



Committee: BUDGET AND PERFORMANCE PANEL

Date: TUESDAY, 11TH SEPTEMBER 2018

Venue: LANCASTER TOWN HALL

Time: 6.10 P.M.

A G E N D A

1. **Apologies for Absence**

2. **Appointment of Vice-Chairman**

To appoint a Vice-Chairman for the duration of the 2018/19 Municipal Year.

In accordance with Part 3, Section 11 of the Constitution, the holder of this appointment may not come from the largest political group on the Cabinet.

3. **Minutes**

Minutes of the Meeting held on 10th July, 2018 (previously circulated).

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

5. **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.

6. **Corporate Financial Monitoring 2018/19 - Quarter 1 (Pages 1 - 20)**

Report of the Financial Services Manager.

7. **Performance Monitoring: Quarter 1 2018-19 (Pages 21 - 25)**

Report of the Executive Support Manager.

8. **Work Programme Report** (Pages 26 - 30)

Report of the Interim Head of Legal and Democratic Services and Monitoring Officer.

ADMINISTRATIVE ARRANGEMENTS

(i) Membership

Councillors Dave Brookes (Chairman), Tracy Brown, Ian Clift, Kevin Frea, John Reynolds, Susan Sykes, David Whitaker, Peter Williamson and Peter Yates

(ii) Substitute Membership

Councillors Andrew Gardiner, Tim Hamilton-Cox, Nicholas Wilkinson and Phillippa 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, 30th August 2018.

BUDGET AND PERFORMANCE PANEL

**Corporate Financial Monitoring 2018/19 – Quarter 1
11 September 2018
Report of Chief Officer (Resources)**

PURPOSE OF REPORT

To present the corporate financial monitoring report for Quarter 1 of the 2018/19 monitoring cycle.

This report is public

OFFICER RECOMMENDATIONS

- (1) That Budget and Performance Panel considers the Cabinet Report dated 7 August 2018 and attached appendices, making any comments and recommendations considered necessary.

1.0 CORPORATE FINANCIAL MONITORING 2018/19 - QUARTER 1

- 1.1 The report attached at **Appendix 1**, presented to Cabinet on 7 August 2018, provides a summary of financial monitoring for Quarter 1 of the 2018/19 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.

CONCLUSION OF IMPACT ASSESSMENT
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(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing): As set out in the relevant appendices.
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LEGAL IMPLICATIONS

As set out in the relevant appendices.
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FINANCIAL IMPLICATIONS

As set out in the relevant appendices.
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OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:

As set out in the relevant appendices.
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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

None.

Contact Officer: Andrew Clarke, Financial Services Manager

Telephone: 01524 582138

E-mail: aclarke@lancaster.gov.uk

Ref: N/A

CABINET

Corporate Financial Monitoring 2018/19 – Quarter 1
07 August 2018
Report of the Chief Officer (Resources)

PURPOSE OF REPORT				
To provide an overview of the Council's financial position for Quarter 1 of the 2018/19 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 endorses the supporting actions as set out in Appendix A.

1. Overview

- 1.1. The corporate financial monitoring report for Quarter 1 is attached at **Appendix A**. The headlines are as follows:
- A current General Fund net overspending of £25K, but this could increase to £307K by the year end depending on various factors. A number of actions are proposed to help avoid such a situation arising.
 - The Housing Revenue Account is currently underspent by £30K, and this is expected to increase to £86K by the year end. The key message relates to the significant improvement in void property turnaround times, which has led to forecast additional rental income of £100K.
- 1.2. An update on Salt Ayre is included at **Annex B**.
- 1.3. Progress against the savings measures approved as part of the 2019/20 budget is detailed within **Annex C**. This progress is allowed for in the overall headline figures quoted above.
- 1.4. In support of corporate financial monitoring, the latest Treasury Management update report is included at **Appendix B**.

RELATIONSHIP TO POLICY FRAMEWORK

This report is in support of the delivery of the Council's overall policy framework, and more specifically its Corporate Plan.

CONCLUSION OF IMPACT ASSESSMENT

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

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.

LEGAL IMPLICATIONS

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.

FINANCIAL IMPLICATIONS

As set out in the attached.

OTHER RESOURCE IMPLICATIONS

Human Resources / Information Services / Property / Open Spaces:

References and any related implications are contained within the report and related appendices.

SECTION 151 OFFICER'S COMMENTS

This report is in the name of the s151 Officer, albeit in her capacity as Chief Officer (Resources).

MONITORING OFFICER'S COMMENTS

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

BACKGROUND PAPERS

None.

Contact Officers: Andrew Clarke, Financial Services Manager **Telephone: 01524 582138**
E-mail: acclarke@lancaster.gov.uk
Ref:

CORPORATE FINANCIAL MONITORING 2018/19

QUARTER 1

INTRODUCTION

This report provides an overview of the Council's financial position and key budgetary variances as at the end of June, 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 – A minor net overspending of **£25K** exists as at 30 June. Should net spending progress as currently forecast, an overspending in the region of **£307K** could be experienced by year-end, taking account of various assumptions drawing on last year's outturn. The main variances are summarised in the table below and provided in more detail at **Annex A**. In addition, a separate monitoring statement on Salt Ayre Leisure Centre is included at **Annex B**.

