

**BUDGET AND  
PERFORMANCE PANEL**

6.10 P.M.

11TH JULY 2017

**PRESENT:-** Councillors Susan Sykes (Chairman), Dave Brookes, Sam Armstrong, Andrew Gardiner, Tim Hamilton-Cox and John Reynolds

Apologies for Absence:-

Councillors Tracy Brown and Terrie Metcalfe

Also in attendance:-

Councillor Eileen Blamire, Leader of the Council and Councillor Anne Whitehead, Cabinet Memebtrs with responsiability for Finance and Revenues & Benefits and Skills.

Officers in attendance:-

Susan Parsonage	Chief Executive
Mark Davies	Chief Officer (Environment)
Andrew Clarke	Financial Services Manager
Stephen Metcalfe	Principal Democratic Support Officer, Democratic Services
Robert Bailey	Organisational Development Manager
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 Brookes and seconded by Councillor Sykes:-

“That Councillor Hamilton-Cox be appointed Vice-Chairman of the Budget and Performance Panel for the Municipal Year 2017/18.”

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

***Resolved:***

That Councillor Hamilton-Cox be appointed Vice-Chairman of the Budget and Performance Panel for the Municipal Year 2017/2018.

**2 MINUTES**

The minutes of the meeting held on 21<sup>st</sup> February 2017 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 PROVISIONAL REVENUE, CAPITAL AND TREASURY MANAGEMENT OUTTURN 2016/17**

The Financial Services Manager introduced a report on Provisional Revenue, Capital and Treasury Management Outturn 2016/17. 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 assessments 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), and to consider whether it had sufficient information to do so or whether it required any further justification.

The report had requested that Cabinet consider 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:

- Endorse any number of the items / requests, in full or part.
- Refuse various requests and if commitments have already been 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 General Fund budget and associated Government funding reduced again in 2016/17, the Council continued to manage the financial pressures well and it had again improved the Fund's overall financial standing as at 31<sup>st</sup> March 2017. Similarly, the HRA's standing was currently sound. Whilst net revenue underspends were experienced on both General Fund and HRA, their scale was again lower than in previous years, 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 adequacy of the Council's financial planning and monitoring arrangements. This was especially so, given that local government finance appears to be getting more complex, as evidenced perhaps by the business rates outturn position for last year.

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

Members asked a number of questions relating to overspending on repairs and maintenance, earmarked reserves, restructuring/budget support, business rates appeals provision and energy efficiency works. The Panel also asked questions regarding Housing Benefits overpayments and the impact of Universal Credit, differences between the Budget Book and the end of year, pre-1990's insurance claims, pensions, commercial properties and Council Tax.

***Resolved:***

- (1) That the report be noted.
- (2) That a briefing note on energy efficiency programme works in the General Fund be re-circulated to Members.
- (3) That a briefing note on Housing Benefit overpayments, including the previous and current repayment and recovery system be provided to the Panel.
- (4) That commercial property vacancies be reported in the Quarter 1 Financial Monitoring Report.
- (5) That a briefing note be provided on the differences between the Budget Book and the year end Reserves and Provision Statement.
- (6) That information be provided to the Panel regarding restructuring/budget support spends.
- (7) That information be provided on the Waste/Recycling Budget increases on the General Fund Revenue Budget Summary.
- (8) That a presentation be provided regarding the Council's Budget Book, to include an understanding of Central Service Charges.

**6 PERFORMANCE MONITORING AND REPORTING**

The Organisational Development Manager presented a report on Performance Monitoring and Reporting which informed the Panel of the work carried out to establish a portfolio of Management Performance indicators and projects that were focused on core service delivery and the achievement of corporate outcomes and priorities. The report set out a proposal for a new approach for reporting corporate performance and provided a review of performance against corporate plan priorities and outcomes in 2016-2017.

Members considered the Draft End of Year Detailed Review, which set out the Council's achievements in 2016-2017 with progress aligned to the corporate priorities and outcomes set out in the Corporate Plan.

It was reported that Organisational Development had been working closely with Senior Managers and Management Team to put together a portfolio of corporate performance indicators and projects. These were attached to the report for Members consideration.

Members made a number of recommendations regarding Key Performance Indicators (KPI's) including providing KPI's on; renewable energy, in particular renewable energy generated and energy used in corporate properties per kw/h, staff mileage specifically

cost/time and CO2 emissions. Members also recommended the presentation of trending reports showing performance over a 12 month period, a report on key financial management areas, and consideration of a shorter reporting timescales where practicable and appropriate. KPI's for Air Quality Action Zones, and total housing/social housing and commercial property stock were also suggested.

Members also asked a number of questions in relation to benchmarking, how benchmarking was set and challenged, and the reporting intervals on KPI's. Members also asked a number of questions relating to Terms of Reference of committees and discussed the need to avoid duplication where performance outcomes were presented to other committees including Planning and Highways Regulatory Committee and Audit Committee.

**Resolved:**

- (1) That the draft Review of the Year 2016/17 (Appendix A) setting out progress against the Corporate Plan 2016 -2020 priorities and outcomes be noted.
- (2) That the style and layout of the portfolio of corporate performance indicators (Appendix B) and key projects (Appendix C) for monitoring in 2017 - 2018 be noted.
- (3) That the style and layout of the proposed corporate performance monitoring report (Appendix D) to be presented to future meetings of the Panel be noted.
- (4) That the comments and additional KPI's discussed by the Panel be noted and incorporated into future monitoring reports.
- (5) That a performance monitoring report be provided at the next meeting of the Panel.

**7 WORK PROGRAMME REPORT**

The Principal Democratic Support Officer requested Members to consider the Panel's Work Programme for 2017/18.

It was recommended that the emphasis of the Panel for the municipal year should be on financial monitoring, corporate performance monitoring and key performance measures, with reports provided quarterly by officers. Separate reports had been included on the agenda for consideration regarding Provisional Revenue and Capital and Treasury Management Outturn and Performance Monitoring and Reporting.

It was reported that Members had previously requested an update on Salt Ayre to be provided as part of the outturn report. Unfortunately, this has not been possible due to other priorities and time constraints. As a result it was planned to be included in the Quarter 1 Financial Monitoring Report.

Members were advised that the Panel could also request financial or performance related items be considered as items of pre-decision scrutiny, or be referred to the pre-scrutiny champion of Overview and Scrutiny Committee to investigate.

It was reported, with regard to Key Performance Measures, as set out in Appendix A to the report, that this had been reported within the Performance Monitoring report (minute 6 refers).

Members requested that Services provide the Panel with presentation on the performance and service accounts, previously provided to Cabinet.

***Resolved:-***

- (1) That the report be noted.
- (2) That the presentations previously made to Cabinet by Chief Officers on their performance and services accounts, be presented to the Panel. The first presentation to be provided, at the next meeting by Environmental Services.
- (3) That issues relating to budget and performance regarding the Economic Growth Strategy be added to the Panel's Work Programme.
- (4) That issues relating to the budget and performance of the Morecambe Area Action Plan be added to the Panel's Work Programme.
- (5) That issues relating to the budget and performance of the Museums Service be added to the Panel's Work Programme.
- (6) That Work Programme items on Corporate Properties and spend, and Pensions and deficit issues remain on the Panel's Work Programme.

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Chairman

(The meeting ended at 8.05 p.m.)

**Any queries regarding these Minutes, please contact  
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