

**BUDGET AND  
PERFORMANCE PANEL**

**6.00 P.M.**

**20TH OCTOBER 2009**

**PRESENT:** Councillors Roger Sherlock (Chairman), Emily Heath (Vice-Chairman), Tina Clifford, Roger Dennison (substitute for Keran Farrow), Sarah Fishwick, Bob Roe, Keith Sowden and John Whitelegg

Also in Attendance:

Councillor Jon Barry (Cabinet Member for the Environment), Councillor David Kerr (Cabinet Member for Health and Wellbeing) and Councillor Eileen Blamire (Cabinet Member for Safety) (for Minute Nos. 15 to 21 only)

Apologies for Absence:

Councillor Keran Farrow

Officers in Attendance:

Roger Muckle	Corporate Director (Finance and Performance)
Elizabeth Stokes	Corporate Performance Manager
Steven Milce	Head of Council Housing Services (for Minute Nos. 15 to 18 only)
Bob Bailey	Principal Auditor (for Minute Nos. 15 to 21 only)
Jane Glenton	Democratic Support Officer

**15 MINUTES**

The Minutes of the meeting held on 8<sup>th</sup> September 2009 were signed by the Chairman as a correct record.

**16 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**17 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN**

There were no items of urgent business.

The Chairman advised that, with the agreement of the Panel, the next item of business would be brought to the beginning of the meeting to allow the Head of Council Housing Services to leave the meeting, and that the 2010/11 Revenue Budget Update report and Cabinet Portfolio Holder reports would follow.

**18 VOID LETTINGS**

The Head of Council Housing Services reported on all types of void lettings, including the average time taken to re-let local authority housing.

The two principal reasons for the increase in re-let times in 2008/09 were reported, which were an increase in the number of void properties in recent years and in the cost of works to individual void properties. As a consequence, manpower resources and budgets were stretched. The condition of properties being vacated was significantly worse than before, which meant that increased work had to be undertaken to bring properties to 'Lettable Standard' before allocation, and average spend had risen from £375 in 2006/07 per property to £1,300 in 2008/09.

Members were advised that it was difficult to allocate additional resources to respond to the joint problems of an increase in volume and increase in work required per property until budget issues were resolved. Cabinet had approved spending of £185,200 for responsive repairs and an increase being carried forward into 2009/10, which would enable performance to improve during the final months of 2008/09. The average re-let time had reduced from 47.53 days to 41.89 days, but the performance indicator was cumulative for the whole year and was unacceptably high.

It was reported that an officer group was monitoring performance and reviewing working arrangements. The method of working had been reviewed within RMS to ensure better control and allocation of work. The 'Lettable Standard' had been reviewed, as the main reason for Lancaster's high re-let times, as compared to other landlords, was the high standard previously set. A distinction was being made between those repairs which needed to be undertaken prior to a new tenant moving in and minor repairs which could take place following occupancy.

Members were advised that the measures in place had significantly improved performance. Figures for August were close to the top quartile performance of 28 days. However, the indicator was cumulative and April/May's performance needed to be included, showing a cumulative performance of 37.8 days, but this would reduce over the remainder of the year, provided current performance levels were maintained.

It was reported that Cabinet had authorised officers to submit a bid for government funding to assist with the implementation costs of 'Choice Based Lettings'. Choice Based Lettings would enable new and existing tenants to have more choice and control over where they lived, whereas housing officers had traditionally sought to match applicants who had priority on the waiting list to available vacancies. At present, only 58% of vacancies were accepted by the first applicant and nearly one-quarter of all vacancies had to be offered out at least three times before they were accepted, which meant that several days were added onto the re-let time. Potentially, Choice Based Lettings would result in properties being allocated on the first offer, thus reducing average re-let times even further.

Following the report, the Panel directed questions at the Head of Council Housing Services, which were responded to in detail.

***Resolved:***

- (1) That the report be noted.
- (2) That the Head of Council Housing Services reports back to the Panel on resource implications.

