

**BUDGET AND
PERFORMANCE PANEL**

6.10 P.M.

11TH NOVEMBER 2014

PRESENT:- Councillors Tony Anderson (Chairman), Dave Brookes (Vice-Chairman), Janet Hall, Richard Newman-Thompson, Elizabeth Scott and Susan Sykes

Apologies for Absence

Councillors Chris Coates, Alycia James and Keith Sowden

Also in attendance:-

Councillors Eileen Blamire and Abbott Bryning, Cabinet Members (invited for minute 17).

Officers in attendance:-

Nadine Muschamp	Chief Officer (Resources) and Section 151 Officer
Andrew Clarke	Financial Services Manager
Helen McMahon	Procurement Manager
Stephen Metcalfe	Principal Democratic Support Officer

13 MINUTES

The Minutes of the meeting of the Panel held on 9th September 2014 were signed as a correct record.

14 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIRMAN

There were no items of urgent business.

15 DECLARATION OF INTERESTS

There were no declarations of interest.

16 PROCUREMENT STRATEGY - UPDATE

The Chief Officer (Resources) submitted a report that allowed the Panel to consider and scrutinise progress on updating the City Council's Procurement Strategy, in light of recent and ongoing national and local issues.

As part of its terms of reference, the Panel had responsibility for scrutinising the City Council's various arrangements for securing value for money (VFM), and making recommendations as appropriate. The City Council's procurement framework was one aspect of such VFM measures.

In recent months it had been reported that a review of the City Council's Procurement Strategy was underway.

The report provided an update on progress to date and recent key issues arising. It also provided an opportunity for some pre-scrutiny in order to help to shape the proposals, ahead of Cabinet's consideration of the final draft of the Strategy.

Appended to the report were the key elements from the City Council's working draft, the Local Government Association's published national strategy, the Local Government Association's response to the Government consultation on EU Procurement Directives and work that had been undertaken to inform how best living wage considerations should be reflected in the Procurement Strategy and associated arrangements. Work had been undertaken on the final Appendix in view of a motion to Council on 16th July 2014 with regard to procurement, the Living Wage and the Public Services (Social Value) Act 2013.

The Panel was also advised of a motion that had links to procurement that had been considered at Council on 22nd October 2014.

Members raised a number of issues such as the definition contained within page 10 of the agenda regarding a local supplier, how often the Strategy was updated, the Public Services (Social Value) Act 2013 and the Living Wage.

The Panel considered the report and appendices and made the following resolutions.

Resolved:

- (1) That the Panel notes the progress to date and the various issues still to be addressed in completing the Procurement Strategy update.
- (2) That, in light of the associated national and local issues raised in the report, the Panel's feedback responses are as follows:-
 - The Panel has no strong views to the City Council's key elements from the City Council's working draft or the National Procurement Strategy, as appended to the report.
 - The Panel accepts the recommendations in Appendix E to the report, as set out below:

The City Council should not apply a standard approach which enforces the payment of the Living Wage by contractors. Contracts should be considered on a case by case basis, in consultation with Legal Services, to avoid the risk of legal challenge in terms of discrimination.

In line with professional guidance, if applied, care should be taken to ensure the Living Wage requirements do not directly, or indirectly, discriminate and should be included as contract performance conditions, rather than award criteria.

The City Council should demonstrate its commitment to the principles of the Living Wage through encouraging contractors to adopt it, this being reflected in the Procurement Strategy.

- That it be noted that the Panel does not wish to give any other specific feedback at this stage.

- (3) That the Panel wishes to have a further opportunity for fuller pre-scrutiny prior to the updated Procurement Strategy being presented to Cabinet.

17 CORPORATE PERFORMANCE MONITORING 2014/15

The Chief Officer (Resources) submitted the corporate financial monitoring report and other supporting statements for Quarter 2 of the 2014/15 performance monitoring cycle.

The Financial Services Manager advised that, with regard to Performance Monitoring, officers had been developing the performance monitoring process to ensure the right measures were in place and that they could be measured accurately and appropriately. Planned performance reporting in Quarter 2 had been deferred in light of a revised performance management framework currently being developed and actions arising from a recent Investors in People assessment. The report was, therefore, focussed on financial, property and treasury management activities.

In terms of finance, the corporate monitoring report for Quarter 2 was appended to the report. This showed that, in simple terms, there was an underspending of £579K in respect of the General Fund, which was projected to increase to £661K by the end of the year. For the Housing Revenue Account (HRA), there was currently an underspending of £67K which was forecast to become an overspend of £342K by the end of the year.

The latest update on Property matters and the positions with regards to treasury management activities were appended to the report.

The Panel was requested to consider the report and appendices and make any recommendations, as appropriate.

Members of the Panel asked a number of questions relating to such issues as the amount of underspends in the current budget, responsive maintenance, voids, bad debts, Housing Benefits, the position regarding St. Leonards House, Salt Ayre Sports Centre and spend to save.

Resolved:

- (1) That the report be noted.

18 WORK PROGRAMME REPORT

The Principal Democratic Support Officer submitted a report to update members on the Panel's Work Programme.

The Panel was advised of a referral regarding the Arts Commissioning Framework that the Overview and Scrutiny Committee had asked to be referred to the Panel. Members were also informed that the Leader of the City Council and also the Treasurer of Lancashire County Council had confirmed their attendance at the Annual Stakeholder meeting of the Panel to be held on 25th January 2015 at Morecambe Town Hall.

Resolved:

- (1) That the Work Programme, detailed in Appendix A to the report, be noted.
- (2) That the Arts Commissioning Framework, referred to in paragraph 2.1 of the report, be included within the Panel's Work Programme.
- (3) That the preparations for the Annual Stakeholder meeting of the Panel, to be held on 27th January 2015 at Morecambe Town Hall, be noted.

Chairman

(The meeting ended at 7.10 p.m.)

**Any queries regarding these Minutes, please contact
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