

**BUDGET AND
PERFORMANCE PANEL**

6.00 P.M.

28 JANUARY 2014

PRESENT:- Councillors Tony Anderson (chairman), Dave Brookes, Janet Hall, Roger Mace, Richard Newman-Thompson, Elizabeth Scott, Keith Sowden and Susan Sykes

Also in attendance:-

Councillor Eileen Blamire	Leader of the Council
Councillor Abbott Bryning	Cabinet Member with Responsibility for Finance
Gill Kilpatrick	Lancashire County Council Treasurer

Councillors June Ashworth, Roger Dennison, Janice Hanson, Margaret Pattison, Ron Sands, David Smith and Paul Woodruff

Economic Stakeholder Representatives
Voice Your Views Panel Members

Officers in attendance:-

Mark Cullinan	Chief Executive
Andrew Dobson	Chief Officer (Regeneration and Planning)
Nadine Muschamp	Chief Officer (Resources)
Andrew Clarke	Financial Services Manager
Stephen Metcalfe	Principal Democratic Support Officer
Tom Silvani	Democratic Support Officer

21 MINUTES

The minutes of the meeting held on 5 November 2013 were signed by the chairman as a correct record.

22 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN

There were no items of urgent business.

23 DECLARATION OF INTERESTS

Councillor Newman-Thompson declared an interest in the item relating to the county council's budget proposals, as an elected member of Lancashire County Council.

24 CONSULTATION ON THE COUNTY COUNCIL'S BUDGET PROPOSALS

The panel received a verbal presentation from Gill Kilpatrick, Lancashire County Council's Treasurer, regarding Lancashire County Council's budget proposal.

The County Treasurer thanked the panel for the invitation and advised that any comments on the proposals should be included in the city council's consultation response and would be fed back to the county council's Cabinet at its next meeting.

The County Treasurer reminded the panel of the context in which the budget proposals had been considered. The scale of financial challenge facing the council was unprecedented, with savings of £300m, the equivalent of almost 40% of the current year's budget, needed over the next four years. This level of saving could not be achieved without a radically different approach which focused on service delivery within a budget envelope of £642m by 2017/18. It was recognised that it would not be possible to achieve the necessary level of savings without making significant changes to the way the council operated.

In order to achieve this cabinet had resolved to consult on proposals to deliver a balanced budget in 2014/15 and develop a financial strategy for the following three years.

Following the verbal presentation, the County Treasurer answered extensive questions from the panel and stakeholders. The issues raised by the panel and stakeholders were:

- Property owned by the county council.
- Reduction in bus services in the district.
- A more efficient route for buses using the one-way system in Lancaster.
- Pot holes.
- Whether savings made without affecting service delivery indicated over-budgeting in previous years.
- Possible savings to be achieved by devolving responsibility for highways maintenance to district councils.
- The introduction of 20 mph speed limits and the resulting impact on the number of accidents in the district.
- Future ownership of Preston Bus Station.
- The failure of the county council's partnership with one connect to deliver expected savings.

The panel queried as to what the county council had done in order to address issues regarding commercial property held by the council. It was reported that a review of the property owned by the county council was still in progress. This process involved extensive dialogue with the city council regarding how to make the most of existing property. The panel queried how much property owned by the county council was currently unoccupied, and it was advised that this information could be provided by the County Treasurer.

25 BUDGET AND POLICY FRAMEWORK PROPOSALS 2014/15

The panel received a presentation from the Chief Officer (Resources) regarding the Cabinet's Budget and Policy Framework Proposals for 2014/15. The Leader of Lancaster City Council, and the Cabinet Member with Responsibility for Finance were in attendance at the meeting to answer members' questions.

The Chief Officer (Resources) outlined the council's Medium Term Financial Strategy to the panel, this was to:

- Make net savings of £1.1M in 2014/15, and £2.3M in 2015/16

- Implement savings in year, where possible
- Allow council tax increases of 2% year on year, subject to local referendum thresholds.

It was advised that as of late summer 2013, the projected budget savings for future years had increased as follows:

- Savings needed in 2014/15 - £1.2M
- Savings needed in 2015/16 - £3.6M.

It was also expected that there would be further funding reductions in subsequent years.

The city council's proposed future direction was outlined; it was proposed that the existing corporate priorities would be redefined in order to give a narrower focus. It was also proposed that the council adopt the "Ensuring Council" as its ethos for delivering future corporate plans. The main principals of an Ensuring Council's ethos was outlined in detail as follows:

- Stewardship
- Core Capacity
- Municipal Entrepreneurialism
- Collaboration
- Political Accountability
- Social Justice.

