



## Meeting Agenda

**Special Performance Improvement Scrutiny Committee**  
**Town Hall, St Annes**  
**Monday 21 September 2009, 7:00pm**

**The main doors will be open to the public at 6:40pm**

# **PERFORMANCE IMPROVEMENT SCRUTINY COMMITTEE**

## **MEMBERSHIP**

CHAIRMAN – Councillor Keith Hyde  
VICE-CHAIRMAN – Councillor Christine Akeroyd

### **Councillors**

Christine Akeroyd	Tim Ashton
David Chedd	Craig Halewood
Keith Hyde	Kathleen Harper
John Singleton	Ken Hopwood
Linda Nulty	

Contact: Peter Welsh, St. Annes (01253) 658502, Email: [peterw@fylde.gov.uk](mailto:peterw@fylde.gov.uk)



## **Our Vision**

*To establish Fylde Borough Council as a high performing local authority*

## **Our Corporate Objectives**

To improve the economic, social and environmental well-being of our communities through:

- The promotion and enhancement of the natural built environment
- Increasing the availability and access to good quality housing for all
- Maintaining healthy and safe communities to reduce the fear of crime
- Supporting and sustaining a strong and diverse Fylde coast economy to further enhance employment prospects

## **We will achieve this by:**

Focusing on customer requirements  
Clear community and organisational leadership  
Delivering high quality, cost-effective services  
Partnership working



## A G E N D A

### PART I - MATTERS DELEGATED TO COMMITTEE

PUBLIC PLATFORM	
<i>To hear representations from members of the public in accordance with Committee procedure rules</i>	
ITEM	PAGE
1. <b>DECLARATIONS OF INTEREST:</b> <i>If a member requires advice on Declarations of Interest he/she is advised to contact the Monitoring Officer in advance of the meeting. (For the assistance of Members an extract from the Councils Code of Conduct is attached).</i>	4
2. <b>CONFIRMATION OF MINUTES:</b> <i>To confirm as a correct record the Minutes of the Performance Improvement Scrutiny Committee held on 23 July 2009 Attached at the end of the agenda.</i>	4
3. <b>SUBSTITUTE MEMBERS:</b> <i>Details of any substitute members notified in accordance with council procedure rule 25.3</i>	4
4. <b>OUT-TURN EXPENDITURE 2007/08 – STREETSCENE SERVICES</b>	7 – 18

**Personal interests**

**8.—(1)** You have a personal interest in any business of your authority where either—

(a) it relates to or is likely to affect—

- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) any body—
  - (aa) exercising functions of a public nature;
  - (bb) directed to charitable purposes; or
  - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),

of which you are a member or in a position of general control or management;

- (i) any employment or business carried on by you;
  - (ii) any person or body who employs or has appointed you;
  - (iii) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
  - (iv) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
  - (v) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
  - (vi) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
  - (vii) any land in your authority's area in which you have a beneficial interest;
  - (viii) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
  - (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or
- (b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision;

(2) In sub-paragraph (1)(b), a relevant person is—

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

**Disclosure of personal interests**

- 9.—(1)** Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.
- (2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.
- (3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- (4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.

- (5) Where you have a personal interest but, by virtue of paragraph 14, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.
- (6) Subject to paragraph 12(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.
- (7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000(d).

#### **Prejudicial interest generally**

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

#### **Prejudicial interests arising in relation to overview and scrutiny committees**

- 11.—** You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—
- (a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and
  - (b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

#### **Effect of prejudicial interests on participation**

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

# REPORT



REPORT OF	MEETING	DATE	ITEM
CHIEF EXECUTIVE	PERFORMANCE IMPROVEMENT SCRUTINY COMMITTEE	21 <sup>st</sup> SEPTEMBER 2009	4
OUT-TURN EXPENDITURE 2007/08 – STREETSCENE SERVICES			

## Public Item

This item is for consideration in the public part of the meeting.

## Summary

The report implements a resolution of the Council meeting on 27<sup>th</sup> July 2009 in response to a notice of motion by providing information on the financial and operational performance of streetscene services delivered by the Council during 2007/08.

