

**STAR CHAMBER****5<sup>th</sup> June 2007****Report of Corporate Director (Finance and Performance)****PURPOSE OF REPORT**

To consider the appropriateness of retaining Star Chamber as the process for bringing forward savings and efficiencies to meet the Council's medium term financial targets included in the Corporate Plan.

If Cabinet support the retention of Star Chamber, to review the existing Terms of Reference, the current work programme, and consider a proposed timetable for 2007/08.

<b>Key Decision</b>	<input type="checkbox"/>	<b>Non-Key Decision</b>	<input checked="" type="checkbox"/>	<b>Referral from Cabinet Member</b>	<input type="checkbox"/>
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<b>Date Included in Forward Plan</b>	N/A
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**This report is public.**

**OFFICER RECOMMENDATIONS**

- 1 To consider the appropriateness of retaining Star Chamber as the process for bringing forward savings and efficiencies to meet the Council's medium term financial targets included in the Corporate Plan.**
- 2 That in the event that Cabinet supports the retention of Star Chamber, the Terms of Reference, existing work programme, and future timetable be reviewed.**
- 3 That in the event that Cabinet choose not to continue with Star Chamber, an alternative process is developed to ensure that the medium term financial strategy targets are achieved.**

**1 INTRODUCTION**

Star Chamber has been in place now in various formats for a number of years. More recently it has become the mechanism whereby Cabinet can consider existing budget allocations in relationship to its Corporate Plan objectives and research and develop budget proposals to meet the medium term financial strategy targets included in the Corporate Plan.

Cabinet are asked to consider if they wish to continue this process and if so, consider Star Chamber's Terms of Reference, existing work programme, and future timetable. The existing versions of these are attached as Appendices.

## **2 MEDIUM TERM FINANCIAL TARGETS**

Included in the 2007/8 Corporate Plan are the following financial targets:

### **Priority Outcome 1**

***To keep the annual council tax increase to a minimum whilst achieving the other policy objectives and policy outcomes.***

#### ***In particular to:***

- a. Keep annual council tax increases to no more than 4.5% in 2008/9 and 4.0% in 2009/10.
- b. Achieve the savings targets included in the Medium Term Financial Strategy (MTFS) of £802,000 in 2008/9 and £1.468M cumulative savings by 2009/10.
- c. Achieve the annual Gershon cumulative efficiency targets of £1.752M by March 2008.
- d. Achieve asset sales to finance the Capital Programme of £3.488M by September 2007 and a further £1.823 by March 2008.

In the event that Cabinet choose not to continue with Star Chamber, it is recommended that an alternative process is developed to ensure that the Medium Term Financial Strategy targets set out above are achieved.

## **3 OPTIONS AND OPTIONS ANALYSIS**

**Option one** is to continue with the Star Chamber process and review the appropriateness of the existing terms of reference, existing work programme, and future timetable.

**Option 2** is to consider introducing an alternative process to Star Chamber to ensure that the Medium Term Financial Strategy targets are met.

## **4 OFFICER PREFERRED OPTION**

There is no officer-preferred option other than to ensure that a process is agreed to meet the Medium Term Financial Strategy targets. The scope of any agreed process would be a matter for Cabinet to decide.

## **RELATIONSHIP TO POLICY FRAMEWORK**

The work of the Star Chamber has been critical to providing a challenge and review to both the way that our services are provided, or their appropriateness, to the targets set out in the Corporate Plan & Policy Framework. In particular this has contributed to the achievement of the following:

- Corporate Plan Core Values – Sound Financial Management and Improving Services
- Corporate Plan Objective No 1 “To deliver value for money customer focused services”
- Revenue Budget & Capital Programme Monitoring
- Medium Term Financial Strategy targets

## **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.

## **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 no further comments to add.

## **BACKGROUND PAPERS**

Corporate Plan 2007/08  
Revenue Budget and Capital Programme  
Medium Term Financial Strategy 2007-10

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## EXISTING STAR CHAMBER PROCESS – 2006/07

