



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 12 SEPTEMBER 2017

Venue: LANCASTER TOWN HALL

Time: 6.10 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Minutes**

Minutes of the Meeting held on 11th July 2017 (previously circulated).

3. **Items of Urgent Business authorised by the Chairman**

4. **Declaration of Interests**

To receive declarations by Members of interests in respect of items on this Agenda.

Members are reminded that, in accordance with the Localism Act 2011, they are required to declare any disclosable pecuniary interests which have not already been declared in the Council's Register of Interests. (It is a criminal offence not to declare a disclosable pecuniary interest either in the Register or at the meeting).

Whilst not a legal requirement, in accordance with Council Procedure Rule 9 and in the interests of clarity and transparency, Members should declare any disclosable pecuniary interests which they have already declared in the Register, at this point in the meeting.

In accordance with Part B Section 2 of the Code Of Conduct, Members are required to declare the existence and nature of any other interests as defined in paragraphs 8(1) or 9(2) of the Code of Conduct.

5. **Quarter 1 Corporate Financial Monitoring (Pages 1 - 16)**

Report of the Chief Officer (Resources).

6. **2017 - 2018 Performance Monitoring Quarter 1 (Pages 17 - 27)**

Report of the Chief Officer (Environment).

7. **Performance and Service Accounts - Environmental Services**

Oral report of the Chief Officer (Environment).

8. **Work Programme Report** (Pages 28 - 33)

Report of the Chief Executive.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Susan Sykes (Chairman), Tim Hamilton-Cox (Vice-Chairman), Sam Armstrong, Tracy Brown, Andrew Gardiner, Terrie Metcalfe, John Reynolds, Roger Sherlock and Phillippa Williamson

(ii) Substitute Membership

Councillors Dave Brookes, Nathan Burns, Ron Sands, John Wild, Nicholas Wilkinson and Peter Williamson

(iii) Queries regarding this Agenda

Please contact Tessa Mott, Democratic Services - telephone 01524 582074 or email tmott@lancaster.gov.uk.

(iv) Changes to Membership, substitutions or apologies

Please contact Democratic Support, telephone 582170, or alternatively email democraticsupport@lancaster.gov.uk.

SUSAN PARSONAGE,
CHIEF EXECUTIVE,
TOWN HALL,
DALTON SQUARE,
LANCASTER LA1 1PJ

Published on Thursday 31st August, 2017.

BUDGET AND PERFORMANCE PANEL

Corporate Financial Monitoring 2017/18 – Quarter 1

12 September 2017

Report of Chief Officer (Resources)

PURPOSE OF REPORT

To present the corporate financial monitoring report for Quarter 1 of the 2017/18 monitoring cycle.

This report is public

OFFICER RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the Cabinet Report dated 05 September 2017 and attached appendices, making any comments and recommendations considered necessary.

1. CORPORATE FINANCIAL MONITORING 2017/18 - QUARTER 1

- 1.1. The report attached at *Appendix 1*, presented to Cabinet on 05 September 2017, provides a summary of financial monitoring for Quarter 1 of the 2017/18 performance monitoring cycle.
- 1.2. Budget and Performance Panel are asked to consider the Cabinet report and attachments in line with their Terms of Reference within the Constitution relating to the monitoring and review of the council's performance.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces: As set out in the relevant appendices.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS	Contact Officer: Andrew Clarke, Financial Services Manager
--------------------------	---

None.

Telephone: 01524 582138

E-mail: ac Clarke@lancaster.gov.uk

Ref: N/A

CABINET**Appendix 1**

Corporate Financial Monitoring 2017/18 – Quarter 1
05 September 2017
Report of the Chief Officer (Resources)

PURPOSE OF REPORT				
To provide an overview of the Council's financial position for Quarter 1 of the 2017/18 monitoring cycle, and the supporting actions underway.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision		N/A		
This report is public.				

OFFICER RECOMMENDATIONS:

(1) That Cabinet notes the report and the supporting actions set out.

1. Overview

- 1.1. The corporate financial monitoring report for Quarter 1 is attached at **Appendix A**. The headline projections are as follows:
- A current General Fund net overspending of £47K, forecast to become an underspend of £6K by the year end.
 - The Housing Revenue Account is currently overspent by £26K, but this is expected to increase to £204K by the year end.
- 1.2. In terms of the General Fund, income from Green Waste collection is projected to be down by a net £280K by the end of the year – see **Annex B** for more details. An update on Salt Ayre is also included at **Annex C**.
- 1.3. In terms of the Housing Revenue Account, the most significant variance relates to the increase in voids from an estimated position of 1.9% to 2.9%, which if maintained would result in a shortfall in income of £176K. A consultant from APSE, acting as interim RMS manager, has already been engaged to undertake a review of RMS with one of the key aims being the reduction in void losses.
- 1.4. In support of corporate financial monitoring, the latest Treasury Management update report is included at **Appendix B**.

2. Performance Monitoring

In terms of performance monitoring details are contained in a separate report elsewhere on this agenda.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>This report is in support of the delivery of the Council's overall policy framework, and more specifically its Corporate Plan.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing)</p> <p>None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.</p>	
<p>LEGAL IMPLICATIONS</p> <p>None directly arising from this report. Any additional implications linked to or arising from the various financial matters raised will be addressed in taking any relevant actions forward.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>As set out in the attached.</p>	
<p>OTHER RESOURCE IMPLICATIONS</p> <p>Human Resources / Information Services / Property / Open Spaces:</p> <p>References and any related implications are contained within the report and related appendices.</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>This report is in the name of the s151 Officer, albeit in her capacity as Chief Officer (Resources).</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments.</p>	
<p>BACKGROUND PAPERS</p> <p>None.</p>	<p>Contact Officers: Andrew Clarke, Financial Services Manager Telephone: 01524 582138 E-mail: acclarke@lancaster.gov.uk Ref:</p>

CORPORATE FINANCIAL MONITORING

QUARTER 1 (April to June)

INTRODUCTION

This report provides the key variances to note at the end of quarter 1, in terms of the revenue and capital budgets and local taxation. It also includes updates on key reserves and income collection.

REVENUE BUDGET

General Fund – Current overspend of **£47K**, forecast to become an underspend of **£6K** by year end, taking account of various assumptions drawing on last year's outturn. **Annex A** provides a breakdown of the main variances which are summarised in the table below.

	Qtr 1 £000's	Full Year Forecast £000's
Employees	-87	-150
Premises	+20	-16
Supplies & Services	+5	-6
Income	+109	+166
Net Overspend (+)	+47	-6

The most significant variance relates to Green Waste which is forecast to be down by £280K by year end. More details have been provided by the Chief Officer (Environmental Services) at **Annex B**.

In addition, a more detailed monitoring statement on Salt Ayre Leisure Centre is included at **Annex C**.

Housing Revenue Account – Current overspend of **£26K**, but forecast to increase to **£204K** by year end. The main reason is that void losses (£176K) have increased to 2.9% whilst the budget was based on 1.9%. A consultant from APSE, acting as interim manager, is currently reviewing operations at RMS with the aim of bringing in changes to improve the position.

ACTIONS:

The Chief Officer (Environmental Services) reports back on actions/improvements being taken to reduce void losses and secure other operational improvements within RMS.

CAPITAL

Expenditure

General Fund – Original approved programme of £13.181M has been increased by £1.924M slippage from 2016/17 to give an updated programme of £15.105M. Spend and commitments at the end of June totalled £4.249M leaving £10.856M still to spend.

Housing Revenue Account – Original approved programme was £4.077M. Spend and commitments at the end of June totalled £512K leaving £3.565M still to spend.

Financing

General Fund – To date £2.844M has been received in grants and contributions against a budget of £6.225M (updated for slippage from 2016/17) – no variances are expected. Of the estimated £870K capital receipts funding, one amount of £370K is expected towards the end of November and a further £475K due in the next 6 to 12 months. In addition, further receipts totalling £54K have also been receiving from the sale of a vehicle and one grant repayment.

Further updates will be incorporated into the next review of the capital programme as part of the forthcoming 2018/19 budget setting process.

LOCAL TAXATION

Council Tax – Current surplus of £59K. Main changes are:

- Deficit from previous year +£197K
- Reduced cost of Council Tax Support -£185K
- Reduced charge for Second/Empty Homes +£57K
- Other Movements in Tax Base -£128K

In tax base terms this equates to approximately 34 additional net chargeable Band D equivalent properties, bringing the total tax base to 40,840 gross properties.

Retained Business Rates – The latest position on business rates shows net income up by £220K when compared to the original estimate. The Net Rates Payable is down by £945K mainly due to additional reliefs and transitional protection being awarded. However, this is offset by a reduction in appeals of £1.165M.