## Recommendation

1. That the Committee notes the report.

## Alternative options considered and rejected

The report is provided for information purposes.

## Cabinet Portfolio

The item falls within the following Cabinet portfolio : Environmental Wellbeing

## **Report**

### **Background**

1. At the meeting of the Council on 27<sup>th</sup> July a Notice of Motion was considered.
2. The Notice of Motion read –

*That the Council notes the resolution 10(i) of the Audit Committee meeting held on 25th June 2009. Given the extent of the losses and the subsequent impact on the Council and its services, the Council requires that an urgent Special Council meeting be held to debate the financial problems experienced by the former Streetscene department in 2007/8. The debate to be preceded by an open scrutiny session of the full Council with the participation of all senior officers and former and present portfolio holders.*

3. The meeting of the Council resolved (inter alia) that –  
*council procedure 11.1.3.1 will apply and the motion will be automatically referred to the Performance Improvement Scrutiny Committee.*
4. On the same matter the Audit Committee had also resolved (inter alia) that -  
*.....whilst the Committee recognise that the financial circumstances experienced by the former Streetscene Department in 2007/08 may fall out of the remit of the Audit Committee, it recommended that ..... the most appropriate committee be provided with ..... an explanation of the matter.*
5. In order to inform the debate sought by these requests and to provide an explanation of the relevant circumstances, the following background information is provided.

### **Information**

6. Shortly after the introduction of a new financial management regime by the Council in November 2007 a number of variances from the approved budget for 2007/08 were identified. The most significant of these, amounting to a projected £609,000, (see Annex X of Appendix A) were related to vehicle fleet operations in the Council's Streetscene Business Unit, the role and remit of which had recently been expanded to include waste collection, recycling, street cleaning, grounds maintenance and technical services.
7. The main issues of concern raised in late November 2007, which contributed to the projected £609,000 deficit, were a combination of reduced (and unexplained) provision for vehicle fuel costs in the 07/08 budget (£150,000 projected deficit), increased service and repair costs (£300,000 including £90,000 uninsured losses following a depot fire) and projected income not achieved (£140,000 projected shortfall). All of these matters were associated with vehicle fleet operations, which supported the services outlined in the preceding paragraph and which are delivered by the Council across both Fylde and Wyre Boroughs. The annual turnover of the Streetscene Unit at the time was over £11 million.



8. Prior to November 2007 the modernisation of financial monitoring and reporting systems had been slow and the quality and timing of financial management information available to operational managers had been the subject of discussion at meetings of the Council's management team.
9. The financial monitoring reports prepared for Cabinet in September and November 2007 by the outgoing head of finance do not make any reference to the above financial matters, indicating that a more modest (1.4% of net budget - £140k) overspend was anticipated at the year-end in the Streetscene budgets for 2007/08 and that remedial management action would be taken to mitigate this.
10. However, the summary of the MTFS / Financial Monitoring report presented to Cabinet in January 2008 (the first report prepared under the new financial management regime) indicates a different picture of the Council's financial position and highlighted, for the first time, a number of budget areas (notably in relation to the vehicle fleet provision outlined in paragraph 7 above) where financial planning had not been effective.
11. A full detailed breakdown of the expenditure variances outlined in the January 2008 report was presented to Cabinet in February 2008. A relevant extract of this is attached at Appendix A. Further clarification of these figures was also provided in the responses to a series of questions from councillors which were submitted to the meeting of the Cabinet in February 2008. (A copy of the relevant questions and responses is attached at Appendix B).
12. The scale of the variances, coupled with additional adverse impacts on the Council's budgets indicated in Appendix A, were such that a significant proportion of the Council's reserves at that time were required during 2007/08 and 2008/09 to balance budgets and maintain the minimum recommended level of revenue balances for the Council at the end of the 2008/09 financial year. (NB - minimum recommended revenue balances for local authorities are advised by the professional accountancy body for the public sector, CIPFA, at 5% of net expenditure. For Fylde this figure is £530,000).
13. The figures quoted in the Cabinet report of January 2008 (Appendix A) were projections made at the time on the basis of the best information available to the new finance director in December 2007. It is now possible to compare the original estimates, mid-year projections and actual out-turn figures for 2007/08 and 2008/09. The figures for the relevant cost centres are shown in Table 1.
14. Two points to highlight from Table 1 are, firstly, that it indicates the improved strength of the financial management and monitoring regime in 2008/09 from the trends between the original and revised estimates; and, secondly, that some fleet costs were incorrectly allocated to the Wyre operations in 2007/08 which have been rectified in 2008/09 leading to a corresponding increase in the base budget for the Fylde operation (approx £300,000) in 2008/09.

