value for Money, the Council will need to ensure that it has robust plans in place to meet the 3% or 4% (from 2010/11) per annum annual cashable efficiency savings target. There will not be a mandatory value for money target for each individual council, instead, efficiency savings across local government as a whole will be measured and monitored based on local value for money indicators. Targets will only exist where they are negotiated as one of the new LAA targets.
- The Housing minister has recently announced the outcome of the review of Council housing finance arrangements. A consultation paper is now expected seeking views on the key proposals. These include the abolishment of the current housing subsidy system offset by a national adjustment of the housing debt between housing authorities. Other changes include the retention of rental income and any housing sale capital receipts. It is too early to speculate on the financial implications of these proposals for this Council but the outcome of the review will be incorporated into the budget setting process and the HRA business plan.
- A recent white paper 'Communities in control: real people, real power' seeks to give people more say over their lives and in doing so give more power to local people and communities in a number of ways. These range from participatory budgeting, duty to promote democracy, duty to involve

(effective from April 2009) and asset management/transfer proposals.

- The Council will face continuing pressure on those income and expenditure budget headings that are driven by external economic factors, including:
 - Utility and fuel costs
 - Salary growth
 - Fees and charges income
 - External contracts
 - Business and drainage rates payable by the Authority
 - Borrowing costs
 - Investment income

- The recession is placing additional pressure on some front line services (e.g. housing and council tax benefits) where residents are affected by unemployment, repossessions and managing increasing amounts of debt.

DEVELOPING THE MTFP – HOW THE COUNCIL WILL RESPOND POSITIVELY TO THE KEY ISSUES AND RISKS IDENTIFIED

At the present time the Council is in a relatively strong financial position and has good financial management arrangements in place. However, these will need to be strengthened in order to respond positively to the challenges presented by the global credit crunch, economic downturn and increasing demand for service improvements. Against this background, the Council will ensure that revenue and capital resources are carefully targeted at Council priorities by:

- Continuing to improve and strengthen its financial planning and budgeting processes to ensure that the authority is prepared for the significant reduction, in real terms, of Government funding.
- Developing and maintaining sustainable revenue and capital budgets over the period covered by this plan.
- Actively managing aspects of the budget that consists of large amounts of uncontrollable costs in order to ensure the Council can deliver its efficiencies and maintain a balanced budget.
- Ensuring that management processes increasingly cover zero based and priority based budgeting, invest to save projects, sensitivity analysis of high/low spending areas and benchmarking/use of comparatives. We will also include comparisons of transaction/unit costs for high spending and priority areas although this requires some development.
- Carefully reviewing its assumptions about pay and non-pay inflation over the next 3 years.
- Carefully reviewing the level of future increases in Council Tax.

- Amending its treasury management strategy in order to respond positively to the changing economic climate.
- Annually reviewing the level of reserves and balances to ensure that they are sufficient to meet the Council's needs and priorities over the medium term
- Continuing to review the approach to setting fees and charges in order to ascertain the true cost of providing services.
- Continuing to embed the Council's approach to Value for Money across the organisation in order to support the ongoing search for efficiency gains and deliver the Government's annual 3% cashable savings target within the LAA. This increases to 4% from 2010/11.
- Regularly reviewing the Council's Asset Management Plan in order to ensure the use of assets is maximised and reflects the delivery of the Council's priorities.
- Incorporating the climate change and energy efficiency agenda into service planning and identifying the resources needed to deliver this together the financial benefits arising from this agenda.
- Ensuring that the development and delivery of the annual budget is actively supported by Members fully utilising policy development groups and scrutiny that is underpinned by regular training. Also, by the Management Team assuming collective responsibility and ensuring regular consultation with stakeholders and key partners.
- Strengthening the way the authority operates through partnerships ensuring these work effectively and deliver positive outcomes in line with the revised performance framework for the LAA. In particular, developing a greater understanding of the resources available to partners and how these can be used to deliver agreed priorities.
- Maximising the opportunity to secure Government and/or external funding to underpin partnership working within the revised LAA arena.
- Maximising the benefits of being an active member of the Lincolnshire Shared Services Partnership where the guiding principle of the partnership is one of local choice, but made in the context of maximising efficiency through standardisation of service specification where appropriate, e.g. procurement.
- Ensuring that future investment in key services is balanced and clear demonstration of customer improvements is identified.
- Carefully managing the financial modelling and forecasting of the Housing Revenue Account over the short to medium term, having regard to both the updated HRA business plan and the outcome of the stock condition survey.

General Fund Revenue Budget

Appendix A shows the 5 year Money Plan, i.e. the movement in budgets and funding over a 5 year period (2008/09 – 2012/13) and includes the outturn for 2008/09 (pre-audit) and the period covered by this Strategy.

The approved budget for 2009/10 and indicative budgets for 2010/11 and 2011/12 formed part of the Annual Budget & Council Tax Report to Council in March 2009. This includes the last year (2010/11) of the Government's current 3 year grant settlement contained within CSR07. The grant settlement for the next 3 years (CSR10) has yet to be announced so revised assumptions have been made about the level of Government funding for 2011/12 and 2012/13 – the last 2 years covered by this Plan.

Sensitivity Analysis

Within the revenue budget there are a number of income and expenditure headings which are influenced by external factors which will have a direct impact on the budget provision. In light of the current recession and recent forecasts of Government borrowing and spending, some of the assumptions included in the March Budget report have been revised.

2009/10 (current year) – revised assumptions and financial implications.

Since the March Budget Report, the following areas have been materially affected by the continuing economic downturn and other key factors:

Budget Area	Budget Implications +/-	Comments
Building Control & Development Control	Forecast reduced income -£150K	Continuation of downward trend of income resulting from economic climate
Land Charges	Forecast reduced income -£30K	Continuation of downward trend of income resulting from economic climate
Leisure Centres Business Rates and management fee	-£580K	£180K funded from capacity reserve – Report to Council 18th June 2009. A further £400K is required in the current financial year to meet

		the costs of the remainder of the business rates and management fee.
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3 years from April 2010/11 - the following is a summary of the key areas and new/revised assumptions.

Government Grants

In January 2008 the Government confirmed the amount of formula grant for SKDC for the 3 year period 2008/09 to 2010/11. The assessment from 2011/12 is based on the Government's most recent forecast of public spending and funding and linked to the level of public debt.

CSR07			CSR10	
Year 1	Year 2	Year 3	Year 1	Year 2
Final settlement 2008/09 £m	Final Settlement 2009/10 £m	Provisional Settlement 2010/11 £m	Indicative Settlement 2011/12 £m	Indicative Settlement 2012/13 £m
9.881	10.025	10.147	9.640 – 5% reduction 9.132 – 10% reduction	9.640 9.132 Assume standstill position

As the above table illustrates, from 2011/12 the Council is anticipating a significant real terms reduction in Government funding as explained above. This could be as much as 10% (£1.015m); realistically however, the view is that, in addition to other pressures to improve and develop local services plus the increased efficiency savings target (4%), this would be extremely damaging for local authorities and the development of local communities. Therefore the financial modelling has been developed of a likely 5% reduction in grant from 2011/12.

As part of CSR07 and the development of the new framework for Local Area Agreements (LAA), the Government has mainstreamed over £4bn of funding into the new Area Based Grant (ABG) over the 3 year period. The difference between ABG and formula grant is that ABG is allocated according to specific policy criteria rather than general formulae. For 2009/10 and 2010/11, SKDC will receive £49k and £75k respectively for community cohesion and £23k in each year for climate change. No announcement has been made for 2011/12.

In addition, the authority will continue to receive specific grants, for example in respect of housing benefit administration, homelessness, concessionary fares (see below) and housing and planning delivery. No Local Authority Business Growth Incentive (LABGI) grant has been assumed in any of the future budgets.

