



FYLDE BOROUGH COUNCIL



Meeting Agenda

**Audit Committee
Town Hall, St Annes
Monday 30 September 2008, 7:00 p.m.**

**The doors to the Town Hall will be open to the public at
6:40p.m.**

The maximum capacity for this meeting room is 60 persons –
once this limit is reached no other person can be admitted.

AUDIT COMMITTEE

MEMBERSHIP

CHAIRMAN - Councillor John Singleton
VICE-CHAIRMAN – Councillor Linda Nulty

Councillors

Ben Aitken	Cheryl Little
Fabian Craig-Wilson	Janine Owen
Linda Nulty	Elizabeth Oades
Louis Rigby	Keith Hyde

Contact: Peter Welsh, St. Annes (01253) 658502, Email:
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 the natural and built environment
- Increasing the availability and access to good quality housing for all
- Maintaining healthy and safe communities and 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

ITEM	PAGE
1. DECLARATIONS OF INTEREST: <i>If a member requires advice on Declarations of Interest he/she is advised to contact the Legal Services Executive Manager in advance of the meeting. (For the assistance of Members an extract from the Councils Code of Conduct is attached).</i>	4
2. CONFIRMATION OF MINUTES: <i>To confirm as a correct record the minutes of the Audit Committee held on 21 July 2008. As attached at the end of the agenda.</i>	4
3. SUBSTITUTE MEMBERS: <i>Details of any substitute members notified in accordance with council procedure rule 25.3</i>	4
4. GENERAL FUND 1ST QUARTER MONITORING 2008/09	7-18
5. ANNUAL GOVERNANCE REPORT 2007-08	19

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 NO
CORPORATE RESOURCES	AUDIT COMMITTEE	30 TH SEPTEMBER 2008	4

GENERAL FUND 1ST QUARTER MONITORING 2008/09

Public Item

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

Summary

This report sets out the position in respect of the General Fund “Hot Spots” under and over spendings for the quarter ended 30th June 2008, together with Budget Holders comments as to the reason for the variation. It also provides a progress update at the end of the first quarter in respect of the Budget Savings agreed by Council in setting the Revenue Budget.

Recommendations

1. The Executive Member notes the report in respect of the Budget “hot spots” and requests that all Budget Holders ensure that expenditure is contained within the agreed Budgets set by Council and where possible savings should be achieved.
2. The Executive Member notes the report in respect of progress towards the savings targets and instructs that all Executive Managers achieve their targets and where a target cannot be achieved alternative savings are proposed.

Reasons for recommendation

It is key to the achievement of the Council’s Medium Term Financial Strategy that all expenditure is contained within agreed budgets and the savings targets are achieved. Failure to contain expenditure or achieve savings would result in General Fund balances being reduced to an unacceptable level.

Alternative options considered and rejected - None

Cabinet Portfolio

The item falls within the following Cabinet portfolio: Corporate Resources and Finance – Councillor Roger Small.

Report

1. Background

- 1.1 In setting the budget Council agreed a number of significant savings targets. These targets are being monitored on a Quarterly basis to ensure their achievements. Should any target not be achieved the Council's financial position is such that alternative savings will need to be achieved. This report identifies the position at the end of the first quarter and highlights areas of concern.
- 1.2 At the start of the new financial year the Council's Management Team agreed a new system of Revenue Budget Monitoring. This system involves monthly monitoring reports being produced for Budget Holders to monitor their latest spending position. On a Quarterly basis a "Hot Spots" report is produced which identifies those budgets which have a variation in excess of £5,000 as compared to the expenditure profile. At this time it should be noted that all budgets have been profiled on a monthly basis, additional work will need to be undertaken to tailor individual budget profiles. It is anticipated that the improved profiling will take place over the next two years as information on expenditure trends accumulates and the budget monitoring system is refined. Consequently, it is anticipated that in this early stage more "hot spot" variances than normally expected will be identified as a result of standard monthly profiles being used at this stage.
- 1.3 Members should note it is inappropriate to use the results of the "hot spots" report to attempt to identify the overall expenditure trend compared to budget as there are numerous smaller under and over spends on budgets which have not been included in this report. The budget forecast will be revised on the basis of current information and reported to Cabinet in the updated Medium Term Financial Strategy in November 2008. In preparing the forecast the second quarter's results will be available and any significant changes highlighted will be incorporated in the updated forecast.

