

South Holland District Council

Annual Report to Shareholders



2007

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Introduction

By Chief Executive & Leader

Terry Huggins Chief Executive

In 2006/07, South Holland District Council directly provided a wide range of essential public services and also worked with other public sector, business and community organisations for the benefit and well being of the people of South Holland.

We are accountable to those who pay council tax and rely on the services we provide. We feel it is our duty to give a clear picture of how we do this, which is the purpose of this annual report. We hope you will find it interesting and informative.

The report celebrates our key achievements, recognises the challenges we faced in the last year and includes a summary of our performance. It reflects our core values and focuses on our priorities for the future.

We are pleased that our Government appointed auditor has told us that we continue to perform well in the way we use our resources. The report contains the summary financial statement in support of this.

Councillor Gary Porter Leader of the Council

For a small low-spending rural authority, we punch above our weight and work hard to provide value for money. Our key Housing, Environment and Planning Services are recognised as good and improving and we score well on our use of resources.

We are one of the only councils in the country building and maintaining our own council houses; something which you have said is important. We are also now the only council in Lincolnshire providing weekly refuse and recycling collection, which we know is very important to our residents.

We hope this report will send a positive message that South Holland District Council is doing a good job in the things most important to you.



Gary Porter



Terry Huggins

Achievements in 2006-07

We are proud of our achievements.

Whilst we realise that we don't always get it right, we do monitor what we do so that we can identify the areas we need to address.

Our performance against a range of key performance measures is included in Parts 2 and 3 of this report.

- We continued to collect both recycling and household refuse weekly
- We introduced a development programme for Councillors to help them in their role as community leaders and advocates
- We completed four new council homes and started work on four sites to provide a further 14 homes working with private developers and builders. In all we have secured the provision of 140 new affordable houses
- We phased out door to door rent collection to improve efficiency and safety
- We extended recycling routes to include more properties
- We are partners in the Spalding Water Taxi which was a finalist in the national Waterways Renaissance Awards
- We introduced the new and improved tenant newsletter and calendar
- We completed the refurbishment of Ayscoughfee Hall Museum and opened it to the public
- We supported the Community Spirit Awards which recognised the unsung heroes amongst our tenants
- We agreed our priorities for economic development
- Our focus on homelessness prevention raised our figures to be the best in the region
- We opened the Peele Leisure Centre in Long Sutton in April 2006
- We introduced a full appointments system for repairs to improve customer service and efficiency



- We have changed the way we buy things and access commodity markets to take full advantage of the latest technologies and deliver economy and efficiency
- We installed a wood-chip burner at the West Marsh Road depot which will reduce the cost of heating the building
- We have one of the highest council tax collection rates in the country
- We have worked with the Carbon Trust to consider alternative options to create savings for heating and lighting
- We combined the street cleaning and grounds maintenance teams to provide a comprehensive Street Scene service
- We have developed a new Generic Equality Scheme and action plan which supports our equality and diversity work and sets out our plans to achieve Level 2 of the Equality Standard for Local Government
- Improved performance in dealing with planning applications was rewarded