Concessionary Fares

On 1st April 2008 a new national scheme was introduced with pass holders able to travel off-peak free of charge on local bus services within England. Within Lincolnshire, a county wide partnership has been established but overall responsibility for administering concessionary travel and its associated costs remains with individual authorities.

To improve efficiency and effectiveness, the Department for Transport (DfT) has decided to consult on a range of options regarding the administrative arrangements (not the overall funding). Any change is likely to be featured in the next Comprehensive Spending Review (CSR10) and take effect from April 2011.

In terms of the funding implications, this could impact on both revenue support (RSG) grant and specific grant funding. It is suggested that based on best and worst case scenario and excluding specific grant funding (£379k in 2008/09), the Council could lose between £500k and £1.3m in RSG from 2011/12. The position will need to be carefully monitored during the summer/autumn of 2009. In terms of this MTFP, it would be prudent to adopt a mid-way position and provide for a real terms reduction in grant funding of £900k from 2011/12.

Council Tax

A maximum increase of 3% per annum in council tax income has been assumed throughout the 3 year period plus an annual increase of 1.1% in the council tax base, i.e. net increase in the number of properties. As a guide and using 2009/10, every 1% increase in council tax generates an additional £61k for the Council. Accordingly, the table below sets out an indicative budget requirement to be funded from Council Tax (excluding Parish Precepts).

2009/10 Actual £m	2010/11 Estimate £m	2011/12 Estimate £m	2012/13 Estimate £m
6.087	6.337	6.597	6.867
Annual Increase	£250K	£260K	£270K
% Increase (3% CTax increase + 1.1% increase in base)	4.1%	4.1%	4.1%

Fees and Charges

The current Fees and Charges Strategy was updated and approved in 2008/09 to include the findings and recommendations of the recent Audit Commission publication entitled "Positively Charged". In terms of the MTFP and longer term financial planning, whilst prudent assumptions about demand have been made, this is a risky and volatile area that will need to be kept under close scrutiny.

Fees and charges represent a significant and important income stream for the Council (£5.5m in 2009/10). During the next 3 years, the Council expects income to continue to be adversely affected by rising unemployment, recession and economic downturn. Some key areas of income such as development control and building control continue to show a downward forecast in 2009/10 and careful monitoring will need to continue to enable correct action to be implemented. At the time of compiling the MTFP there are national discussions regarding the fees and charges in respect of land charges which could have a negative impact. However at the present time this cannot be quantified.

Net Investment Income

This has been an important source of income for supporting the Council's service expenditure. The Council will continue to maximise income from investments (over £1M in 2008/09), having regard to use of reserves, asset sales, capital programme commitments and the latest economic projections but significantly lower returns are expected from 2009/10 (budgeted income £132k).

The sensitivity of the General Fund to changes in interest rates is linked more markedly to investment rather than to the portfolio of borrowing due to its variable nature. Interest rates assumed over the next 4 years, including the current year, are as follows (based on information supplied by the Council's advisors):

	2009/10	2010/11	2011/12	2012/13
	%	%	%	%
Interest Rate	1.0	1.5	2.5	4.5

External Funding Opportunities

The Council is committed to maximising the opportunity to secure additional Government and/or external funding to meet its corporate plan priorities and objectives. This includes S106 monies; housing and planning delivery grant (HPDG) etc. However in respect of the latter it must be borne in mind that the grant is based on housing market expansion and this will be strongly affected by the economic downturn.

Salaries inflation forecast

The three year budget forecast has been based on an inflationary increase of 2% for 2010/11; 2% for 2011/12; and 3% for 2012/13. In light of the current RPI and inflation forecasts these increases will need to be reviewed downwards. The actual amount of increase will depend on the national pay settlement. An increase of 1% will result in an additional £140K per annum (assuming a constant number of FTE's)

Maintenance Contracts

The grounds maintenance contract is annually increased (in accordance with the contract) in line with Retail Price Index. The budget has been based on an inflation increase of 1% for 2010/11 and 2% for each of the following two years. An increase of 1% will result in an additional £10K per annum.

Utilities and Fuel

The price of oil continues to be volatile which makes budgeting for this expenditure heading extremely difficult. Projections have been based on an increase of 10% for each of the 3 years of the budget. An increase of 1% will result in an additional £20K per annum.

Rates

These can be classified between non-domestic rates and drainage rates. In respect of drainage rates the budget forecast is based on an annual increase of 5%. An increase of 1% will result in an additional annual cost of £6k. However, in respect of business rates the Council will no longer benefit from the business rate savings in respect of the leisure centres as a result of the Trust not in operation. This will have a significant impact on the 2010/11 budgets (and going forward) of approximately £400K per annum. Furthermore a revaluation of rateable values is anticipated which will impact from April 2010.

Pensions

Following a 'Triennial' Review of the Pension Fund as at March 2007, the contribution rate in 2009/10 remained at 21.2% of payroll. This takes account of the latest actuarial review and the effects of the changes in the pension scheme together with demographic changes. Future contribution rates are likely to increase from April 2010 as a result of the continuing economic downturn and lower returns from investments. The precise impact will not be clear until the next triennial revaluation due in March 2010. It is anticipated that the pension reserve will be used to financially contribute towards any increase in employer contribution rates and one-off costs of early retirements.

Debt Management

The Council is committed to reducing levels of debt and a more proactive approach to debt management and recovery action has

been introduced, particularly in relation to aged debts. A revised Debt Management Policy has been approved to ensure and maintain a consistent approach to debt management across the key income recovery services. This will be a key area for review given the current economic climate.

Staff Turnover/Vacancy Factor

In line with recent policy, throughout the period covered by this Strategy, a workforce efficiency target of 2% of the overall salary budget has been provided. This is in the region of £250k per annum. However if this target was increased to 3% to reflect a recruitment lag in the process then a further £100K per annum can be identified.

Savings and Efficiencies

In response to the efficiency agenda and to ensure Value for Money is achieved, the Council is developing a robust benchmarking approach which will need to continue to be embedded across the organisation. A Value for Money Strategy was approved by Cabinet in November 2007 and this will support the ongoing search for efficiency gains and deliver the Government's 3% cashable target for CSR07, including the revised target from 2010 of 4%. It will also focus on areas of spending where the Council has real control over budgets.

The Council has a successful track record in delivering savings and efficiencies and is committed to continuing to embed the culture of value for money throughout the organisation to ensure that this continues. The savings targets that have been assumed within the MTFP will contribute towards the efficiency target set in respect of the LAA.

Public Protection Shared Service

An outline business case has been prepared on a proposal to develop a shared service approach to delivering Environmental Health and Trading Standards services across the county from April 2010. The total annual expenditure on these services across Lincolnshire is £9.5m. The business case is focused on achieving 3 over-arching objectives: improve services to business; improve services to the public; and make efficiency savings.

The case considers a range of options that develop the seven district services, plus trading standards, from where they are now, into a fully integrated PPS service. As at July 2009, detailed information on costs and savings are not available so it is difficult to assess the extent to which efficiency savings may be realised.

Choice Based Lettings (CBL)

In line with the Government's strategy from 2010/11, the additional cost of developing a sub-regional approach with Peterborough City

Council and South Holland District Council is being reviewed. At the time of compiling the MTFP no decision has been taken in respect of the future service delivery proposals. However should there be an additional on-going financial implication in respect of a partnership arrangement then this will need to be considered within the context of the current budget pressures.

Fleet Management Strategy

The strategy makes provision for a targeted reduction £186k over 5 years in annual running costs, principally arising from the change in the fleet of pool cars. It is proposed to offset these savings against expenditure on carbon management initiatives.

Civil Parking Enforcement (CPE)

At the time of compiling the MTFP, work is continuing with Lincolnshire partners to progress the business model for the introduction of civil parking enforcement (targeted for implementation during 2010). There are a number of outstanding issues that will have a financial impact on the Council that will need to be resolved. These include:

- The arrangements for the distribution of any deficits arising from the Lincolnshire scheme
- The payback arrangements for the set up costs
- The administration model in respect of the fines issued
- The impact on car parking charges for off-street

Discussions are continuing and the outcome of the proposals will need to be considered to assess the financial impact on the Council.

