

**BUDGET AND  
PERFORMANCE PANEL**

**6.10 P.M.**

**12TH JULY 2016**

**PRESENT:-** Councillors Dave Brookes (Chairman), Sam Armstrong, Janet Hall, Tim Hamilton-Cox, Oscar Thynne and Phillippa Williamson

Apologies for Absence:-

Councillors Andrew Gardiner, Roger Sherlock and Susan Sykes

Also in Attendance:-

Councillors Karen Leytham (Cabinet Member with Responsibility for Housing and Environmental Health) and Anne Whitehead (Cabinet Member with Responsibility for Finance and Revenues and Benefits)

Officers in attendance:-

Mark Davies	Chief Officer (Environment)
Suzanne Lodge	Chief Officer (Health and Housing)
Andrew Clarke	Financial Services Manager
Robert Bailey	Organisational Development Manager
Jeremy Bebbington	Organisational Development Officer
Stephen Metcalfe	Principal Democratic Support Officer
Sarah Moorghen	Democratic Support Officer

**1 APPOINTMENT OF VICE-CHAIRMAN**

The Chairman requested nominations for the position of Vice-Chairman.

It was proposed by Councillor Hamilton-Cox and seconded by Councillor Brookes:-

“That Councillor Phillippa Williamson be appointed Vice-Chairman of the Budget and Performance Panel for the Municipal Year 2015/16.”

There being no further nominations, the Chairman declared the proposal to be carried.

***Resolved:***

That Councillor Phillippa Williamson be appointed Vice-Chairman of the Budget and Performance Panel for the Municipal Year 2016/2017.

**2 MINUTES**

The minutes of the meeting held on 23<sup>rd</sup> February 2016 were signed as a correct record.

**3 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN**

There were no items of urgent business.

**4 DECLARATION OF INTERESTS**

There were no declarations of interest.

**5 REPAIRS AND MAINTENANCE OF COUNCIL HOUSING**

The Chief Officer (Environment) presented a report on the Repairs and Maintenance of Council Housing and gave a presentation to provide the Panel with information on the performance of the Council Housing Repairs and Maintenance Service (RMS) and the Association for Public Service Excellence (APSE) Report. A copy of the APSE Report was attached for Members' consideration.

Members were advised that there were 3,740 City Council owned council houses spread geographically across the whole district. The biggest clusters of Council Housing stock were on the estates in the urban areas but there were also a number of properties in rural parts of the district.

Members were advised that Council Housing provision was split over two service areas with asset management and RMS part of Environmental Services and council housing tenancy and estate management within the Health and Housing Service.

The RMS total expenditure in 2015/16 had been £9.4 million and that this had been divided between planned (revenue) and planned (capital) works, responsive repairs and void repairs. This work was divided between in-house and external contractors.

Members were advised that the Tenant Satisfaction Survey 2015 showed that satisfaction of tenants was high, but that the worst performing area was the time taken before work was undertaken, even so 76% of tenants said they were satisfied on this respect

It was also reported that one of the key areas highlighted in the APSE Report for improvement was voids. The number of days to re-let and therefore the percentage rent loss, had both increased in 2014/15. The latest information showed that the standard re-let time was decreasing with the average for the first quarter of 2016 being 53 days.

It was reported that APSE had been commissioned by the City Council in summer 2015 to conduct a 6 day "diagnostic exercise" of RMS including:

- Benchmarking analysis of data via APSE Performance Networks.
- Review of procedural and other documentations.
- Diagnostic workshop with RMS, housing and financial employees.

The report had highlighted a number of strengths and weaknesses of the service and set out a number of recommendations.

Members were advised that the Council's Organisational Development Team had been engaged by the Chief Officer (Environment) and Management Team in January 2016 to support the implementation of the recommendations in the APSE Report and take advantage of any wider opportunities for service development.

A collaborative approach had been taken in order to access the necessary skills and experience to deliver change by continuing to develop internal relationships with ICT, Finance and HR, as well as other Local Authorities, APSE and external suppliers.