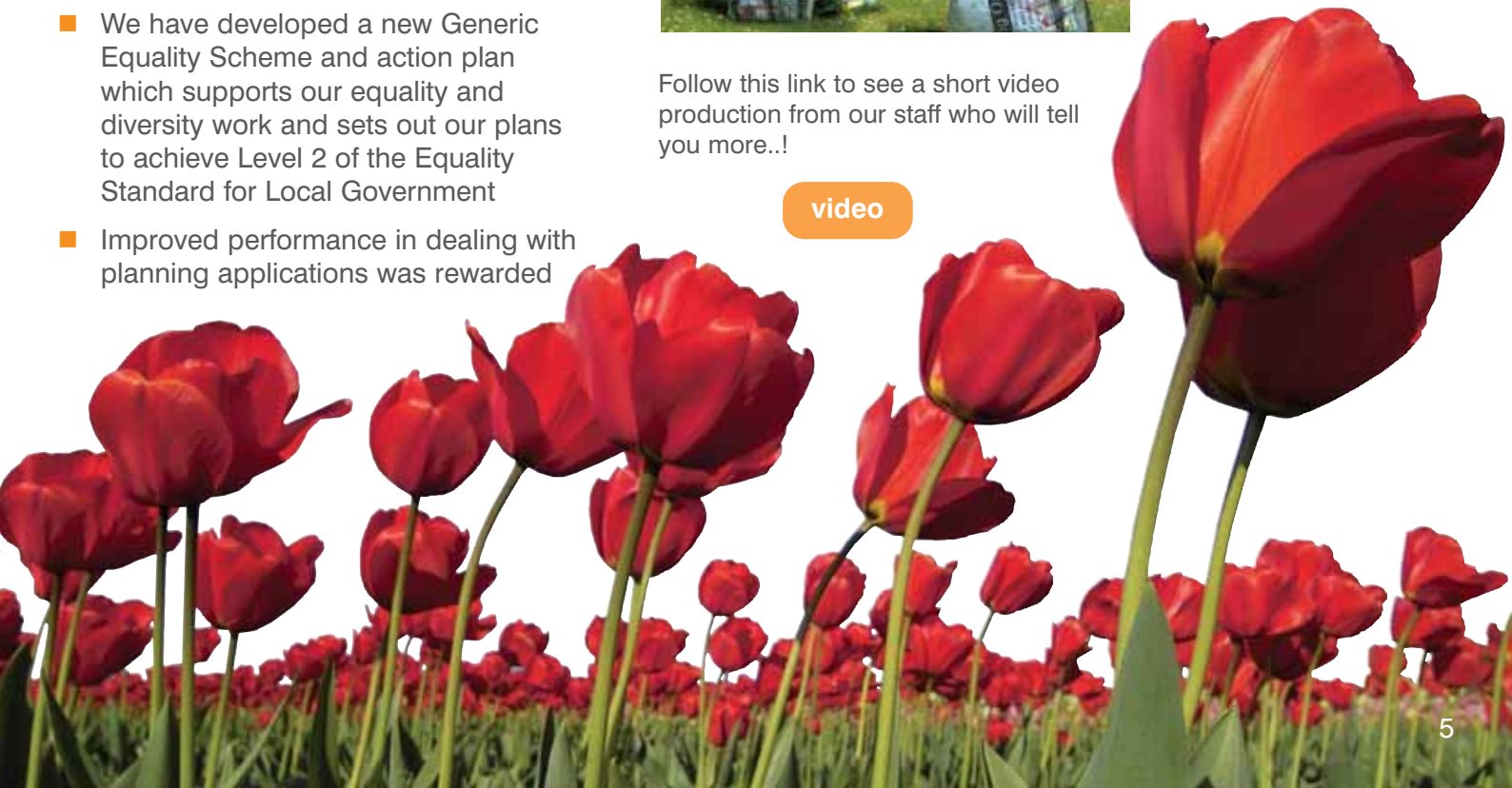
with an increase in Planning Delivery Grant, part of which will be spent on seeking to upgrade the appearance of buildings in our Conservation Areas.

- We have introduced a licensing a system of for three storey Houses of Multiple Occupancy (HMO)
- We inspected 100% of the highest risk food premises and all food factories.



Follow this link to see a short video production from our staff who will tell you more..!

video



Challenges Faced

In 2006/07, we faced some considerable challenges. Some are about making sure that we are providing the best services we can within South Holland, others are about addressing the bigger issues that are likely to affect the area, here are some examples...

- The implications of the Local Government White Paper, 'Strong and Prosperous Communities', the Lincolnshire Shared Services programme and the Local Area Agreement
- Meeting our statutory duties set out in equality legislation
- Delivering new requirements and raised expectations within existing resources whilst continuing to deliver existing services to agreed standards
- Improving recycling rates to meet challenging targets
- Changes in local government financing and the efficiency agenda
- Addressing economic and environmental sustainability
- Striving to meet the challenges of Government Legislation relating to Gypsies and Traveller sites
- Increasing the provision of affordable housing
- Rising to the challenges created by a significant increase in the diversity of the community of the district
- Addressing climate change and flood risk
- Creating stronger communities and helping them to help themselves
- Responding to the implications of the Child Safeguarding legislation
- Improving the support to our councillors as democratically elected community leaders and community advocates
- Implementing improvements to the repairs services



Listening and learning

We state that we are a listening and learning council. We consult you for your views, we take customer feedback and we act upon this. All survey results are published on our website.

