

**BUDGET AND
PERFORMANCE PANEL**

6.00 P.M.

23RD FEBRUARY 2010

PRESENT: Councillors Roger Sherlock (Chairman), Emily Heath (Vice-Chairman), Tina Clifford, Keran Farrow (for Minute Nos. 37 to 42 only) Sarah Fishwick, Bob Roe, Keith Sowden and John Whitelegg

Also in Attendance:

Leader of the Council – Councillor Stuart Langhorn (for Minute Nos. 37 to 42 (part) only)

Councillor Eileen Blamire (for Minute Nos. 37 to 42 (part) only)

Joe Sumsion (Director of the Dukes), Jean Laurie (Chair of the Board) and Julie Brown (Communications Officer) (for Minute Nos. 37 to 40 only)

Officers in Attendance:

Richard Tulej	Head of Corporate Strategy
Andrew Clarke	Accountancy Services Manager
Peter Notley	Principal Accountant (for Minute Nos. 37 to 42 only)
Helen McMahon	Procurement Manager (for Minute No. 43 only)
Liz Stokes	Corporate Performance Manager
Jane Glenton	Democratic Support Officer

37 DECLARATIONS OF INTEREST

There were no declarations of interest.

38 MINUTES

The Minutes of the meeting held on 26th January 2010 were signed by the Chairman as a correct record.

39 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN

There were no items of urgent business.

40 THE DUKES

The Director of the Dukes gave a detailed presentation to the Panel, which highlighted their mission to create and encourage great art which changed people's lives for the better, and illustrated their unique theatre and cultural centre offering.

Members were advised that the Dukes was founded in 1971 at the former St. Anne's Church, which was owned by the City Council, with the support of Lancaster City Council and Lancashire County Council funding.

In April 2008, funding from the Arts Council had been reduced from £520K to £260K for the reasons that not enough vision and ambition were shown and insufficient public

benefit derived. Fortunately, the City and County Councils had held firm with their support and enabled the Dukes to continue.

Subsequently, a new business model had been drawn up with the ambition that the Dukes would become Lancaster's premier theatre and cultural centre, with commitment to invest company reserves in the transition process.

Three performance spaces had been created – the Rake, with a traditional stage and 313 capacity, the Round, with seating in the round and 235 capacity, and DT3, a dedicated performance space for young people's participatory arts. A gallery had also been created for exhibitions, meetings and occasional film screenings.

These arrangements enabled a number of performances to be given at any one time, and increased activity, with 5 home productions, 90 visiting events, 450 film screenings, and live by satellite events from the National Theatre. The creative learning department had been phenomenally successful with 100 creative learning projects and 14,000 participants annually, and there were plans to further increase the role of the Dukes in the District in the future.

It was reported that the District derived significant economic benefits from the large numbers of tourists and visitors who visited the Dukes' venues and supported the local economy by staying for a few days, shopping and sightseeing. In order for those benefits to continue and grow and for the Dukes to continue, stability of investment and a reinstatement of core funding levels were necessary.

Resolved:

That the Director of the Dukes be thanked for his presentation.

41 2009/10 3RD QUARTER CORPORATE PERFORMANCE REVIEW

The Corporate Director (Finance and Performance) submitted a report to receive the Leader's highlight report in respect of the third quarter of Performance Review Team meetings for 2009/10 recently undertaken by individual Cabinet members.

It was reported that the third quarter of Performance Review Team meetings for 2009/10 had taken place between 1st and 9th February 2010 and had monitored progress against the action sheets drawn up for the previous round of meetings and any performance or financial issues highlighted in Quarter 3. The corporate exception report was considered by the Leader on 12th February and by Cabinet on 16th February 2010.

The Corporate Financial Monitoring report of the Head of Financial Services set out an indicative corporate picture of the Council's financial performance relating to the period ending 31st December 2009 and summarised the variances reported through Services' quarterly Performance Review Team meetings and identified any omissions, updates and actions required, and was based on the Revised Budget.

The Leader of the Council was present to introduce the reports and answer questions from the Panel in connection with the agreed actions for Quarter 3, progress in respect of the actions from Quarter 2, and variances identified in the Corporate Financial Monitoring report.

Resolved:

That Officers/Cabinet Members be invited to provide briefing notes and attend future meetings of the Panel to report on progress being made in the following service/portfolio areas:

1. Sickness Management Absence Policy and Procedure
2. Employment and Skills Plan and Associated Action Plans
3. Investment of Performance Reward Grant monies in the 4 Big Ticket Issues for Lancashire –
 - Tackling Health Inequalities
 - Affordable Housing – delivery of affordable homes
 - The Economy
 - Climate Change (and adapting to Climate Change)
4. Equality Framework and the Council's approach to equality, diversity and community cohesion
5. Services with debt over half a year old
6. Dance Strategy
7. Late implementation of the new Reflexions contract

The Leader of the Council and Councillor Blamire left the meeting mid-way through the following item.

