

BUDGET AND POLICY FRAMEWORK - UPDATE**9 December 2008****Joint report of
Corporate Director (Finance and Performance) and
Head of Financial Services****PURPOSE OF REPORT**

To note progress made since the last Cabinet meeting in bringing forward options to refresh the 2009/10 Corporate Plan and to consider if any action is required.

To note progress in respect of updating the Medium Term Financial Strategy (MTFS) and budget exercise and to determine any actions that might be required.

Key Decision	<input type="checkbox"/>	Non-Key Decision	<input type="checkbox"/>	Referral from Officers	X
Date Included in Forward Plan	N/A				
This report is public.					

OFFICER RECOMMENDATIONS

- (1) To note the latest progress made on refreshing the 2009/10 Corporate Plan.
- (2) To agree any actions that might be required to ensure the targets and deadlines for updating the Corporate Plan set out in the Budget and Policy Framework timetable are met.
- (3) To note progress made in respect of the MTFS and budget exercise and determine any actions that might be required.

1.0 CORPORATE PLAN REFRESH

- 1.1 At its meeting on 11 November Cabinet considered a progress report on refreshing its Corporate Plan and agreed -
 - (1) That Cabinet notes the latest position on delivering the 2008/09 Corporate Plan targets.
 - (2) That Cabinet notes the latest position in refreshing the 2009/10 Corporate Plan and that the further development of the Plan be undertaken within the context of the Council's financial position as reported in the latest MTFS report and that a further report be given to the next Cabinet meeting including

the comments of the three Statutory Officers of the City Council, identifying the implications.

1.2 Since the meeting, officers have been meeting to consider options for updating the Corporate Plan as requested by Cabinet. This work is currently not completed and although details are not presently available, options for refreshing the Corporate Plan with comments from the Statutory Officers will be circulated prior to the meeting as soon as practicable.

1.3 Cabinet should note that the Lancaster District LSP Sustainable Community Strategy was approved at November's Council.

2.0 **MEDIUM TERM FINANCIAL STRATEGY / BUDGET PREPARATION UPDATE**

2.1 At its last meeting, Cabinet considered a report that reviewed the latest position in respect of the MTFS and resolved (Minute 81):

- (1) That Cabinet notes the revised financial projections at this stage and the assumptions underpinning them, and resolves that they be referred on to Council for information.
- (2) That, at this stage, Council be recommended in principle to retain the existing Council Tax target increase of no more than 4% for future years, but that this be reviewed at the budget develops.
- (3) That, in response to the deterioration in the financial outlook and in order to take forward the setting of a balanced revenue budget for future years, the following actions be taken forward as top priority:
 - Progressing the sale of land at South Lancaster to ensure completion is not delayed;
 - Progressing current negotiations regarding Lancaster Market in order to reach a conclusion by 31 December, so that other alternative options for the future use of the building and/or the Council's interests can be appraised, if a satisfactory outcome is not forthcoming;
 - Bringing forward proposals for the future use of the Auction Mart site as an interceptor car park;
 - Progress Storey Institute Creative Industries Centre to a successful launch and a first year of operation that requires little or no revenue subsidy from the City Council.
- (4) That, in order to achieve item 3 above, and to avoid the Council taking on any further financial or other pressures at this time, Cabinet approves in principle that other initiatives be deferred, and that this be considered in detail by Star Chamber

2.2 In respect of minute resolutions 81 (1) and (2), a report will be presented to Council on 17 December.

2.3 In respect of minute 81(3) officers are progressing the issues outlined in the resolution.

2.4 In respect of minute 81 (4), Star Chamber continue to meet on a regular basis to progress the issues referred to in the resolution.

2.5 Work has also continued in respect of reviewing the MTFS and preparing the draft budget. A summary outlining the latest position will be circulated as soon as practicable.

3.0 OPTIONS ANALYSIS

3.1 Refresh of Corporate Plan

Option 1 to note progress made on refreshing the Corporate Plan and to agree any actions that might be required to meet the agreed deadlines as set out in the Budget and Policy framework timetable.

Option 2 to note progress and determine an alternative process for refreshing the Corporate Plan.

3.2 MTFS / Budget Exercise

Option 1 to note the latest position in respect of the MTFS and budget exercise.

Option 2 to agree an alternative to option 1.

3.3 The preferred option for both is option 1.

RELATIONSHIP TO POLICY FRAMEWORK

The refresh of the Corporate Plan and MTFS is an integral part of the Council's Policy Framework and used as the basis for allocating resources in the budget exercise.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None arising directly as a result of this report.

FINANCIAL IMPLICATIONS

None arising directly as a result of this report as yet.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no comments to add.

LEGAL IMPLICATIONS

None arising directly as a result of this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

Corporate Plan 2008/09

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