**TABLE 1**

<b>COST CENTRE</b>	<b>NET BUDGETS</b>					
	<b>2007/08</b>			<b>2008/09</b>		
	Original Estimate £000	Revised Estimate £000	Actual £000	Original Estimate £000	Revised Estimate £000	Actual £000
3470 Waste collection (Fylde)	1,681	1,873	1,734	2,033	2,062	1,891
3471 Waste collection & street cleaning (Wyre)	(287)	208	325	(94)	(40)	(52)
3450 Street cleaning (Fylde)	786	836	775	859	842	772
3100 Grnds maintenance (Fylde)	1,041	1,216	1,058	1,180	1,109	1,289

(Figures in brackets indicate a surplus)

### **Management Response**

15. Financial reporting both to the Management Team and to the Cabinet is the primary responsibility of the Council's Section 151 Officer. This role, together with the specific roles of the chief executive, the monitoring officer and the operational directors, is defined in the Council's Constitution.
16. It will be apparent from paragraphs 6 - 14 above that none of the variances referred to in paragraph 7 were highlighted until after November 2007 with the introduction of the new financial management regime, although the previous head of finance had been in the process of updating various elements of the financial management system during 2007.
17. The Council's previous head of finance resigned his position in July 2007 and left his post in November of that year. The circumstances surrounding the projected variances were taken up in late 2007 and early 2008 with the relevant head of service and other members of staff responsible for streetscene services. The executive manager for streetscene services was suspended from duty in February 2008 in order to allow these enquiries, and additional unrelated matters raised in the questioning of other staff and via the whistle-blowing procedure to proceed without prejudice.
18. The areas of investigation surrounding the suspension were a failure to follow the Council's financial and procurement regulations / the use of Council assets for personal and private purposes / threatening and aggressive behaviour and the bullying & harassment of staff / nepotism & other acts of favouritism. The detail of these issues is not described in this report because of a need to retain

the confidentiality of current staff and line management relationships within the organisation.

19. Because heads of service are employed by local authorities on specific terms and conditions relating to their 'chief officer' status, the investigation needed to be conducted by an independent and impartial person. Advice and assistance for this was therefore sought from and provided by the North West Employer's Organisation.
20. The subsequent independent investigation commenced in February 2008 and involved a long series of interviews with a total of 25 staff of the Council and its former employees. The final report of the investigating officer was received in September. The findings of the investigation were scheduled to be presented to a disciplinary hearing panel in October comprising Members of the Council's Public Protection Committee. It should be noted that no evidence of fraud or personal financial gain was identified during the investigation and that the involvement of the police was not sought.
21. In advance of this scheduled disciplinary hearing, discussions took place between the Council's human resource advisors and the representatives of the suspended head of service. The external legal advice received by the Council at the time was that a compromise agreement with the officer would bring a quicker and more cost-effective solution to the matter for the Council rather than the unknown (and potentially much more significant) costs of a disciplinary hearing and subsequent Employment Tribunal which would hold no guarantee of a favourable outcome for the Council.
22. This compromise arrangement was determined in compliance with the Council's policies and was felt to be the most pragmatic option which exposed the Council to the least amount of additional financial and reputational risk and was therefore agreed in accordance with the Constitution, existing personnel policies and in dialogue with the Council Leader and the Leader of the opposition. The costs of the compromise agreement were limited to the statutory entitlement. It should be noted, however, that as no formal hearing was held, the allegations that were the subject of the investigation have not been formally established as justified.
23. A range of lessons can be drawn from the experiences outlined above, which are summarised as follows:-
  - The importance of sound financial management and control systems to underpin the Council's operational priorities and services cannot be overstated.
  - More robust financial management and control systems are now in place which will minimise a recurrence of the circumstances described in this report.
  - The need to undertake a robust challenge, risk assessment and reality check of budget and savings proposals is a key component of the financial management framework of the council.