42 TREASURY MANAGEMENT STRATEGY 2010/11

The Head of Financial Services submitted a report to seek the Panel's views regarding the Treasury Management Framework proposals for 2010/11, prior to them being considered by Council.

The attachments to the report provided information on recent changes to the Code of Practice for treasury management following the collapse of the Icelandic banking system and the difficulties experienced in the global banking system generally.

The Principal Accountant advised that it was a requirement of the CIPFA Code of Practice on Treasury Management that a Strategy outlining the expected treasury activity on the forthcoming 3 years was adopted and reviewed at least annually. The forecasts and activities to be covered by the Strategy were set out in the report. The Treasury Policy Statement had been amended slightly to reflect the updated Code's requirements.

It was reported that, in line with the updated Treasury Management Code and Investment Guidance, there were additional elements to be introduced to help manage risk. These included the explicit nomination of Budget and Performance Panel as the scrutiny committee for Treasury Management and an increased frequency of reporting to Members, including a formal mid-year review.

Officers had liaised with Butlers, the Council's Treasury Advisors in developing the proposed Strategies and they had also consulted KPMG LLP as the Council's external auditors. Additional audit work had been undertaken regarding the Council's treasury management arrangements, which had led to a number of recommendations, which Officers had considered and responded to accordingly.

One of the recommendations was that all staff involved in undertaking treasury management activities and elected Members with responsibility for the stewardship of public money and scrutiny of the treasury management function should undertake ongoing training to ensure they could effectively discharge their responsibilities.

It was reported that frequent Member training would, therefore, be provided in future and consideration of whether such training should be mandatory would be referred to the Council's Business Committee as part of the Member Development Plan.

Resolved:

- (1) That the report be noted.
- (2) That the relevant Officers be asked to consider Invest to Save schemes that would provide a greater rate of return than Council investments and report back to the Panel.

The Principal Accountant left the meeting at this point.

Councillor Farrow left the meeting at this point.

The Chairman advised that, with the agreement of the Committee, the next item of business would be brought forward in the agenda.

43 PROCUREMENT STRATEGY UPDATE

The Procurement Manager presented a report to seek the Panel's views regarding the new draft Corporate Procurement Strategy prior to it being submitted to the Cabinet Member with responsibility for Finance for approval and to allow pre-scrutiny of the proposals.

It was reported that the Council's first Procurement Strategy had been approved in January 2003, following a review of corporate procurement in 2002. In 2005, this had been superseded by a Strategy encompassing the National Procurement Strategy, which was launched in 2003.

The new draft Procurement Strategy described how the Council would organise its procurement practices in order to manage expenditure as effectively as possible, and set out a number of actions to further develop the Council's procurement policies and practices and established a programme for continuous improvement. It had been revised to reflect advances made to-date by the Authority on procurement issues.

It was reported that the draft Strategy allowed flexibility to enable the Council to respond to the changing environment surrounding public sector procurement, and its adoption would help achieve modern and efficient procurement functionality and contribute to Council priorities and service delivery.

The Budget and Performance Panel would be responsible for scrutinizing the Corporate Procurement Strategy to ensure it was aligned with strategic objectives, and for monitoring the associated Action Plan. Through Performance Review Team (PRT) reports and corporate financial monitoring, the Panel would consider procurement issues in reviewing and scrutinizing performance, including reviewing areas of high spend to

identify opportunities for improved value for money, the performance of partnerships and other key contracts, and holding the Member and Officer Procurement Champions to account.

Members considered the draft Strategy in detail and requested that there be reference to the European Commission guidance on innovation in public procurement, including Green Public Procurement (GPP), and the methodology for monitoring levels of GPP performance which would be used in all Member States from 2010.

Resolved:

- (1) That the draft Procurement Strategy be endorsed by the Panel, as amended to include reference to the European Commission's guidance on innovation in public procurement, including Green Public Procurement (GPP), and the methodology for monitoring levels of GPP performance which would be used in all Member States from 2010.
- (2) That the Procurement Manager report back to the next meeting indicating how the Sustainable Procurement Policy has been implemented to optimise the sustainable benefits of procurement decisions, in accordance with the principle of best value.

The Procurement Manager left the meeting at this point.

44 PLACE SURVEY

This item was deferred until the next meeting.

45 SERVICE LEVEL AGREEMENT MONITORING - THUMBPRINT

This item was deferred until the next meeting.

46 WORK PROGRAMME

The Panel received the report of the Head of Democratic Services, which updated Members regarding the work programme.

It was reported that the following items would be considered at the Panel's meeting on the 30th March 2010:

- Update report on the Evaluation of the Council's Major Partnerships
- Monitoring delivery and effectiveness of Service Level Agreement targets
- Climate Change and Energy
- Report of Chair from one of the Lancaster District Local Strategic Partnership Thematic Groups

In addition, the two deferred agenda items for consideration were noted, namely:

- Place Survey
- Service Level Agreement Monitoring – Thumbprint

Resolved:

That the work programme details be approved.

Chairman

(The meeting ended at 8.30 p.m.)

**Any queries regarding these Minutes, please contact
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