2. Revenue Budget Monitoring

- 2.1 The significant variances or "hot spots" for the period are shown in Appendix A for each service portfolio.
- 2.2 Appendix B details budget savings forecast position for the year against the savings targets set by Council.

3. Areas of Concern

- 3.1 There are a number of budget areas which are currently causing some concern which need to be considered.

Vehicle fuel has been subject to significant price increases since the budget was set. To date a price increase of 15% has occurred since the budget was set. On the basis of the current prices the worst case scenario is a potential increase in cost of £100k. Whilst it is difficult to forecast fuel prices appear to have peaked and some minor reductions may occur during the year. Work is underway to reduce other areas of expenditure through improved vehicle utilisation. In addition a review of fleet costs is also underway and savings in general fleet costs may be available. This budget will need to be closely monitored and the impact of the projections will be reflected in future financial forecasts.

(ii) Other energy costs

The Council has a number of contracts for the purchase of Gas and Electricity when these contracts end the Budget will need to reflect the new contract prices. Until then energy costs will only fluctuate with usage.

(iii) Concessionary Fares

From April 2008 all Lancashire District Councils agreed to enter into a 'pooled funding' agreement to deal with the financial implications arising from the new national scheme. Lancashire County Council will administer the pooling arrangements. Lancashire County Council have very recently reported that Costs to date (£5.6m) are 51% higher than the corresponding period last year. Lancashire County Council reported that in the first quarter the main reasons for this are:

- A sharp increase in trips which would previously have been half-fare and which are now free. For example Stagecoach is reporting a 90% increase in concessionary passengers at the Preston depot, particularly for routes to the coast. This is caused at least in part by better weather than the same period last year.
- In addition, there is anecdotal evidence from operators who are reporting that there is a 'novelty factor' amongst passengers as a result of the new scheme.
- Higher fare increases than previously anticipated, largely as a result of the volatility in the energy markets. Some fare increases from individual operators have been as high as 17%.

These increases in costs have been mitigated by the reduction in the operator reimbursement rate negotiated earlier in the year.

Using the information available on the scheme so far to date, Lancashire County Council have projected the costs forward, and in doing so, have allowed for:-

- the seasonal variations in passenger behaviour shown in previous years.
- further fare increases of 7% based on the experience in 2007/08 (although given the current fuel market this may be understated).

These projections are an early estimate, and at this stage are indicative only. They will become more robust at the half year point when the impact of issues such as the “novelty” factor will be clearer.

Based on this three months date it is now anticipated that the “pooled budget” will not be sufficient. Lancashire County Council will be reporting the financial information as soon as it is available (and associated future forecasts views) on a monthly basis to all Districts. At time of writing this report no monitoring information had been received by the Council.

(iv) Decriminalised Car Parking Enforcement

It was agreed at Lancashire Leaders and Chief Executive Meeting on 9th July 2008 that all Districts would limit their overhead recovery on the DPE scheme to 71%. Consequently, this Council must repay an overclaim on overheads of £58k, which relates to prior years. This repayment is not included in the Council's current budget. I have spoken to Lancashire County Council in respect of this repayment and they have verbally accepted it in two instalments over 2008/9 and 2009/10.

4. Revenue Budget Savings

- 4.1 The level of savings target established during the budget process was always going to be difficult to achieve and as can be seen from Appendix B there are a number of problem areas being identified at the end of the first quarter. The major difficulties are around the savings that were put forward in respect of Streetscene and whilst currently the quarterly statement shows a shortfall on savings of £148k Executive Managers are working on maximising savings in agreed areas and identifying additional areas where savings may be made to cover any shortfall during the year. Careful monitoring of these savings will be maintained and the second quarter results will be critical.
- 4.2 At this point in time the Council has no option other than to make the required savings target of £1.3m as there is no capacity to absorb any shortfall from Revenue balances. Management Team have already agreed that no staff vacancies arising will be filled without the approval of the Chief Executive to ensure that only key vacancies are filled in the short term. In addition, Executive Managers have been instructed not to commit any budget that is not essential to basic service provision.