	Original £000's	June £000's	Movement £000's
Net Rates Payable	-63,377	-62,432	+945
Appeals	6,759	5,594	-1,165
Business Rates Income	-56,618	-56,838	-220
City Council Retained Income (40%)	-22,647	-22,735	
Less Tariff	19,662	19,662	
Add Small Business Rates Relief Grant	-1,251	-1,259	
Net Retained Income	-4,236	-4,332	
Safety Net Payment	-720	-624	
Total Retained Income	-4,956	-4,956	

Overall, this does not change the Council's budgeted position as it is still in safety net.

Pooling – Consideration of joining the Lancashire Business Rates Pool is still not considered a feasible option for the Council at this point in time. Under current arrangements, participants of the pool retain 100% of their own gains, but more importantly also have to stand 100% of their own losses, as the protection afforded by the Safety Net mechanism is no longer available. At present, there is some uncertainty about Government's future intentions regarding pooling arrangements going forward. Unfortunately though, if nothing changed, the Council would still not be in a position to be able to benefit financially from joining any pool arrangement. Instead, it would expose itself to £multi-million risk from potentially large appeals, as has been experienced in previous years. There may be other aspects to consider, however, depending on Government's plans, and these will be picked up later in September.

Prior Year Surpluses – As reported at outturn, the Council could benefit from surpluses of up to £4M generated in 2016/17, however, these would not be available until 2018/19 and would still be subject to movements in income and appeals. A formal review of this position will be undertaken in December as part of the 2018/19 Business Rates estimate process.

Collection Performance

Council Tax is slightly ahead and Business Rates slightly behind, but nothing to cause concern at this point in the year.

	Full Year Target	Target to Date	Actual to Date
Council Tax	96.4%	29.4%	29.3%
Business Rates	98.8%	28.3%	28.4%

RESERVES

Economic Growth Reserve – Approved allocations are shown below which leave a current balance of **£28.8K** on the reserve.

Opening Balance	£500.0K
Cabinet 26 June 2017 – Exempt Report	£150.0K
Officer Delegated Decisions (31 July 2017)	
Economic Growth Strategy	£15.0K
Economic Development Staff Resource (2 years)	£101.7K
Marketing & Communications Staff Resource (2 years)	£111.4K
Growth Lancashire (2 years)	£30.0K
Business Events / Sponsorship	£13.1K
Marketing Materials	£5.0K
Place Narrative & Perspective	£20.0K
Signage (Central Morecambe's Main Roads)	£25.0K
Balance Remaining	£28.8K

Budget Support Reserve

Opening Balance	£1,000K
Cabinet 14 February 2017 - Senior Leadership Team	£85K
Council 19 July 2017 – Community Pools	£96K
Balance Remaining	£819K

Regarding the Senior Leadership Team, the allocation is in line with the report to Cabinet in February 2017. The phasing between years has been updated (to reflect the actual start date of the Assistant Chief Executive post) and the Chief Executive will report on any further implications in due course, with the annual Pay Policy Statement due for reporting at Budget Council. A further allocation for Community Pools was approved by Council on 19 July 2017 leaving a current balance of **£819K** on the reserve.

Other minor allocations (below the Key Decision threshold) are expected in due course in connection with Investors in People and external facilitation to support Cabinet's strategic review, and these will be reported on in due course.

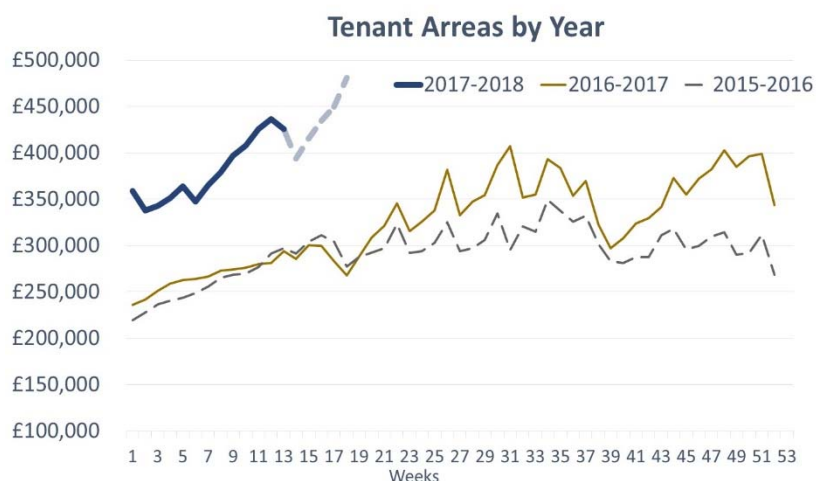
General Fund Unallocated Reserve

The current balance on the General Fund Unallocated Reserve stands at £4.890M which is £249K more than originally estimated due to the revenue underspend in 2016/17.

INCOME COLLECTION

Council Housing Rent Arrears – At

the end of June the level of arrears was £425K (2015/16 Qtr 3 £294K) which is a significant increase on the previous year. As expected the impact of the Universal Credit introduction has had a detrimental impact on collection. Officers predict the position will worsen and may peak at £500K. A new income manager has recently been appointed who will be working to improve the position.



ACTION: Chief Officer (Health & Housing) to report back on the actions being taken to reduce arrears and improve collection.

Sundry Debts – At the end of June the level of debt was £3.436M which is a reduction of £601K from Qtr4 last year (£4.037M). The bad debt provision currently stands at £2.455M which is £56K more than the required level. No action is required at present but a further review of the provision will be made at Qtr2.

SERVICE	< 28 Days	28-59 Days	60-91 Days	92-183 Days	184-364 Days	365+ Days	2017/18 QUARTER 1 TOTALS	Compared to 2016/17 Quarter 1 Totals
	£	£	£	£	£	£	£	£
Environmental Services	407,463	43,371	26,266	421,839	4,645	20,876	924,460	962,247
Regeneration & Planning	15,531	5,084	-	7,827	240	3,356	32,039	-
Resources	125,448	30,717	39,988	62,216	74,098	79,433	411,901	36,419
Health & Housing	31,429	13,177	5,629	8,937	25,713	2,800	87,685	384,029
Governance	-	693	-	1,000	-	-	1,693	193,098
Hsg Benefits (Revenues)	113,590	59,617	31,907	115,932	235,229	1,422,118	1,978,393	1,990,796
2017/18 Quarter 1 Totals	693,461	152,659	103,790	617,752	339,925	1,528,584	3,436,171	3,566,588
2016/17 Quarter 4 Totals	1,777,042	131,008	106,156	203,018	352,008	1,468,389	4,037,621	

The debt of £421K shown against Environmental Services (92-183 Days) relates mainly to trade waste debtors, and instalment arrangements are already in place for virtually all of it (92%). The remainder is being actively pursued either by officers, legal processes or has been referred to bailiffs.

CONTRACT PROCEDURE RULES AND OTHER EXCEPTIONS TO TENDER

Exceptions to Tender – There were three exceptions to tender in Qtr 1:

- Bailrigg Garden Village – delivery planning. Approval was given to use the Homes and Communities Agency Property Panel to provide the required consultancy. This was on the basis that the Panel had already provided competition in their selection process, and that it would ensure provision of an appropriately qualified and experienced consultant.
- School transportation for swimming lessons. Approval was given as there was uncertainty regarding the service required due to the withdrawal from community pools, in addition to the lack of providers within the district.
- ICT firewall protection between Salt Ayre Leisure Centre and the Old Fire Station. Approval was given to use the current network support provider as they could deal directly with the hardware provider thus ensuring lowest price, and also to expedite the process to ensure works were completed as quickly as possible.

It should also be noted that one contract let by RMS for the provision of works to major voids was terminated by mutual agreement at the request of the contractor.

QUARTER 1 CORPORATE FINANCIAL MONITORING: General Fund Revenue

Subjective Are Service		Reason for Variance	Current Variances Adverse / (Favourable)		Projection for Year Adverse / (Favourable)	
			£	£	£	£
Employees	Environmental Services	Salaries - turnover savings net of turnover target	(23,269)			
	Governance		(6,762)			
	Health & Housing		(53,623)			
	Regeneration & Planning		9,999			
	Resources		(13,306)			
				(86,961)		(150,000)
Premises	All services	Additional Business Rates costs following 2017 revaluation.	34,209		34,209	
	All Services	Energy and Repair & Maintenance savings	(14,808)		(50,000)	
				19,401		(15,791)
Supplies & Services	Regeneration & Planning	Development control - planning appeal relating to 2004 . Planning Inspectorate awarded costs against us; asked to provide evidence of costs but didn't do this until this year.	8,785		8,785	
	Regeneration & Planning	Expected underspend on Xmas lights as renewals postponed until next year & reduced lighting due to streetworks in Morecambe.	(3,800)		(15,200)	
				4,985		(6,415)
Fees & Charges	Environmental Services	Car Parks - Increased income from off street pay and display during first quarter, mainly June which experienced good weather and a higher number of festivals.	(29,300)		(29,300)	
	Environmental Services	Waste Collection, notably Garden Waste - report on this made clear it would be difficult to predict take-up. The estimated income was based on 31,000 subscriptions (currently 75% achieved). Work is currently being undertaken to assess the impact going forward into future years.	197,552		280,600	
	Environmental Services	Happy Mount Park - additional profit share from 16/17 invoiced following receipt of the accounts from the café concession.	(6,865)		(6,865)	
	Health & Housing	Salt Ayre Leisure Centre - Overall income is down £100K but after taking account of other savings this reduces to £28K (See Appendix B for more details).	28,184		28,276	
	Regeneration & Planning	Planning application fees - steady applications but no large schemes expected.	(63,647)		(40,851)	
	Resources	Council Tax - Legal Costs Recovered. In line with the 2016/17 outturn, income is again exceeding the original estimate.	(16,524)		(66,000)	
					109,400	
TOTAL				46,825		(6,346)

GARDEN WASTE COLLECTION CHARGING: INCOME MONITORING TO 30 JUNE 2017



Garden Waste Collection was launched in November 2016 with collections starting from January 2017.

