

**BUDGET AND  
PERFORMANCE PANEL**

4.30 P.M.

4TH APRIL 2006

**PRESENT:-** Councillors Keith Budden (Chairman), John Day (Vice-Chairman), Jim Blakely, John Gilbert, Mike Greenall, Peter Robinson and John Whitelegg

Apologies for Absence

Councillors Tony Johnson and Roger Sherlock  
Roger Muckle, Corporate Director (Finance and Performance)

Officers in attendance:-

Bob Bailey	Principal Auditor
Sarah Taylor	Head of Legal and Human Resources (part)
Lisa Banks	Human Resources (part)
Jane Alder	Head of IS (part)
Andrew Clarke	Accountancy Services Manager
Mark Davies	Head of City Council (Direct) Services (part)
James Doble	Principal Democratic Support Officer
Elizabeth Stokes	Best Value Officer
Liz Bateson	Democratic Support Officer

**44 MINUTES**

The Minutes of the meeting held on 7<sup>th</sup> March, 2006 were signed by the Chairman as a correct record.

**45 AUDIT REPORT ON RECRUITMENT**

The Head of Legal and Human Resources introduced an Internal Audit Report on Disability Discrimination and Race Equality Compliance, which had been requested by the previous Head of Human Resources. Whilst it was noted that the Service was complying with this legislation, it was reported that Human Resources possessed an ambitious Business Plan and were currently recruiting further staff. It was anticipated that improvements would be forthcoming when the Service was fully resourced. The Principal Auditor confirmed that there would be a follow-up review within the next few months.

***Resolved:***

- (1) That the report be noted.
- (2) That the Head of Legal and Human Resources and Principal Human Resources Officer be thanked for their attendance.

**46 OPEN SOURCE SOFTWARE**

The Head of Information Services presented a report with regard to the progress made on the Open Source Software Project with the recommendation that the authority

continued with Microsoft Office for the time being as some additional licences were now required. With regard to the information circulated by a Member concerning Bristol City Council's decision to adopt open source software, it was suggested that Members needed to recognise that Bristol was in a different position to Lancaster. It was noted that Bristol's IT system had been quite poor prior to this transfer. The issue was discussed in detail.

The possibility of inviting a representative from Bristol City Council to discuss this further was proposed. It was suggested that in order to obtain a balanced picture, it would be worth inviting along a representative from an authority which had seriously considered adopting open source software but decided against this.

It was proposed by Councillor Whitelegg and seconded by Councillor Day:

"That a technically proficient representative from Bristol City Council and the London Borough of Newham be invited to attend a Budget and Performance Panel for discussions on their experiences with Open Source Software."

Upon being put to the vote 4 Members voted in favour of the proposition and 2 Members voted against, whereupon the Chairman declared the proposition to be carried.

The Principal Democratic Support Officer informed the Panel that he would inform the Chairman of Overview and Scrutiny Committee and Head of Democratic Services of a request for expenditure to support this proposal.

**Resolved:**

- (1) That representatives from Bristol City Council and the London Borough of Newham be invited to attend a Budget and Performance Panel meeting for discussions on their experiences with Open Source Software.
- (2) That the Principal Democratic Support Officer inform the Chairman of Overview and Scrutiny of a request for expenditure to support this proposal.
- (3) That the Budget and Performance Panel note progress to date.
- (4) That the Panel note the recommendation that the Council continues with the Microsoft Office suite for desktop use and refer the matter to the E Government Cabinet Liaison Group for their attention.

**47 IT COST ANALYSIS**

Members considered a report by the Head of Information Services with regard to IT related costs which had been requested at the November meeting of the Budget and Performance Panel. The analysis sought to include all council revenue and capital expenditure on IT related systems and applications, both hardware and software. Since all IT spend was not held centrally in one budget Members were advised that the collection of the information was proving more difficult than expected and was currently incomplete. The Accountancy Services Manager confirmed that this information would be available for consideration at the next meeting.

**Resolved:**

That the report be noted.

**48 CORPORATE FINANCE MONITORING**

The Accountancy Services Manager introduced the Corporate Financial Monitoring Report showing the corporate financial position as at the end of January. Net underspends on the General Fund and the Housing Revenue Account of £26,000 and £40,000 respectively were noted and it was reported that the General Fund underspend was projected to increase to £48,000 for the full year.