The main listening and learning points from 2006/07 are:



- We measured satisfaction with the service you get when you contact us . This enables us to have your feedback which we use to improve customer service. On the strength of what you told us we now have a customer services access point at the Market House in Long Sutton.
- You told us that access to services is a priority. We are now working with Lincolnshire County Council to provide information kiosks in the Donington, Holbeach and Crowland libraries. By the end of 2007 these should be operational.
- We surveyed our tenants and learned that although overall satisfaction with the service is high (88%), younger people are less satisfied. We are now developing activities to encourage involvement and feedback from younger households.





- We undertook a full public consultation exercise on the Local Plan and included many comments into the final document which will shape the development of the district.
- We seek feedback from people who use a number of our services as a matter of course and the results are used to improve these services. For example, as a result of the Leisure and Cultural Survey in 2006/07, the changing facilities at the Castle Sports complex in Spalding were identified for refurbishment.
- We consult on major strategies before we produce them to make sure that all interested parties can influence the end result. In 2006/07 we consulted on economic development and recycling. Both strategies, and the services that will deliver them, were changed to take into account the comments received.
- Last year we web cast our council tax consultation because of low turnout in previous years. As a result, over 2000 people were able to follow and take part in the debate.
- In response to feedback from our residents in sheltered housing, we have appointed scheme managers and mobile wardens and have actively promoted the life-line service which includes an emergency response. This has helped people to be independent in their own homes and to remain secure.
- Our major annual quality of life survey, which explores attitudes and opinions on issues including neighbourhood issues and satisfaction, showed that 77% of the respondents are satisfied with their neighbourhood. It also underlined the areas for improvement, which we have worked into our priorities and those of our partners.

Partnerships Report

Rural Action Zone (RAZ)

The purpose of the RAZ is to maintain a partnership of organisations from the public, private, voluntary and community sectors that have a direct or influential impact on the quality of life in South Holland. We listen and respond to the views and opinions of the people in the district as well as to central Government and its regional agents. RAZ actions are guided by the community plan for the economic, social and environmental benefit of the area and its communities.

The RAZ partnership has achieved many things for South Holland in 2006/07 under the themes of community safety, economic development, health, learning and sustainable communities. These range from providing the funding for eight additional Police Community Support Officers, encouraging community cohesion and working to improve educational standards and skills levels. The action plan and achievements can be found on the RAZ website www.ruralactionzone.com

In March 2007, Lincolnshire County Council signed a 'local area agreement' with Government that fundamentally changes the way priorities are set and funding is allocated in the county. The RAZ, as the local strategic

partnership, is a key delivery agent for a number of the priority outcomes. Anticipating this and other challenges, the RAZ reviewed its strengths and weaknesses in order to make sure it is business-like and remains fit for purpose.

The Children and Young People Strategic Partnership (CYPSP)

The work of the CYPSP continued to integrate Children's services across the County and to keep practice up to the highest standards. During the year the "Strengthening Families" theme was more fully implemented and cross-agency training conferences were introduced. There was a Joint Area Review of Lincolnshire Children's Services and the final report was broadly supportive of the new way forward and highlighted areas for action for future improvements.



Lincolnshire Shared Services Partnership (LSSP)

The object of this partnership is to develop more efficient services that better meet the needs of the public. Initially work is being focused on nine service areas: 'street scene', revenues and benefits, customer services, training, property, ICT, procurement, legal services and building control.

The last three disciplines have been designated 'fast track work streams' which means they are intended to go live at the beginning of 2008. Procurement is close to being put before the Council Leaders and Chief Executives in the county for approval. Legal Services is making similarly rapid progress. Building Control is progressing more slowly, although it is still hoped to deliver a shared service through two or more clusters of authorities early in 2008.

Steady progress is being made in other areas and is likely to accelerate if the County is awarded 'Pathfinder status' to develop new ways of working between authorities within the existing county and district system of local government. Thus as the year progresses it is quite possible that the shape of public service delivery within the county may begin to change. This would lead to a gradual shift towards seamless services being provided by all councils in Lincolnshire through unified, predominantly single service arrangements.

Community Safety Partnership

The Council is part of a local partnership that has statutory responsibility for devising a strategy to tackle crime and disorder in South Holland. The aim is to provide a joined up approach to, and measure the impact of, this.