The table below shows the number of subscriptions and income received to the end of June.

	Subscriptions	Split of Income		Total	
		2016/17	2017/18		
November	4,401	£26,406	£105,624	£132,030	
December	7,116	£42,696	£170,784	£213,480	
January	4,619	£27,714	£110,856	£138,570	
February	1,929	£11,574	£46,296	£57,870	
March	2,751	£16,506	£66,024	£82,530	
April	959		£33,720	£33,720	
May	724		£27,143	£27,143	
June	556		£20,851	£20,851	
	23,055	£124,896	£581,298	£706,194	71% Of total budget since launch
Budgeted Income		£130,300	£870,408	£1,000,708	
Shortfall		-£5,404	-£289,110		

Within the context of the approved budget the current shortfall in this financial year is £289K and based on current expectations this will reduce to £250K by year end. In addition to this, expected efficiency savings of £30K have been negated by additional costs associated with increases in residual waste collected meaning an overall potential shortfall of £280K.

The report prior to the launch of the garden waste service (Oct 16) made clear that:

... the financial projections for this service are based on a number of assumptions, therefore the risks in this regard are significant. This is clearly important in terms of potential impact on the Council's budget. At this stage we can provide estimates based on assumptions and information from elsewhere. Only when the service is up and running we will have an idea of what the reality is and what impact that will have on the wider budget. This means that the performance of the service will be closely monitored and taken into account when we bring forward budget plans for future years.

Whilst the report set out a range of potential take up scenarios, for the purposes of 17/18 budget a take up of 53.5% was assumed (31,000 subscriptions). This was based on actual take up from Wyre BC.

To Qtr1 of 17/18 a total of 23,055 subscriptions had been taken up (see above).

Whilst this falls short of the budgeted income taken, on its own increased income of £706,000 is a significant and positive contribution to the Council's budget.

NOTE -To the end of July the number of subscriptions had risen to 23,469. This equates to just over 75% progress towards the figure used in the budget. Subscriptions continue to be made on a daily basis but as would be expected these are slowing down.

In terms of maximising take up the following actions are noteworthy-

- Every household was leafleted prior to the start of the new collection service
- The service was publicised on the website, media and social media
- Since the launch of the service every the service has been promoted to every household via Your District Council Matters and on the waste / recycling collection calendar
- The service has been promoted on the side of waste collection / recycling vehicles
- Householders can subscribe online or over the phone. 75% of subscriptions have been made online.

The next cycle of the scheme will commence in April 2018. Planning is already underway to maximise take up and increase the existing number of subscriptions. As an example new developments are being targeted as occupants move in.

In terms of the overall budget for household waste / trade waste collection this is one piece of the jigsaw. Work is also underway to –

- Maximise take up of the trade waste collection service
- Factor in the impact of increased housing in the District in the most efficient and economic way
- Generate efficiencies from the way the service is delivered
- Improve the way the service is delivered in the future – with a focus on minimising residual waste.

SALT AYRE LEISURE CENTRE

2017/18 QTR 1 PERFORMANCE MONITORING

	2016/17 Full Year Actuals	2017/18 Original Full Year Budget	Qtr 1 Budget	Qtr1 Actual	Qtr1 Variance	Full Year Projection	Variance to Original Budget	Percentage of Original Budget
	£	£	£	£	£	£	£	
Expenditure								
Employees	1,000,255	1,256,400	288,901	265,235	(23,666)	1,240,558	(15,842)	-1%
Premises Costs	613,613	603,900	314,266	265,121	(49,145)	592,288	(11,612)	-2%
Transport Costs	14,714	13,300	1,778	5,515	3,737	13,300	0	0%
Supplies and Services	424,726	449,500	116,632	112,574	(4,058)	441,481	(8,019)	-2%
Income								
Fees and Charges	(1,263,912)	(2,383,800)	(540,827)	(439,511)	101,316	(2,320,051)	63,749	-3%
Direct Net Operating Cost/(-) Surplus	789,396	(60,700)	180,750	208,934	28,184	(32,424)	28,276	
Support Service Costs	325,388	349,900	87,475	87,475	0	349,900	0	
Total Net Operating Cost	1,114,784	289,200	268,225	296,409	28,184	317,476	28,276	
Capital Charges (Notional)	694,666	973,900	243,475	243,475	0	973,900	0	
Total Net Cost	1,809,449	1,263,100	511,700	539,884	28,184	1,291,376	28,276	

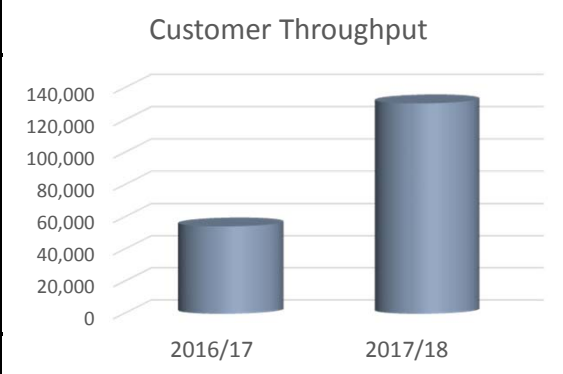
At present, income is down on original expectations by some £100K, but is expected to improve by the year end through additional marketing campaigns/resources, and officers will be working closely with Alliance Leisure to maximise income across all areas. This will be monitored closely and seasonal promotions implemented to encourage takeup of new facilities. Overall, it is anticipated there will be a 3% shortfall in income this year. In addition, there are savings in other areas to draw on which mean the overall shortfall is expected to be in the region of £30K.

It should be noted however, that when compared to the 2016/17 outturn position, this is still a net reduction of £821K on the **direct net operating cost** of the centre. This does obviously exclude the cost of recharges from other service areas and the notional cost of capital charges and capital financing charges, but taking account of these, the net reduction is still some £518K.

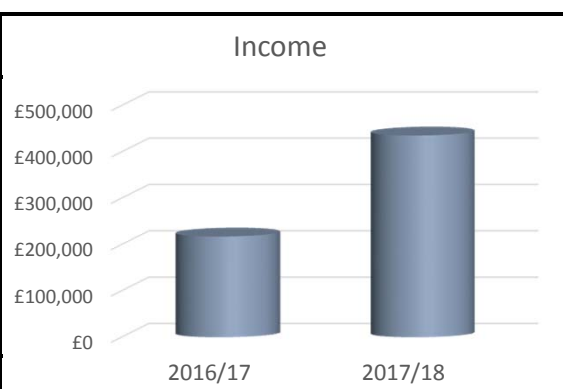
Analysis of Throughput & Income - April to June

The following tables show how Phase 1 of the redevelopment has impacted on the number of customers now visiting the centre and the income being generated. As can be seen customer numbers are up by 140% and income up by 100% when compared to Qtr1 2016/17.

Customer Throughput	2016/17	2017/18	Increase	% Increase
Shop	329	1,089	760	231.0%
Health & Fitness	9,768	29,494	19,726	201.9%
SASC Cafe	12,658	48,809	36,151	285.6%
Sports Hall	1,497	6,741	5,244	350.3%
Studio	10,527	9,787	-740	-7.0%
Swimming	19,453	22,483	3,030	15.6%
Gravity	127	286	159	125.2%
Xheight	N/A	1,759	-	-
Energy	N/A	10,154	-	-
	54,359	130,602	64,330	140.3%



Income	2016/17 £	2017/18 £	Increase £	% Increase
Shop	1,711	4,056	2,345	137.1%
Health & Fitness	71,169	175,299	104,130	146.3%
SASC Cafe	21,219	83,298	62,079	292.6%
Sports Hall	25,483	31,708	6,225	24.4%
Studio	13,639	6,927	-6,712	-49.2%
Swimming	81,702	86,082	4,380	5.4%
Gravity	2,285	6,834	4,549	199.1%
Xheight	N/A	18,265	-	-
Energy	N/A	22,974	-	-
	217,208	435,443	176,996	100.5%



**Treasury Management Update
Quarter Ended 30 June 2017
Report of Chief Officer (Resources)**

Treasury Management Update

Quarter Ended 30 June 2017

1. Introduction

The CIPFA (Chartered Institute of Public Finance and Accountancy) Code of Practice for Treasury Management recommends that members be updated on treasury management activities regularly (through the reporting of the Treasury Management Strategy, and annual and midyear reports). This report is in line with best practice in accordance with that Code, to help demonstrate transparency and promote accountability.