The main points were summarised as follows: Salary savings of £47,000 recorded for the end of January were anticipated to rise to £80,000 by the end of March. It was reported that the award for the Local Authority Business Growth Incentive grant was only £145,000 which contrasted with the anticipated figure of £200,000 and reasons for this shortfall had been requested from the ODPM. Search fees and income continued to be affected by a downturn in the housing market. In addition there was a reported shortfall in planning application fee income which the Head of Planning and Building Control had confirmed would be met from the Planning Delivery Grant. It was further noted that Off street parking income was down by £42,000.

The Principal Democratic Support Officer informed the Panel that this was the last occasion that this report would be considered in this format, as it would be incorporated into the Performance Review Teams Quarterly Output Reports from July.

***Resolved:***

That the report be noted.

**49 MEDIUM TERM FINANCIAL STRATEGY**

The Accountancy Services Manager presented a report enabling Members to consider the Medium Term Financial Strategy (MTFS) which had been approved by Council in March as part of the 2006/07 budget report. The aims and objectives of the strategy were outlined in the report and it was reported that the process had to address a funding gap between spending aspirations and resources available, and consequently how to achieve savings. It was noted that the Council sought to maintain annual council tax increases not exceeding 4.9% and in view of this the Council would need to identify real savings of £625,000 in 2007/08 and a further £231,000 for 2008/09. The essential nature of how the efficiency strategy linked into the process for meeting the MTFS financial targets was noted.

Discussions arose as to the possibility of making savings in the area of energy consumption and whether there was a co-ordinated strategic approach to spend to save in this area, and reference was made to Salt Ayre. The Accountancy Services Manager reported that the investment of a non-cashable element into spend to save was currently undertaken within Star Chamber and this should feed into the Performance Management Framework. The Best Value Officer informed the Panel that Property Services measured local indicators on energy saving and these figures would be made available to the Budget and Performance Panel if required. The Principal Democratic Support Officer confirmed that the quarterly PM Framework report would provide a more accurate picture of performance, and whereas Star Chamber had concentrated on efficiency, the PM Framework would focus on value for money.

**Resolved:**

- (1) That the report be noted.
- (2) That the Best Value Officer make available details relating to Property Services and local indicators on energy saving.

**50 BVPI CREDITOR PAYMENT WITHIN 30 DAYS**

The Accountancy Services Manager introduced a report with regard to Service performance in meeting BVPI 8, Invoices paid within 30 days following a request made by the Panel at January's meeting. It was reported to that meeting that BVPI 8 was only 81% against a target of 95%. Members were informed that measures were being taken to improve training within services and Financial Services were engaging with the lower performing services to address this. It was noted that the performance of City Contract Services (CCS) against this indicator had contributed greatly to the low corporate position and the Head of CCS had prepared a briefing note as well as been invited to attend the meeting.

The Head of CCS reported that with the proactive information and training which Financial Services were now providing he was confident that improvements would be forthcoming. However, it was noted that this was a difficult area to control and it was not purely an administrative function but also reliant on line managers.

**Resolved:**

That the report be noted.

**51 UPDATE ON STAR CHAMBER**

The Principal Democratic Support Officer provided Members with an update on the Star Chamber meeting on 22<sup>nd</sup> March. It was noted that at that meeting the Terms of Reference of Star Chamber were revised.

**Resolved:**

That the report be noted.

**52 FORWARD ANNUAL EFFICIENCY STATEMENT - GERSHON TARGETS**

The Accountancy Services Manager presented a report on behalf of the Corporate Director (Finance and Performance) with regard to the Annual forward Looking Efficiency Statement for 2006/07 in accordance with the Gershon efficiency requirements. It was reported that this statement was due to be received by the ODPM by 18<sup>th</sup> April and was now almost complete and that the ODPM had revised their targets downwards.

It was reported that the Backward Looking Statement due to be considered at the Panel's June meeting would need to be considered at the July meeting and the work programme would need to be amended to reflect this.