**The Head of Council Housing Services left the meeting at this point.**

**19 2010/11 REVENUE BUDGET UPDATE**

The Corporate Director (Finance and Performance) presented a report, which Cabinet had considered on 6<sup>th</sup> October 2009, to note progress so far in identifying options for savings and efficiencies for inclusion in the 2010/11 draft budget proposals; to note the programme for the budget consultation exercise; to give consideration to a request from the County Council for the City Council's preference for involvement in their (County's) consultation process; to agree the proposal to enter into a shared service with Preston City Council initially for a joint senior management arrangement for the Revenues and Benefits Service; and to note the appointment of a project manager to prepare a business case for further opportunities.

Appended to the report at Appendix A was a statement of the General Fund savings position, which included options that had been considered since Cabinet's previous meeting. Cabinet Members had continued to meet with officers to develop savings and efficiency options in line with the programme agreed at Cabinet on 1<sup>st</sup> September 2009, and work had continued to review the variances arising from the 2008/09 closure of accounts and highlighted as part of the first quarter's Performance Review Team exercise.

Cabinet had reviewed the latest information on how the revenue and capital budgets were allocated across the Council's current corporate priorities, support services and non-priorities, and had received information about current spending allocations from the Lancaster District Local Strategic Partnership (LDLSP). Cabinet Members were continuing to review both sets of information. Cabinet Members had attended a presentation by Ipsos/Mori outlining the key messages from the Place Survey exercise and Cabinet would use this in their review of the current policy framework documents, including Corporate Plan priorities.

Appendix B to the report gave options for a senior management structure as part of a Shared Revenues and Benefits service. Cabinet had approved the first phase of the establishment of a Revenues and Benefits shared service on the basis highlighted in the report, which would create a joint senior management structure as the first phase of the agreement, and involve a joint consultation plan to ensure that staff affected by the proposals and trade unions received appropriate information, including detailed consultation with staff who were identified as 'at risk' by the proposals.

It was reported that Cabinet had agreed the scope for a public engagement exercise as part of this year's budget process at its previous meeting and had endorsed the programme of events, exhibitions and consultation forums, as set out in Appendix C, that would take place the week following Christmas and the New Year, and had authorised officers to proceed accordingly.

The Council had received a request from the County Council for their preferred method for involvement in their budget consultation exercise. A note recently presented to the Lancashire Chief Finance Officers' meeting was attached as Appendix D. Cabinet had resolved that the Leader of the Council liaise further with the Leader of the County Council on options for engaging with the County Council in respect of their budget consultation proposals, and had requested that the Budget and Performance Panel invite the County Council to present their budget proposals to a future meeting of the Panel.

- (1) That the report be noted.
- (2) That the Panel's Work Programme be amended to include an item to invite the County Council to present their budget proposals to a future meeting of the Panel.

## 20 CABINET PORTFOLIO HOLDER REPORTS

The following Cabinet Members were present to report, in detail, on options identified within their portfolios for making savings and efficiencies in areas of service activity, and to answer questions from the Panel:

Councillor Jon Barry – Cabinet Member for the Environment  
Councillor David Kerr – Cabinet Member for Health and Wellbeing  
Councillor Eileen Blamire – Cabinet Member for Safety.

### ***Resolved:***

That Cabinet Members be thanked for their reports.

**Cabinet Members left the meeting at this point.**

## 21 PARTNERSHIP EVALUATIONS AND GOVERNANCE ARRANGEMENTS

The Panel accepted the report of the Corporate Director (Finance & Performance) to inform of progress against the agreed work programme for the evaluation of eight major partnerships during 2009/10 and the ongoing work being undertaken to establish a performance management framework for partnerships.

Members were advised that, with regard to the 2009/10 Work Programme, the outcomes and actions previously reported to the Panel from the evaluations of the Community Safety and Museums Partnerships had been considered and approved by each of the Partnership Boards and agreed actions would be implemented and monitored.

The ongoing valuations of the eight partnerships chosen to be assessed during 2009/10 indicated that the *Partnership Development and Evaluation Toolkit* was allowing individual partnerships to identify what they did well and identify areas where there was scope for development.