2. Economic Background (provided by Capita Asset Services)

The UK GDP annual growth rates in each calendar year 2013 – 2016 of 1.9%, 3.1%, 2.2% and 1.8%, have all been the top rate, or near top rate, of any of the G7 countries in every year. It is particularly notable that the UK performance was repeated in 2016, a year in which the Bank of England had forecast in August 2016 that growth would be near to zero in the second half of the year due to the economic shock it expected from the result of the Brexit referendum in June. However, it has had to change its mind and in its February and May 2017 Inflation Reports, the Bank upgraded its forecasts for growth (May Report - 2017 1.9%, 2018 and 2019 1.9%). However over these years, it also expects inflation to accelerate towards nearly 3% as increases in costs as a result of the fall in the value of sterling since the referendum, gradually feeds through into the economy, though it should fall back to 2.2% in 2019. Provided those cost pressures do not feed through into significantly higher domestically generated inflation within the UK, the MPC is expected to 'look through' this one off blip upwards in inflation. Wage inflation, which is a key driver of domestically generated price pressures, is currently subdued. There is, though, a potential risk that the MPC might muster a majority to reverse the emergency 0.25% rate cut before embarking on a progressive trend of increases in Bank Rate at a later time.

Growth in the EU improved in 2016, to 1.7%, after the ECB cut rates into negative territory and embarked on massive quantitative easing during the year. The ECB is now forecasting growth of 1.9% in 2017, 1.8% in 2018 and 1.7% in 2019. It has committed to continuing major monthly quantitative easing purchases of debt instruments, though in April 2017 it reduced the rate from €80bn per month to €60bn, to continue until the end of 2017, in order to stimulate growth and to get inflation up to its 2% target.

There are major concerns about various stresses within the EU; these could even have the potential to call into question the EU project. The Dutch and French elections passed off without creating any waves for the EU but we still have a national election in Germany on 22 October; this is not currently expected to cause any significant change. What could be more problematic is the general election in Austria on 15 October where a major front runner is the Freedom Party which is strongly anti-immigration and anti EU. There is also a risk of a snap general election in Italy before the final end possible date of 20 May 2018. A continuing major stress point is dealing with the unsustainable level of national debt in Greece in the face of implacable opposition from Germany to any further bail out. High levels of unemployment in some EU countries and the free movement of people within the EU, together with the EU's fraught relationship with Turkey in controlling such people movements, are also major stress issues. On top of which the EU also now has to deal with Brexit negotiations with the UK.

3. Interest Rate Forecast

The Council's treasury advisor, Capita Asset Services, has provided the following forecast:

	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.10%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

The Monetary Policy Committee, (MPC), cut the Bank Rate from 0.50% to 0.25% on 4th August 2016 in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. However, since then, growth has been robust until dipping in quarter 1 of 2017 to 0.2%. Also, CPI inflation has risen substantially as a result of the sharp fall in the value of sterling since the referendum. Consequently, the Bank Rate has not been cut again, and market concern has switched to whether the MPC could get together a majority to reverse the August emergency 0.25% rate cut before embarking on a progressive trend of increases at a later time when the economic and political / Brexit situation is more robust to withstand such increases. There is much uncertainty at this time over the slender majority the Conservative Government has, which is dependent on DUP support, and also over what form of Brexit will transpire and how difficult the EU could be in setting terms. There are, therefore, a multiplicity of ifs and buts at the current time and depending on how things transpire, then this will materially influence MPC decision making as to when Bank Rate will rise.

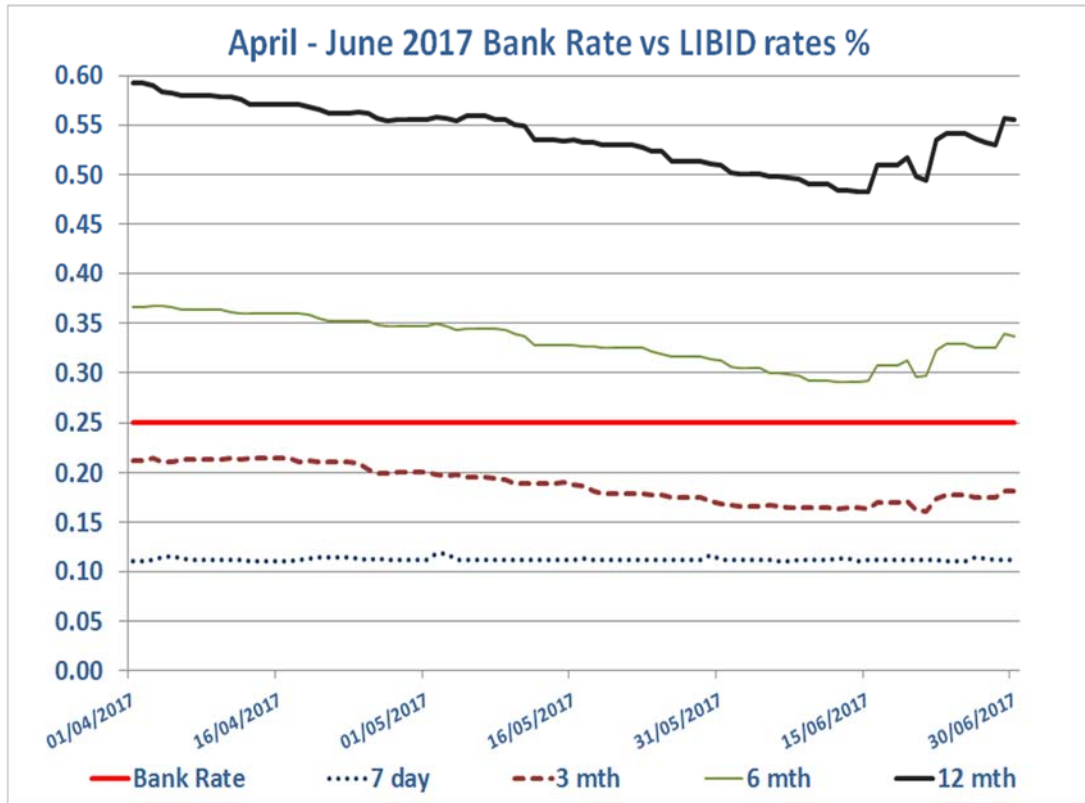
Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after the Brexit negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.

4. Annual Investment Strategy

The Treasury Management Strategy (TMS) for 2017/18, which includes the Annual Investment Strategy, was approved by the Council on 01 March 2017. It sets out the Council's investment priorities as being:

- Security of capital;
- Liquidity; and
- Yield.

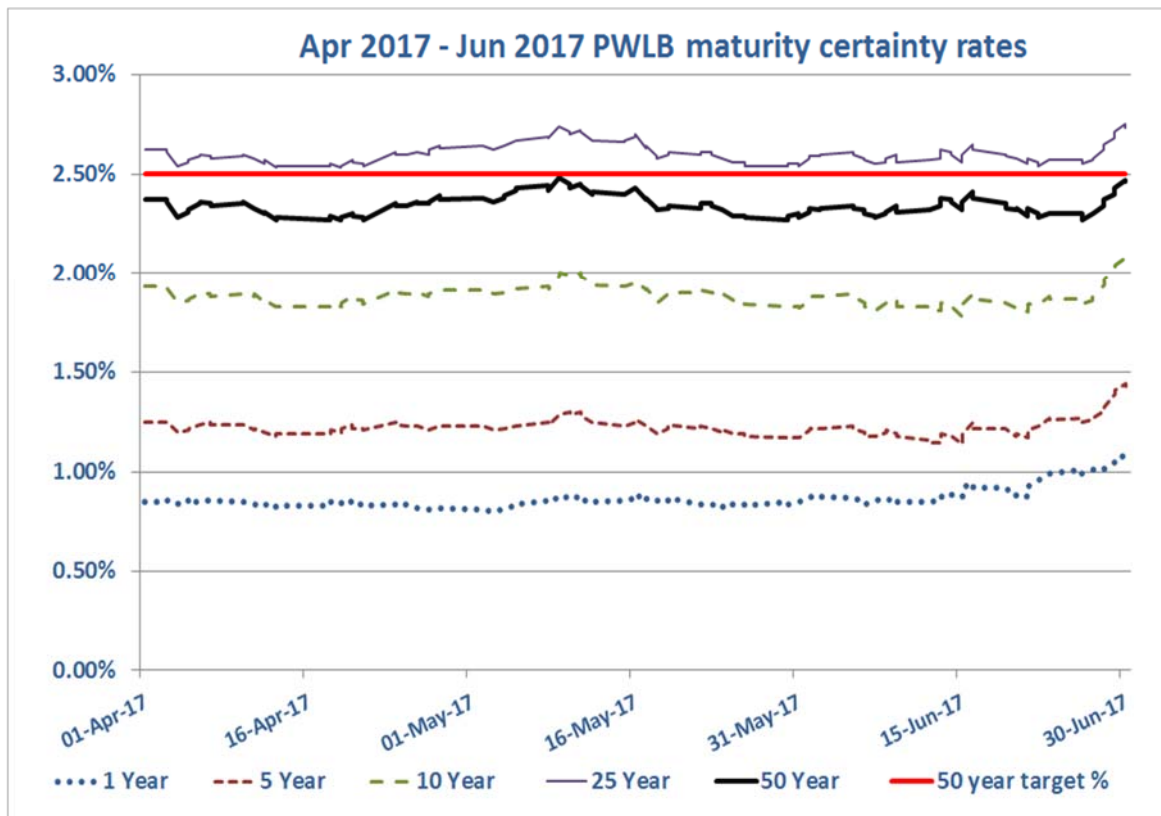
The Council will also aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity. In the current economic climate



5. Borrowing (commentary provided by Capita Asset Services)

As depicted in the graph(s) below, PWLB rates varied little during the quarter until rising sharply in the last week of June.