Leisure Centres – Financial considerations

It is now confirmed that the Leisure Trust will not be in operation in respect of the leisure centre facilities and so the financial savings in respect of business rates and the associated management fee will no longer be achievable. Potentially this will put an additional financial burden on the Council of potentially in the region of approximately £800K per annum. This has not been included in the indicative base budgets for 2010/11 (and beyond) so will need to be included in the budgets. In the meantime the Council will review its options in respect of leisure management delivery including a local Industrial and Provident Society (IPS model).

Summary Budget Position

- Despite on-going cost pressures and lower than expected income from fees and charges, a balanced budget has been achieved for the current year – 2009/10. The forecast budget position for the next 3 years is set out below, incorporating the issues and assumptions included above and in the financial model. This reveals a significant General Fund budget gap from 2010/11 that will need to be closed.

GENERAL FUND BUDGET SUMMARY	2010/11 Indicative Base £'000s	2011/12 Indicative Base £'000s	2012/13 Indicative Base £'000s
Net Budget Requirement per March Budget Report (2012/13 = 2011/12 + 2%)	16,581	16,952	17,291
Revenue Support Grant (RSG) (5%)	(10,147)	(9,640)	(9,640)
Adjustment for Concessionary Travel element of RSG (mid range)	0	900	900
Net loss of Specific Concessionary Fares Grant	0	400	400
Council Tax (3% increase + 1.1% base increase)	(6,337)	(6,597)	(6867)
Adjustment for inflation on pay costs (1% increase)	(70)	(70)	70
Adjustment for inflation on non-pay costs	0	(50)	(50)
Reduction in income from Building & Development Control	50	50	50
Reduction in other income	50	50	50
Impact of Proposed Public Protection Shared Service	(100)	(200)	(200)
CBL – development of sub-regional approach	70	70	70
Leisure centres – business rates and management fee	800	810	820
BUDGET DEFICIT (SURPLUS)	897	2675	2894
Increase in Deficit		1778	219

It is clear from the above table that the Council is potentially facing a significant budget shortfall from 2010/11 onwards based on the assumptions given in the MTFP. It is also clear that there is a high level of uncertainty with respect of the key areas of finance (particularly the grant settlement) which results in a wide range of varying financial scenarios. However the Council is well placed to respond to the challenges of meeting the projected budget shortfalls and will pro-actively undertake work to ensure a balanced and sustainable budget is presented in March 2010.

The best case scenario would be that the grant settlement for the 3 year grant settlement period (CSR10) is in line with inflation (or frozen at the 2010/11 level) and that the concessionary fares administration is retained at district level. However it is unlikely that this scenario will materialise at this time.

The worst case scenario is that the grant settlement is reduced by 10% (and not the 5% quoted above). This would add a further £500K to the forecast deficit figures thereby increasing it to £3.175m and £3.394m (2011/12 and 2012/13 respectively).

Planning ahead

Robust plans will need to be developed during the current year in order to ensure the Council can deliver a balanced and sustainable budget for 2010/11. The Council has underspent on its revenue budgets for the last few years which would suggest that there is scope within the budget setting process to ensure budgets are accurately set in order to deliver the service objectives and the Council priorities. The list below includes a range of options the Council will need to consider in order to close the forecast budget deficit.

1. Fundamental budget reviews (revenue and capital) – ensuring the allocation of resources is based on priority needs and output delivery linked to customer expectations. The complete alignment of services to demonstrate their underpinning contribution to the Council priority themes. This review will be supported by community consultation (where appropriate)
2. The development and support of proactive budget management by service areas (underpinned by central Finance support).
3. Further roll-out and implementation of zero based budgeting in key service areas (high expenditure services)
4. The removal of non-specific contingency budgets and provisions from the revenue budgets. Fully costed (supported by business case) initiatives to be financed from revenue reserves

5. Reviewing and challenging staff vacancies prior to the recruitment process to ensure it is fully aligned to the Council's priorities. Consideration of fixed term appointments where appropriate.
6. Increase of salary vacancy factor from 2% to 3% by delaying recruitment (in non-service critical areas). This will generate savings of over £100K (based on current spending levels).
7. Detailed analysis of over and under-spending between years to understand the reason for significant variances. In particular, budgets that have tended to underspend in recent years.
8. Lean systems thinking – the Council is committed to the continuation of reviewing service processes in order to remove system waste and duplication thus improving the efficiency of the service and improving the customer experience. Introduction of efficiency outcomes (linked to financial savings) should be considered as part of all system reviews.
9. Efficiency review – Further development and delivery of an efficiency plan in order to meet the NI179 target. This will deliver £900k in efficiency savings and will ensure that the limited resources are being used to the best effect. Service reviews will be aimed at demonstrating that services are delivering an optimum balance between relatively low costs (economy), high productivity (efficiency), and successful outcomes (effectiveness).
10. Determining the financial separation of fixed and variable costs and the relationship between the costs of front line services and back office support functions. This information can be used to assist with the review of service subsidy levels, service reduction and alternative service delivery options.
11. Ensure grant opportunities are identified and incorporated into base budgets for future years thus avoiding the need to build the additional expenditure into the base budgets.
12. Review of indirect taxation opportunities (i.e. service user pays) through fees and charges review
13. Lincolnshire Improvement and Efficiency Programme – the various work-streams will be evaluated to examine the level of efficiencies that may be achieved, e.g. joint procurement.
14. Income generation/optimisation, e.g. by reviewing the level of fees and charges in non-discretionary areas.
15. In-house provided services – the Council provides a number of frontline services together with a number of support services. All services will continue to be benchmarked to evaluate value for money and identify potential for efficiencies through market testing, where appropriate.
16. Overheads – an examination of the Council's overhead base to establish value for money and opportunities for achieving efficiencies.

17. Asset disposal and property management – with a view to generating greater investment income and reducing revenue-running costs (and releasing capital receipts to support the investment programme). The Council asset portfolio should be fundamentally reviewed to identify:
- Contribution towards the priority themes
 - The operational costs of holding the asset
 - The maximisation of the income stream (or specified subsidy level)
 - The future use of the asset
 - Investment or surplus asset categorisation

This review should underpin and support the Council's asset management plan

Capital Budget

Appendix B sets out the 5 Year Money Plan, i.e. the Capital Programme over a 5 year period (2008/09 – 2012/13) and includes the outturn for 2008/09 (pre-audit) and the period covered by this Strategy. The Programme will be reviewed in September 2009. This needs to be considered in conjunction with the Council's Corporate Plan priorities, Capital Strategy and Treasury Management Strategy that are aligned to the system of capital finance controls set out in the Prudential Code for Capital Finance in Local Authorities (the Code). The Code sets out a framework for self-regulation of capital spending, in effect allowing councils to invest in capital projects without any limit as long as they are affordable, prudent and sustainable. The Code allows the council to determine the appropriate level of capital investment to properly deliver quality public services, subject to affordability.

The Council is committed to delivering its capital programme and the Prudential Code will be used to ensure the decisions made with regard to borrowing and investment reflect affordability, sustainability and value for money. Where appropriate, external advisors will again be used to assist in such reviews and this will involve consideration of the following issues:

- Balancing investment income against new borrowing
- Leasing versus buying outright
- Ensuring that the balance of investment between General Fund and Housing Revenue Account is well defined and analysis of the impact of changes of debt and investment structure on both funds.

The revised Capital Strategy sets out the Council's approach to capital investment and has resulted in the development of a medium term capital programme which is reviewed at least annually to provide a forward 3 year view. All capital schemes are appraised and scored when developing the medium term capital programme, however, it is essential that the process is flexible enough to deal

with emerging or urgent schemes. Over the next 3-5 years, the Council will invest significantly in town centre development (two priority projects being Grantham Growth and Bourne Core Area), fleet procurement (particularly waste management vehicles) and refurbishing/improving the Council's housing stock. Investment in the total programme is between £8m and £9m per annum.