Questions were raised as to whether there would be any penalties for not achieving savings and it was suggested that failure to do so might result in more prescriptive

control by Central Government.

**Resolved:**

- (1) That the Budget and Performance Panel note the latest position on the preparation of the Annual Forward Looking Statement for 2006/07 and that the Statement would be circulated to Members as soon as practicable on completion.
- (2) That the Backward Looking Statement due to be considered at the Panel's June meeting would now be considered at July's meeting, and the work programme be amended accordingly to reflect this.

**53 PROCUREMENT STRATEGY AND IMPROVEMENT PLAN REVIEW**

The Principal Auditor introduced a report on behalf of the Corporate Director (Finance and Performance) to provide Members with a Procurement Strategy update. The Panel were informed that the Procurement Strategy had been revised with overall aims and purposes in line with national procurement requirements. In addition to the review of the Council's procurement arrangements and adoption of the Corporate Procurement Strategy and Improvement and Development Plan a number of actions and targets were reported, including Procurement Concordat for Small and Medium Sized Enterprises which was supported by the Chamber of Commerce; Purchase Spend Analysis, involving subscription to an on-line database; Corporate Project Management Methodology, established via the Performance Management Group to provide a suitable Corporate approach to project management and Doing Business Electronically, including purchase cards.

It was reported that the Improvement and Development Agency (IDeA) and the NWCE would be carrying out an external challenge on the Council's procurement performance against the National Procurement Strategy milestones and procurement strand of the Efficiency programme. Feedback from this would be reported to the Budget and Performance Panel.

**Resolved:**

That the report be noted and that feedback from the external challenge would be reported to a future meeting.

**54 BVPI QUARTILE ANALYSIS - YEAR ON YEAR COMPARISON**

The Best Value Officer introduced a report relating to BVPI Quartile Analysis. The purpose of this report was to provide Members with an analysis of the Council's performance against statutory performance indicators within a national context and to track relative improvement year on year. It was reported that more indicators appeared to have moved up as opposed to moved down and this was positive. It was noted that the Panel had already addressed most of the areas where the performance indicators suggested a downward movement. However, it was noted that BVPI 5.1, the percentage of new homes built on brown field sites, had fallen and that the Panel might wish to consider this as warranting further scrutiny.

**Resolved:**

- (1) That the report be noted.
- (2) That a report be requested with regard to BVPI 5.1, the percentage of new homes built on brown field sites.

**55 UPDATE ON WORK PROGRAMME**

The Panel were requested to consider updating the work programme to take account of changes emanating from the Value for Money/Efficiency Strategy and Best Value Performance Indicators outlined in the report.

With regard to Service Level Agreements (SLAs), it was reported that Members had delegated monitoring of SLAs to the Principal Democratic Officer in consultation with the Chairman for forwarding to the Council's Executive function. It was noted that currently the Council requested standard information and a more vigorous process was required, and this was being developed. It was envisaged that in future the monitoring of SLAs would be more in line with the amount of grant received.

With regard to Partnership Monitoring, Members were advised that Overview and Scrutiny had suggested that the Panel review the effectiveness of the reporting arrangements for representatives on the LSP Executive and Building Blocks.

The Panel were advised that from time to time it was worth reviewing the Terms of Reference to ensure they were still relevant and appropriate. Members were asked to give some consideration to this over the next few weeks.

The Principal Democratic Support Officer informed the Members that Overview and Scrutiny had recommended that the Budget and Performance Panel consider incorporating the issue of Decriminalisation of Parking Enforcement to their work programme. This emanated from concerns over the deficit in the on-street and off-street parking enforcement accounts and the number of unpaid parking tickets that had not been collected by Parkwise. It was noted that it was within the remit of the Panel to request a report and financial details relating to this and it was agreed to add this item to the work programme.

**Resolved:**

- (1) That the work programme be updated as outlined above.
- (2) That the Panel give consideration to reviewing the Terms of Reference of the Budget and Performance Panel in advance of the new municipal year.
- (3) That the Panel request reports and financial details relating to the Decriminalisation of Parking and this be included in the work programme.

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Chairman

(The meeting ended at 6.30 p.m.)

**Any queries regarding these Minutes, please contact  
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