The Home Office has initiated a reform programme which has required the partnership to prepare for a fundamental change to the way it functions. Also, aware of the need to demonstrate that it is effective, much effort has been invested into improving the partnership's business processes to make sure it does the job.

The end result has been to create a new community safety partnership for South Lincolnshire in a merger with the Crime and Disorder Partnership for South Kesteven that incorporates best practice and brings a fresh and very business-like approach. It is good to be able to report that this has drawn very favourable comment from the Government Office for the East Midlands which is monitoring the merger process.



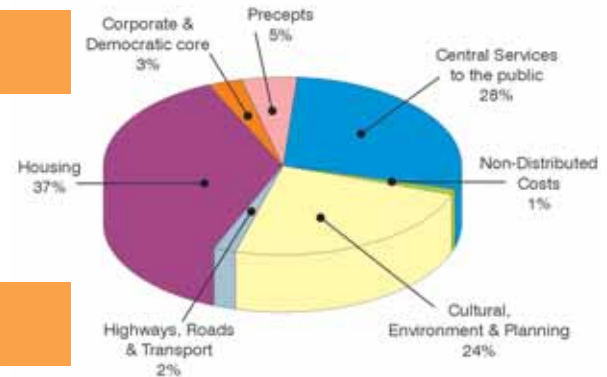
Our Financial Performance

Summary Financial Report

These summary accounts are subject to audit

The Council's Statement of Accounts has been prepared in accordance with the CIPFA Statement of Recommended Practice. This summary attempts to simplify the information and make it more meaningful for you.

We spent £44.6 million on providing services in 2006/07



Services Provided 2006/2007

Service Areas	(£000s)	We paid for these service areas as follows:	(£000s)
Central Services to the public	12,384	Fees and charges	11,322
Non-distributed costs	143	Tax payers	10,899
Cultural, Environment & Planning	10,788	Grants	15,359
Highways, Roads & Transport	849	Interest we earned	804
Housing	16,802	Other credits	6,250
Corporate & Democratic core	1,307		
Payments to Parishes and Drainage Boards	2,361		
Total	44,634	Total	44,634

AMOUNTS HELD IN RESERVES (£M)

General	2
Specific	3
HRA	2
TOTAL	7

The Accounting Services has a quality award ISO 9001:2000. We are proud to announce that we follow the CIPFA (Chartered Institute of Public Finance and Accountancy) Best Value Code of Practice & Standard Practice Notes when preparing our accounts.

The Council overspent by £122,000 on its General Fund budget because money was put aside to support organisational development.

We overspent by £157,000 on the Housing Revenue Account (HRA). The additional spend was used to improve the Council's Housing stock.

We collect council tax for the County Council, Police and the parishes.

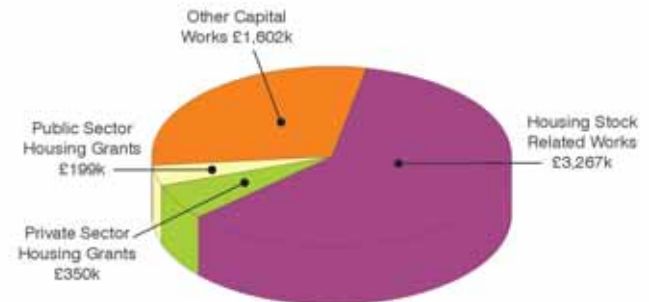
We are known as a billing Authority.

Our collection rates are high. We collected 98.6% council tax and 99.38% business rates in 2006/07.

Capital Expenditure

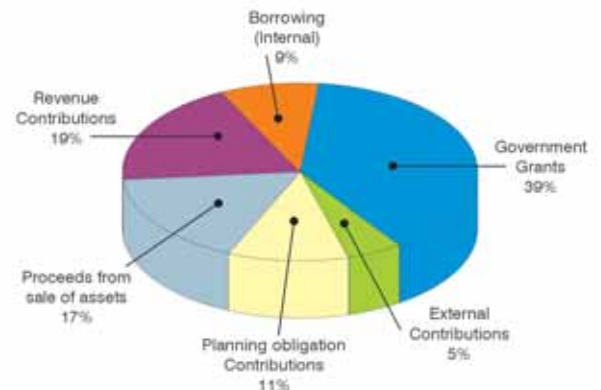
In 2006/07 the council spent £5,418m on capital projects which mainly represents our expenditure on purchasing, upgrading and improving our assets, see diagram opposite.