During the quarter ended 30 June 2017, the 50 year PWLB target (certainty) rate for new long term borrowing was 2.5%.



Due to the overall financial position there is no underlying need to borrow further for capital purposes (the Capital Financing Requirement – CFR), therefore no new borrowing was undertaken.

6. Debt Rescheduling

Officers continue to monitor potential saving opportunities associated with the early repayment of existing debt. This takes into account the premiums or discounts associated with early repayment and the projected cost of refinancing or loss in investment interest. Debt rescheduling opportunities have been limited in the current economic climate. At present, it would still not be financially prudent to repay any debt based on the current rates being offered.

7. Compliance with Treasury and Prudential Limits

It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. The Council's approved Treasury and Prudential Indicators (affordability limits) are included in the approved Treasury Management Strategy.

During the financial year to date the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy and in compliance with the Council's Treasury Management Practices.

8. Risk Management

Many of the risks in relation to treasury management are managed through the setting and monitoring of performance against the relevant Prudential and Treasury Indicators and the approved investment strategy.

The Authority's Investment Strategy is designed to engineer risk management into investment activity by reference to credit ratings and the length of deposit to generate a pool of counterparties, together with consideration of other creditworthiness information to refine investment decisions.

BUDGET AND PERFORMANCE PANEL

2017 – 2018 Performance Monitoring Quarter 1

12 September 2017

Report of Chief Officer (Environment)

PURPOSE OF REPORT

<p>This report provides a review of performance against corporate plan priorities and outcomes in the first quarter of 2017 – 2018 and sets out an update on actions taken since the last meeting of the Panel.</p>

<p>This report is public</p>

OFFICER RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the Cabinet Report dated 05 September 2017 and the performance of key indicators at the end of Quarter 1.
- (2) That Budget and Performance Panel note for comment the update on actions and recommendations made at the last meeting of the Panel.

1. PERFORMANCE QUARTER 1 – 2017 - 2018

- 1.1. The attached report and appendix, presented to Cabinet on 05 September 2017, provides a summary of the Quarter 1 performance and progress towards the achievement of the corporate priorities and outcomes.
- 1.2. Budget and Performance Panel are asked to consider the Cabinet report and attachment in line with their Terms of Reference within the Constitution relating to the monitoring and review of the council's performance.

2. UPDATE ON ACTIONS SINCE LAST MEETING

- 2.1. Since the last meeting of Budget and Performance Panel held on 11th July 2017 action has been taken to address a number of recommendations made, including:

Inclusion of, and revision to, additional Key Performance Indicators – work is in progress to provide new indicators around the suggested areas of Air Quality Action Zones; renewable energy generated and energy usage; CO2 emissions and commercial property. It is expected that a number of these will be reported as part of the Quarter 2 (as at 30 September 2017) monitoring report.

Whilst progress has been made in identifying relevant, meaningful and measureable indicators and meaningful targets it is recognised that a number are in the early stages of development and will be subject to further iterations and revisions. This will inevitably include amendments to the frequency of reporting; changes to wording and alternative / replacement indicators that are considered to be a better gauge of performance (in terms of both corporate and financial performance).

Open dialogue by both officers and Members in determining good performance indicators is expected and very much welcomed as an essential and continuous part of establishing an effective and robust performance management system.

From Quarter 2 and every quarter thereafter, there will also be reporting on the performance of our key projects.

Direction of Travel and Trending Reports - Members welcomed the proposed style and format for the reporting of corporate performance monitoring. As requested this has been used to present performance in Quarter 1 and will continue throughout the year, with the addition, in subsequent Quarters of an indication of the *Direction of Travel* of the key performance indicators and a trend analysis compared to previous performance.

Benchmarking – Across the Council, there is already a commitment to supporting the development and capability across all Services to get the most from available data, business intelligence and performance benchmarking.

This is demonstrated to a degree by the published [Getting to Know our Communities](#) published on the Council's website setting out a key information about the Lancaster district. The information is accurate as at March 2017 and will be reviewed annually. It has been gathered from a number of different sources such as census records, Office for National Statistics (ONS) research and estimates and Lancashire County Council's Lancaster district profile.

Work is also underway to develop and publish a rolling perception / residents survey (second draft due to be considered by Management Team in the next few weeks) which is based on the Local Government Association 'Are you being served?' *Benchmarking resident satisfaction data*, incorporating core benchmarking questions for comparison with other council's and the regular national survey that the LGA conduct.

In addition, the Council is a member of a number of benchmarking groups including the:

- *CIPFA Nearest Neighbour Model* (revised in 2014) - providing financial and non-financial benchmarking with other councils with similar characteristic, traditions and practices;
- *LG Inform* – an online tool that brings together in one place a range of key performance data alongside contextual and financial information and data (over 4,000 data sets) for comparison with other councils, or groups of councils;
- *Association of Public Service Excellence (APSE)* – allows comparison of performance of front line services on cost, quality, productivity and outcomes. Services covered include; Building cleaning/maintenance; Cemeteries; Environmental Health; Parks and Open Spaces; Refuse Collection; Street Cleansing; Transport and Vehicle Maintenance, and; Sports and Leisure Facility Management
- *HouseMark* – providing perception-based and transactional comparisons of strategic cost and operational performance data for social housing

In future performance monitoring reports, where applicable and appropriate, reference will be made to how the Council's performance compares with the performance of other relevant authorities and service areas.

In the meantime, Organisational Development will work with Services to develop proposals - for consideration later in the year - for a structured approach to benchmarking that provides meaningful and easy to understand insights that can help the Council to evolve, be more innovative and improve its Services.

CONCLUSION OF IMPACT ASSESSMENT

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

None directly arising from this report

LEGAL IMPLICATIONS

None directly arising from this report

FINANCIAL IMPLICATIONS

None directly arising from this report

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces: As set out in the relevant appendix

SECTION 151 OFFICER'S COMMENTS

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

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

Cabinet Report 05/08/17

Contact Officer: Bob Bailey, Organisational Development Manager

Telephone: 01524 582018

E-mail: rbailey@lancaster.gov.uk

Ref: B&PP 12/09/17

CABINET**2017 – 2018 Performance Monitoring Quarter 1****05 September 2017****Report of Chief Officer (Environment)**

PURPOSE OF REPORT				
To inform Cabinet of the work carried out to establish a portfolio of key performance indicators that are focused on core service delivery and the achievement of corporate outcomes and priorities. The report also sets out the new approach for reporting corporate performance and provides a review of performance against corporate plan priorities and outcomes in the first quarter of 2017 – 2018.				
Key Decision	<input type="checkbox"/>	Non-Key Decision	<input checked="" type="checkbox"/>	Referral from Cabinet Member
Date of notice of forthcoming key decision	N/a			
This report is public				

RECOMMENDATIONS OF EILEEN BLAMIRE, LEADER OF THE COUNCIL

- (1) That Cabinet notes the work that has been done to establish a portfolio of management performance indicators and the revised reporting format for monitoring performance as recommended by the Budget and Performance Panel at its meeting of 11 July 2017.
- (2) That Cabinet notes for comment the performance of key indicators at the end of Quarter 1 2017 – 2018 (30 June 2017)

1. PORTFOLIO OF PERFORMANCE INDICATORS

- 1.1 The ability to manage the performance of the Council is critical to its success. It enables Members and officers to assess whether we are
 - achieving what we set out to do;
 - delivering value for money, and;
 - making life better for our citizens.
- 1.2 The measurement of performance provides the foundation upon which all other elements of performance management is built. It can ensure that we are focussed on our key priorities and outcomes and that areas of under (and over) performance is questioned and improved.
- 1.3 The basic approach to performance management should provide an overview of the activities, systems and culture by which the Council manages, monitors and improves its performance and achieves delivery of its core services, corporate priorities and outcomes. In other words, it should be able to show not just how well services and activities are performing but why performance is at the level it is.
- 1.4 To be really effective, performance management needs to be set within a culture of improvement where everyone in the Council is determined to improve services and outcomes.