Evaluations of the review of the CCTV arrangements in partnership with the Police and the Key Cultural Partnership were complete. The management and operation of CCTV in the district was a partnership only between the Council and Lancashire Constabulary and not all questions in the toolkit applied. It was proposed that the arrangements should be formalised within the responsibilities of the Community Safety Partnership. The evaluation of the Key Cultural Partnership had been timely given that its strategic role was seen as being a key element in delivering the district Arts Strategy.

Members were advised that the target dates for commencement of evaluations of the Luneside East and Shoreline Management Partnerships had slipped due to other work commitments and were now planned for completion between October and December 2009. Arrangements for the evaluations of the Lancashire Supporting People Partnership were currently under review as officer involvement in the partnership had recently

transferred from Health and Strategic Housing Services to the Forward Planning Team in Planning Services.

The Performance Management Group had decided to withdraw evaluations of the Lancashire Economic Partnership (LEP) and West End Partnership (WEP) from the work programme on the grounds that the Council was already contributing to an evaluation of the LEP being carried out by the NW Development Agency and the WEP was no longer receiving administrative support from the Council.

It was reported that the mapping exercise had identified the number and type of partnerships the Council was involved in and had identified 23 partnerships being of major significance to the Council, 21 as moderate and 15 with a limited level of significance. It was proposed that an evaluation of all partnerships of a major and moderate significance level be undertaken. The eight partnerships selected for review during 2009/10 were the first of these.

Evaluations to-date had shown that the effective approach would be to evaluate only those partnerships with a direct involvement in delivering local priorities arising from the Sustainable Community Strategy and the Council's Corporate Plan, the majority of these being partnerships assessed as having major significance in achieving the Council's priorities.

This approach would enable resources to be concentrated on the evaluation of the key partnerships, which potentially carried higher risks, to be built into the Council's Business Planning Process and their action planning and performance to be monitored through either the Lancaster District Local Strategic Partnership's (LDLSP) or the Council's Performance Management Frameworks.

It was reported that the requirements of Regulation 4 of the Accounts and Audit Regulations and the CIPFA/SOLACE Governance Framework made it clear that the Annual Governance Statement related to the governance of the whole organisation including the partnership activities.

The Council had already put in place a number of basic elements needed for effective partnership governance, as defined by the CIPFA Finance Advisory Network. The partnership evaluations to-date had informed the continuing work to develop and establish effective governance standards within individual partnerships and the overall partnership framework, including the production of risk registers and actions arising from them. These were reviewed by the Risk and Insurance Manager to assess the impact of high level risks and opportunities on service delivery.

The evaluations had also highlighted underdeveloped and inconsistent governance arrangements within partnerships and the Partnership Mapping and Evaluation Team was developing a Code of Practice for Working in Partnerships, which sought to provide a corporate framework for engaging with, and entering into, new partnerships, which included a checklist for assessing the need for a partnership arrangement and the elements that needed to be in place to develop a successful partnership. Also included was a format/template for a formal partnership agreement that must be signed by all partners before any commitment to the partnership was entered into and a procedure for obtaining approval for the Council to enter into a partnership.

The Code would be completed in time to be considered by the Performance Management Group in November and supported by other standard policies and processes that partnerships may adopt and should simplify any review of partnership governance arrangements.

It was reported that also under development was a register (database) that would provide a central point of reference about partnership activities and purpose and their overall governance and performance managements. Once established, the register would provide a process to ensure that partnerships were relevant to the Council's priorities and objectives.

A final element to be fully established was a mechanism for partnerships to provide assurance on their systems and processes in line with the principles of the governance framework. It was proposed that the Council's major partnerships produce an Annual Report on their activities, incorporating assurances on their governance arrangements, and it was proposed that a standard document/template be developed for this purpose.