The capital programme for the General Fund is heavily reliant on useable capital receipts to fund the investment required to deliver its main aims and strategic priorities. The balance of funding is covered by capital grants (for example disabled facilities) and direct revenue financing. In the long term this package of investment may not be sustainable and other sources of funding may need to be sought to fund capital expenditure, including maximising the potential of asset sales, i.e. property and land that are not fully utilised or are surplus to requirements. In this connection, the Council has also reviewed its Asset Management Plan alongside the Capital Strategy on the basis of ensuring that financial returns for future investment in Council priorities are optimised for the benefit of the community.

The revenue implications of all capital schemes, particularly whole life costings and the corresponding reduction in investment income as a result of a reduction in capital resources and the cost of any unsupported borrowing have been taken account of and included within the MTFP.

The Capital Strategy will need to be kept under review to ensure it remains 'fit for purpose'. Over the period of the MTFP, robust budget monitoring will be undertaken by the Council's Capital Assets Management Group in order to ensure that capital projects are delivered to the agreed timescale and within budget.

Housing Revenue Account (HRA)

The HRA is a statutory ring-fenced account that relates to costs and income in respect of the Council's housing stock. The HRA budget and rent setting process is undertaken annually alongside the General Fund and certain elements of the process are carried out simultaneously.

Future annual budgets will need to take account of the outcome of the review of the business plan and the extent to which tenant aspirations can be afforded with the level of resources that can be provided by the HRA. In the interim, the financial viability of the HRA will be managed and maintained within government guidelines, including the target to achieve rent convergence by 2023/24. This will need to take account of the results of the full stock condition survey that will be completed during 2009/10. The results of the stock condition survey will determine where limited resources will need to be targeted and having regard to the level of investment

required it will be important to ensure that tenants are fully consulted on issues relating to affordability.

The Housing minister has recently announced the outcome of the review of Council housing finance arrangements. A consultation paper has now been issued seeking views on the key proposals. These include the abolishment of the current housing subsidy system offset by a national adjustment of the housing debt between housing authorities. Other changes include the retention of rental income and any housing sale capital receipts. It is too early to speculate on the financial implications of these proposals for this Council but the outcome of the review will be incorporated into the budget setting process and the HRA business plan.

In order to enhance system effectiveness and efficiency and thereby improve tenant experience, a number of service processes are being reviewed as part of the Council's commitment to service improvement. In addition, many of the initiatives outlined to ensure a balanced General Fund budget will be applied to the HRA in order to ensure it breaks even year on year. This will help to release resources so they may be re-directed at priority areas.

Appendix C sets out the 5 Year Money Plan, i.e. the HRA over a 4 year period (2008/09 – 2012/13) and includes the outturn for 2008/09 (pre-audit) and the period covered by this Plan. This shows that a series of on-going deficits of between £1m and £2m per year has been replaced from 2010/11, with a near break even position. The HRA working balance will be maintained at £5.0m from March 2012 and the balance on the Major Repairs Reserve will reduce to less than £2m by March 2013. This position will need to be closely monitored.

Reserves and Balances

The minimum prudent level of reserves that the Council should maintain is a matter of judgement. CIPFA guidance does not set a statutory minimum level but it is up to local authorities themselves, taking into account all the relevant local circumstances, to make a professional judgement on what the appropriate level of reserves and balances should be.

Reserves can be held for three main purposes:

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

A schedule of reserves and the purposes for which they are held is attached at Appendix D. A review of the level of balances and reserves was undertaken as part of the closure of accounts and preparation of Annual Statement of Accounts for 2008/9 together with a review during the preparation of the budgets for 2009/10.

The financial risks have been identified and an assessment of the estimated exposure and possible mitigation has been made in the context of the Council's overall approach to risk management and internal financial controls. This information has been used to determine the optimum level of reserve holdings needed to meet the requirements of a working balance and contingency. The conclusion of this risk assessment is that, currently, it is deemed prudent that General Fund reserves are maintained above 5% at £1.5m (8.5% of 2009/10 net operating expenditure) and that the Housing Revenue Account balance is maintained at 5.0m (21.9% of 2009/10 total expenditure).

The total reserves held as at 31st March 2009 is £25.3m as follows:

General Fund Reserves	£7.8m
Capital Reserves	£5.9m
Housing Revenue Account	£11.6m

Details of the level of reserves and current estimated movements on reserves from 2009/10 are contained in Appendix E. The level of individual reserves has been reviewed to take account of potential future use and particularly those, which are earmarked for specific purposes. A clear protocol for the use of each reserve has also been developed.

In summary, the levels of reserves and balances recommended within this strategy are believed to be sufficient to meet all of the Council's obligations and have been based on a detailed risk assessment. However, the position will be reviewed annually.

Risk Analysis

Inevitably and particularly in the current economic and financial climate there are risks associated with the assumptions for both capital and revenue. In order to mitigate such risks, prudent assumptions have been made where appropriate. It will be necessary to review this Strategy annually to take account of the financial implications of new developments and changing circumstances and the consequential impact on medium and long term financial projections. In year budget monitoring is also crucial and the current approach is being improved and strengthened to include year end forecasting.

SKDC is enhancing its approach to managing risk both at a strategic and operational level. Mechanisms are currently in place to manage

strategic risks through a regular ongoing review of the Strategic Risk Register by the Management Board. In addition, the service planning template incorporates a risk assessment to be completed by Service Managers. Further work is ongoing to embed risk management across the authority, with the creation of an operational risk group.

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

A summary of the key risks and pressures facing the Council is set out in Appendix F. These will managed as an integral part of the Council's core risk management process.

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APPENDIX A - GENERAL FUND 4 YEAR MONEY PLAN

2009/10 to 2012/13

	2008/09 Outturn	2009/10 Estimate Base	2010/11 Indicative Base	2011/12 Indicative Base	2012/13 Indicative Base
	£'000	£'000	£'000	£'000	£'000
BUDGET REQUIREMENT, INCLUDING BUDGET ASSUMPTIONS - Amount to be met from Government grants and Local Taxpayers	15,185	16,171	17,381	18,912	19,401
Formula Grant	(9,881)	(10,025)	(10,147)	(9,640)	(9,640)
Council Tax Collection Fund Surplus	(93)	(59)	0	0	0
NET EXPENDITURE (EXC. PARISH PRECEPTS)	5,211	6,087	7,234	9,272	9,761
SKDC Budget Requirement	5,236	5,479	5,696	5,918	6,188
Bourne Special Expense Area	22	24	25	26	26
Deepings Special Expense Area	12	13	13	14	14
Grantham Special Expense Area	398	415	439	465	465
Langtoft Special Expense Area	10	10	11	12	12
Stamford Special Expense Area	141	146	154	162	162
General Fund Expenditure	5,819	6,087	6,337	6,597	6,867
BUDGET SURPLUS/(DEFICIT)	608	(0)	(897)	(2,675)	(2,894)