Members asked a number of question regarding the Section151 officer comments on the report, voids, planned works in the void period and the effects on rental income of extended void periods, the organisation relationships between the Environment and Health and Housing Services, benchmarking and information sharing, electric fleet vehicles and appointments for responsive repairs.

The Cabinet Member with responsibility for Housing and Environmental Health advised, at the meeting, that KPMG had been asked to scope a further report on the Council's repairs and maintenance service to establish vfm, prospects for improvement and amount of resource required and based on that provide options for future direction and delivery of the service. Cabinet would then decide on whether they wanted to commission this report. The Cabinet member said she would welcome the views of Panel Members upon the report prior to consideration by Cabinet.

***Resolved:***

- (1) That the report to consider whether to commission KPMG to undertake a further review of the service, be reported to Budget and Performance Panel prior to consideration by Cabinet.
- (2) That Councillor Karen Leytham, Cabinet Member with responsibility for Housing and Environmental Health, be invited to attend that meeting.
- (3) That the Panel's Work Programme be updated.

**6 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN 2015/16**

The Financial Services Manager introduced a report on Provisional Revenue, Capital and Treasury Management Outturn 2015/16. The report set out information regarding carry forward of capital slippage, as well as a number of issues including provisional outturn and treasury management outturn.

The options, options analysis, including risk assessment and officer preferred options considered by Cabinet were set out in the report as follows:

The City Council had a legal requirement to ensure that its expenditure was fully funded and to produce accounts in accordance with proper accounting practice. In addition, the Prudential Indicators were a statutory requirement linked to the budgetary framework. For these aspects, therefore, there were no alternative options for Cabinet to consider. Cabinet had been asked to endorse certain actions taken by the Chief Officer (Resources), to consider whether it had sufficient information to do so or whether it required any further justification.

The report had requested that Cabinet considered a number of revenue overspending, capital slippage and other budget adjustment matters. The framework for considering these was set out in the report but basically Cabinet had been asked to:

- Approve any number of items / requests, in full or in part.

- Refuse various requests and if commitments have already need incurred, require alternative funding options to be identified. Cabinet should note, however, that this may impact on other areas of service delivery.
- Request further information regarding them, if appropriate.

On the assumption that the Council continued to support its previously approved spending plans, then the Officer preferred options were to approve the capital slippage requests.

Although the Council's General Fund budget and associated Government funding reduced again in 2015/16, it continued to manage the financial pressure well, and had again improved its overall financial standing as at 31st March 2016. Similarly the HRA's standing was sound. Whilst net revenue underspends were experienced in both the General Fund and HRA, their scale was lower than in previous years, perhaps reflecting the much tighter financial environment within which the Council was working. Although various actions had been outlined in the report, there were no wholly new matters arising that had not previously been reported or highlighted in some form, and this could give some comfort with regard to the Council's financial planning and monitoring arrangements. This was especially so, given that local government finance appeared to be getting more complex. It would be important that capacity was in place to address the various actions highlighted, however, as this was becoming increasingly difficult given the resource pressures that existed.

The resolution of Cabinet with regard to this matter was submitted as an Appendix to the report for Members' information.

Members went on to ask a number of questions relating to surpluses and deficits, Business Rates and the Canal Corridor North, appeals provision, Housing Benefit overpayments, depreciation and impairment of fixed assets, and pensions.

***Resolved:***

- (1) That the report be noted.
- (2) That Business Rates and appeals provision be summarised as part of the Quarter 1 Financial Monitoring.

## **7 BUSINESS TRAVEL PLANS**

The Organisational Development Manager presented a report on the Review of Business Travel which detailed the extensive business improvement work that had been undertaken by Organisational Development on the Council business travel arrangements. The report also outlined initial plans to realise benefits and efficiencies from service improvements going forward.

Members were advised that the review of council business travel had focused on gaining a clear and broad understanding of the work and related needs and demands, from both an operational and customer perspective, that generated necessary travel in order to fulfil officer responsibilities and deliver services.