	Qtr 1 £000's	Full Year Forecast £000's
General Fund Net Revenue Budget	16,204	16,204
	(Favourable)/+Adverse	
Employees	(4)	+251
Premises	0	+34
Transport	+7	+8
Supplies & Services	+13	+77
Income(Fees & Charges and Interest)	+9	(63)
Updated Net Revenue Budget	16,229	16,511
Net Overspend (+)	+25	+307

The main forecast variance of £251K (adverse) relates predominantly to staff turnover savings yet to be achieved. In line with recent years, a savings provision of just over £400K is assumed within the current year's budget. The provision has been comfortably made in the past - for example in last year, as at Qtr 1 the salaries budget (net of that quarter's turnover savings provision) was underspent by £86K, but that compares with a £4K underspending for the comparable period this year, based on services' monitoring information.

There is a tendency for managers to under-estimate lead-in times for replacing staff, and clearly the actual incidence of turnover is not certain and so can vary significantly (either way) from budget assumptions. Nonetheless, when compared with last year the monitoring indicates that remedial action is likely to be needed to contain costs within budget, but further analysis needs to be undertaken to inform any such actions or decision-making.

ACTION:

The HR Manager undertakes further analysis of the turnover position and future expectations, in conjunction with the Financial Services Manager, and reports back to Cabinet on the outcome and any proposed actions.

Separately, progress against the savings measures approved as part of the 2019/20 budget (**£505K**) is detailed within **Annex C**, and is broadly in line with current expectations.

On a more general note it is evident that there are a number of areas of potential under- or overspending (including under-achievement of income).

To demonstrate:

The additional income reported in the table is primarily due to extra pay and display revenue ((£80K), increased visitor numbers to Williamson Park (£50K) and a high number of DFG grant completions within Health & Housing (£50K).

Conversely, greater budget pressures are evident. The garden waste collection service has so far generated £890K of income but a shortfall is still forecast. Work is taking place to assess the budgetary risks, in the context of the overall waste collection / trade waste budget. Regarding other functions, reduced occupancy levels on the markets are being experienced (+£24K) as is reduced activity within Building Control (+£37K). In addition, investment interest received is lower than expected (+£22K).

In previous years, forecast underspendings have typically exceeded any forecast overspendings, but this is not the current expectation in this year.

ACTION:

Chief Officers review their areas of current and/or expected overspendings, identifying corrective actions or options where possible, providing such information to the Financial Services Manager for him to report back corporately to Cabinet.

More generally, capacity concerns still exist regarding the prioritisation, programming and management of key projects and feasibility studies, that in turn should feed into the 2019/20 budget.

ACTION:

A report also scheduled for the August Cabinet agenda proposes some measures to help address those concerns. Other proposed measures will follow in due course, as Management Team completes its programming review.

Housing Revenue Account – Current underspend of **£30K**, which is forecast to increase to **£86K** by year end. The main reason is a significant improvement in void property turnaround times which has led to forecast additional rental income (£100K).

CAPITAL

Expenditure

General Fund – The original approved Capital Programme of £11.400M has been increased by a net £515K for slippage and accelerated spend from 2017/18, and by a further £204K (see detailed below) to give an updated programme of £12.119M. Total spend and commitments to the end of June totalled £1.719M leaving £10.400M still to spend.

Additional Changes:

CCTV: Extension to White Lund Depot - £53K, funded from Invest to Save Reserve (approved Cabinet 24 April 2018)

Car Park Improvements - £7K, external contribution to upper St.Leonardgate / Lodge Street car parks.

Disabled Facilities Grants - £144K, increase in grant funding allocation above original estimate.

Housing Revenue Account – The original Capital Programme of £4.421M has been increased to £4.481M after allowing for slippage of £60K from 2017/18. Spend and commitments at the June totalled £483K leaving £3.998M still to spend.

Financing

General Fund

To date £3.559M of grants and contributions has been received against a budget of £5.395M (updated for slippage from 2017/18 and for new funding identified above). Also, additional capital receipts of £41K have been received from the sale of vehicles, and other low value items.

RESERVES

Budget Support Reserve – Approved allocations are shown below, which leave a current balance of **£2.060M** on the reserve.

	£000's
Opening Balance	711
Net Budgeted Contribution to Reserve (allowing for £2.6M business rate income)	1,512
Cabinet 26 th June:	
Environmental Services Restructure	(90)
Extension of Interim HR Manager to 31 July 2018	(23)
Extension of Interim Head Legal and Democratic Services to 31 October 2018	(32)
Officer Delegated Decisions in consultation with Cabinet Members	
Job Evaluation Officer – to undertake a 3 months review of options	(18)
Closing Balance	2,060

The above takes account of the £2.6M planned transfer from the Business Rate Retention Reserve, following the 2017/18 outturn.

Invest to Save – Approved allocation are shown below which leave a current balance of **£1.453M** on the reserve.

	£000's
Opening Balance	1,506
Cabinet 24 th April – White Lund Depot	(53)
Closing Balance	1,453

General Fund Unallocated Balances

Unallocated General Fund Balances stand at £5.067M, this is £399K more than the original estimate of £4.668M, due to the revenue underspend in 2017/18.