- The important role of the Cabinet and of the Performance Improvement Scrutiny Committee in monitoring the in-year financial performance of the Council should not be underestimated.
- The request of the Audit Committee to receive copies of the quarterly 'hot-spot' monitoring reports, as presented to the Portfolio Holder, would be a worthwhile additional check and balance to the new financial management regime.
- The Council's policy on appropriate levels of reserves and working balances needs to be revisited in spite of the extant professional recommendations of CIPFA (Chartered Institute of Public Finance Accountants).
- The importance of undertaking regular performance appraisals, with all members of staff, which define the clear expectations both of the employer and the employee is not to be understated.
- The inflexibility of the national negotiating framework, through which the terms and conditions of employment of staff are agreed and managed, is often a hindrance to the effective and speedy implementation of local settlements. However, there are times when the ability to negotiate on a national scale is advantageous to and can provide protection for employers.
- The consistent implementation of change management programmes in an organisation is often less effective (or more time consuming) where the organisation operates across a number of remote sites.
- The management scope (span of control) of departments needs to be kept under review to ensure that this does not become so broad as to increase the risk of breaches of the Council's Constitution and Financial Regulations or risk a 'watering-down' of the Council's preferred organisational culture to an unacceptable level.
- The Council's Whistleblowing policy is a useful tool for allowing staff to raise concerns with senior management about the manner in which the Council's business is discharged, although experience of the issues highlighted above suggests that a robust support / counselling network is an essential complement to this policy.

## Risk Assessment

This item is for information only and makes no recommendations.

Report Author	Tel	Date	Doc ID
Chief Executive	(01253) 658658	August 2009	H/O&SForums/PerfImpScrutimny

List of Background Papers		
Name of document	Date	Where available for inspection
Attached as Appendices	Jan / Feb 2008	Attached

**Attached documents**

- Appendix A - Extract from MTFS Cabinet Report, January 2008)  
Appendix B - Extract from Cabinet Questions – February 2008

IMPLICATIONS	
Finance	Implicit within the report
Legal	None arising directly from the report.
Community Safety	None arising directly from the report.
Human Rights and Equalities	None arising directly from the report.
Sustainability and Environmental Impact	None arising directly from the report.
Health & Safety and Risk Management	None arising directly from the report.

## **APPENDIX A**

### **Extract from MTFS Cabinet Report January 2008**

3.2 In addition the following items have been adjusted in this latest forecast as a result of updated financial information.

(i) Concessionary Fares – the forecast adjustments are split into two main areas:

(a) General Usage

Usage including cross boundary travel continues to fluctuate and the forecast figures for future years have been adjusted accordingly.

(b) New National Scheme from April 2008

The impact on the Council by the introduction of the new National Travel Scheme from April, 2008 has been included in the latest forecast on the following basis:-

- Additional Government grant of £275k p.a. (rising to £289k in 2010/11) has been included in line with the CSR announcement.
- Additional expenditure of £94k has been included on the basis of a report produced by Lancashire County Council on the assumption that the “Lancashire Scheme” discretions (excluding pre 9.30 a.m. travel) apply in addition to the statutory requirements.

Members should be aware that discussions will take place in the new calendar year regarding a possible “Lancashire Wide” pooling scheme.

