

**BUDGET AND
PERFORMANCE PANEL**

6.00 P.M.

25TH JANUARY 2011

PRESENT:- Councillors Roger Sherlock (Chairman), Evelyn Archer, Roger Dennison, Emily Heath, Tony Johnson and Elizabeth Scott

Apologies for Absence:-

Councillors John Whitelegg (Vice-Chairman), Jean Dent and Keran Farrow

Also in Attendance:-

Leader of the Council	Stuart Langhorn
Lancashire County	Gill Kilpatrick
Council's Director of Finance	

Councillors Roger Mace and Tina Clifford

Economic stakeholder representatives
Members of the Lancaster District Local Strategic Partnership Management Group

Officers in attendance:-

Mark Cullinan	Chief Executive
Nadine Muschamp	Head of Financial Services and Section 151 Officer
Andrew Clarke	Accountancy Services Manager
Heather McManus	Deputy Chief Executive
Tom Silvani	Democratic Services

All Councillors had been invited to the meeting to hear the Leader's presentation on the Budget Framework Proposals 2011/12, and receive a verbal report on the County Council's 2011/12 Revenue Budget and Capital Investment Strategy.

33 DECLARATIONS OF INTEREST

There were no declarations of interest.

34 MINUTES

The Minutes of the meeting that was held on 30 November 2010 were signed by the Chairman as a correct record.

35 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN

There were no items of urgent business.

The Chairman advised the panel that the item relating to Budget and Policy Framework Proposals 2011/12 would be considered first.

36 BUDGET AND POLICY FRAMEWORK PROPOSALS FOR 2011/12

The panel received a detailed presentation by the Leader of the Council on Cabinet's Budget and Policy Framework Proposals for 2011/12.

The Leader reported that Cabinet had published a draft set of priorities which had considered the results of the budget consultation held in October 2010. The consultation process had included three listening events, and four events at which members of the public and stakeholders were invited to consider the budget more closely and identify in what areas they would be prepared to see service reductions, and where savings could potentially be made.

This draft set of priorities had been used by Cabinet to drive the budget process. At its meeting on 18 January 2011 Cabinet had agreed a set of draft recommendations, which would be considered by full Council.

It was advised that the current economic climate had impacted on the Council's priority setting, and that affordability and managing expectations had been a major consideration. The budget had been set to reflect the impact of the Government's Comprehensive Spending Review (CSR) on funding levels. It was noted that the funding cuts as a result of the CSR had not been as high as had been originally anticipated.

It had also been proposed to freeze Council tax for 2011/12, and then only increase it by a maximum of 2% over the following two years.

It was reported that Cabinet had agreed four priorities for 2011/12:

- Economic Regeneration – to focus on energy, coast and visitor economy. The district's two universities were considered an important part of this priority as they attracted a lot of visitors to the district.
- Climate Change – to prioritise the Council's energy costs and increasing income. In terms of efficiency and value for money more needs to be done more to reduce the Council's energy consumption. It was noted that work was currently being undertaken and both Lancaster and Morecambe Town Halls with a view to improving the energy efficiency of the buildings. At its meeting on 15 February 2011 Cabinet would be considering potential invest-to-save projects with the aim of increasing efficiency and value for money.
- Statutory Responsibilities – to fulfil at least the Council's minimum statutory duties, with a focus on keeping the district's streets clean and safe.
- Partnership Working and Community Leadership – the Council would be working with partners from the public, private and voluntary sectors to reduce costs, make efficiencies and create resilience within the district. Progress was being made on shared services and joint working in several areas.

Cabinet had also noted that the intention to protect the most vulnerable members of society should be a thread running through all the Council's priorities.

The Council's three year budget position was illustrated. It was noted that because of the effect of the cost of concessionary travel being transferred to the County Council, the current budget position was not as bad as originally anticipated.

The Council's efficiency and savings proposals were also outlined. It was advised that work relating to future income generation had not been completed at this time. The bulk of the savings had been made through efficiencies linked to draft priorities. In addition, potentially up to £2M would be available to support invest to save schemes, such as energy efficiency proposals.

Members were advised of growth proposals which included private sector housing standards, establishment of lord mayoralty and funding for PCSOs. The capital programme, Council housing and non domestic rates were reported in detail.

Following the presentation the Leader answered extensive questions from the Panel and stakeholders on the Council's Budget and Policy Framework Proposals for 2011/12.

Resolved:

- (1) That the Leader of the Council be thanked for his presentation.

The Leader of the Council and Councillor Johnson left the meeting during consideration of the following item.

37 THE COUNTY COUNCIL'S 2011/12 REVENUE BUDGET AND CAPITAL INVESTMENT

The Panel received a verbal presentation from Gill Kilpatrick, the County Council's Director for Resources on the County Council's Revenue Budget and Capital Investment Proposals for 2011/12. At the meeting members were given a summary of the proposals to accompany the verbal presentation.

The Director for Resources thanked the Panel for the invitation and advised that she would ensure that any comments regarding the budget proposals would be fed back to the County Council's Cabinet at its next meeting. The Panel were advised that the County Council's budget was facing similar issues and processes to those occurring at the city Council. The County Council anticipated having to make £179M in savings over the next 3 years, which represented a reduction of one quarter of the annual budget. The reasons for this were reduction in funding from central government and significant increases in costs.

Members were advised that the County Council's cabinet's overriding priority was to protect vulnerable members of the community.

It was noted that the County Council's Cabinet had resolved to maximise the 'below the line' savings which would reduce the management and administration costs of the Council, without impacting on services. Over a three year period 'below the line' savings were estimated to generate over £55M. Savings from service efficiencies were estimated at approximately £12M over the same period of time.

It was proposed that reductions in services would amount to approximately £97M, and would affect a broad range of services and areas. The Director for Resources outlined some of the more significant proposals in detail, including working with the private sector to negotiate social care fee reductions, and it was advised that the County Council

currently paid one of the highest rates in the North West. It was also proposed that the Fair Access to Care eligibility be amended, and that care would no longer be available for those assessed as having 'moderate' needs.

The Panel were advised of the proposals relating to libraries staff and service rationalisation. It was reported that the intention was not to close libraries, but to move towards self service and attempt to recruit more volunteers.

The Director for Resources discussed the proposals relating to Children and Young People. It was advised that there were a number of proposals which affected shape of services for young people and the Panel were given details regarding some of these proposals.

Following the verbal presentation, the County Council's Director for Resources answered extensive questions from the Panel and stakeholders. The issues raised by the Panel and stakeholders were:

- Reduction in public transport information and removal of Real Time information service.
- The future of Sure Start Children's Centres.
- The potential cost of the M6 Link Road.
- Regarding Transforming Care Services - the reduction in the number of authority residential places for children and young people.
- The change in assessment of care needs for the elderly, including the proposal to remove all services for those assessed as having 'moderate' needs.
- The rationale behind the reductions in service for Children and Young People given the number of difficulties facing children and young people in the district.
- Given the proposals that no front line staff would be made redundant, how was front line to be defined for this purpose?
- The high dependency of Lancaster District on public sector employment, and the impact that a reduction of public sector jobs could have for young people in the district.
- The proposals relating to revised charging policy for day centre care for the elderly.
- The proposed reduction in specialist Special Educational Needs and Disability Transport (SEND).

The Director for Resources advised that she would ensure that these comments would be fed back to the County Council's Cabinet.

Resolved:

- (1) That the Director for Finance, Gill Kilpatrick be thanked for her presentation.

Chairman

(The meeting ended at 7.52 p.m.)

**Any queries regarding these Minutes, please contact
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