- 1.5 However, performance management alone does not guarantee improvement. This comes through process redesign, innovation and other forms of continuous improvement and, most essentially, the attitude, creativity, commitment and dedication of the people delivering services.
- 1.6 As a result, Organisational Development have been working closely with senior managers and Management Team to put together a portfolio of corporate performance indicators.
- 1.7 This forms part of the Budget and Policy framework 2017 - 2021 that was considered by Cabinet and the Budget and Performance Panel at the end of January. This was subsequently updated and reported to Cabinet in February where they resolved that in light of the two-phased budget approach and the forthcoming strategic review of the Council's services and priorities there would be no refresh of the Corporate Plan in 2017 – 2018 but that corporate performance information during 2017 -2018 will inform new Corporate Plan proposals from 2018 – 2019 onwards.
- 1.8 The range of quantitative indicators now include measures that cover:
- the general **overview of the council**;
 - **productivity** – the amount produced in a defined period;
 - **utilisation and demand** – the extent to which our services are, or have the potential to be, used;
 - **time** – the amount of time taken to carry out pieces of work or achieve milestones
- 1.9 Qualitative indicators also contribute to effective performance. In monitoring how well we are doing, there is no substitute to asking the people that matter – our residents - what they think. Work is underway to bring together existing, and to create new, corporate questionnaires and customer satisfaction surveys to make the most of this useful form of information.
- 1.10 To make most effective use of management information from the corporate indicators and key projects work has tried to ensure that they:
- are fully **aligned to purpose** and core activity;
 - are **embedded within the work** that we do;
 - provide for perspectives on the **experience of our citizens** as well as our own effectiveness;
 - go beyond preventing failure to **encouraging continuous improvement** and **building capability**;
 - are **focused on delivering outcomes**, not just completing tasks;
 - provide **insight and evidence** to support judgements and decisions;
 - demonstrate **control of the work** and **clear lines of accountability**

- 1.11 In addition all the performance indicators are SMART measures of performance – that is to say that they are:

Specific	simply and clearly stated so that there is little risk of confusion
Measurable	data and information is readily available and easy to collect
Achievable	based on realistic standard and targets – not wishful thinking
Relevant	related to purpose and our core activity
Timely	data and information is available soon enough and often enough

2. PERFORMANCE REPORTING

- 2.1 Previously, Members have been presented with a significant volume performance information. The revised portfolio contains a number of key indicators with the intention of representing the Council's key priorities and outcomes.
- 2.2 Much of the performance information can be produced in a variety of formats to suit Members needs and preferences. The monitoring report attached at Appendix A sets out the performance of key indicators for Quarter 1 and is presented in the reporting format recommended by the Budget and Performance Panel at its meeting of 11 July.
- 2.3 Using this format the monitoring report provides a visual and easy to understand overview of actual corporate performance against agreed targets for each indicator using a 'traffic light; system where Green is 'On or above Target'; Amber is 'Within Target' and Red is 'Under Target'. New measures for 2017/18, of which there are a number, that are set with a *Baseline* target for 2017/18 only are coloured brown.
- 2.4 The revised report will also identify the '*Direction of Travel*' of each indicator that, over a period of time, will provide a useful trend analysis of the key indicators and an easy to understand visual representation of whether or not performance is improving.
- 2.5 Using this format for presenting performance information and data will enable Members to probe areas of interest and challenge activities where performance looks to be better or worse than predicated.

3. PERFORMANCE QUARTER 1 - 2017-18

- 3.1 Performance for the first quarter of 2017 – 18 indicates that overall there has been reasonable progress made against the indicators and related corporate outcomes and priorities.
- 3.2 In the first quarter, **eleven** indicators are performing on or above target (Green); **three** are within 10% or less of the expected target (Amber) where performance is being monitored and **five** are currently underperforming against target (Red) where action is planned or is already in progress to improve performance and get back on track. Improved performance should be reflected in subsequent quarterly reporting.
- 3.3 There are a further **ten** measures that are being reported for the first time in 2017–18 and a *Baseline* target has been set for this year. The performance trends for these indicators will be monitored throughout the year with a view to robust targets being set ahead of 2018 -2019 and subsequently monitored.

3.4 There are a number of other indicators in the performance portfolio that have been set with either a half yearly or yearly reporting frequency where performance will be reported as at the end of September 2017 and / or March 2018.

4. CONCLUSION

4.1 This report sets out the work that has been carried out to establish a portfolio of key performance indicators and a revised reporting format that will provide a simpler and more visual indicator of performance of core service delivery and the achievement of corporate outcomes and priorities.

4.2 Monitoring key indicators throughout the year will provide a meaningful overview of performance and provide Members with an opportunity to further probe areas of interest and challenge areas where performance looks to be better or worse than expected in a proactive way that is more likely to draw meaningful conclusions and enhances the potential for improvement.

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>This report is a requirement of the council's Performance Management Framework in support of the delivery of key priorities and outcomes as set out in the overall policy framework and specifically in the Corporate Plan 2016 – 2020 and the revised and approved performance indicators for 2017 – 18.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):</p> <p>None directly arising from this report</p>	
<p>LEGAL IMPLICATIONS</p> <p>None directly arising from this report</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>None directly arising from this report</p>	
<p>OTHER RESOURCE IMPLICATIONS: Human Resources / Information Services / Property / Open Spaces:</p> <p>None directly arising from this report</p>	
<p>SECTION 151 OFFICER'S COMMENTS</p> <p>The Section 151 Officer has been consulted and has no further comments to add.</p>	
<p>MONITORING OFFICER'S COMMENTS</p> <p>The Monitoring Officer has been consulted and has no further comments to add.</p>	
<p>BACKGROUND PAPERS</p> <p>Corporate Plan 2016 – 2020 and the revised and approved performance indicators for 2017 – 18</p>	<p>Contact Officer: Bob Bailey, Organisational Development Manager Telephone: 01524 582018 E-mail: rbailey@lancaster.gov.uk Ref: Cabinet 05/09/2017</p>

Lancaster City Council

Corporate Measures - Quarter 1 (17/18) Report

Quarter 1 - Overall Performance



Measure Information					Quarter 1 (17/18)	Comments
Indicator	High/Low/Neutral	Owner	Frequency	Target	Actual	
Community Leadership						
Outcome: Business and customer needs and expectations are met through use of modern technology						
Number of services with fully transactional on-line self service capability	High is Good	Chris Riley	Quarterly	Baseline	49	Fully transactional' refers to services that are entirely usable by the end user via a web interface without requiring other communications such as telephone or filling in forms offline. This can be broken down by service area as follows: Environmental Services: 6 , Governance: 4 , Health and Housing: 20 , Regeneration and Planning: 10 , Resources: 9
Average number of days of sickness absence per full time employee	Low is Good	Angela Jackson	Quarterly	1.75	1.25	
Outcome: Council operates within available resources						
Amount of current Council House rent arrears (dwellings)	Low is Good	Chris Hanna	Quarterly	Baseline	£425,630	At end of Q1, managed payments from the DWP and monthly Direct Debits were not received. Current council house arrears reduced to £393,625 following receipt of payments on week 14.
Total number of subscriptions to the Garden Waste Scheme	High is Good	Helena Lewis	Quarterly	30,000	21,805	Since the number of successful subscriptions to the Garden waste scheme since the service commenced on 03 November 2016. 15,874 (72.8%) have been made online and 5,931 (27.2%) offline.
Outcome: Reputation, quality and value-for-money of council services maintained						
Average time taken to process new Housing Benefit and Council Tax claims	Low is Good	Adrian Robinson	Quarterly	23	28	Processing time for the first quarter is slightly higher than normal, in comparison to the same quarter in 2016 (24 days). Unfortunately the roll out of Universal Credit has brought with it increased workloads in the short term, leading to slight delays in processing. However, performance generally improves over time as the year progresses and therefore it is still expected to meet targets at year end.