5. Conclusion

- 5.1 The General Fund Budget Monitoring “hot spot” report raises a number of spending difficulties. However, at this stage no specific action is required other than continued monitoring and budget holders adjusting the budget profile or expenditure commitments as appropriate. Quarter 2 results will be key in terms of any formal action being required to adjust the agreed budget.
- 5.2 The shortfall in savings is a cause for concern. Contingency arrangements are being identified by Executive Managers to meet any shortfall. Again the quarter 2 results will be key to whether any adjustments need to be made to the approved budget.

Report Author	Tel	Date	Doc ID
Bernard Hayes	(01772) 906002	14.8.08	

List of Background Papers		
Name of document	Date	Where available for inspection
None		

IMPLICATIONS	
Finance	As set out in the report
Legal	None
Community Safety	None
Human Rights and Equalities	None
Sustainability	None
Health & Safety and Risk Management	None

Appendix A – 1st Quarter Monitoring Hot Spots

Appendix B – Savings Monitoring Statement – 1st Quarter 2008/09

1ST QUARTER MONITORING HOT SPOTS - FINAL DRAFT									
Business Unit	Cost Code	Cost Name	Detail Code	Detail Name	Actual as at Period 3	Budget as at Period 3	Variance as at Period 3	Budget Holder	Comment
Community & Cultural Services	3160	Tourist Information Centre	10000	Salaries - Basic Pay	£3,729.29	£10,476.00	-£6,746.71	Joceline Greenaway	Vacancy currently being filled. Net nil impact
	7132	Corporate Administration Team	10000	Salaries - Basic Pay	£14,040.60	£23,796.00	-£9,755.40	Joceline Greenaway	Vacancy currently being filled. Awaiting invoice for balance Net nil impact
	4400	Concessionary Travel	40601	Conc.Travel Costs - Bus Passes	£0.01	£292,233.00	-£292,232.99	Paul Norris	Awaiting figures from LCC which are expected in August. Will continue to be monitored closely.
	3055	Beach Patrol & Safety	92400	Sale of Sand (sandwinning)	-£31,549.10	-£40,032.00	£8,482.90	Geoff Willetts	Income less than anticipated due to lower levels of sand extracted by contractor
	3065	Kirkham Baths	93080	Bathing Receipts	-£27,492.26	-£17,847.00	-£9,645.26	Chris Holland	Additional income from price increase to meet savings targets
	3065	Kirkham Baths	93081	Swimming Instruction Fees	-£28,529.34	-£17,514.00	-£11,015.34	Chris Holland	Additional income from price increase to meet savings targets
	3010	Lowther Pavilion	95005	Lettings General	-£14,472.50	-£18,762.00	£4,289.50	Clive Greaney	Although there is no significant variance to date the income over this financial year is estimated to be less than forecast due to reduction in the hire. However a clearer picture will be known at the end of the 2nd quarter
	3070	Games Sites	93053	Income	-£34,337.86	-£34,790.00	£452.14	Geoff Willetts	Although there is no significant variance to date the income over this financial year is estimated to be less than forecast due to adverse weather conditions. However a clearer picture will be known at the end of the 2nd quarter
Consumers Wellbeing & Protection	7605	Health & Safety Licensing Team	10000	Salaries - Basic Pay	18182.52	24516	-6333.48	Stuart Handley	Saving due to vacancy - recruitment in progress
	7602	Environmental Protection Team	10000	Salaries - Basic Pay	19071.99	25434	-6362.01	Mike Walker	Saving due to vacancy - recruitment in progress
	5201	Housing Defects Reinstatement Grant	90003	Housing Defects Act Subsidy	32049	-7479	39528	David Gillett	Established that grant finalised 2007/08, therefore budget provision to be removed at revised estimate. Debit position being 2007/08 year end provision - claim to be finalised (Note by NMC - Finance)
	7650	Building Control Team	10000	Salaries - Basic Pay	45496.46	55368	-9871.54	Andrew Dickson	Saving due to vacancy - recruitment in progress

