

CABINET

Budget and Policy Framework Process 2010/11 28 July 2009

Joint Report of Corporate Director (Finance & Performance) & Head of Financial Services

| PURPOSE OF REPORT | | | |
|---|--------------------------|------------------|-------------------------------------|
| To agree a process for reviewing the Council's Budget and Policy Framework. | | | |
| Key Decision | <input type="checkbox"/> | Non-Key Decision | <input type="checkbox"/> |
| Referral from Officers | | | <input checked="" type="checkbox"/> |
| Date Included in Forward Plan | N/A | | |
| This report is public | | | |

RECOMMENDATIONS OF CLLRS STUART LANGHORN & MALCOLM THOMAS:

- 1 That the process outlined in the report and timetabled in *Appendix A* for reviewing the Corporate Plan, Budget/Medium Term Financial Strategy, and preparing the 2010/11 Budget be approved.
- 2 That Cabinet note the procedures as set out in Section 3 already in place for reviewing and updating the other Policy Framework documents.
- 3 Cabinet are asked to consider the progress reports from individual Cabinet members included as Appendix B and to determine service activities and other initiatives that should be developed to bring forward to Cabinet savings/efficiency options
- 4 That Cabinet note that officers will be undertaking an exercise to analyse the current year's budget against service activity and corporate priorities over the summer for each cabinet member to further assist them in bringing forward options for savings/efficiencies
- 5 That Cabinet considers if it wishes to undertake a public engagement exercise in respect of its budget proposals to deliver the council's corporate priorities.

REPORT

1 Introduction

- 1.1 The Council's Constitution requires the Cabinet to bring forward each year recommendations for updating the Budget and Policy Framework documents. This report proposes a draft process and timetable for reviewing the existing plans and strategies included in (and supporting) the Budget and Policy Framework and also for prioritising existing objectives and bringing forward new Council initiatives.
- 1.2 The report deals with the review of the Budget and Policy Framework documents in three parts, namely :-
- the Corporate Plan ,
 - the other plans and strategies in the Policy Framework,
 - the Budget and Medium Term Financial Strategy (MTFS).

2 Corporate Plan

- 2.1 The three year Corporate Plan brings together the Council's plans and strategies with a particular focus on the medium term objectives and related priorities to be delivered either by Council services or in partnership with other organisations, in particular the Lancaster District Local Strategic Partnership (LDLSP).
- 2.2 The process for updating the Corporate Plan has varied over the years depending on the currency of the information used to inform the content of the Plan. Cabinet will recall that no public consultation exercise took place last year due to the recent adoption of the LDLSP's Sustainable Community Strategy but the Council proposed priorities for inclusion in the 2009/12 three year Corporate Plan, along with the Cabinet's budget proposals, were the subject of a special Budget and Performance Panel meeting in January 2009.
- 2.3 The Council's current Corporate Plan is very closely aligned to the LDLSP's Sustainable Community Strategy and the Lancashire Local Area Agreement priorities and it is not proposed to undertake a full public consultation on the priorities included in the Plan. However there is a need to undertake a review of the more recent information received in the 2009 Place Survey called "Assessing Lancaster's Performance". The findings of this survey are included on the Council's website and will also be the subject of a presentation to members and the LDLSP by the researchers Ipsos/Mori on a date yet to be agreed. Cabinet will need to be mindful of the outcomes from this research to ensure that the priorities included in the current Corporate Plan still reflect the needs and views of the community.
- 2.4 It will also be necessary to monitor the appropriateness of the Corporate Plan in respect of the on-going work being undertaken within the LDLSP Thematic Groups. Not all the Thematic Group action plans to deliver the Sustainable Community Strategy's priorities have been completed as yet and as they are finalised, the Council's contribution to delivering these will need to be fully understood and considered within the resources available to deliver them.
- 2.5 When the Corporate Plan was agreed in April 2009, not all the information in respect of target outcomes and key performance indicators was available and it was agreed that the Plan would be updated as and when this information became available. It is likely therefore that this process will continue throughout the proposed timetable for refreshing this year's Plan.

- 2.6 The draft timetable therefore, for approving the 2010/11 Corporate Plan, has been prepared on the basis to reflect the issues outlined above and is set out in **Appendix A**. The timetable however must remain flexible to ensure the Council can react to, and reflect on, any changing circumstances accordingly.

3 Other Policy Framework Documents

- 3.1 In addition to the Corporate Plan, the Policy Framework consists of a number of other documents. The latest position regarding these is as follows:

(a) LDLSP Sustainable Community Strategy (SCS)

This 3 year SCS was approved by full Council in November 2008 after a long public consultation exercise. The LDLSP therefore have no immediate plans to refresh the strategy but may review the document later in the year following the presentation from Ipsos/Mori.

(b) Community Safety Partnership

The revised Community Safety Plan that covers the period 2009/2012 is currently being drafted to ensure alignment of targets with the Lancashire Local Area Agreement. The final document is due to be considered by Council in September 2009.

(c) Housing Strategy

The current Housing Strategy runs until 2009 and it is proposed that the future strategy will align to the new Local Development Framework documents and the Sustainable Community Strategy. The Council is currently working on the Housing Land Allocations document and this will be complemented with an updated policy on improvement and upgrade of existing housing stock. Cabinet approved an updated Homelessness Strategy at its meeting on 8 July 2008.