LOCAL TAXATION

Council Tax – Current deficit of £93K (£94K deficit as at 31 March 2018). Main changes are:

- | | |
|---|---------|
| • Deficit from previous year | +£94K |
| • Reduced cost of Council Tax Support | (£165K) |
| • Reduced charge for Second/Empty Homes | +£93K |
| • Other Movements in Tax Base | +£71K |

In tax base terms this equates to approximately 53 net chargeable Band D equivalent properties, bringing the total tax base to 41,699 gross properties. Should the deficit remain then this would mean an additional cost to the General Fund of £12K in 2019/20 (13% of the deficit).

Retained Business Rates – The latest position on business rates shows net income down by £98K when compared to the original estimate, after allowing for an increase in estimated appeals of just over £1M.

Overall, the total estimated Retained Income is £73K down on the original forecast. This position will inevitably fluctuate during the year but will not impact directly on the overall General Fund budget, as in due course, any decrease in income of around that scale would be met from the Business Rates Retention Reserve.

	Original £000's	June £000's	Movement From Original Fav (-) / Adverse (+) £000's
Net Rates Payable	(64,487)	(65,398)	(911)
Appeals	3,123	4,132	+1,009
Business Rates Income	(61,364)	(61,266)	+98
City Council Retained Income (40%)	(24,546)	(24,506)	
Less Tariff	18,848	18,848	
Add Net Small Business Rates Relief Grant	(1,102)	(1,042)	
Net Retained Income	(6,800)	(6,700)	+100
Safety Net Payment	-	-	
50% Levy Payment	616	589	(27)
Total Retained Income	(6,184)	(6,111)	+73

Collection Performance

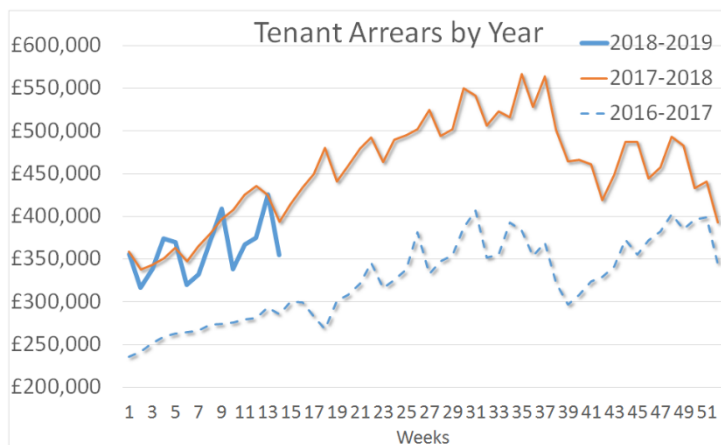
Both Council Tax and Business Rates are very slightly behind target - no specific action is required at this point.

	Full Year Target	Target to Date	Actual to Date
Council Tax	96.4%	29.4%	29.1%
Business Rates	98.8%	28.3%	28.1%

INCOME COLLECTION

Council Housing Rent Arrears – At the end of week 14 the level of current council housing rent arrears was £354K (2.9% of £13.337M rent debit), a reduction of £39K on the previous Qtr4 figure of £393K.

The profile is now matching the 4 weekly cycle of direct debit and DWP payments being received. This is because more and more tenants are moving over to Universal Credit and onto direct DWP monthly payments.



Sundry Debts – At the end of June the level of debt was £5.261M which is an increase of £2.038m from Qtr4. However, of this £1.751M relates to an invoice to Lancashire County Council for the 2018/19 Disabled Facilities Grant allocation, which was repaid on 13 July. Excluding this the increase reduces to £288K.

The bad debt provision currently stands at £2.596M which is £13K lower than the required level. No action is required at present but a further review of the provision will be made in October.

SERVICE	< 28 Days	28-59 Days	60-91 Days	92-183 Days	184-364 Days	365+ Days	2018/19 QUARTER 1 TOTALS	Compared to 2017/18 Quarter 1 totals
	£	£	£	£	£	£	£	
Environmental Services	95,709	236,927	461,647	8,311	13,678	13,152	829,423	924,460
Regeneration & Planning	7,751	8,805	5,895	6,719	18,164	15,164	62,497	32,039
Resources	150,576	30,002	56,206	39,308	41,254	47,740	365,086	411,901
Health & Housing	1,882,042	8,364	2,034	24,627	15,655	15,549	1,948,272	87,685
Governance	-	-	-	-	307	780	1,087	1,693
Comm Eng M & A	57,102		2,682	300	-	314	60,399	
Hsg Benefits (Revenues)	44,894	61,780	71,357	82,778	235,094	1,498,450	1,994,352	1,978,393
2018/19 Quarter 1 Totals	2,238,074	345,878	599,821	162,042	324,153	1,591,149	5,261,116	3,436,171
2017/18 Quarter 4 Totals	833,509	129,072	97,402	194,573	390,330	1,578,342	3,223,228	

CONTRACT PROCEDURE RULES AND OTHER EXCEPTIONS TO TENDER

Exceptions to Tender – There was one exception to tender in Qtr 1:

- Installation of Smart CCTV and access control system at White Lund Depot, by Vodafone under the CCS framework RM1045 in order to provide a consistent approach throughout the authority on CCTV.
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QUARTER 1 CORPORATE FINANCIAL MONITORING: General Fund Revenue Budget

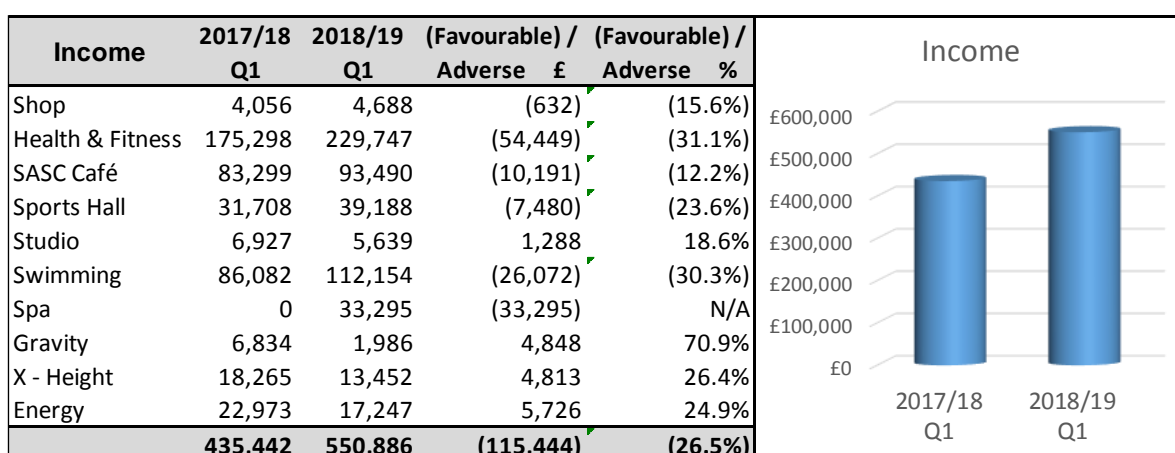
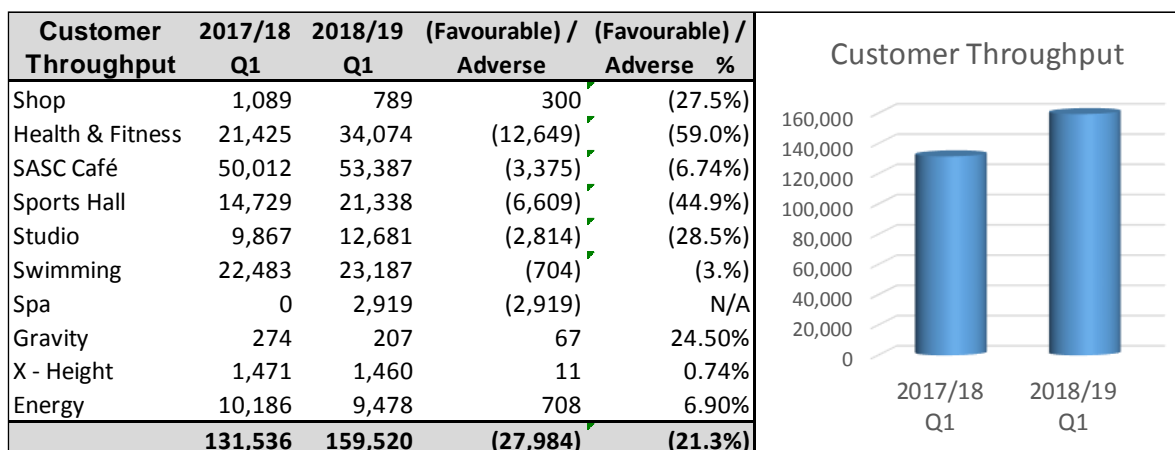
Subjective Area	Service	Reason for Variance	Current Variances		Projection for Year	
			Adverse / (Favourable)		Adverse / (Favourable)	
			£	£	£	£
Employees	Environmental Services	Salaries - turnover savings net of turnover target	(15,300)			
	Resources		(17,754)			
	Management Team		3,327			
	Governance		3,879			
	Health & Housing - Leisure		7,111			
	Health & Housing Regeneration & Planning		7,821 7,151			
				(3,765)	251,072	
Premises	Health & Housing - Leisure Resources	Additional costs associated with the new CHP installation & SPA/Development increases Rates savings at Storey/Lansil Water Treatment Plant	9,981 (9,839)		44,000 (9,839)	
				142	34,161	
Transport	Environmental Services	Diesel prices have seen a 7.5% increase in first three months of the year Increased use of hired vehicles whilst awaiting delivery of electric pool cars	3,800 3,400		- 8,000	
				7,200	8,000	
Supplies & Services	Environmental Services Governance Resources	Restructure savings target (approved as part of 2016/17 budget) still to be identified Cost of 1.5 Planning Lawyer Locums until end September Telephone Maintenance no longer required, built into cost of new system	19,700 2,157 (8,659)		67,100 17,799 (7,700)	
				13,198	77,199	
Fees & Charges	Environmental Services	Car Parking - Increased pay and display income expected following favourable outturn from previous year	(39,800)		(80,000)	
	Environmental Services	Rent received from developer in respect of Lower St Leonardgate car park not budgeted for	(7,500)		(30,000)	
	Environmental Services	CCTV - contributions received from BID's and Morecambe Town Council (not included in budget)	(14,000)		(14,000)	
	Environmental Services	Markets - reduced occupancy levels resulting in lower rent income	6,200		24,000	
	Environmental Services	Williamson Park - increase in visitor numbers	(36,300)		(49,500)	
	Environmental Services	Garden Waste - subscription levels currently at 22,000 against projected 24,000	70,000		70,000	
	Regeneration & Planning	Building Control construction activity for non-domestic development reduced income	15,349		37,000	
	Governance	Loss of fee earning capacity whilst no Planning Lawyer in post	3,990		5,000	
	Health & Housing	New legislation resulting in an estimated 100 new licences	(9,387)		(31,250)	
	Health & Housing	Slower than expected growth with Unbugged	7,950		31,800	
	Health & Housing	High number of DFG grant completions in Q1, as a result of Lancashire County Council clearing outstanding claims.	(4,166)		(50,000)	
	Resources	Additional Rent/Service Charge income at CityLab	(16,281)		(16,000)	
	Resources	Storey Café behind target; the position is being reviewed and options for improvement to be explored.	11,047		18,000	
	Investment Interest	Cash balances are £9M lower than anticipated combined with interest rates not being increased in line with expectations	21,740		21,470	
				8,842	(63,480)	
		TOTAL		25,617	306,952	