The Chief Officer (Resources) advised of the progress towards required savings which had been achieved so far. Approximately £800,000 per year had been saved through efficiency savings and 'trimming of services', with £600,000 a year achieved through income generation and improved forecasts. So far major service reductions had been avoided, but it was not known for how long this would be maintained.

Growth proposals for consideration were outlined to the group, and covered the following areas:

- Police Community Support Officers
- Bold Street Housing Site Development
- Charging Policy for Waste Bins and Boxes.

There were two additional expected growth proposals; Morecambe Area Action Plan, and ICT.

The Cabinet's budget proposals were outlined to the panel, and included the following:

- To keep council tax increases at 2% year on year, subject to local referendum thresholds
- To continue with service reviews (a schedule for individual service reviews was circulated to the panel)
- In principle, to look to use surplus balances to maintain services to the public for a limited period.

The Chief Officer (Resources) invited questions and comments from those present, topics covered included the following:

The panel queried the running costs of Lancaster and Morecambe Town Halls. It was agreed that this information be circulated to members of the panel when available. Members asked questions regarding commercial properties owned by the council, it was advised that all council owned commercial property was currently under review, and officers advised as to the current position regarding St Leonard's House, Lancaster.

Members queried the monetary impact to the city council regarding the extension to the scheme offering rate relief to small businesses. It was advised that Government had confirmed that it would meet in full the business rate changes that had been announced in the Autumn Statement.

The panel discussed the proposed increase in council tax. Members were reminded that under the Localism Act, if an authority's council tax increase exceeded the principles set by the Secretary of State, then it must hold a local referendum. It is still assumed that a 2% threshold would apply, although a Government announcement was awaited. The panel then discussed Cabinet's proposals in detail.

The chairman invited proposals from panel members.

It was proposed by Councillor Mace:

"That the various comments regarding proposed reductions to bus services in the district be formalised and provided to Lancashire County Council, and that the county council be requested to reconsider reductions in subsidies to bus services."

The chairman advised that as the issue of bus services was not included within the city council's budget proposals the proposition was inappropriate to be considered at this point in the meeting. It was advised that Councillor Mace could, if he so wished, submit his own response to Lancashire County Council.

It was proposed by Councillor Newman-Thompson and seconded by Councillor Hall:

"That the report be noted and that the Chief Officer (Resources) and Cabinet be thanked for the work undertaken so far."

Upon being put to the vote 4 members voted in favour of the proposition, with 2 abstentions, whereupon the chairman declared the proposition to be carried.

Resolved:

That the report be noted and that the Chief Officer (Resources) and Cabinet be thanked for the work undertaken so far.

26 COMMUNITY ENGAGEMENT

The panel received a verbal presentation from the Chief Officer (Regeneration and Planning) regarding the details of Cabinet's specific proposals relating to Community Engagement emerging from its meeting on 21 January 2014.

The officer invited questions from members and stakeholders regarding Cabinet's proposals.

The panel asked questions regarding the effectiveness of single day events in the district, including the Sandcastle Festival in Morecambe, the popularity of family themed events, and the Lancaster Fireworks Spectacular.

Members asked questions regarding the subsidies provide to the arts organisations in the district. It was advised that removing or even reducing funding to some of these organisations could have other effects such as prejudicing Arts Council funding and could, in a number of cases, result in the close down of some of those arts organisations.

The chairman thanked the Chief Officer (Regeneration and Planning) for the report.

Resolved:

That the report be noted and that the Chief Officer (Regeneration and Planning) be thanked for the presentation.

27 LANCASHIRE POLICE AND CRIME COMMISSIONER BUDGET PROPOSALS

The Chief Executive advised the panel that at its meeting on 27 January 2014, the Lancashire Police and Crime Commissioner's budget proposals for 2014/15 had been considered by the Lancashire Police and Crime Panel. Copies of the report considered by the panel were attached for members' information.

It was proposed by Councillor Newman-Thompson, and seconded by Councillor Hall:

"That the report be noted."

Upon being put to the vote 6 members voted in favour of the proposition, whereupon the chairman declared the proposition to be carried.

Resolved:

That the report be noted.

Chairman

(The meeting ended at 8.15 p.m.)

**Any queries regarding these Minutes, please contact
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