Legal Services	2600	Land Charges	42700	Land Charges Fees	£10,652.47	£5,421.00	£5,231.47	Ian Curtis	This is reduced income due to the dramatically reduced volume of property sales.
	2600	Land Charges	93800	Local Land Charge Searches	-£30,488.00	-£40,587.00	£10,099.00	Ian Curtis	Electronic searches via NLIS cost £100, plus a £30 fee to NLIS. However, they are dealt with by crediting the full search fee of £130 to FBC and then debiting the £30 difference as a payment by FBC to NLIS. (This enables us to reclaim VAT, apparently). So this "overspend" is really part of the lower income mentioned above.
Strategic Planning & Development	3605	Development Control	42600	Consultants Fees	£7,923.96	£15,429.00	-£7,505.04	Mark Evans	Spending to increase shortly.
	3605	Development Control	93700	Planning Application Fees	-£246,788.31	-£130,104.00	-£116,684.31	Mark Evans	This contains £147,075 of income from last year which needs to be moved to Consultants fees 42600. Income in the year so far is down probably due to applicants beating the fee increase deadline and the general downturn in the development market. We will monitor this closely.
	7651	Development Control Team	10000	Salaries - Basic Pay	£64,278.72	£69,888.00	-£5,609.28	Mark Evans	Vacancy saving - position now filled
Streetscene Service	3470	Fylde Waste Schemes	13000	Agency Staff	£21,800.88	£30,024.00	-£8,223.12	Jamie Dixon	Reduced costs due to vacancies being filled.
	3470	Fylde Waste Schemes	46901	Miscellaneous Expenses	£21,640.01	£3,750.00	£17,890.01	Jamie Dixon	Additional costs for the replacement of W/B and Boxes. Options to reduce replacement rates currently being considered.
	3471	Wyre Waste Schemes	40100	Purchase of Equipment	£24,457.00	£17,685.00	£6,772.00	Jamie Dixon	Additional costs for the replacement of W/B and Boxes. Options to reduce replacement rates currently being considered. Being reviewed as part of the joint review of the Wyre waste contract

Streetscene Service	3471	Wyre Waste Schemes	93506	Contract - Unspecified Works	-£8,045.96	-£50,040.00	£41,994.04	Jamie Dixon	Income to be charged, expected to be less than budget. Being reviewed as part of the joint review of the Wyre waste contract
	3471	Wyre Waste Schemes	93507	Contract - Additnl Properties	£8,594.92	-£60,900.00	£69,494.92	Jamie Dixon	Income to be charged. Being reviewed as part of the joint review of the Wyre waste contract
	3450	Highways Cleansing	13000	Agency Staff	£5,300.40	£15,012.00	-£9,711.60	Jamie Dixon	Reduced costs due to vacancies being filled.
	4350	Decrimisd On-Street Parking	38000	Parkwise - Levy	£0.00	£12,582.00	-£12,582.00	Andrew Shore	DPE account to clear to net nil at year end - to be closely monitored
	4350	Decrimisd On-Street Parking	38001	Parkwise - Enforcement	£0.00	£37,152.00	-£37,152.00	Andrew Shore	DPE account to clear to net nil at year end - to be closely monitored
	4350	Decrimisd On-Street Parking	94101	Decrim - On-Street Pkng Fees	-£574.00	-£60,147.00	£59,573.00	Andrew Shore	DPE account to clear to net nil at year end - to be closely monitored
	4350	Decrimisd On-Street Parking	94403	Miscellaneous Receipts	£36,983.00	-£13,605.00	£50,588.00	Andrew Shore	LHP income as per residual highways agreement
	7542	Parks Team	10000	Salaries - Basic Pay	£21,205.98	£28,896.00	-£7,690.02	Darren Bell	Vacant post
Strategic Planning & Development		Corporate		Repair & Maintenance	-51,098	85,030	-136,128	Jack Rawcliffe - Wyre Borough Council	Current spend is within profile identified for the responsive budget. The Majority of the work to date has been of the responsive type, with little by the way of programmed repairs, however that will change as projects identified within the programme are implemented. The overall budget picture is satisfactory at this time, with no influences arising which would significantly change the proposed spend profiles. I would anticipate that the commitment will be within the allocation for the year.