APPENDIX B - CAPITAL 4 YEAR MONEY PLAN

2009/10 to 2012/13

	Description	2008/2009 Revised Base Sept £'000	2009/2010 Revised June £'000	2010/2011 Estimate Base £'000	2011/2012 Estimate Base £'000	2012/2013 Estimate Base £'000
	<u>HOUSING REVENUE ACCOUNT</u>					
1	Stock Improvements	7,274	4,156	5,399	5,100	5,100
2	Demolitions	25	-	-	-	-
3	IT Software	213	113	-	-	-
4	Purchase of Vehicles	-	362	26	166	-
5	TOTAL - HOUSING REVENUE ACCOUNT	7,512	4,631	5,425	5,266	5,100
	<u>OTHER SERVICES</u>					
6	Sustainable Communities	2,836	2,954	1,650	2,630	1,630
7	Healthy Environment	410	435	928	698	-
8	Finance and Customer Services	-	320	-	-	-
9	Resources and Organisational Development	748	530	450	595	250
10	Partnerships and Organisational Improvement	272	50	50	50	50
11	Tenancy Services	280	-	-	-	-
12	Indicative Projects (Not yet evaluated)	-	300	175	-	-
13	TOTAL - OTHER SERVICES	4,546	4,589	3,253	3,973	1,930
14	TOTAL - CAPITAL PROGRAMME	12,058	9,220	8,678	9,239	7,030
	<u>GENERAL FUND FINANCED BY:</u>					
15	Supported Borrowing	-	-	-	-	-
16	Unsupported Borrowing	-	-	-	-	-
17	Specific Reserve - Capital	-	2,051	-	-	895
18	Usable Capital Receipts	3,425	1,402	2,499	3,219	781
19	Capital Grants and Contributions					
	- Bourne Core Area	-	-	-	-	-
	- Stamford Recreation Ground Secured Funding	73	-	-	-	-
	- Stamford Recreation Ground Unsecured Funding	37	-	-	-	-
	- Housing Planning Delivery Grant	-	50	-	-	-
	- New Housing Developments Grantham (S106 monies)	200	-	-	-	-
	- Disabled Facility Grant	213	254	254	254	254
	- Regional Housing Grant	490	606	-	-	-
20	Direct Revenue Financing					
	- IT Hardware Replacement Programme	50	-	-	-	-
	- Grantham Christmas Lights	-	10	10	10	-
	- Contribution from Revenue	103	216	490	490	-
21	TOTAL - GF CAPITAL PROGRAMME	4,591	4,589	3,253	3,973	1,930
	<u>HRA FINANCED BY:</u>					
22	Major Repair Reserve	7,512	4,469	5,263	5,266	5,100
23	Capital Grants (Ground Source Heat Pumps)	-	162	162	-	-
24	TOTAL - HRA CAPITAL PROGRAMME	7,512	4,631	5,425	5,266	5,100
25	TOTAL - CAPITAL PROGRAMME	12,103	9,220	8,678	9,239	7,030

APPENDIX C - HRA 4 YEAR MONEY PLAN

2009/10 to 2012/13

HOUSING REVENUE ACCOUNT SUMMARY

	2008/09 Outturn	2009/10 Estimate Base*	2010/11 Indicative Base	2011/12 Indicative Base	2012/13 Indicative Base
		£'000	£'000	£'000	£'000
TOTAL INCOME	(20,707)	(21,744)	(22,847)	(24,018)	(24,500)
TOTAL EXPENDITURE	51,794	23,530	23,110	23,917	24,650
NET COST OF HRA SERVICES	31,087	1,786	263	(101)	150
Return on Assets and Net loss on sale of HRA assets	610	0	0	0	0
Interest Payable and Similar Charges	173	158	123	97	100
Interest and Investment Income	(764)	(121)	(208)	(225)	(250)
DEFICIT (SURPLUS) FOR THE YEAR ON THE HRA	31,106	1,823	178	(229)	0
MOVEMENT ON THE HRA BALANCE					
(Deficit)/Surplus for the Year	(31,106)	(1,823)	(178)	229	0
Transfer from Major Repairs Reserve (Depn less MRA)	1,189	744	30	(7)	0
Other movements on the HRA balance	30,062	0	0	0	0
Revenue Contribution to Capital	0	0	0	(1,000)	0
Housing Revenue Account balance at start of Year	7,031	7,176	6,097	5,949	5,171
Housing Revenue Account Balance at end of year	7,176	6,097	5,949	5,171	5,171

* This is based on the supplementary estimate report - CHFCS45 which includes Stock Condition Survey

Schedule of Main Reserves

Category of earmarked reserve	Rationale
Insurance Reserve (Revenue)	A high level of 'Self-insurance' is a mechanism used by the Council to reduce external premiums. Sums are held in this earmarked reserve to meet potential and contingent liabilities.
Pension Reserve (Revenue)	<p>Former Employees – This reserve provides for matching added years payments in respect of former employees. The Council does not currently operate a policy for added years and this reserve will reduce over time.</p> <p>Current Employees – This reserve is used to finance the capital costs of early retirement decisions taken by the Council and to help protect the Council from large changes in Council Tax resulting from unanticipated rises in the employer's contribution rate following the triennial valuation</p>
Building Control (Revenue)	Annual surpluses from the chargeable element of Building control activities are set aside in this reserve and it is then used to finance service improvements and offset any future deficits
Capacity building, priority setting and service improvement reserve (Revenue)	This reserve has been created to finance stepped improvements required for delivery of the Council's priority services and support the creation of additional corporate capacity.
Major Repairs Reserve (Capital)	This is the mechanism whereby the Council is required to account for the resources provided through the Major Repairs Allowance, which is provided through Housing Revenue Account Subsidy and is available to fund capital expenditure on HRA assets.
General Fund (Capital reserve)	This reserve is earmarked to finance the Council's future capital programme
Balances	
Housing Revenue Account (HRA)	The HRA is maintained in accordance with the Local Government and Housing Act 1989 which sets out the framework for "ring-fencing" the HRA. The account has to be self financing and there is a legal prohibition on cross subsidy to or from the General Fund
General Fund	Council has approved the policy of maintaining a General Fund working balance of between 4% to 5% of gross turnover or between 10% - 15% of net expenditure to provide adequate cover for any unanticipated expenditure or loss of income that may occur over the course of the financial year
Collection Fund	The balance on the Collection Fund is available for financing the expenditure of Lincolnshire County Council, Lincolnshire Police Authority and SKDC

APPENDIX E - Reserves Statement

2009/10 to 2012/13

	Balance as at 31 March 2009 £'000	Transfer to Reserve in year £'000	Transfer from Reserve in year £'000	Balance as at 31 March 2010 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2011 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2012 £'000	Movement on Reserve in year £'000	Balance as at 31 March 2013 £'000
General Fund										
Capital Reserve										
General Fund Capital Reserve	2,946	-	(2,051)	895	-	895		895	(895)	-
Revenue Reserves										
Insurance Reserve	546	110	-	656	-	656	-	656	-	656
Pensions Reserve - Former Employees	314	-	(65)	249	(65)	184	(65)	119	-	119
- Current Employees	1,480	-	-	1,480	368	1,848	137	1,985	-	1,985
Building Control	218	-	(54)	164	2	166	9	175	-	175
SEA Reserve	28	25	-	53	32	85	45	130	-	130
Capacity Building, Priority Setting and Service Improvements	1,006	169	(651)	524	0	524	0	524	-	524
	3,592	304	(770)	3,126	337	3,463	126	3,589	0	3,589
Working Balance	2,239		(322)	1,917	100	2,017	100	2,117	-	2,117
Total General Fund Reserves	8,777	304	(3,143)	5,938	437	6,375	226	6,601	(895)	5,706
Net Movement in General Fund Specific Reserves			(2,839)		437		226		(895)	
Housing Revenue Account(HRA)										
Capital Reserve										
Major Repairs Reserve	6,173	3,628	(4,469)	5,332	(1,316)	4,016	(1,396)	2,620	308	2,928
Working Balance	7,176	744	(1,823)	6,097	(148)	5,949	(778)	5,171	-	5,171
Total HRA Reserves	13,349	4,372	(6,292)	11,429	(1,464)	9,965	(2,174)	7,791	308	8,099
Other Capital Reserves										
Useable Capital Receipts Reserve	7,413	1,770	(1,402)	7,781	(1,799)	5,982	(2,519)	3,463	(781)	2,682
Total Other Capital Reserves	7,413	1,770	(1,402)	7,781	(1,799)	5,982	(2,519)	3,463	(781)	2,682
Total Reserves	29,539	6,446	(10,837)	25,148	(2,826)	22,322	(4,467)	17,855	(1,368)	16,487