### PURPOSE OF THE EXERCISE AND TERMS OF REFERENCE

Star Chamber is an informal meeting of Cabinet members supported by senior officers. Its purpose is to provide a continuing process that examines current and future spending plans with the aims of ensuring value for money, identifying efficiencies and diverting resources into Council priorities and away from non-priorities, as well as alternative methods of delivery. It also provides the framework and focus for achieving the financial savings targets included in the Medium Term Financial Strategy and those efficiencies required under Gershon. Consequently, it will look at financial, physical, and human resource matters. This will be done through the following **Terms of Reference**:

- consider information regarding Service activity, particularly what is and what is not an explicit Council priority
- identify to what extent mandatory services are enhanced above minimum legislative requirements
- identify any Service functions or activities that no longer contribute to the Council's priorities
- identify Service efficiencies or re-engineering opportunities that could help meet the MTFS/Gershon targets
- identify Service savings
- identify any new legislative issues with future spending pressures
- identify potential sources of additional external funding, increased income opportunities and alternative methods of procurement
- identify resource diversion opportunities
- identify invest to save opportunities
- identify joint working opportunities through collaboration or partnerships
- consider capital programme bids

It is important to note that all the above will at some stage need financial information to help Star Chamber consider the various options before it. This will undoubtedly require some development of activity-based accounting.

Star Chamber is a continuous process and any matters outstanding from the previous years exercise will be reported back in accordance with the agreed timetable.

Star Chamber will employ project management techniques to oversee the successful completion of the overriding priority to keep annual council tax increase levels below 4.9% for 2007/8 and 2008/9

The above **Terms of Reference** will be undertaken by:

1. Challenging existing service provision levels and how they are delivered to provide Value for Money. This will necessitate where appropriate, a functional or activity analysis and eventually information on the costs of certain activities. Activities should demonstrate how they meet Corporate Plan priorities and any statutory obligations.
2. Requiring each Service to produce options in line with the Gershon efficiency strategy to achieve a 2.5% per year cashable efficiency gain/saving in net revenue expenditure/strategic increase in service charges that would help achieve the Medium Term Financial Strategy. In particular Star Chamber will make recommendations to assist the Leader and Chief Executive in preparing and signing off the Annual Efficiency Statements required to be prepared each year under Gershon.
3. Being the forum that triggers organisational change reviews to improve the efficiency and/or effectiveness of Council services.
4. A thorough examination of how electronic processes can re-engineer current service delivery and also what can be done collaborately or in partnership.
5. Considering not only how to implement Council priorities, but also to disinvest in Services which are being/can be provided by other public services or partnerships and to disinvest in those Services that are primarily the responsibility of other public service agencies.
6. Receive reports from the Asset Management Group on capital programme bids.

### **Process**

Star Chamber will continue to meet throughout the year, initially in line with the agreed timetable up to the summer recess but from September each Wednesday thereafter ( unless otherwise agreed ) starting at 10.00 am and limited to 2 hours maximum.

### **Core Membership**

Leader  
Councillors Hanson, Quinton and Barry  
Chief Executive  
Corporate Directors  
Head of Financial Services

Other Cabinet members and Service Heads will be invited when appropriate

### **Reporting Mechanisms – Presumption in favour of openness**

Informally reporting / monitoring to Cabinet / Management Team informal meetings and a short Leader's report to Cabinet covering the work commenced with timescale if available. In addition, the Leader will report regularly to the Budget & Performance Panel on progress.

Formal decisions will be taken by Cabinet or Individual Cabinet Members.

## Appendix

### Existing Star Chamber Timetable 2007/8

			Director	Officer
<b>2007</b>				
<b>May</b>				
<b>JUNE</b>		Resource Implications for Economic Development	Regen	HED&T
		Council Buildings – Receipts and Strategic Options	Regen	HPS
		Market Square Fountain	Regen	HPS
		Neighbourhood Management	Regen	NTF
		Dome – Options for Future	Regen	HCS
<b>July</b>				
<b>Aug</b>				
<b>Sept</b>				
<b>Oct</b>				
<b>Nov</b>				
<b>Dec</b>				
<b>Jan</b>				
<b>Feb</b>				