Measure Information					Quarter 1 (17/18)	Comments
Indicator	High/Low/Neutral	Owner	Frequency	Target	Actual	
Health and Wellbeing						
Outcome: People live safe, healthy, active and independent lives						
All recorded crime in the district per 1000 population	Low is Good	Craig Brown	Quarterly	Baseline	18.10	Indicator is in line with the priorities of the Community Safety Partnership (CSP), a collective of public, voluntary, community and private organisations who come together to do all that they can to make the district's communities safer. The CSP provides a coordinated response to community safety issues, drawing together organisations and people that can make a difference. Going forward the data for this district for each of the CSP indicators will be compared with other districts in Lancashire.
Number of victims of domestic abuse in the district	Low is Good	Craig Brown	Quarterly	Baseline	256	Indicator is in line with the priorities of the Community Safety Partnership (CSP). 256 crimes recorded as domestic abuse in the district, this may/will include repeat victims.
Number of recorded hate crimes in the district	Low is Good	Craig Brown	Quarterly	Baseline	24	Indicator is in line with the priorities of the Community Safety Partnership (CSP). Recorded hate crimes in the district was 24 at a time when hate crime across Lancashire is showing an increase, although this is predominantly due to the increases in both unitary areas Blackburn and Blackpool.
Number of people killed or seriously injured on roads in the district	Low is Good	Craig Brown	Quarterly	Baseline	16	Indicator is in line with the priority of the Community Safety Partnership (CSP) - 2 people were fatally injured in the Quarter and 14 seriously injured .
Number of people recorded as sleeping rough	Low is Good	Sharon Parkinson	Quarterly	2	5	The formally verified annual rough sleepers in November 2016 was 8. There has been an increase in the numbers of rough sleepers resulting from the number of European Economic Area nationals who have no recourse to public funds and who are refusing offers of support to reconnect back to their country of origin. There is also an increased number of individuals with complex needs who will not engage with services or offers of support to come in off the streets. Following an increased focus in Lancaster Town Centre the number of rough sleepers has reduced recently.
Number of people statutorily homeless	Low is Good	Sharon Parkinson	Quarterly	25	10	The number of people who are statutorily homeless continues to reduce as a result of successful homeless prevention initiatives.
Number of Disabled Facilities Grants completed	High is Good	John Helme	Quarterly	50	58	The average number of Disabled Facilities Grants completions per month in 2016/17 was 16. The average number of grants completed per month over Q1 of 2017/18 is 19.
Number of properties where 'category 1 hazards' have been eliminated	High is Good	Fiona Macleod	Quarterly	Baseline	27	To improve housing conditions an assessment of privately rented accommodation is made to determine whether there are category 1 or 2 hazards in the property. Category 1 hazards are the most serious, and the Council has a duty to take action to reduce the risk of harm to any occupants and visitors from the hazard. The intervention of the Housing Standards team in the first quarter has resulted in the standards of 27 properties being improved.
Percentage of premises scoring 4 or higher on the food hygiene rating scheme	High is Good	Nick Howard	Quarterly	90%	88.15%	This is an indicator of food safety rating in food businesses when they are inspected. Consumer confidence in food businesses is important and so is local business confidence (and economic prospects) as a whole. Poor food safety can have impacts beyond the individual business concerned. Quarter 1, 2017-18 is very similar to the 2016-17 outturn result of 88.13%. However, a new type of service intervention is being planned for each food business in future receiving a new rating of less than 3 (0,1 or 2) as a result of food safety inspections that will improve the accountability and future risk control management exercised by food business operators, leading to improved compliance. In turn this is expected to produce higher (better) results.
Percentage of high risk food hygiene inspections completed	High is Good	Steven Sylvester	Quarterly	100%	100%	High risk premises are food businesses that either produce high risk foods or have a poor history of compliance. Any premises identified as high risk will always be identified as a priority for inspection within the inspection program.
Total number of admissions to Salt Ayre Leisure Centre	High is Good	Simon Kirby	Quarterly	130,000	131,856	Total admissions through Xn Leisure Management System for Q1. This reflects an increase of 140% on comparable period last year.
Time taken to re-let council houses	Low is Good	Chris Hanna	Quarterly	38	66.99	A comprehensive review has been undertaken of void management with actions agreed to bring back void performance in line with past performance levels against the target of 38 days with a longer term objective is to further reduce the time taken to relet. With the appointment of an Interim Repair and Maintenance Manager, the establishment of a post of Voids-Coordinator, and reviewing all the inputs into the void process, improvement have and are been made in reducing the number of properties which are currently void and also the time taken to relet. A clearer position on the success of the measures being taken will be available at Quarter 2.

Measure Information					Quarter 1 (17/18)	Comments
Indicator	High/Low/ Neutral	Owner	Frequency	Target	Actual	
Clean and Green Places						
Outcome: High standards of cleanliness maintained						
Number of fly tipping reports actioned within 5 days	High is Good	Will Griffith	Quarterly	125	162	Between 1st April and 30th June 2017 Public Realm received 348 service requests in relation to Fly Tipping. On the customer services request system LAGAN, 162 of these were closed on the system within 5 working days. This equates to 46.55% of the total number. Work is taking place to establish whether the issue is actually one of not recording accurately when fly tips were removed, as reported incidents are often picked up as part of the planned schedule.
Number of fly tipping enforcement notices issued	High is Good	Helena Lewis	Quarterly	No target	202	For the period April-June 2017. This is the total number of enforcement notices served, and include statutory notices, warning letter, fixed penalty notices and formal prosecutions in that period.
Percentage of household waste recycled	High is Good	Helena Lewis	Quarterly	45%	39%	This is a 'lagging' indicator (i.e. reports are a Quarter behind) so the recycling rate shown is for the whole of 2016-17 and is a 5.5% reduction on 2015-16. Two major changes have impacted on our ability to maintain or increase the target rate. The first being the County Council's decision in April 2016 to withdraw food waste from garden waste, the second is the introduction of the chargeable garden waste service. This change is representative of what is happening within Lancashire, County's overall recycling rate has dropped by 6%. 2016/17 has seen an increase in the kilograms of residual waste by 8.85% compared to the previous year. Significantly, this mirrors performance across the County with 8 other authorities seeing an increase ranging from 0.56% to 11.10%. County Council has also seen a 12.13% increase in residual waste. The recycling rate is split between dry recyclables and compostable materials and whilst there has been a decrease overall the largest has been in compostable materials. This is to be expected as all Lancashire authorities have removed food waste from green and some have introduced chargeable service for garden waste. For 2016/17 this has impacted on our rate by 3.59%, again all bar 2 Lancashire authorities have seen a reduction. County Council have seen a 5.14% reduction.
Kilogrammes of residual waste per household	Low is Good	Helena Lewis	Quarterly	Baseline	350.45	2016/17 has seen a decrease in the Household Waste Collection (kilograms per head) by -1.05kg. In 2015/16 we performed well within Lancashire 4th out of 12 WCA's. In 2016/17 we improved our position to 3rd. The County's overall performance for this indicators shows an increase of 2.35kg per head. The 2015/16 national average for this measure (Waste from household kg per person) was 411kg per head.
Outcome: Minimising impact on the environment						
Diesel consumption - vehicle fleet (Litres)	Low is Good	Elliott Grimshaw	Quarterly	Baseline	125,532	The amount of diesel used in Quarter 1 represents an increase of 1,470 litres when compared to the same period in 2016 - 2017. In 2016 - 17 the annual diesel usage was 486,912 litres, or 1,334 litres per day (365 days). The increase in Quarter 1 therefore represents just over one extra day's usage.

Measure Information					Quarter 1 (17/18)	Comments
Indicator	High/Low/ Neutral	Owner	Frequency	Target	Actual	
Sustainable Economic Growth						
Outcome: City, town and rural areas are enhanced and improved						
Number of empty properties brought back into use	High is Good	David Lawson	Quarterly	15	17	17 empty properties were brought back into use with Council involvement in the first quarter. So of the 246 properties being monitored this quarter 7% were brought back into use with Council involvement.
Percentage of minor planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly	92.13%	100%	All 60 applications in the minor category that were determined during Q1 were determined either within 8 weeks or within the mutually-agreed (with the applicant) Extension of Time period (38 under 8 weeks, 22 within the EoT). This is the first time that this has ever happened in the Minor category since the National Performance Thresholds were introduced and shows consistent casework management by Officers.
Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly	70%	98.67%	The Other category includes the many householder applications that are determined each week. Whilst many of these are straightforward, a small number can be complex and be affected by neighbour disputes. The figure of 98.67 is based on 226 applications that were determined during Q1. 188 were determined under 8 weeks and of the 38 that exceeded the 8-week period, 35 of these were determined within the mutually-agreed period. Therefore only 3 of the 226 applications were out of time.
Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	High is Good	Mark Cassidy	Quarterly	60%	100%	All 17 applications in the Major category that were determined during Q1 were determined either within 8 weeks or within the mutually-agreed (with the applicant) Extension of Time period. This equates to 16 applications within 13 weeks, and 1 application within the mutually-agreed EoT period. This excellent casework management of some of the most difficult strategic planning cases ensures that the Authority will be well-placed to avoid Government Intervention when the performance assessments are made later in the Autumn.
Outcome: City, town and rural areas are enhanced as destinations for residents and visitors						
Number of followers on Lancaster City Council's Twitter Page	High is Good	Michael Hill	Quarterly	9000	8668	Number of people following @lancastercc continues to increased quarter on quarter.
Number of page visits made to 'Welcome Lancaster' webpage	High is Good	Mark McTigue	Quarterly	19,250	17,304	Number of visits based on the sum of the page visits to our Lancaster destination page on VisitLancashire.com along with page visits to our new standalone website www.visitlancaster.org.uk. This is the first quarter of our standalone website following its implementation - numbers of visits are expected to pick up during the year.
Number of page visits made to 'Welcome Morecambe' webpage	High is Good	Mark McTigue	Quarterly	9,750	10,614	Please note that this measure always refers to page visits to 'Morecambe Bay' page which is our overall brand destination page. (There is a separate page for Morecambe town)

BUDGET AND PERFORMANCE PANEL**Work Programme Report****12th September 2017****Report of the Chief Executive****PURPOSE OF REPORT**

To update Members on the Panel's Work Programme.