SALT AYRE LEISURE CENTRE

2018/19 QUARTER 1 PERFORMANCE MONITORING

Key Messages

- The operating subsidy for Salt Ayre Leisure Centre has significantly reduced from pre development and is currently anticipated to be around £223K for the year compared with £789K in 2016/17. Although the current year direct net operating cost is showing an increase of £79K compared with the original budget, some £37K of this relates to the staff turnover target, and so the variance should reduce as vacancies occur.
- The newly installed CHP system is generating savings, however the energy budget will be overspent by some £44K (included in the £79K above) due to additional CHP installation costs and higher than anticipated costs at the SPA.
- Gym membership numbers are in excess of 2,800 which includes over 250 junior members aged between 14 and 17 years. The gym contributes in excess of £903k towards the overall revenue target.
- The swimming lesson programme has more than 500 people enrolled, mostly paying by direct debit and this is contributing to an estimated increase in income on original swimming budgets of circa £80K per annum.
- The café continues to perform well and is on target (despite the recent extreme weather which reduced visits) to achieve the annual income target of £413K.
- Similarly, Energy (indoor play) has seen reduced admissions with customers preferring to spend leisure time outdoors – however, the agile marketing approach to include various offers and target particular user groups such as schools has worked well to leave this cost centre on target for the year.



	2017/18 Full Year Actuals	2018/19 Original Full Year Budget	Qtr1 Budget	Qtr1 Actual	Qtr1 Variance	Full Year Projection	Variance to Original Budget	Percentage of Original Budget
	£	£	£	£	£	£	£	
Expenditure								
Employees	1,259,787	1,396,400	293,379	301,191	7,812	1,431,107	34,707	2%
Premises Costs	589,995	548,900	294,146	274,743	(19,403)	592,900	44,000	8%
Transport Costs	23,000	14,600	5,703	3,151	(2,552)	14,600	0	0%
Supplies and Services	538,632	539,000	212,466	102,021	(110,445)	539,000	0	} 0%
Funding from Renewals Reserve	(89,814)	0	0	0	0	0	0	
Income								
Fees and Charges	(2,123,387)	(2,354,500)	(558,183)	(557,902)	281	(2,354,500)	0	0%
Direct Net Operating Cost/(-) Surplus	198,213	144,400	247,511	123,204	(124,307)	223,107	78,707	
Support Service Costs	399,292	361,800	90,450	90,450	0	361,800	0	
Total Net Operating Cost	597,505	506,200	337,961	213,654	(124,307)	584,907	78,707	
Renewals Reserve Contribution	150,000	150,000	0	0	0	150,000	0	
Capital Financing Costs - MRP re £5M development	177,973	218,500	54,625	54,625	0	218,500	0	
Total Net Cost	925,478	874,700	392,586	268,279	(124,307)	953,407	78,707	

Comments from Leisure Services Manager

Salt Ayre Leisure Centre continues to reduce costs to the Council and as mentioned in previous reports is highly regarded within the industry and by organisations such as Sport England, UK Active and APSE. The facility recently won the UK Active award for best building design concept, following on from the UK Active national case study highlighting the vast increases in throughput to the Centre.

The Centre has just been shortlisted from 380 submissions for the APSE award of 'Best Public/Private Working Initiative'. This recognises the mix of facilities introduced as part of the redevelopment, how the project was managed and the partnership relationship with Alliance Leisure.

It is important to focus on the outcomes the redevelopment provides to the district and visitors as well as the financial gains to the Council.

Education

Through the Primary PE Schools Sports Network (SSN) 40 schools attend sessions with more still to book and confirm dates, bringing 30 Children each time. The sessions are all paid for by the SSN through PE funding awarded to Schools and allow children from all backgrounds to experience X-height indoor climbing. Some schools have booked several subsequent visits and paid for them themselves. The advertisement of these school sessions on social media has now led to schools out of the area from Preston and Kendal booking.