Summary of Key Risks

	Budget Item	Risk
REVENUE		
1	Pay Awards	Settlements exceed the percentage increase provided for in the budget from 2009/10.
2	Staff Turnover/ Vacancy Factor	Staff turnover/vacancies is less than that budgeted
3	General Inflation, Fuel & Energy Costs	Rising costs exceed budget provision. In view of the difficult economic conditions as at June 2009, this will need to be closely monitored
4	Contractual Commitments	RPI is above the rate assumed in calculating the contractual commitments in the budget
5	Council Tax, Business Rates and Rents Income	Failure to achieve collection rate targets which also has a negative cash flow impact
6	Investment Income/ Borrowing Costs	Movement in interest rates - needs to be closely monitored given levels of volatility in the financial markets
7	Income from Fees & Charges/commercial rents:	Further reduction in the usage of the service/activity levels, e.g. car parks, local land charges, planning fees, commercial rents
8	Leisure Services	Additional revenue costs in respect of the business rates and increase in management fee.
9	Refuse Collection/Recycling/ Street Cleansing	The increase in property numbers will result in additional costs pressures that have not been built into the budget
10	Concessionary Fares	Financial implications of the Government's review of administrative arrangements
11	Housing Benefits/Subsidy	Increase in payments that do not attract 100% subsidy i.e. overpayments and local authority errors; failure to comply with complex legislative requirements; and lack of audit trail to substantiate grant claim
12	Pensions	Insufficient allowance for pension costs increase + impact of next actuarial review in 2010/11
13	Repairs & Maintenance on Council assets	Unplanned emergency maintenance is required on the Council's assets
14	Bad Debt Provision	The Council's existing Bad Debt provision proves insufficient to meet any increase in the value of debts written off
15	White Paper- Strong & Prosperous Communities	Important financial issues include proposals relating to communities, neighbourhoods and place shaping and impact of the new performance management framework
16	General Fund Efficiency Savings Target	The annual cashable efficiency savings target is not achieved
17	Government Grants /Partnership Funding	Future changes to Local Government Finance resulting in grant reduction from 2011/12 (following current 3 year settlement). MTFP makes assumptions about HPDG and LABGI that may change
18	Council Tax Capping	Council Tax is capped below 3% (currently 5% resulting in re-billing costs, etc)
19	Emergency Planning	Emergencies occur, e.g. floods incurring unplanned expenditure for the Council

	Budget Item	Risk
20	ICT Strategy – Ongoing Change Programme	Growth in new technology resulting in regular upgrades & new /revised systems. May impact on invest to save projects
21	Housing Rents and Property Voids	More Council House disposals than anticipated and Governments revisions to their rent restructuring policy that have a detrimental effect on the Council's budget
22	HRA Repairs and Maintenance Costs	Assumed reductions in repairs and maintenance costs as a result of significant investment in the Council Housing Stock do not materialise
23	Housing Revenue Account Subsidy	Central Government revise the Subsidy rules.
24	Value Added Tax (VAT)	Expenditure incurred by the Council on exempt VAT activities causes the 5% partial exemption allowances to be breached. Also the impact of the court judgement on the treatment of VAT on car parking income
25	Debt maturity and impact on GF and HRA	Maturing of borrowing will have a positive impact on the GF but a negative impact on the HRA (through a revised subsidy determination)
26	Reserves & Balances	These fall below a sustainable level having regard to changing needs and priorities
27	Additional service pressures	The Council may need to direct additional financial resources in order to meet increase in customer demand for accessing services
28	Concessionary Fares	Increase in usage resulting from number of passholders resulting in additional operator reimbursement costs. National judicial review of operators' reimbursement rates could impact on locally agreed rates.
CAPITAL		
29	External Funding	Loss of anticipated external resources to support the capital programme
30	Capital Expenditure	Slippage in the project; increased project costs; and failure of contractor i.e. contractor goes into liquidation
31	Capital Receipts	Shortfall in the actual amount of Capital Receipts (i.e. Council House Sales, other HRA assets, GF assets) against the targets set within the Capital Programme
32	Improvement Grants	Excessive demands for improvement grants
33	Government Funding – Supported Borrowing, Major Repairs Allowances	Central Government reduce funding for Supported Borrowing and Major Repairs Allowance below the levels that have been included in the HIP
34	Stock condition survey	Results from SCS may result in significant financial implications for capital expenditure

APPENDIX G - Summary of General Fund Estimates

2009/10 to 2012/13

	2008/09 Original Base £'000	2009/10 Estimate Base £'000	2010/11 Indicative Base £'000	2011/12 Indicative Base £'000
Resources and Organisational Development	1,583	1,878	1,189	1,260
Finance and Customer Services	2,738	2,418	2,574	2,701
Healthy Environment	6,578	6,425	6,409	6,790
Partnerships & Organisational Improvement	3,471	3,551	3,742	3,904
Special Expense Areas	654	643	671	692
Sustainable Communities	3,224	3,390	3,275	3,280
LABGI award	0	194	0	0
Salary Vacancy Factor *	(250)	0	0	0
Under/(over) allocation of Support Services	44	0	0	0
TOTAL SERVICE COSTS	18,042	18,499	17,860	18,627
Interest and Investment Income	(613)	(132)	(239)	(253)
Interest Payable	248	248	192	152
Pension Interest Cost and Expected Return on Pension Assets	250	250	250	250
Minimum Revenue Provision	208	198	191	183
Depreciation Charged to Revenue Accounts	(2,535)	(2,475)	(2,755)	(2,878)
Capital grants deferred	417	395	395	395
Financing of Capital Expenditure	103	226	500	500
Movement on Reserves				
-Pension Reserve	(250)	(250)	(250)	(250)
-Net Movement in General Fund Specific Reserves	(287)	(466)	337	126
-(Decrease)/Increase in General Fund Working Balance	172	(322)	100	100
	(2,287)	(2,328)	(1,279)	(1,675)
BUDGET REQUIREMENT - GENERAL FUND	15,755	16,171	16,581	16,952
Formula Grant	(9,881)	(10,025)	(10,147)	(10,147)
Council Tax Collection Fund Surplus	(55)	(59)	0	0
DISTRICT NET EXPENDITURE (EXC. PARISH PRECEPTS)	5,819	6,087	6,434	6,805
SKDC Budget Requirement	5,236	5,479	5,793	6,126
Bourne Special Expense Area	22	24	25	26
Deepings Special Expense Area	12	13	13	14
Grantham Special Expense Area	398	415	439	465
Langtoft Special Expense Area	10	10	11	12
Stamford Special Expense Area	141	146	154	162
Parish Precepts	1,253	1,281	1,345	1,412
General Fund Expenditure	7,072	7,368	7,780	8,217

* From 2009/10 onwards this heading is included within corporate head budgets

MINUTES

CONSTITUTION COMMITTEE
MONDAY, 13 JULY 2009



COMMITTEE MEMBERS PRESENT

Councillor Peter Martin-Mayhew (Chairman)
Councillor Susan Sandall
Councillor Andrea Webster (Vice-Chairman)
Councillor Raymond Wootten

OFFICERS

Monitoring Officer (Lucy Youles)
Principal Democracy Officer (Paul Morrison)
Service Manager Housing Solutions (Kevin Martin)
Democratic Officer (Lucy Bonshor)

8. APOLOGIES

An apology for absence was received from Councillor Sam Jalili.

9. DECLARATIONS OF INTEREST

Councillor Wootten declared a personal interest in minute 11 by virtue of being a member of the National Association of Retired Police Officers and a member of the Grantham East Police Panel.

