

**BUDGET AND
PERFORMANCE PANEL**

4.30 P.M.

31ST JANUARY 2006

PRESENT:- Councillors Keith Budden (Chairman), John Day (Vice-Chairman), John Gilbert, Mike Greenall, Tony Johnson, Roger Sherlock and John Whitelegg

Apologies for Absence

Maggie Chadwick

Officers in attendance:-

Roger Muckle	Corporate Director (Central Services)
James Doble	Principal Democratic Support Officer
Liz Bateson	Democratic Support Officer

Also in attendance (part)

Councillors: Ian Barker, Paul Gardner, Jim Blakeley, Malcolm Thomas, Susan Bray, Ken Brown, Roger Mace, Ian Clift, James Airey, and Sarah Fishwick.

Officers: Mark Cullinan, Liz Stokes, Alison Kinnon, Nadine Muschamp.

Graeme Miller (Lancashire County Council), Austin Staunton (Morecambe & Heysham CAB), Derek Sykes (FSB), Mike Leckie HRL (Centrica), Angela Kirk (Lancaster Guardian), Andy Walton (Bay Radio).

31 MINUTES

The Minutes of the meeting held on 29th November, 2006 were signed by the Chairman as a correct record.

32 BUDGET AND POLICY FRAMEWORK PROPOSALS

The Chairman welcomed Councillor Barker and other invited attendees to the meeting. Councillor Barker informed those present that the presentation contained draft proposals which he would be recommending to Council and that the presentation would largely concentrate on the Corporate Plan priorities for 2006/7.

Developing proposals was on the basis that policy would inform the budget recommendations and it was noted that for the first time draft priorities had involved a wide consultation and these modified proposals would form the basis of the Corporate Plan and future spending proposals. Additionally it was also suggested that the budget should inform policy in that Council's only had limited resources and these needed to be balanced against policy aspirations. Government provided 2/3 of the net revenue that the City Council received to pay for services and for the first time the government had provided a two year grant settlement. It was noted that the introduction of Council capital grants had simplified the budget process somewhat.

The three overriding Cabinet priorities were outlined. These included keeping the City

Council's share of council tax down to 5% or less with a figure of 4.5% recommended for 2006/7, improving street cleanliness through participation in an environmental enforcement scheme with the police, and modernising service delivery through improving accessibility to the Council's services by establishing Customer Contact Centres.

Areas of high priority included continuation of the phased roll out of recycling and waste management, and regeneration. It was noted that a major programme was being undertaken in Morecambe with a substantial amount of funding being received for that area. External funding to the value of £15m had also been obtained for the Luneside East Regeneration scheme in Lancaster. The Market Town Initiative in Carnforth had also generated external funding.

High priority would be given to determining how to influence the County Council with regard to highways and deal with road safety and traffic calming in this transitional stage resulting from the termination of the County Council Highways Partnership. It was noted that £570K in external funding had been received to promote Lancaster as a Cycling Demonstration Town, one of only six in the country.

With regard to Sea Defences it was reported that at long last, DEFRA had now approved a £12.7m scheme to finish Phases 6 and 7. As the Council's commitment to tackle climate change issues gathered momentum there are proposals to introduce solar panels and energy saving lighting at Salt Ayre and these measures should pay for themselves within five years.

Areas of Secondary priority included a new integrated tourism strategy, consideration of the rural areas, and a five year programme of improvements to the district's playgrounds. It was anticipated that this might receive some lottery funding too. The extension of CCTV, a memorial safety programme in local Cemeteries to tackle this urgent problem, and residents parking, were also included as secondary priorities. It was noted that the proposals did include limited growth in the areas of civil contingencies, democratic support, an opinion survey relating to the Accommodation Review, and mainstreaming funding for the Groundwork Trust.

Councillor Barker provided figures relating to General Fund Revenue Budget. Whilst it was noted that a further £22K of savings needed to be achieved to balance the Budget and the Budget was dependent on government support levels being confirmed, there had been significant revenue growth. It was reported that General Fund Capital had been balanced over five years but not in year one and phasing would be required. With regard to Council Housing, Lancaster was one of a small number of Councils which met the decent home standards, maintained a housing stock, and a 30-year Business Plan had been established.