The Council underspent on its capital programme in 2006/07. This has arisen as some projects did not start as early as planned. This money is "rolled" into the following year to finance the completion of these projects.



Funding Of The Capital Programme

The spend on capital projects was funded as shown in the diagram opposite.



Improving Standards

To make sure we maintain and improve our high standards of performance and efficiency we have to change the way we do things.

During the last 12 months we have:

- Addressed homeless accommodation issues.
- Started to build our own affordable homes.

Amongst the financial achievements of the year, it is particularly pleasing to note that:

- We have exceeded our expectations in cash management.
- The capital programme has delivered on corporate priorities.
- The authority has received a Comprehensive Performance Assessment for Use of Resources score of 3. Consistently above minimum requirements - performing well in the way we use resources.

HOUSING	(£000'S)
Rent arrears owing at 31st March:	
Current Tenants	138
Former Tenants	89
Garages	2
OUR ASSETS	(£000'S)
Council Dwellings (Council Houses and Sheltered Accommodation)	193,092
Other Land and Buildings (South Holland Centre and Swimming Pool)	14,627
Vehicles and Plant (Computer Equipment)	589
Infrastructure (Sewerage Stations)	1,513
Community Assets (Parks and Open Spaces)	671
Non-Operational Assets (Investment Land)	2,200
Intangible Assets	324
Fixed Assets Total	213,016

The value of assets included in the balance sheet is reviewed each year.

Environmental Accounting

This is a new accounting approach that considers the financial impacts of environmentally related activity. To be effective, environmental performance measures should be integrated into core financial processes which allow environmentally significant expenditure and issues to be monitored such as energy, water and travel.

The Council has recently been audited by the Carbon Trust to review and advise on reducing emissions at the Council Offices

and the South Holland Centre, this produced an eleven point action plan. Our Recycling Strategy emphasises waste minimisation and recycling contributing to reduced energy use and CO2 emissions.

Table below shows the total energy consumed for both the Priory Road Council Offices and South Holland Centre split between electricity and natural gas:

Utility	Energy Consumption		Cost		CO2 Emissions
	kWh/year	%	£/year	%	tonnes
Electricity	805,276	57.0	£75,263	81.9	346.3
Natural Gas	587,905	43.0	£16,663	18.1	115.5
Total Energy	1,393,181	100.0	£91,926	100.0	461.8

(Information in the table above was taken from the Carbon Trust Assessment 09/01/2007)

In the future we hope to develop and integrate systems that will enable us to report fully in this area including energy consumption in our major buildings.



Other Facts

- The Council paid £1,463,338 into the Lincolnshire County Council's Pension Fund.
- The amount of allowances paid to Elected Members was £224,259.
- South Holland District Council had just over £11.0 million invested at the end of March 2007.
- We disposed of assets worth £1.2 million yet added £4.5 million.
- The Construction Services Unit returned a surplus of £71,000.
- South Holland undertook agency services work for Lincolnshire County Council for Waste Collection, Amenity Grass Cutting and Delittering and Bin emptying for the Environment Agency.
- Our publicity costs totalled £126,000.
- Our statutory audit costs were £107,000.
- At the 31st March 2007 South Holland District Council owned 3,953 Council Houses.
- At the 31st March 2007 we held provisions for bad debts totalling £299,000.

Income From Council Tax

In 2006/07 the council set a band D of £1,233.50. The charge for each band is a ratio of band D. The 2006/07 charges are:

Band	Ratio	Council Tax £
AA	5/9	685.28
A	6/9	822.33
B	7/9	959.39
C	8/9	1,096.44
D	one	1,233.50
E	11/9	1,507.61
F	13/9	1,781.72
G	15/9	2,055.83
H	twice	2,467.00

The council Tax is the means of raising income from local residents to pay for council services.

Less than 12% of this is spent by the District Council.

Treasury Management

We invest surplus funds on the money markets:

We earned £804,000 in interest 2006/07

We follow the CIPFA Treasury Code of Practice and make sure we place investments with banks and building societies that have good credit ratings.