Streetscene		Corporate - Fleet		Fuel	181,548	152,067	29,481	Gerry Sloey	There is quite understandably an overspend in fuel which is due to rising market prices. A 5% uplift was estimated from the 2007/08 budget, and this has been insufficient to cope with an effective rise in the region of 15%. I estimate an average overspend per month of £10k, and so as a worse case scenario could see a potential of £100k shortfall. Against this the market is currently dropping, and we could recover £25k. any other savings to offset fuel expenditure would have to be realised through vehicle utilisation/role change
		Corporate - Fleet		Parts & Materials	122,168	153,802	-31,634	Gerry Sloey	There would at first glance appear to be an under spend of £30k. However, there are some exceptional major component repairs and replacement parts required (to include three engine replacements, one engine overhaul and some major refurbishment work, rear differential replacement etc.) These expenses would bring the maintenance budget back on track, and so I foresee no reason to assume the underspend can be predicted to continue linearly throughout the year

Fylde Borough Council					
Savings Monitoring Statement : 1st Quarter 2008/09 - Final Draft					
Service	Nature of Saving	Savings Target 08.09 £	Savings identified to date £	Anticipated Budget Shortfall £	Comments
Community & Cultural Services	Closure of Kirkham One Stop	40,000	25,000	15,000	Removal of post implemented giving savings to date. Capital valuation in progress by Capita once decision agreed for future rental or disposal this will identify any potential shortfall on savings target
	Reduction of overtime for game sites	2,000	2,000	0	On target for full savings to be achieved
	Change of postal provider	10,000	7,000	3,000	Shortfall £3,000 due to anticipated bulk mailing of council tax bills not being processed through new postal provider - partnership agreement with Blackpool Borough Council
	Closure of St.Annes swimming pool	204,000	204,000	0	On target for full savings to be achieved
	Increased admission fee for scholars	11,000	11,000	0	Shortfall will be met from redundancy savings
	Total Community & Cultural Services	267,000	249,000	18,000	
Corporate Policy & Performance	Reduction in Human Resources budgets for training, Management development and medical fees	22,000	22,000	0	On target for full savings to be achieved
	Reduction in Computer Services budgets for replacement laptops/PC's, network hardware/equipment/links, internet service providers and software licences	21,000	21,000	0	On target for full savings to be achieved
	Procurement savings - mobile phones	6,000	6,000	0	On target for full savings to be achieved
	Reduction in Modernisation of Local Gov't budget for printing and corporate development	4,000	4,000	0	On target for full savings to be achieved
	Procurement savings - payroll transfer	5,000	5,000	0	Arrangements in place and full savings will be realised over the financial year
	Cease subscriptions for Local Gov't Association, North West Regional Assembly, Institute of Public Finance and electronic service delivery toolkit	21,000	21,000	0	The LGA are claiming 12 months notice required, which is currently being disputed. If we are legally bound to make the payment there will be a shortfall of £16,000 on the target
	Total Corporate Policy & Performance	79,000	79,000	0	
Consumer Wellbeing & Protection	Private Sector Housing Renewal - increased income from the service of statutory housing notices	2,000	2,000	0	On target for full savings to be achieved
	Fly tipping campaign - increased income from the service of fixed penalty notices	1,000	1,000	0	On target for full savings to be achieved
	Taxi licensing increased fees	5,000	5,000	0	On target for full savings to be achieved
	Homeless Persons Accommodation - Increase in homelessness benefit repayments to FBC	8,000	8,000	0	On target for full savings to be achieved
	Emergency planning budget reduction	4,000	4,000	0	On target for full savings to be achieved
	Reduction in Public Health & Drainage budgets for environmental protection and public health/drainage investigations	4,000	4,000	0	On target for full savings to be achieved
	Environmental Protection Service reduction in consultants budget	2,000	2,000	0	On target for full savings to be achieved