SALC hosts the SSN annual P.E conference which caters for 100 teachers. In addition the SSN hosts its young leader's conference for 80 young people

SALC is the venue for the annual sport festival which has around 700 primary school children taking part.

Disability sessions

Weekly sessions take place on X-height indoor climbing for children with additional needs arranged by the Business Development Manager with the local Special Educational Needs Officer.

The sessions are attended by the same Children each week and have helped build confidence allowing siblings to enjoy an activity together in the same environment rather than at different times and places.

SALC currently provides 4 sessions per week for adults with learning disabilities. 2 assisted cycling sessions averaging 30 people + support staff, a disability football session that also leads to fixtures in local festivals and a multi skills sports session.

Piccadilly Gardens (adults with learning disabilities) will be accessing SALC for a range of activities.

SALC will be hosting the CAN Do Day on 30th September which is for carers and parents to access a range of support networks and service providers in a market place that will run alongside a range of activities for the children to try on the day

Community Support

Chadwick Centre - SALC will be providing facilities from September 2018 with staff support to enable excluded pupils to access some P.E Curriculum activities

Women's Institute -SALC is supporting their health week in September by providing them access to the facilities during the week with a discounted join up opportunity

Lancaster Distract Chamber of Commerce. - SALC support chamber members to maintain healthy lifestyles by providing concessionary memberships, support workforce days on business sites.

Links with the Chamber have developed considerably with SALC now becoming a venue for Chamber meetings further raising the profile of the Leisure Centre throughout the District.

University of Cumbria

Partnership in place that provides access to SALC facilities as part of their University membership. The University use this as a major part of their recruitment drive for new students.

Resident clubs

SALC is the home of 2 successful Swimming clubs, Carnforth Otters, Lancaster City who have around 500 members between them

Lancaster & Morecambe Athletics Club has a successful road running group and junior coaching programme.

Lancaster Bulldogs Wheelchair Basketball club which has recently played in national play offs and currently plan in national league 2 since moving to SALC

SALC is home the SALT Ayre Cycling Association. SACA consists of 4 clubs and has a junior club, COGSET with over 200 junior members

Gymnastics programme - SALC is home to a gymnastics coaching programme that caters for 450 children per week. The club competes regionally and is successful

Swimming lesson programme - SALC teaches over 500 children and adults to swim each week as part of the lesson programme. Approximately 800 children attend the educational swimming programme that is delivered.

GENERAL FUND - 2018/19 SAVINGS MONITORING (PERIOD 3)

ANNEX C

Initiative	Type	Budget	Profiled Budget	Actual to Date	Variance	Progress
		£	£	£	£	
PHASE 1 - 2018/19 APPROVED SAVINGS						
Environmental Services						
Solar Farm Design and Business Case Development	Inc Generation	50,000	4,440	4,440	0	Initial calculations by APSE have been provided for various sites at SALC. In-house appraisals to take place shortly with view to reporting to October Cabinet to inform next stage.
Waste Collection Management Systems	Efficiency	138,000	0	0	0	Several suppliers identified following presentations and specification being formulated. Site visits to other users of similar systems currently being arranged. DPIS with Information Governance.
Extension of CCTV to Public Buildings	Efficiency	(17,000)	(4,250)	(4,250)	0	In progress. Perimeter fencing installation started 26th June. Road widening to accommodate barriers due to start on 6th July. CCTV to follow.
Extension of Cable Street Car Park	Inc Generation	(9,000)	0	0	0	Design and procurement ongoing for implementation when vacant possession obtained.
Management of St. George's Quay Car Park	Inc Generation	(10,000)	0	0	0	Off Street Amendment Order advertised and due to be completed in late July for implementation in August. (Note item elsewhere on Cabinet agenda, however.)
Vehicle Fleet Review	Inc Generation	(27,000)	(6,750)	(3,367)	3,383	2 petrol and 2 electric pool cars currently ordered (all due by September but hired vehicles being used instead of). Charging infrastructure to be installed in July.
Williamson Park Facilities Expansion - Design and Business Case Development	Inc Generation	210,000	0	0	0	Currently awaiting for adventure play tender to be signed off by support services including Legal, Procurement and Engineers. On completion progress will be started on the design brief for the Café/Wedding Conference Centre.
Bulky Waste Collection - Service and Charging Review	Inc Generation	(20,000)	(5,000)	(5,117)	(117)	Review built into budget and broadly in line to date.
Health & Housing						
Development of Business Case for Local Authority Trading Company (LATC)	Inc Generation	75,000	65,000	65,000	0	£65K order raised P03 with the remainder to be spent during the year.
Management Team						
Rationalisation of Organisational Development Capacity	Efficiency	(77,000)	(12,833)	(12,833)	0	Staff Changes actioned and built into budget.
Regeneration & Planning						
Heysham Gateway - Site Improvement Works		320,000	18,050	18,050	0	£320K is the net capital budget with £100K being for drainage & site surveys. These are well underway with £79K already committed.
Extension of Charging for Planning Services	Inc Generation	(5,000)		0	0	Delayed start with tree-related working charges. It is still the intention of the service to proceed, however, staff shortages have meant that this is now a low priority.
Resources						
ICT Network Performance Monitoring and Improvement	Efficiency	30,000	0	0	0	Software installation and licence purchase expected in September 2018.
Repair and Maintenance of Corporate Property	Efficiency	(82,000)	(20,500)	(20,500)	0	Built into budget and expected to be managed within overall R&M allocation.
Continuation of Internal Audit Collaboration and Restructure	Efficiency	(26,000)	(6,500)	(6,500)	0	Savings already incorporated into budget and expected to be achieved.
Revenues & Benefits Shared Service Savings	Efficiency	(45,000)	0	0	0	Savings achieved in Shared Service Budget and recharge will be reduced as part of the Revised Budget process.
Total		505,000	31,657	34,922	3,266	

