

**BUDGET AND
PERFORMANCE PANEL**

6.00 P.M.

27TH JANUARY 2009

PRESENT: Councillors Roger Sherlock (Chairman), John Whitelegg (Vice-Chairman), Tina Clifford, Keran Farrow, Sarah Fishwick, Mike Greenall, Ian McCulloch and Keith Sowden

Also in Attendance:

Leader of the Council – Councillor Roger Mace
Councillors Susan Bray, Abbott Bryning, Anne Chapman and Tony Johnson

Representatives from Furniture Matters, Morecambe Hotel and Tourism Association, NHSNL, Lancashire Constabulary, City Council, Lancashire County Council, Vision Board, Lancaster District Chamber of Commerce, Morecambe Chamber of Commerce, Lancaster District Local Strategic Partnership and Residents

Apologies for Absence:

Councillor Jean Dent

Officers in Attendance:

Roger Muckle	Corporate Director (Finance and Performance)
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Andrew Clarke	Accountancy Services Manager
Richard Tulej	Head of Corporate Strategy
Elizabeth Stokes	Corporate Performance Manager
Liz Bateson	Senior Democratic Support Officer
Jane Glenton	Democratic Support Officer

39 DECLARATION OF INTERESTS

There were no declarations of interest.

40 MINUTES

The Minutes of the meeting held on 25th November 2008 were signed by the Chairman as a correct record.

41 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN

There were no items of urgent business.

42 BUDGET AND POLICY FRAMEWORK PROPOSALS

The Panel received a presentation by the Leader of the Council on Cabinet's Budget and Policy Framework proposals for 2009/10.

The Leader reported that he was responsible for co-ordinating the Cabinet's preparation of draft proposals to amend or update the Council's Budget and Policy Framework. As portfolio holder for Finance, he was responsible for taking individual cabinet member decisions required within his portfolio and presenting relevant reports to Cabinet and Council.

Members were advised that Cabinet had responsibility as a whole for making proposals to Council, and made proposals each year regarding the Budget and Policy Framework. Cabinet had considered budget proposals at its meeting on 20th January and had made appropriate recommendations, including that for a council tax increase not greater than 4% in 2009/10, but not the actual revenue budget detail for 2009/10, which Council would be requested to approve at its meeting on the 4th March.

It was reported that Cabinet had adopted its revised medium term priorities and related corporate objectives for the immediate future, following review and consultation. The proposals were largely complete, including those in respect of the Corporate Plan, with the exception of developing targets for each corporate priority action. As its base, the draft Corporate Plan used the information from the Leader's presentation to Cabinet, outcomes from the seven Local Strategic Partnership Thematic Group action plans, an analysis of statutory/discretionary service activity, decisions from Council and from the latest residents' satisfaction survey.

The Corporate Plan had been divided into four Corporate Priorities with specific objectives. The Council had adopted the Lancaster District Local Strategic Partnership's Sustainable Community Strategy, which set out a long-term strategic vision for the Lancaster District, focusing on integrating social, economic and environmental issues, and there were opportunities to work regionally with Team Lancashire.

It was reported that significant issues had impacted on the proposals, namely the credit crunch, concessionary travel costs, which were expected to exceed the original budget after taking account of the use of the specific reserve set up last year, and a capitalisation bid had been submitted by the Head of Financial Services. A 3-year revenue budget provision projection had been made showing deficits of £1.7M in 2009/10, which had been reduced to £1.4M, £2.3M in 2010/11 and £2.6M in 2011/12.

Members were advised that, following an efficiency savings exercise, a £150K savings decision had already been taken, and savings options of £250K had been identified. Savings options were still under consideration for statutory and discretionary services of £3.4M and £12.2M respectively, totalling £15.6M.

Following the presentation, the Leader and Officers answered extensive questions from the Panel and stakeholders on the Budget and Policy Framework. Members raised concerns that the presentation did not include sufficient information, and were advised that the situation was different to previous years due to the aforementioned significant issues. Cabinet would consider recommendations at their meeting on 17th February and, until then, no further information was available.

Resolved:

- (1) That the Leader be thanked for his presentation and the Budget and Policy Framework proposals noted.

- (2) That the following recommendation be made to the Leader of the Council:

That the budget process fully recognises the need to protect the vulnerable and disadvantaged, and those groups most likely to suffer from the credit crunch and recession.

43 CORPORATE PERFORMANCE MONITORING REPORT

The Cabinet Member with Special Responsibility for Performance Management Efficiency advised Members that she was responsible for monitoring the delivery of service improvement targets through business plans and the achievement of the efficiency targets in the Corporate Improvement and Efficiency Plan, Medium Term Financial Strategy (MTFS) and in the Comprehensive Spending Review.

Set out in the Agenda were Corporate Performance Monitoring details emanating from the Performance Review Team meeting in November 2008 and the Head of Financial Services' Corporate Financial Monitoring report for Quarter 2, and 2008/09 Treasury Management Progress Report to 30th September 2008.

The Corporate Director (Finance and Performance) informed the Panel that Cabinet Members were required to meet quarterly at Performance Review Team (PRT) meetings with relevant Service Heads and Corporate Directors to consider performance and finance issues relevant to their portfolio responsibilities. The outcome of each PRT meeting was an action plan setting out actions resulting from consideration of the quarter's finance and performance information.

It was reported that the following PRT meeting would consider that quarter's performance and the actions agreed from the previous quarter. A quarterly corporate PRT report was prepared which summarised the issues from each individual PRT together with a financial update on the Council's position at that quarter and significant financial variances information. The information was considered at a Corporate PRT meeting attended by the Cabinet Member with portfolio responsibility for Performance, the Corporate Director (Finance and Performance) and the Heads of Financial Services and Corporate Strategy. A corporate action plan was then produced following consideration of the information.

The Cabinet member with Special Responsibility for Performance Management Efficiency would then present the report to both the Budget and Performance Panel and Cabinet to ensure that Cabinet members were kept up to date with progress on delivering the Council's key strategic priorities.

The setting of SMART targets, to be identified following agreement of the priorities, objectives and actions in the Corporate Plan, would provide a clear outline of what needed to be done and how outcomes would be assessed. Key corporate indicators were key targets which would measure progress made towards achieving the Council's overall aims.

Resolved:

That the report be noted.

Councillor Whitelegg left the meeting at this point.

44 RECENT REPORT TO CABINET - STAR CHAMBER

The Panel received the report of the Corporate Director (Finance and Performance) updating Members on the Star Chamber meetings held since the last report to Cabinet of 11th November 2008. Action notes from Star Chamber held on 12th November 2008 were appended to the report.

It was reported that Star Chamber, comprising Cabinet Members and senior officers, met regularly to consider proposals brought forward by Cabinet portfolio holders. Reports for information were made on a regular basis into Cabinet and into the Budget and Performance Panel. Star Chamber provided the framework for achieving the financial savings included in the MTFS and Corporate Plan, and assisted Cabinet in bringing forward its annual budget proposals.

Star Chamber had identified potential areas to generate savings through a combination of efficiency measures, income generation, service reductions and several areas of potential growth. Options also considered how increased collaboration with Team Lancashire could provide efficiencies.

Members reported that the details from Star Chamber were being submitted to the Panel too late in the process, having already gone from Star Chamber to Cabinet.

Resolved:

- (1) That the report be noted.
- (2) That a means of providing Panel Members with details from Star Chamber, once they are available, be sought.

Chairman

(The meeting ended at 7.59 p.m.)

**Any queries regarding these Minutes, please contact
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