(ii) Street Scene Services

(a) Vehicle Fleet Overspend

As a result of work on the budget a significant potential overspend has been identified during 2007/08. As a result the draft budget for the vehicle fleet has been significantly increased in the forecast. The reasons for this overspend are still being investigated and Cabinet will be updated once these are concluded.

(v) Debt Management Costs

The cash flow implications and associated interest calculations have had to be reassessed in light of this latest forecast position.

These changes are based on the savings requirement contained in Appendix C being achieved.

(vi) Asset Management Strategy - Planned Maintenance Programme

Officers have previously identified the investment required to meet the Council's property maintenance requirements. A provision of £420,000 per annum is included in the forecast in recognition of this need and it is anticipated that this level will be sufficient in the medium term. This figure is likely to be revised in light of the new accommodation needs when details emerge.

The Council has embarked on a strategy to reconcile its operational facilities and build a new Town Hall building including Once Stop Shop/Customer access facility and back –office accommodation together with a new civic suite. This strategy is based on no additional revenue costs being required and the whole project funded by the disposal of assets which are surplus to operational requirements. This implies that the existing facilities will not require capital investment in the meantime except for urgent revenue works of a health and safety nature.

Recently the Council chose to retain both of its swimming pools. This decision will require provision to be made in future Capital programmes for major building works. In the short term this programme is estimated at around £100,000 per year for all properties for each of the next four years, however by 2012/13 this rises to £450,000 per annum. In the absence of capital funding resources the inclusion of these schemes will further exacerbate the revenue position.

3.3 The forecasted financial impact of these changes are summarised in the Scheduled of Unavoidable Changes at Annex X.

## Schedule of Unavoidable Changes

## ANNEX X

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	Notes
<b>Unavoidable Changes</b>					
<b>Budget Adjustments to Expenditure</b>					
Anticipated Overspend on Fleet Costs	609	500	500	500	1
Approved, but unfunded Slippage from 2006/07	174	-	-	-	2
One off growth adjustments in 07/08 only	-	(50)	(58)	(58)	
One off Saving adjustments in 07/08 only	-	42	42	42	
Additional Expenditure funded by Planning Development Grant	173	-	-	-	
Reinstatement of budgets - omitted in original estimates	150	164	164	164	
Net increase in Housing/Council Tax Benefit	133	133	133	133	
Repairs and Maintenance (£80k previously reported)	80	80	80	80	3
Concessionary Fares (net of actual grant receivable)	121	94	94	94	
Increase in Expenditure Funded by Earmarked Reserves	336	0	0	0	4
Increased Cost of Waste Disposal Facilities	79	150	142	134	5
Energy, telephone and other utility costs	46	85	85	85	6
Net effect re Salary/Wages costs & Superannuation Increases	(126)	506	916	1,320	7
Reduction in Interest Payable on Borrowing	(64)	(7)	-	8	8
Cost of New Borrowing to finance Capital Programme	0	35	74	64	9
Loss of LABGI Grant	-	196	196	196	10
Savings due to Moving from Freedom House	-	(54)	(46)	(46)	11
Loss of Commutation Adjustment	-	98	98	98	12
Minor Budget Movements	(162)	(44)	(55)	(83)	13
Additional Vacancy Savings	(50)				14
Additional Underspend	(100)	(100)	(100)	(100)	15
	1,399	1,828	2,265	2,631	
<b>Budget Adjustments to Income</b>					
CVMU Poulton Depot - Income not being achieved	100	100	100	100	16
Wyre Refuse Contract - Net Additional Income	(176)	(122)	(122)	(122)	17
RPI Increases on the Wyre Contract	0	(102)	(223)	(348)	18
Adjustments to Interest Receivable from Investments	(114)	(28)	22	73	19
Increase in Housing Benefit Overpayments Recovered	(100)	(100)	(100)	(100)	20
Planning Development Grant Receivable	(60)	-	-	-	21
Additional LABGI Grant Receivable	(49)	-	(200)	(200)	22
	(399)	(252)	(523)	(597)	
	1,000	1,576	1,742	2,034	