10. MINUTES OF THE MEETING HELD ON 11TH JUNE 2009

The minutes of the meeting held on 11th June were agreed as a correct record. The Monitoring Officer advised Members that the Scrutiny Committee had looked at Members job descriptions at their meeting on 24th June. They recommended that they should not be included within the Constitution but should be made available for guidance to councillors; perhaps a means of doing that would be the Council's website.

11. OVERVIEW AND SCRUTINY - CRIME AND DISORDER NEW DUTY

Recommendation:

The Constitution recommends to Council that the Council's existing Scrutiny Committee be designated the Council's Crime and Disorder Overview and Scrutiny Committee in addition to its existing role on scrutiny generally subject to comments from the Scrutiny Committee to



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be held on 22nd July 2009.

Changes to the Constitution would be as follows:

Page 43 – clause 6.1 – Scrutiny Introduction

- ***In respect of its duty under the crime and disorder legislation, the Committee may co-opt additional members to serve on the committee in accordance with s.3 of the Crime and Disorder (Overview and Scrutiny) Regulations 2009.***

Page 43 - clause 6.2 – Terms of reference of the Scrutiny Committee

- ***Discharge the functions of Section 19 of the Police and Justice Act 2006 and the Crime and Disorder (Overview and Scrutiny) Regulations 2009.***

Page 44 – clause 6.4

- ***shall meet to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions as the committee considers appropriate but no less than once in every twelve month period***
- ***The Scrutiny Committee may co-opt additional members from those persons and bodies who are responsible authorities within the meaning of section 5 of the Crime and Disorder Act 1998, and from those persons and bodies with whom the responsible authorities have a duty to co-operate under section 5(2) of that Act (the “co-operating persons and bodies”) subject to the provisions set out in that regulation.***

The provisions of the Scrutiny Committee Procedure Rules at page 183 of the constitution will have to be amended to include the relevant provisions of the Crime and Disorder (Overview and Scrutiny) Regulations 2009.

The Principal Democracy Officer referred to new regulations that had come in to force under the Crime and Disorder (Overview and Scrutiny) Regulations 2009 from 30th April this year. The regulations brought into force Sections 19, 20 and 21 of the Police and Justices Act 2006. Section 19 of the Police and Justices Act placed a duty on local authorities to establish a crime and disorder Scrutiny Committee. He said there was no problem in designating the existing Scrutiny Committee as a Crime and Disorder committee as this had happened with other local authorities. The idea would be that about twice a year the Scrutiny Committee would become the Crime and Disorder Committee and look

at crime and disorder issues. Members of the Constitution Committee were concerned that those Members on the Scrutiny Committee would not have the necessary experience in crime and disorder matters to carry out their work and that any co-opted person or representative from the Police could sway the Committee, a more balanced approach was needed. The Principal Democracy Officer referred to the County's Health Scrutiny Committee and that Members on this committee did necessarily have health qualifications. Another Member referred to the work load of the Scrutiny Committee, surely this would add to the workload. The Principal Democracy Officer indicated that he had spoken to the Chairman and Vice-Chairman about the proposal but it had not gone before the Committee itself. A discussion followed and Members voiced their concerns about the make-up of the committee and also the increase in work load. The Monitoring Officer said that the make-up of the Committee was decided by Members and something that would be addressed at Council but careful consideration would need to be made concerning the name of the Committee. In order to move the matter forward perhaps the issue should be discussed by the Scrutiny Committee and their comments put forward to Council. The Principal Democracy Officer said that an agenda was going out that day and the issue could be added to the agenda. The Committee agreed that the Scrutiny Committee should look at the issue and subject to any comments made the recommendations as outlined in the report be forwarded to Council for ratification.

12. AMENDMENTS TO THE CONSTITUTION

Recommendation:

The Constitution Committee does NOT approve the delegated authority to the Corporate Head of Sustainable Communities in order that she/he can be authorised to prosecute offences under Section 1 of the Protection from Eviction Act 1977.

Members had been circulated with report HST27 which sought approval to change the Constitution to delegate authority to the appropriate officer level to authorise prosecution of offences under the Protection from Eviction Act 1977. The Service Manager Housing Solutions gave a brief overview of why the report had been submitted and examples of when this delegation would have been useful to have in place. Members wanted to know how long the current process took to which both the Service Manager Housing Solutions and the Monitoring Officer replied. The Service Manager Housing Solutions said that the use of the delegation would not be used "all the time" but would be another tool at officers' disposal when eviction situations arose. A lengthy discussion followed with Members asking questions about the current process and why the need to change the delegation. Mention was made of the Portfolio Holder, Councillor Carpenter and whether he was happy or not for the proposed change to take place. The Service Manager Housing Solutions read out an e-mail received in which Councillor Carpenter indicated he did not object to the change. Members felt that the current process in place was sufficient to deal with any issues that came about and therefore agreed not to change the

current delegation.

The Monitoring Officer then referred to an issue that had come to light with regard to which Portfolio Corporate Governance fell under, however she had not heard back from the relevant Cabinet Members and therefore this was an issue that would be discussed possibly at the next meeting. She was proceeding with the scheme of delegation meeting with officers concerned and would come back to the Committee as soon as amendments had been formulated.

13. CLOSE OF MEETING

The meeting closed at 9.50am.

REPORT TO COUNCIL

REPORT OF: Councillor Joynson – Scrutiny Committee Chairman

REPORT NO: DEM031

DATE: 3 September 2009

TITLE:	OVERVIEW AND SCRUTINY ANNUAL REPORT TO COUNCIL	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:		
PORTFOLIO HOLDER: NAME AND DESIGNATION:	COUNCILLOR PAUL CARPENTER – ORGANISATIONAL DEVELOPMENT	
CONTACT OFFICER:	Paul Morrison – Principal Democracy Officer	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: No
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council’s website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATIONS

The Council is asked to note the report

2. PURPOSE OF THE REPORT/DECISION REQUIRED

Under Part 2, Article 6.4.2 of the Constitution the Scrutiny Committee must report annually to the Council on its workings.

3. DETAILS OF REPORT (SUMMARY – USE APPENDICES FOR DETAILED INFORMATION)

This is the second report to Council since the restructuring of Scrutiny arrangements. This report covers the period from May 2008 to the end of April 2009.

The report provides a summary of the work undertaken by the Scrutiny Committee during the course of the year.

4. OTHER OPTIONS CONSIDERED

None

5. RESOURCE IMPLICATIONS

None

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None

8. CRIME AND DISORDER IMPLICATIONS

None

9. COMMENTS OF SECTION 151 OFFICER

It is essential that the scrutiny function remains a key focus to ensure good corporate governance.

10. COMMENTS OF MONITORING OFFICER

It is requirement under Part 2 of the Constitution that the Scrutiny Committee must report annually to the Council meetings on its workings.

11. COMMENTS OF DEMOCRACY SERVICE MANAGER

The Scrutiny Committee is supported by the members of the democracy services team who have specialised knowledge in this aspect of the modernised political management arrangements. Officers attend training and conference events to keep up to date with this developing area of work.

OVERVIEW AND SCRUTINY ANNUAL REPORT MAY 2008 – APRIL 2009

Foreword

In last year's report I identified what I thought were the four principles to deliver worthwhile scrutiny. They were:

- 1.) Scrutiny must make important comments. I believe we have been fairly successful here.
- 2.) Balanced reporting. We have been careful to do this and to support the groups we have interviewed.
- 3.) Co-operation with other policy groups. This has been more difficult. However, we do attend regional meetings (not well supported) and plans are being implemented for a Lincolnshire Scrutiny Group.
- 4.) Reaction of the organisations we scrutinise. There needs to be more work in this area as our reports should be taken seriously although not necessarily accepted. With regard to Council scrutiny our Cabinet and officers have always been supportive, but it is not always the case with external organisations.

Finally a warning. Government is expecting scrutiny to become more involved with community affairs causing more work for members and officers. This will inevitably mean more Council resources.