**Treasury Management Update
Quarter Ended 30 June 2018
Report of Chief Officer (Resources)**

Treasury Management Update

Quarter Ended 30 June 2018

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 Link Asset Services)

Growth in 2017 was disappointingly weak in the first half of the year but picked up to 0.5% in quarter 3 and 0.4% in quarter 4. Growth in quarter 1 of 2018 was again disappointing, although on the first revision the rate improved from 0.1 to 0.2% to allay fears that the economy may have started a prolonged period of very weak growth. Initial indications in quarter 2 are that growth may have picked up speed to around 0.4%. The main reason for weak growth during 2017 and 2018 has been that inflation has been exceeding pay growth until recently, meaning that there has been negative growth in consumer disposable income when consumer expenditure is the biggest driver of the services sector which accounts for about 75% of GDP.

The manufacturing sector was the bright spot in the economy in 2017 in terms of strong growth but quarter 1 was the weakest quarter for one and a half years and forward indicators do not suggest a return to strong growth is likely.

During January and February financial markets were viewing a Bank Rate increase at the May Monetary Policy Committee (MPC) meeting as likely to be a near certainty after strong growth in the second half of 2017. However, the ensuing weeks before the meeting saw opinion turn right around and the MPC did not disappoint by leaving rates unchanged due to concerns as to whether the weak growth in quarter 1 was indicative of the start of a prolonged slow down or just a temporary blip. Since May, opinion has again turned to suggest that an August Bank Rate increase is back on the cards.

However, there remains much uncertainty around the Brexit negotiations, consumer spending levels and business investment, so it is still far too early to be confident about how strong growth and inflationary pressures will be over the next two years, and therefore the pace of any rate increases.

3. Interest Rate Forecast

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

	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-20
Bank Rate	0.50%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.50%	1.50%
5yr PWLB Rate	2.00%	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%
10yr PWLB View	2.40%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%
25yr PWLB View	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%
50yr PWLB View	2.50%	2.60%	2.70%	2.80%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%

Link Asset Services undertook its last review of interest rate forecasts on 11 May after the quarterly Bank of England Inflation Report and MPC meeting at which the MPC kept the Bank

Rate unchanged at 0.50%. The MPC Minutes indicated they wanted to see whether the slowdown in growth in quarter 1 had been a temporary blip or a potential first sign of a prolonged period of weak growth.

The overall balance of risks to economic recovery in the UK is probably even. However, given the uncertainties around Brexit in particular, but also other uncertainties, there is a wide diversity of possible outcomes for the strength of economic growth and inflation, and the corresponding speed with which the Bank Rate could go up.

4. Annual Investment Strategy

The Treasury Management Strategy (TMS) for 2018/19, which includes the Annual Investment Strategy, was approved by the Council on 28 February 2018. 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 it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with highly credit rated financial institutions, using Link's suggested creditworthiness approach, including a minimum sovereign credit rating, and Credit Default Swap (CDS) overlay information.

Officers can confirm that the approved limits within the Annual Investment Strategy were not breached during the quarter ended 30 June 2018.