The review covered all Services and identified numerous opportunities to achieve wide ranging efficiencies and savings from the reduction, or elimination of business travel that

could be achieved though changing customer expectations and the way that work was carried out. Efficiencies could also be realised though more investment in information technology, including the introduction of in-cab technology in refuse collection vehicles that would provide the added benefit of real time data that would provide useful information, such as the reasons for bins not been collected.

In order to achieve these benefits, it would be important for options to be considered and/or tested as part of service remodelling and effectively coordinated and managed where solutions to reduce travel across the Council were identified.

Members asked a number of questions relating to pool cars, trackers, electric charging stations, actions and prioritisation of actions and implementation time frames.

***Resolved:***

- (1) That a progress review of actions relating to the Business Travel Review be provided to the Panel as part of the next Corporate Performance Monitoring Report.

**8 WORK PROGRAMME REPORT**

The Principal Democratic Support Officer requested members to consider the Panel’s Work Programme for 2016/17. Members were asked to consider whether they would like to include any items in the Work Programme from those listed in the report.

Members noted the resolution of Council Business Committee from its meeting of 30<sup>th</sup> June 2016 “That the Budget and Performance Panel be rescheduled from Wednesday 3rd August to Tuesday, 13<sup>th</sup> September 2016.”

Members discussed invitations to Cabinet Members and agreed to continue to invite Cabinet Members to attend meetings to coincide with consideration of issues relevant to their respective portfolios.

Members discussed the viability of the pension scheme and agreed that this should be added to the Work Programme. Members agreed that representatives of Lancashire County Council’s Pensions Service would be invited to provide a presentation to the Panel.

The Panel agreed that energy expenditure, including cost of buildings and climate change emissions, would be included as part of the Corporate Performance Monitoring Report.

The Panel made a number of decisions regarding the Work Programme, as set out below:-

<b>Work Programme Item</b>	<b>Decision</b>
Annual Stakeholders Meeting	The Leader of the Council be invited to present the City Council’s budget proposals to the Panel at its 24 <sup>th</sup> January 2017 Annual Stakeholder Meeting. All members of Council and stakeholders to be invited to attend.

Complaints Monitoring	Half yearly monitoring of the complaints procedure to be contained within the Corporate Performance Monitoring Report.
Forthcoming Key Decision List	Members to put items for pre-scrutiny to the Pre-Scrutiny Champion of Overview and Scrutiny as and when appropriate.
Invitations to the Leader and Cabinet Members	The Leader and Cabinet Members to be invited to attend meetings of the Panel to coincide with consideration of issues relevant to their respective portfolios. Further, that a rolling programme of invitations be made to Cabinet Members, that they provide a briefing for the Panel and answer questions on the financial elements of their Portfolios.
Procurement Strategy	Further pre-scrutiny prior to the updated Procurement Strategy being presented to Cabinet.
Budget Overspends/Variances	Consideration of budget variances which may be identified when considering the annual outturn report.
Treasury Management Strategy	The Panel's views will be sought regarding the proposed treasury management framework for 2017/2018.
Financial Monitoring	(1) Quarter 1 (including impact from outturn) – September 2016. (2) Quarter 2 (including any implications / undated for Medium Term Financial Strategy) – November 2016. (3) Quarter 3 (including any implications / undated for Medium Term Financial Strategy) – February 2017.
Corporate Performance Monitoring	(1) Quarter 1 - September 2016. (2) Quarter 2 - November 2016. (3) Quarter 3 - February 2017.
Update on CorVu	The Panel will receive updates on the wider implementation of the system.
Commercial Properties	Report on Commercial Properties to be part of the Work Programme.
Litter Enforcement Service	Report on the Litter Enforcement Service to be included in the Work Programme.
Pensions	Representatives of Lancashire County Council to be invited to address the Panel on Pensions.

**Resolved:**

- (1) That the re-scheduling of the meeting of the Panel from 3<sup>rd</sup> August to the 13<sup>th</sup> September 2016 be noted.
- (2) That the actions, as set out above, be agreed.

---

Chairman

(The meeting ended at 8.20 p.m.)

**Any queries regarding these Minutes, please contact  
Sarah Moorghen, Democratic Services - telephone 01524 582132 or email  
smoorghen@lancaster.gov.uk**