This report is public.

RECOMMENDATIONS

- (1) **That the Panel considers the Work Programme and any other issues that should be included.**

1.0 Introduction

- 1.1 The Budget and Performance Panel is responsible for setting its own annual Work Programme within the terms of reference, as set out in Part 3, Section 12 of the Constitution.
- 1.2 Members of the Budget and Performance Panel are entitled to give notice to the Chief Executive that they wish an item relevant to the Terms of Reference of the Committee to be included on the agenda for the first available meeting and the meeting will determine whether the issue should be included in its Work Programme based on its relevance as compared to the priorities as set out in the Scrutiny Work Programme (Part 4, Section 5 of the Constitution).

2.0 Report

- 2.1 Following the Panel's meeting on the 11th July 2017 a number of updates, as set out below and included in Appendix A to this report, have been made. The Panel is requested to consider its Work Programme.

Pensions

Members requested that the item on Pensions remain on the Work Programme. Following the meeting Lancashire County Council was requested to provide a representative to attend the Budget and Performance Panel. Confirmation has now been received from Lancashire County Council that County Councillor Eddie Pope, Chair of the Pensions Committee, will attend the meeting on the 14th November 2017.

Performance and Service Accounts

It was agreed that the presentations made to Cabinet by Chief Officers on their performance and service accounts would be presented to the Panel. The first

presentation will be made by the Chief Officer (Environment) in respect of Environmental Services.

Members are asked to consider which Service's presentation they would like to hear at the meeting on the 14th November 2017. The Panel may also want to consider whether any additional meetings are required in order to consider each Service presentation and make recommendations in accordance with the budget timetable for 2018/19.

The Service presentations are as follows:

- Environmental Services not including Housing Repairs and Maintenance (presented to Cabinet in May 2017)
- Health and Housing not including Council Housing (presented to Cabinet in May 2017)
- Regeneration and Planning (Presented to Cabinet in July 2017)
- Resources (scheduled for Cabinet in September 2017)
- Council Housing including Repairs and Maintenance (TBC)
- Legal and Governance (TBC – once Chief Officer (Legal and Governance is in post)

Budget Book

A presentation on the Council's Budget Book was requested to include an understanding of Central Service Charges. Considering the existing items on the Panel's Work Programme and the need to prioritise items. Members are asked to consider how this item should be presented to the Panel. One option, which Members may consider, is that the presentation be circulated to the Panel by email, with Members given an opportunity to raise questions with the Financial Services Manager and answers circulated to the Panel outside of the meeting.

SECTION 151 OFFICER'S COMMENTS	
The Section 151 Officer has been consulted and has no further comments.	
MONITORING OFFICER'S COMMENTS	
The Monitoring Officer has been consulted and has no further comments.	
BACKGROUND PAPERS	Contact Officer: Sarah Moorghen Telephone: 01524 582132 E-mail: smoorghen@lancaster.gov.uk
None.	

BUDGET & PERFORMANCE PANEL WORK PROGRAMME 2017/18

Matter for consideration	Detail	Officer responsible/ External	Expected date of meeting
Financial Monitoring	(min. 7 refers – Work Programme Report 11 th July 2017)	Chief Officer (Resources)	Quarter 1 – September 2017 (incl. Salt Ayre) Quarter 2 – November 2017 Quarter 3 – February 2018
Corporate Performance Monitoring - NOTE- this report will be combined with report above as appropriate	(min. 7 refers – Work Programme Report 11 th July 2017)	Chief Officer (Environment)	Quarter 1 – September 2017 Quarter 2 – November 2017 Quarter 3 – February 2018
Performance and Service Accounts	Please see covering report. Presentation previously made to Cabinet by Chief Officers on performance and service accounts.	All Chief Officers	12 th September 2017 – first presentation by Chief Officer (Environment)
Pensions	Please see covering report. Information requested 13 th September 2016 (min. 14 and 19 refers) Further information requested following 11 th July 2017 meeting (min. 7 refers – Work Programme Report).	Representative of Lancashire County Council invited to address the Panel on Pensions.	14 th November 2017 County Councillor Eddie Pope, Chair of the Pensions Committee, will be in attendance.
Compliments and Complaints Half Yearly Report. To form part of the Corporate Performance Monitoring Report.	To include detail on the complaints made against the Council and upheld by the LGO. (min. 12 refers – 13 th September 2016).	Chief Officer (Environment)	(Twice yearly) To be incorporated into the Corporate Performance Report. 14 th November 2017
Annual Stakeholders Meeting	Arranged as part of the budget consultation process. Other organisations invited to present their budget proposals.	Chief Officer (Resources)	23 rd January 2018 (NOTE: Venue MTH).

Treasury Management Strategy	The Panel's views to be sought regarding the proposed treasury management framework for 2018/19.	Chief Officer (Resources)	6 th February 2018
Procurement Strategy	Further pre-scrutiny prior to the updated Procurement Strategy being presented to Cabinet. (Min. 8 (12 th July 2016) and 19 refers (8 th November 2016) – Action – briefing note to be provided).	Chief Officer (Resources)	Prior to the updated Strategy being presented to Cabinet. The timescales for this will be confirmed in due course, in light of other strategy review work and resources/competing workloads.
Repairs and Maintenance Service (RMS) (previously on the Work Programme as the APSE Report)	When considered to invite Overview and Scrutiny Members to ask questions. (min. 19 refers – 8 th November 2016)	Chief Officer (Environment)	As required
Commercial Properties	Report on Commercial Properties to be part of the Work Programme (Min 7 refers – Work Programme Report - 11 th July 2017).	Chief Officer (Resources)	Also covered in quarterly reporting, the content of which will continue to be reviewed and updated.
Economic Growth Strategy	Min. 7 refers – Work Programme Report - 11 th July 2017.	Chief Officer (Regeneration and Planning) / Economic Development Manager	TBC
Morecambe Area Action Plan	Min. 7 refers – Work Programme Report - 11 th July 2017.	Chief Officer (Regeneration and Planning) / Economic Development Manager	TBC
Museums Service	Min. 7 refers – Work Programme Report - 11 th July 2017	Chief Officer (Regeneration and Planning) / Economic Development Manager	TBC

Invitations to Cabinet Members

Cabinet Member and area of responsibility	Issue	Expected date of meeting
Councillor Blamire, Leader of the Council	Corporate Performance Monitoring.	Various – as set out in the Work Programme Report.

Councillor Anne Whitehead	Financial Monitoring	Various – also to include presentation of Cabinets Budget and Policy Framework Proposals at the Annual Stakeholders Meeting 23 rd January 2018.
All Members of Cabinet	Various. Invitations to be extended to Cabinet Members to coincide with issues relevant to their respective portfolios. To include presentations on performance and service accounts.	Various.
Councillor James Leyshon, Cabinet Member with responsibility for Property Services, Car Parking, ICT, Digital Services and Customer Services.	Property Group Update.	Various – as set out in the Work Programme Report.

Briefing Notes

Matter for Consideration	Date Requested/additional detail	Officer Responsible	Date Circulated
Out of Hours ICT Support Service	-	ICT Manager	11 th July 2017.
Procurement and Tendering	08.11.2016 (min. 18 refers) The briefing note to include reference to Council Resolutions and what has been undertaken to action these.	Chief Officer (Resources)	TBC. To be addressed alongside the Procurement Strategy work referred to above.
General Fund	11.07.2017 (min. 5 refers) Re-circulation of a previously drafted briefing note.	Financial Services Manager	TBC
Housing Benefits Overpayments	11.07.2017 (min. 5 refers) The briefing note to include the previous and current repayment and recovery system.	Financial Services Manager	TBC
Differences between the Budget Book and Year End Reserves and Provisional Statement	11.07.2017 (min. 5 refers)	Financial Services Manger	TBC

Restructuring/budget support spends	11.07.2017 (min. 5 refers)	Financial Manger	Services	TBC
Waste/Recycling Budget increase in the General Fund Revenue Budget	11.07.2017 (min. 5 refers)	Financial Manger	Services	TBC
Corporate Properties	11.07.2017 (min. 7 refers)	Financial Manger	Services	TBC

Items removed from the Work Programme

Issue	Detail
Litter Enforcement Service	<p>With regard to litter enforcement it was noted that an update would be provided through the budget process.</p> <p>(Min. 19 - 8th November 2016 refers)</p>