Consumer Wellbeing & Protection	Rodent Control deletion of vacant post	20,000	20,000	0	Implemented - savings target achieved
	Private Sector Housing Renewal removal of compensation payments budget	1,500	1,500	0	Implemented - savings target achieved
	Total Consumer Wellbeing & Protection	47,500	47,500	0	
Streetscene Service	Fleet - procurement activities with other transport authorities	20,000	0	20,000	The timetable for a joint Streetscene service has now slipped due to the need for the business case to be evaluated by both council's Section 151 officers. It now seems unlikely that any savings will be achieved in 2008/09. A review of the CVMU has been instigated to identify any joint procurement opportunities within that service area. The outcome of this review will be known by the end of August.
	CVMU reduction in furniture budget	2,000	2,000	0	On target for full savings to be achieved
	Shared car parking manager with Wyre Borough Council	10,000	10,000	0	On target for full savings to be achieved
	Increased car park charges	87,000	87,000	0	On target for full savings to be achieved
	Highways Cleansing reduction in general materials and other fees budget. Also the reduction in weed spraying operations from 3 to 2 p.a.	16,000	16,000	0	On target for full savings to be achieved
	Fylde Waste Scheme reduction in recycling banks/bring centres	4,000	4,000	0	On target for full savings to be achieved
	Shared Services with Wyre Borough Council	45,000	0	45,000	The timetable for a joint Streetscene service has now slipped due to the need for the business case to be evaluated by both council's Section 151 officers. It now seems unlikely that any savings will be achieved in 2008/09. A review of the CVMU has been instigated to identify any joint services opportunities within that service area. The outcome of this review will be known by the end of August.
	Review of Streetscene Team structure	30,000	0	30,000	The review of the Streetscene Management Team structure will take place once the position of Director of Operational Services has been filled in September. In the meantime the review of the CVMU will consider the management structure within that service.
	Increased Cemetery & Crematorium fees	20,000	20,000	0	On target for full savings to be achieved
	Wyre Waste Scheme relocation to Thornton and reduction in vehicle collection rounds by one	30,000	10,000	20,000	Shortfall £20,000 due to delay in depot move and initial set-up costs offsetting first year saving
	Increase in trade waste charges	10,000	10,000	0	On target for full savings to be achieved
	Deletion of Dog Warden half post	10,000	10,000	0	Implemented - savings target achieved
	Parks Operational budget reduction for hire of equipment, and one third of agency costs. Generation of external income by the Arboricultural Team and by Parks Management Team for consultancy	55,000	55,000	0	On target for full savings to be achieved.
	Footway lighting reduction of repairs & maintenance budget	5,000	5,000	0	On target for full savings to be achieved
	Total Streetscene Service	344,000	229,000	115,000	

Strategic Planning & Development	Town Hall reduction in grounds maintenance costs and structure of Keepers work to reduce overtime	7,000	7,000	0	On target for full savings to be achieved
	Kirkham Baths reduction in maintenance budget	22,000	22,000	0	On target for full savings to be achieved
	Total Strategic Planning & Development	29,000	29,000	0	
Democratic Services & Member Support	Electoral Registration re-engineer the annual statutory electoral registration process	5,000	0	5,000	Shortfall £5,000 due to base budget already including the saving - HOF aware of position
	Mayoral, Members & Civic budget reduction for Mayors attendant, robes, regalia & printing	10,000	10,000	0	On target for full savings to be achieved
	Member Services reduction in the training budget for elected member development	3,000	3,000	0	On target for full savings to be achieved
	Reduction in the scrutiny budget	2,000	2,000	0	On target for full savings to be achieved
	Risk management initiatives budget	1,000	1,000	0	On target for full savings to be achieved
	Total Democratic Services & Member Support	21,000	16,000	5,000	
Finance	Transfer of Revenues & Benefits staff to Balckpool Borough Council	62,000	62,000	0	Shortfall due to redundancy costs anticipated to be covered by Fraud Team vacancy savings
	Total Finance	62,000	62,000	0	
Legal Services	Discontinue subscriptions & replace with online source	8,000	8,000	0	On target for full savings to be achieved
	Total Legal Services	8,000	8,000	0	
Corporate	Grants to Parishes replaced by differential taxation	270,000	270,000	0	Implemented - savings target achieved
	Staffing restructure review	35,000	35,000	0	Implementation due in September
	Freeze on Member Allowances	25,000	25,000	0	Implemented - savings target achieved
	Staff vacancy savings	90,000	90,000	0	Profiled saving on target to achieve full saving
	Mileage savings	20,000	10,000	10,000	Changes are currently being implemented in mileage arrangements for Management Team which will secure the savings identified. The remaining savings are the subject of ongoing staff negotiations
	Exective Board removal of confrence fees	2,000	2,000	0	Implemented - savings target achieved
	Total Corporate	442,000	432,000	10,000	
Total Savings Target		1,299,500	1,151,500	148,000	