### Supporting Notes to Unavoidable Changes

- Overspend expected on Fleet vehicle costs. Assumed £500k pa from 08/09 onwards
- Schedule of budget slippage items from 2006/07
- £80k forecast overspend was reported in the Medium Term Financial Strategy (MTFS) to Cabinet in November 07
- Additional in year expenditure financed from Other Ringfenced £266k & Earmarked reserves £70k - see Appendix D
- New disposal Facility agreed with Blackpool Council. Additional costs reported as part of the MTFS to Cabinet in November 07
- Energy and other utility increases in line with national market prices
- Additional costs to reflect annual pay award of 2.475% effective from April 08, incremental salary increases and Employers Superannuation increases
- This is based on increased national interest rates
- Cost if additional borrowing to finance the Capital Programme
  - No central government grant expected for 2008/09 but assumed extra income from 2009/10 onwards - see note 22
  - Savings on lease surrendered on Freedom House as at 31 March 08
  - Credit of Commutation Adjustment has now come to an end from 2008/09 onwards
  - Other minor budget adjustments arising from latest budget position
  - Additional Staff vacancy savings to be achieved in year - as hold on filling posts
  - Additional general underspend is forecast - due to hold on spending generally
  - Central Vehicle Maintenance Unit Income savings target not achievable - as Council not allowed to trade
  - Additional income generated as new properties are added to the StreetScene Contract
  - RPI contract price increases on annual contract income
  - Increase to reflect increase in national interest rates
  - Improved processes on overpayment recovery. Now 2 sets of Bayliffs in place (was one) and improved monitoring data
  - LABGI only receivable/payable in 2007/08
  - Additional LABGI received in 2007/08 above original forecast. Estimated a further £200k pa in line with the 2007/08 grant payment



## APPENDIX B

### **Relevant Extracts from Cabinet Questions and Portfolio Holder Answers – February 2008**

- Q. Property Income – Refuse Collection Contract.  
Can I be assured that additional charges for new properties coming on stream included in the forecast will be implemented? Because Wyre don't like the level of charges is this any reason to reduce them, if they sign up to an agreement we should enforce that contract, we cannot afford not to?
- A. ***I can confirm that the budget calculations include a prudent estimate for additional charges for new properties coming on stream. Although contractual arrangements are in place it is appropriate to be mindful of issues raised by Wyre Borough Council on the basis that a shared service agreement in the longer term may be of greater mutual benefit to both Councils.***
- Q. Medium Term Financial Strategy, Appendix B
- What does the item 'Anticipated Deficit on Fleet Costs' relate to?
  - How was this deficit allowed to accumulate?
  - Why was such a huge amount such as this not foreseen?
  - Why will there be a continuing deficit in 2008/9, 2009/10 and 2010/11?
  - When did the Portfolio holder learn of this deficit?
  - When was the Cabinet informed?
  - What action was taken and when?
- A. ***The unanticipated expenditure on Fleet costs this year arises out of three main issues –***
- 1. We anticipated the Government changing some operational regulations which would have allowed us to use spare capacity at our maintenance facility to trade in the market place. We had anticipated we would receive income of £140,000 from this source and this was built into the 2007/08 budget. These regulations have not yet been implemented.***
  - 2. A provision of £432,000 was made in this year's budget for fuel – the costs of this are now expected to be £580,000.***
  - 3. Servicing and spare parts costs were budgeted for at £800,000 but are now expected to cost around £1.1m inclusive of some uninsured losses as a result of the arson attack on the depot.***

*The deficit position first came to light during December 2007. I was advised at that time by the Chief Executive who, I know, immediately issued instructions to relevant staff to stop all non-essential expenditure. If you look at the cabinet report in January you'll see the Cabinet was formally advised at that time.*

*You'll note also that in subsequent years we are insisting that this unexpected expenditure be managed down from 609,000 to 500,000 and we will be maintaining a close watch on this during 2008.*

*We shouldn't forget that in the past two or three years we've had the benefit of surpluses from this operation which we have been able to use to subsidize other council services. Regrettably, this year we are not so fortunate.*

**Performance  
Improvement Scrutiny  
Committee**



Date	23 July 2009
Venue	Reception Room, The Town Hall, Lytham St Annes
Committee members	Keith Hyde (Chairman Christine Akeroyd (Vice Chairman) Linda Nulty, Kathleen Harper, Ken Hopwood, Lyndsay Greening, John Singleton, Craig Halewood
Other Councillors	
Officers	Allan Oldfield, Paul Walker; Alex Scrivens; Annie Womack
Others	

1. Declarations of interest

Members were reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.