Audit Commission

'Use of Resources' Assessments

We were assessed against five themes:

- Financial Reporting,
- Financial Management,
- Financial Standing,
- Internal Control and
- Value for Money.

238 District Council's were assessed with seven achieving the top score of 4 out of 4.

We achieved a 3 out of 4, our strongest areas were in Finance and Value for Money achieving a 3 on every element but we only scored a 2 in Internal Controls.

Some of the key areas for us to improve on are partnership management, fraud and governance.



How we manage our risks

What is Risk Management?

We provide a diverse range of services to our local community and it is essential that we protect and preserve our ability to continue to provide these services through taking into account, and planning for, any risks that may be involved.



Our risk management framework continues to be embedded throughout the organisation, with ongoing development and review of Corporate and Service based risk registers. The Corporate Risk Management Group (CRMG), which leads on this, continues to meet regularly to make decisions on issues that affect us.

During 2006/07 an approach was developed for identifying our strategic risks. We looked at identifying these risks attached to our corporate priorities and are pleased to say no significant risks were identified.

In July 2006 we adopted the HR Treasury Risk Maturity Model, based on the an European Foundation for Quality Management (EFQM) excellence model which measures the degree to which risk management is embedded within our internal controls and procedures. We used this model to develop an improvement plan in

2006/07. This data was shared with the Greater Lincolnshire Risk Management Group, of which we are an active member, as part of a Lincolnshire-wide benchmarking exercise.

Our Corporate Risk Management policy, strategy and guidance were reviewed and updated in line with good practice in the Autumn of 2006. The revised guidance makes specific reference to project and partnership risks, further work is needed in 2007/08 to develop our approach for the management of project, partnership, fraud and error based risks.

Training was provided in-house to all service units to raise awareness of our principles and procedures following the release of version two of the policy. Training will be extended in 2007/08 to include elected Members.

Corporate Governance



The Council operates within a constitution, rules and regulations to make sure that the way it operates is legal, fair and proper and has statutory duties placed upon it that govern many of its services.

Our core values give South Holland District Council distinctiveness in the way it delivers its services and are held to be fundamental. These are:

- Strong corporate governance arrangements
- Central role of the District Council and its Members in the democratic process, accountability and community leadership
- High quality customer service
- Environmental responsibility
- Equality of opportunity
- Positive staff/Member relationships
- Being an employer of choice

As a statutory requirement

Corporate Governance is about the direction and control of business in a responsible manner. To comply with statutory requirements, it is important that established Corporate Governance principles are reflected in each dimension of the Council's business. The internal organisation and the environment in which the Council operates are continually evolving and, as a result, the risks it faces are also continually changing.

Corporate Governance expects a duty of care to be recognised and adopted by those responsible for running an organisation. The risks associated with failure to accept such responsibilities include, fraud and corruption, poor management decisions and breaches in statutory legislation.

In order to ensure our Governance arrangements are sound, we conduct a review of our systems of internal control every twelve months and make use of both external and internal assurance reviews. Our annual review follows a process of best practice, is audited by an externally appointed body and is approved at Full Council.

To compliment this statutory requirement we've adopted our own Code of Corporate Governance which is again evidenced and tested. This document is signed off annually by the Chief Executive and Leader of the Council.

For 2006/07 we have been able to demonstrate strong principles of Governance.

In order to make sure that we deliver value for money we are exploring ways to develop stronger Governance for partnering and joint arrangements.

Our Priorities

Our Priorities are the palette from which we work and are set out in detail in part two of this report which details key performance results, the independent auditors report and our improvement programme.

The six priorities are:

- Affordable Housing
- Care of Towns and Villages
- Secure and Diverse Employment
- Improved Leisure Facilities
- Access to Services
- Democratic Community Leadership



Follow this link to see a short video production on our priorities by the leading Councillors who are responsible for them being delivered.

video

How to contact us

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www.sholland.gov.uk

Finance Service email addresses
and contact numbers:

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benefits@sholland.gov.uk
businessrates@sholland.gov.uk
counciltax@sholland.gov.uk
invoiceunit@sholland.gov.uk

Benefit Fraud confidential
hotline: 0800 0851 737

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available in large print form.
If you would be interested
please call Customer Services
on 01775 761161

Language options can also be
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www.sholland.gov.uk

tel: 01775 761161