Major budget risks were identified with regard to the net capital programme being dominated by IT and capitalised building repairs. There was only a limited budgetary provision for when the Accommodation Review was completed but the current buildings would require repairs. With regard to concessionary fares, it was reported that it was not clear how many people would take advantage of this but the introduction of Smartcards would address this problem.

Following the completion of Councillor Barker's presentation the Chairman invited those present to make comments and seek clarification on any issues raised.

Members in particular, discussed the issue of an energy saving fund to help address the Climate Change programme.

Councillor Greenall declared a personal interest in this item in view of the nature of his employment

A two-part motion was proposed by Councillor Whitelegg:

- 1) "That Council should create an energy saving fund as recommended by the Energy Savings Trust with a budget of £90K, one off, for one year on a trial basis. This fund would be held centrally and bids invited for projects that will reduce greenhouse gas emissions and reduce energy bills."
- 2) "That Council should appoint a Travel Plan Officer with a budget to cover salary and support costs and incentives, e.g. discounted public transport. Estimated cost per annum to be funded by the normalisation of car parking charges for Councillors and staff."

The motion was seconded by Councillor Gilbert to enable discussion and further clarification. It was noted that the £90K related to the year end underspend anticipated in 2005/6 recommended to be transferred to balances and would therefore have an impact on the budget proposals being presented to Council. The second part of the resolution would be self-financing.

The Corporate Director (Central Services) advised Members that in the light that further information might be necessary for Members to come to a reasoned decision, the Panel could defer consideration of the proposal and refer it to full Council without prejudice for their deliberations.

The Panel felt unable to reach consensus on the above but did recognise the merit in referring this proposal to full Council for further discussion as part of the 2006/07 budget setting process.

Resolved:

- 1) To refer consideration of the proposal to full Council as its meeting on 8th February as part of the 2006/07 budget setting process.
- 2) That Councillor Barker be thanked for delivering his presentation.

The meeting adjourned for refreshments at 6.25pm and reconvened at 6.35pm. The Corporate Director (Central Services) left the meeting.

33 SERVICE BUSINESS PLANS

Service Business Plans together with 9 monthly updates had been circulated to Budget and Performance Panel Members. Members welcomed the suggestion that in future the Panel would receive updates from the Performance Management Group, and thereby reduce the amount of paperwork they received. Members were asked to highlight areas for concern and whether it was desirable to invite Service Heads to a future meeting for further discussion. It was agreed that an invitation be extended to the Head of Health and Strategic Housing for this purpose.

Concern was expressed at the percentage of invoices paid within 30 days, 81% against a target of 95% and it was suggested that an update be provided by Financial Services during the next meeting giving details of which services were delaying the payment of their invoices..

Resolved:

- 1) That the Head of Health and Strategic Housing be invited to the next Budget and Performance meeting to discuss issues relating to the Service Business Plan update.
- 2) That Financial Services be requested to provide an update on the percentage of invoices paid within 30 days.

34 SERVICE LEVEL AGREEMENT MONITORING

The Principal Democratic Support Officer introduced a report with regard to Service Level Agreement Monitoring, which set out a proposed process for the Panel to discharge its Terms of Reference in relation to Service Level Agreement Monitoring.

Resolved:

- 1) That Members delegate the Service Level Agreement monitoring to the Principal Democratic Support Officer in consultation with the Chairman for forwarding to the Council's Executive function.
- 2) That the Budget and Performance Panel receive a report following the review of the grants process by Overview and Scrutiny on the proposals for future grants allocation and monitoring.

35 UPDATE OF WORK PROGRAMME

The Democratic Support Officer informed Members that a revised Work Programme had been produced which reflected the Budget and Performance Panel's formal adoption of scrutiny for the Council's Value for Money/Efficiency arrangements in addition to the implications of the introduction of the Performance Management Group. With regard to Value for Money/Efficiency Strategy, which had been timetabled on a monthly basis, it was intended that a different aspect of the strategy would be considered each month. Additionally, it was flexible and discussions with Service Heads etc could be added when requested by Members.

Resolved:

That the report be noted.

Chairman

(The meeting ended at 7.05 p.m.)

**Any queries regarding these Minutes, please contact
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