2. Confirmation of minutes

RESOLVED: To approve the minutes of the Performance Improvement Scrutiny Committee meeting held 23 April 2009 as a correct record for signature by the chairman.

3. Substitute members

The following substitutions were reported under council procedure rule 22.3:

No substitutions

4. Skills Audit

Mr Allan Oldfield, Director of Customer and Operational Services, presented this topic to the committee. The purpose of the report was to provide members with details of the outcome of the recent skills audit undertaken at Fylde BC.

He explained that at a previous committee meeting there had been a report on vacant posts, as a result of which the committee had recommended a council-wide skills audit to obtain an up-to-date and accurate picture of the skills and abilities of the workforce that

could be used in workforce and succession planning. The skills audit would also support decisions made about project teams and potential secondment or resource reallocation opportunities.

It was intended that the information collected would be put into the online HR Vision system to help maintain an accurate record for each employee, which would be updated as appropriate.

The skills audit form was promoted for a period of six weeks , but unfortunately the response had been poor with only 8.4% of staff completing it. It is not a compulsory requirement to complete a skills audit form.

Mr Oldfield asked members to consider the approach taken to this work to date and make any appropriate suggestions that would support increased participation.

After some debate the committee RESOLVED:

- 1 To commend those employees who had taken the time to complete the form
- 2 To recommend that the skills audit should be an integral part of the appraisals process for 2010/11, and for all new employees thereafter
- 3 That Mr Oldfield should be asked to update the appraisal forms for the following year to incorporate the skills audit.

## 5. Corporate Complaints Process

Mr Oldfield introduced this report also, which had been produced in response to a request from the Leader of the Council to review the systems and procedures in place for capturing, reporting and analysing complaints against the Council. The focus of the review was to establish a process across the authority for capturing and reporting all complaints that are made against the Council.

The review team had mapped the existing procedures in place across the authority; constructively challenged the way things are currently done and developed a revised process that will be implemented across the organisation.

Mr Oldfield explained that the review had revealed that a number of different processes were in place across the authority. Although these worked well, no overall corporate record of complaints was maintained.

They had also identified that very few service areas had established written procedures in place to record and analyse complaints. There was no evidence of complaints being evaluated to look for trends or identify the root cause. He said that the failure to record complaints effectively removes the opportunity to evaluate and review them and subsequently improve service delivery.

Mr Oldfield presented the committee with a proposal for dealing with complaints corporately, recording them accurately to enable analysis, responding to them quickly and appropriately, and a process for escalation of unresolved complaints.

Mr Oldfield explained that the review team will monitor the application of the process over the first six months and obtain feedback from users to establish their levels of satisfaction with the process and identify any areas for improvement.

He further said that the Corporate Complaints Group would be responsible for co-ordinating all the data from the corporate system and service based systems in order to compile performance data for Escendency, web publication and reports to this committee the first one of which would be in October 2009.

The committee RESOLVED:

1. To recommend approval of the proposed complaints procedure subject to an initial six months pilot and review.
2. To advocate that all elected members support and champion the single corporate complaints system in order to receive the most efficient service.
3. To receive a dedicated performance report every six months providing full details of complaints received and actions taken.

#### 6. The Place Survey Results Analysis

This report was introduced to the committee by Mr Alex Scrivens, Performance and Efficiency Officer. It provided further details of the key outcomes from the National Place Survey and placed them in context with the national results that were published in June 2009. Details of the national averages for district councils appeared in the report with Fylde's performance placed in context, enabling members to better understand the Place Survey outcomes and identify the strengths and weaknesses at Fylde.