(d) Local Development Framework Documents

Council approved the Local Development Framework core strategy last July. Since then work has continued on preparing the supplementary documents that support the core strategy and that will form the Local Development Scheme, namely the Development Management Policies, Land Allocations, and any Area Action Plans. These documents will be brought to Cabinet for approval once completed.

(e) Economic Vision (Regeneration Strategy)

Cabinet, at its meeting on 7 October 2008, agreed a regeneration programme for the district. The priorities from this have been included within the 2009-12 Corporate Plan. The Council now needs to concentrate on the delivery of the actions in the regeneration programme.

- 3.2 As there are already plans in place, or already undertaken, for reviewing all the strategies in the Policy Framework for 2010/11, Cabinet is asked to note the procedures already agreed.

4 Budget Framework

- 4.1 The crux of the Budget Framework is the Medium Term Financial Strategy (MTFS). It is currently the practice to monitor this strategy on a 6 monthly basis and it is proposed to continue with this practice. This has been included in the timetable attached at **Appendix A**. Similar arrangements are included for updating the Capital Investment Strategy, which drives future capital spending and financing plans.
- 4.2 Underpinning the MTFS is the detail of the 3-year Revenue Budget and 5-year Capital Programme. Again the key milestones for preparing these budgets are included in **Appendix A** and a more detailed, specific budget preparation schedule will be brought to a later Cabinet meeting.
- 4.3 Cabinet will again provide the forum for identifying and achieving the efficiency targets and savings included in the MTFS. Work in respect of the Revenue Budget has already begun. Cabinet at its last meeting agreed a strategy for developing options for identifying savings/efficiencies and, as a first step, Cabinet members were asked to complete a checklist in respect of their individual portfolios and to report back on progress to this meeting. An update on those checklists is included as **Appendix B**. Cabinet are asked to consider these and agree any service activities or other initiatives that should be further developed with a view to identifying savings/efficiency options to a future meeting of Cabinet. Cabinet will need to ensure that there are sufficient savings identified to enable any growth identified as a priority.
- 4.4 In addition, officers have begun the process of analysing the current year's budget over corporate plan priorities and service activities. It is hoped to complete this exercise over the summer and report back to Cabinet's next meeting. Furthermore, an updated Strategic Risk Register is being prepared and will be circulated to cabinet to assist in developing budget proposals.

5 Consultation

- 5.1 The Council now operates a 3 year Corporate Plan that is closely aligned to the LDLSP's Sustainable Community Strategy. The SCS is also a 3 year plan which was the subject of a detailed public consultation exercise. It is not therefore proposed to undertake a further, full public consultation exercise this year in respect of refreshing the current Corporate Plan priorities. The timetable at **Appendix A** does include however provision for the usual Budget & Performance Panel public meeting in January 2010 at which the Leader of the Council will present Cabinet's budget proposals to deliver the priority outcomes included in the Corporate Plan.
- 5.2 However, it is clear that the Council needs to improve the exchange of information with the public and major stakeholders as identified in the Place Survey data referred to in paragraph 2.3 above. As a consequence, Cabinet may wish to undertake a community engagement exercise in respect of its preferred budget proposals to deliver its corporate priorities. This is now accepted practice in a number of local authorities and identified as best practice for demonstrating value for money and improved use of resources. An example of the exercise undertaken by Chorley Council is attached as **Appendix C**. On the assumption that Cabinet may wish to undertake such an exercise, the draft timetable at **Appendix A** has been prepared on this basis.

6 Options Analysis

- 6.1 The following options are available to the Cabinet.
- i. approve the proposals and timetable set out in the report for reviewing and revising the Council's Budget and Policy Framework and for bringing forward options for savings/efficiencies.
 - ii. approve an amended version of the proposals
- 6.2 The preferred option is option i. as it sets out a structured approach for Cabinet to review the existing Budget and Policy Framework, identify savings/efficiency options, and for it to bring forward its budget and policy framework proposals for 2010/11 and beyond within the statutory timescales.

| | |
|---|---|
| RELATIONSHIP TO POLICY FRAMEWORK | |
| The plans and strategies outlined in the report together make up the Council's Budget and Policy Framework. | |
| CONCLUSION OF IMPACT ASSESSMENT (including Diversity, Human Rights, Community Safety, Sustainability etc) | |
| The annual review of the budget and policy framework ensures that the Council's plans and strategies are kept up to date and compliant with the above criteria for assessing their impact on local communities. | |
| FINANCIAL IMPLICATIONS | |
| None arising from this report. | |
| SECTION 151 OFFICER'S COMMENTS | |
| The Deputy s151 Officer has been consulted and has no further comments to add. | |
| LEGAL IMPLICATIONS | |
| Legal Services have been consulted and have no comments to add. | |
| MONITORING OFFICER'S COMMENTS | |
| The Monitoring Officer has been consulted and has no further comments. | |
| BACKGROUND PAPERS | Contact Officer: Roger Muckle |
| None. | Telephone: 01524 582022 |
| | E-mail: rmuckle@lancaster.gov.uk |