REPORT



REPORT OF	MEETING	DATE	ITEM NO
CORPORATE RESOURCES	AUDIT COMMITTEE	30 SEPTEMBER 2008	5

ANNUAL GOVERNANCE REPORT 2007-08

Public item

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

Summary

Report to follow.

Cabinet portfolio

The item falls within the following cabinet portfolio: Corporate Resources and Finance – Councillor Roger Small

Audit Committee



Date	Monday 21 July 2008
Venue	Town Hall, St. Annes
Committee members	Councillor John Singleton (Chairman) Councillor Keith Hyde (Vice-Chairman) Councillors Brenda Ackers, Ben Aitken, David Chedd, Maxine Chew, Fabian Craig-Wilson, Louis Rigby, Elaine Silverwood
Other Councillors	None
Officers	Ian Curtis, Lyndsey Lacey
Other Attendees	None

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 Audit Committee meeting held on 30 June 2008 as a correct record for signature by the chairman.

3. Substitute members

The following substitutions were reported under council procedure rule 22.3:

Councillor Ben Aitken for Councillor Simon Renwick

Councillor Fabian Craig-Wilson for Councillor Paul Rigby

Councillor Brenda Ackers for Councillor John Coombes

Councillor Elaine Silverwood for Councillor Elizabeth Oades

Councillor David Chedd for Councillor Paul Hayhurst

Councillor Maxine Chew for Councillor Kath Harper

4. Constitution Refresh

At the request of the Audit Committee at their meeting on 30 June, Ian Curtis (Head of Legal Services) presented an updated report on proposed elements contained within the constitution refresh which required further clarification.

Mr Curtis reminded the Committee that the council's constitution needed to be re-adopted by the council each year. The previous report highlighted some proposed changes to the constitution and the current report provided further clarification on some issues raised at the previous meeting.

The issues raised at the previous meeting included:

- Chief Executive's Delegations. Clarity was sought on where authority currently rested for approving applications for voluntary redundancies
- Reasons for changes to delegations to executive managers regarding the pay and grading procedures
- The extent of powers to be delegated to all executive managers under the Regulation of Investigatory Powers Act 2000
- Merits of changing the period of notice for elected members submitting notices of motion from 7 days to 10 days
- Limiting the rights of members to speak on motions at council meetings to 5 minutes from 10
- The use of the closure motion at council meetings.
- The suggestion that Portfolio Holders should remain at 7 as opposed to the proposed reduction to 6.
- Possible changes to the participation arrangements at Cabinet

Councillor Chew raised a further issue at the meeting which related to the way the council deals with amendments council meetings. She suggested that it may be more transparent if the council operated a similar system to the Lancashire County Council model whereby all amendments were required to be put in writing and presented at the meeting. A vote was taken on this proposal and it was subsequently lost.

Mr Curtis addressed all of the issues raised and a full debate took place after which it was RESOLVED to recommend that Council re-adopt the constitution as previously circulated incorporating the changes highlighted in the report subject to the following modifications:

- (i) To change the period of notice for elected members submitting notices of motion from 7 days to 8 days
- (ii) To retain the rights of members to speak on motions at council meetings to 10 minutes
- (iii) To request that the Chairman and Vice-Chairman of Committee together with the Head of Legal Services make arrangements to attend a LCC council meeting with a view to reporting back to committee on the LCC procedure for dealing with amendments at council meetings.

(Councillor Chew requested that her name be recorded as having voted against the decision to retain the requirement for a simple majority to vote through closure motions)

© Fylde Borough Council copyright [2008]

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

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.