Mr Scrivens went through the relevant data with the committee, highlighting specific areas where responses indicated that Fylde was doing very well, and also those where it was apparent that some improvement could be made.

Overall, the picture for Fylde was good. In particular, 86% of Fylde residents were satisfied with their local area as a place to live. However, sport and leisure had a low approval rating and requires work to be done in that area. Parks and open spaces had an average rating.

The committee was told that the data gave a reliable picture of performance and satisfaction and could be used for decision-making and setting service priorities.

The committee RESOLVED:

- 1 To recommend that all members recognise and champion the positive outcomes from the Place Survey.
- 2 To recommend that all members take account of service areas where performance needs to be improved, and take that into consideration in the scrutiny of performance.

7. 1<sup>st</sup> Quarter Performance Progress Report 2009/10

This report was also presented to the committee by Mr Oldfield, detailing the performance against national and local performance indicators. It also outlined some changes made to performance reporting arrangements.

The purpose of the report was to ensure that the committee has performance information available to make informed decisions on any potential performance shortfalls and areas that may require further scrutiny in order to support performance.

Mr Oldfield highlighted areas where the authority has performed well, and also where it has performed less well.

He mentioned the authority's failure to improve the equality standard score, which will make a significant contribution to the CAA score. The Leader of the Council is undertaking IDeA training as part of CAA peer inspection work and will be lending support to the equality work, to enable the council to progress against the new national criteria.

Sickness levels remain high, though there have been new procedures in place for the last month which may provide for improvements as they bed in. However, there were concerns that swine flu could have an adverse impact.

The number of missed bins had risen sharply and officers have been asked to focus on quality of service rather than speed.

Mr Oldfield advised the committee that changes had been made to performance reporting arrangements, with Cabinet agreeing that the Performance Improvement Committee should take the lead role on all performance reporting matters. The Performance Exception Report that had been presented at every Cabinet meeting was now removed from the agenda as a standing item. The reason for this was because the Chairman of the Performance Improvement Committee presents scrutiny recommendations, including those relating to performance issues to every Cabinet meeting.

Members asked questions regarding certain of the indicators and targets, such as the number of homeless people in temporary accommodation.

Previously the question of s106 monies had been raised, including queries about the figures given as received and committed.

Mr Walker, Director of Strategic Development had attended this committee for the specific purpose of providing detail for the members. He explained to them about planning obligations, the planning applications process and legal frameworks. He explained that s106 monies due were closely monitored through building completion certificates.

He provided detailed charts to the members which showed very clearly what monies had been paid by developers to the Council and what was still due. It showed where money had been spent by the Council, and also where it had been committed but not yet spent.

Members asked some questions about specific developments, and overall were pleased to have such a clear explanation given to them.

Following the debate it was RESOLVED:

1. To note the report and in particular the change to the reporting arrangements.
2. To thank Mr Walker for his presentation

**Fylde Borough Council copyright [2009]**

You may re-use this document/publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context. The material must be acknowledged as Fylde Borough Council copyright and you must give the title of the source document/publication.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

This document/publication was also available on our website at  
[www.fylde.gov.uk](http://www.fylde.gov.uk)

Any enquiries regarding this document/publication should be sent to us at the Town Hall, St Annes Road West, St Annes FY8 1LW, or to [listening@fylde.gov.uk](mailto:listening@fylde.gov.uk).

**© Fylde Borough Council copyright [2009]**

You may re-use this document/publication (not including logos) free of charge in any format or medium. You must re-use it accurately and not in a misleading context. The material must be acknowledged as Fylde Borough Council copyright and you must give the title of the source document/publication. Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

This document/publication is also available on our website at [www.fylde.gov.uk](http://www.fylde.gov.uk)

Any enquiries regarding this document/publication should be sent to us at the Town Hall, St Annes Road West, St Annes FY8 1LW, or to [listening@fylde.gov.uk](mailto:listening@fylde.gov.uk).