***Resolved:***

- (1) That the decision of the Performance Management Group to withdraw evaluations of the Lancashire Economic Partnership (LEP) and West End Partnership (WEP) from the work programme on the grounds that the Council is already contributing to an evaluation of the LEP being carried out by the NW Development Agency and the WEP is no longer receiving administrative support from the Council, be endorsed, and that it be noted that instead the Council will receive a copy of the NWDA evaluation report on the LEP and also an end of project report in respect of the WEP instead.
- (2) That the proposal to evaluate only those partnerships with a direct involvement in delivering local priorities arising from the Sustainable Community Strategy and the Council's Corporate Plan, the majority of these being partnerships assessed as having major significance in achieving the Council's priorities be endorsed, and that it be noted that this approach will enable resources to be concentrated on the evaluation of the key partnerships and to be built into the Council's Business Planning Process, and action planning and performance to be monitored through the LDLSP's or the Council's Performance Management frameworks.
- (3) That the proposal that the Council's major partnerships produce an Annual Report on their activities, incorporating assurances on their governance arrangements, and a standard document/template be developed for this purpose, be endorsed by the Panel.
- (4) That the proposal that, in line with their Service Business Plan, Corporate Strategy be responsible for maintaining the register and for ensuring that the Council receives Annual Reports from its key partnerships about their activities, governance and performance be endorsed.

**The Principal Auditor left the meeting at this point.**

## 22 CREDITOR PERFORMANCE INDICATORS

The Panel received the report of the Corporate Director (Finance & Performance) to inform the Panel of the performance by Council Services in paying invoices within 30 days.

Members were advised that although the Council's Corporate Plan no longer included specific targets for Services to achieve in paying invoices within 30 days, details of the performance statistics were prepared on a monthly basis for Service Managers' attention.

Attached as Appendix A to the report was the latest position for the first half of the financial year. Members noted that, whilst targets were no longer included at a corporate level, services were mindful of the Council's responsibility for prompt payment of invoices in the light of the current economic climate.

The inclusion of a local performance target in Service Business Plans was now at the discretion of Service Managers. The Council had indicated that when targets were last set, Services should be achieving improvements year by year to average a Council performance standard of at least 97% of invoices to be paid within 30 days. This was consistent with adhering to a voluntary prompt payment code to assist businesses and suppliers receive payment without undue delay.

Members were advised that the performance statistics for the first 6 months, as set out in Appendix A, showed inconsistency across the Council in processing invoices, and the Panel considered the information.

### ***Resolved:***

That Services achieving less than an average Council performance standard of 95% be requested to present Briefing Notes to the Panel on measures to improve, with a view to receiving a further monitoring note at Period 9.

## 23 WORK PROGRAMME REPORT

The Panel received the report of the Head of Democratic Services, which updated Members regarding the Work Programme.

It was reported that four items would be presented to the Panel at its meeting on the 24<sup>th</sup> November 2009, namely:

1. The report of the Head of Health and Strategic Housing Services on the Monitoring of the Contract for Homelessness Prevention Services, which the Panel resolved be added to its Work Programme (Minute No. 51 2008/09 refers).
2. Update report of the Corporate Director (Finance & Performance) on the Evaluation of the Council's major partnerships.
3. Cabinet Portfolio holders' reports on the range of options identified for making savings and efficiencies in areas of service activity.
4. Invitation to a Chair of one of the Lancaster District Local Strategic Partnership's Thematic Groups, as resolved by the Panel (Minute No. 14 (1) 2009/10 refers).

In addition, Members noted that training had been arranged, as follows:

Risk Management – 3<sup>rd</sup> November 2009, commencing at 6.00 p.m. at Lancaster Town Hall, presented by Stephen Moger.

Scrutiny Training – 19<sup>th</sup> November 2009, commencing at 3.00 p.m. at Lancaster Town Hall, presented by Frances Taylor.

Treasury Management Training – 24<sup>th</sup> November 2009, commencing at 4.00 p.m. at Lancaster Town Hall, presented by Head of Financial Services.

Members further noted that the creation of a Work Programme, structured in-line with the Panel's Terms of Reference, would be presented to the November meeting.

***Resolved:***

- (1) That the Work Programme and training provision be approved.
- (2) That the following additional item be included in the Panel's Work Programme:

That the County Council be invited to present their budget proposals to a future meeting of the Panel.

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Chairman

(The meeting ended at 8.25 p.m.)

**Any queries regarding these Minutes, please contact  
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