On that note, can I thank the Committee and officers for their support. It is a pleasure to Chair such a friendly, lively and interesting Committee. A special word for the Vice-Chairman and her wholehearted support. Thank you all.

Councillor Ken Joynson
Scrutiny Committee Chairman

Introduction

Overview and Scrutiny was introduced as part of the modernisation agenda for Local Government in the Local Government Act 2000. The Overview and Scrutiny process influences decisions, but does not make them.

The role of scrutiny:

- To provide a “critical friend” challenge to the Executive as well as external authorities and agencies
- To reflect the voice and concerns of the public and its communities
- Scrutiny Members should take the lead and own the Scrutiny Process on behalf of the public
- Scrutiny should make an impact on the delivery of public services

The Scrutiny Committee is politically balanced and made up of 11 non-Executive members of the Council. The Committee provides an opportunity for Members to challenge decisions made by the Executive.

The Scrutiny Committee has a responsibility to monitor the performance of the Council, consider its decisions, question how those decisions were made and to recommend improvements.

The Scrutiny Committee also undertakes external Scrutiny to examine the wider issues that affect people living within the district. The Government has recently announced that it proposes to extend scrutiny powers to bus, train and utility companies as well as local police and health authorities.

During the year covered by this report, the Councillor Call for Action (CCfA) has been introduced. Under CCfA a member can arrange for an item of local concern (ie his or her ward) to be considered by the Scrutiny Committee. This is a legal requirement and the Council’s Constitution has been amended to reflect these new arrangements. Elsewhere on the Council agenda members will have considered a further legal requirement to establish a crime and disorder scrutiny committee.

SCRUTINY COMMITTEE

Chairman: Councillor Joynson

Vice Chairman: Councillor Mrs Smith

Meeting Date	Commentary
<p>6 May 2008</p> <p>Meeting held at Bourne Corn Exchange</p>	<p>The Committee met to discuss secondary school provision within the district. Representatives of Bourne Grammar School, Deepings Comprehensive, the Robert Manning School and Willoughby Special School attended the meeting to discuss issues in education with the Committee.</p>
<p>12 June 2008</p>	<p>The Committee were updated on procurement arrangements within Lincolnshire, with Procurement Lincolnshire having gone live in April 2008.</p> <p>The Committee discussed the proposed closure of BT Telephone Kiosks and agreed to oppose their closure.</p> <p>An overview of the Local Area Agreement was also provided to the Members.</p>
<p>29 July 2008</p>	<p>The Committee met to discuss health issues, including the issue of polyclinics and new prescription arrangements. Members agreed to follow this matter up in further detail.</p> <p>The Committee responded to the proposals for an “outreach” postal service for South Witham, noting that any service was better than no service at all.</p>
<p>30 September 2008</p>	<p>A representative of the Caythorpe and Ancaster Medical Practice met with the Committee to further discuss proposals within the recently published “Pharmacy in England: Building on Strengths – Delivering the Future” white paper and proposals for changes to prescription and dispensing arrangements. The Committee noted concerns that any changes could have a detrimental effect on health provision in rural communities. The Committee also noted there was little drive for polyclinics within rural areas.</p> <p>A representative of the County Council met with the Committee to discuss a variety of transport issues within the district.</p>

	<p>The Committee were updated on plans for Members IT provision.</p>
18 November 2008	<p>The Committee reviewed the Council's performance report, which was now due to be reviewed on a six monthly basis. Members noted performance against a number of strategic level targets.</p> <p>A further update on the Local Area Agreement was provided to the Committee.</p> <p>The Committee discussed the issue of reports being withdrawn at a late stage from Council meetings. Members recommended that where this happen an explanation of the reasons for withdrawal be made to Members.</p>
20 January 2009	<p>Members considered the issue of Equality and Diversity within the district, and the Council's role with that. Members noted that a Corporate Equality Scheme was due to go to Council in 2009. Members noted the Community Contact Group had been formed to liaise with representatives of various nationalities and that the Council worked with various other agencies to reach various groups within the district.</p> <p>The Committee also discussed how the Council used its fleet of pool cars and the efforts being made to ensure they were used in the most efficient manner.</p> <p>Members also considered the issues they wished to consider over the following 12 months.</p>
24 February 2009	<p>The Committee listened to the concerns of members of the public regarding bus services within Stamford. It was noted that improvements to services in Grantham resulted from contributions made by developers.</p> <p>Members scrutinized the issue of the economic environment and housing and homelessness, considering the impact of the economic downturn within the district. Members scrutinized what the Council was doing to aid businesses and the work with town centre partnerships. Members considered how the Council worked to prevent homelessness. It was noted that a desk had been set up at the Court to assist people facing repossession.</p>

8 April 2009	<p>Members were updated on Councillor Call for Action which had gone live at the start of April 2009.</p> <p>The Committee considered the work of the voluntary sector within the district and noted that it was an issue they would consider in more detail at a future meeting.</p> <p>Members looked at the issue of town twinning and noted that while they supported the arrangements, twinning was not something the Council should actively pursue.</p>

WORKING GROUPS 2008-2009

Working Group	Remit
Health Councillors Farrar, Higgs, Jalili and Hearmon	To report any health issues that the Committee should scrutinize in further detail.
Customer Service Centre Councillors Mrs Bosworth and Higgs	To continue to monitor and report on the performance of the Customer Service Centre.
Transport Councillors Farrar, Helyar, Mrs Smith and Williams	To investigate alternatives to the Dial-A-Ride scheme and to consider general transport issues within the district, particularly in rural areas.
Education Councillor Joynson	To update on any education issues that the Committee should scrutinize in further detail.

REPORT TO COUNCIL

REPORT OF: THE LEADER

REPORT NO: CAB013

DATE: 3 SEPTEMBER 2009

TITLE:	Leader's Report on an Urgent Non Key Decision	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/a	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Cllr Mrs Linda Neal Leader of the Council, Chairman of the Cabinet	
CONTACT OFFICER:	Lena Shuttlewood, Democracy Services Manager 01476 406119 l.shuttlewood@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	N/A	Full impact assessment Required: No
Equality and Diversity		
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Local Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	NKD report number AFM094	

1. RECOMMENDATION

Members are asked to note this decision in accordance with Access to Information Procedure Rule 17.3

2. PURPOSE OF THE REPORT

This report is to inform the Council of a non key decision taken since the last report to Council on 18 June 2009 under Access to Information Procedure Rule 23.4.

3. DETAILS OF REPORT

3.1 Urgent non key decision jointly made on 29 June 2009 by the Healthy Environment Portfolio Holder and the Assets and Resources Portfolio Holder.

Decision:

That approval is granted:

- (i) That in accordance with statutory procedure under Section 123(2A) of the Local Government Act 1972, that the proposed disposal of a strip of land on St Peter's Hill Green, Grantham be advertised in a newspaper local to the area of land to be transferred on two consecutive weeks to obtain objections to the proposed disposal over a period of 3 weeks from the date of the first advertisement to be placed.
- (ii) To refer any relevant objections to the proposed disposal to the relevant Cabinet Portfolio holder and Capital Asset Management Group for consideration.
- (iii) That if no objections are received, to proceed with the freehold disposal of the area of open space referred to in report AFM094 to Lincolnshire County Council.

The reasons for urgency were: In order to allow sufficient time to advertise the intended disposal of open space and consider any objections as required by law ahead of the planned programme of works by the Lincolnshire County Council to upgrade traffic lights and pedestrian crossings on St Peter's Hill, Grantham.

4. OTHER OPTIONS CONSIDERED

As set out in report number AFM094.

5. RESOURCE IMPLICATIONS

As set out in report number AFM094.

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

As set out in report number AFM094.

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

Not applicable.

8. CRIME AND DISORDER IMPLICATIONS

Not applicable.

9. COMMENTS OF SECTION 151 OFFICER

None

10. COMMENTS OF MONITORING OFFICER

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

11. APPENDICES: None.