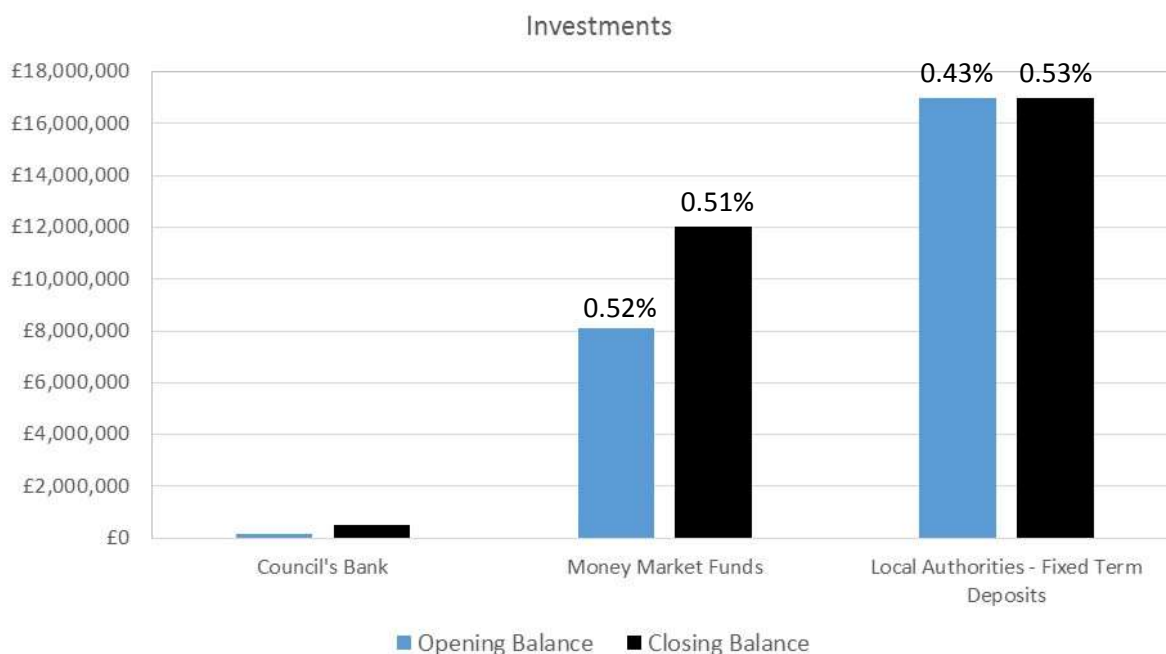
The average level of funds available for investment purposes during the quarter was £27M. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept and business rate related payments, the receipt of grants and progress on the Capital Programme. Unfortunately, it had been anticipated that cash levels would be higher in the quarter and that interest rates would have been increased again, however this has not been the case and as a result investment interest is currently £22K behind target.

In terms of performance against external benchmarks, the return on investments compared to the 7 day LIBID and bank rates over the year to date is as follows. This is viewed as reasonable performance, given the need to prioritise security of investments, and liquidity (i.e. making sure that the Council's cashflow meets its needs):

Base Rate	0.50%
7 day LIBID	0.36%
Lancaster City Council investments	0.52%

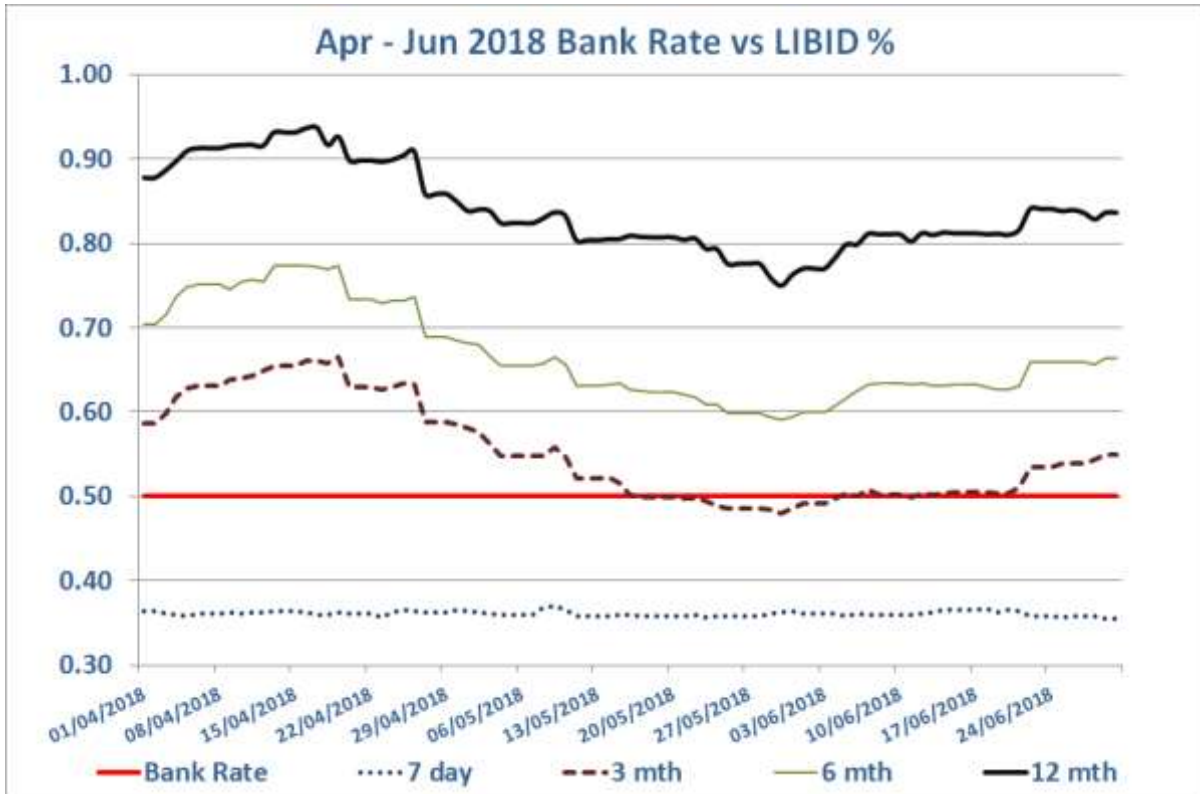
Investments Balances - quarter ended 30 June 2018

At the start of the quarter investments totalled £25M rising to £29.5M by 30 June. Fixed term investments with local authorities remained at £17M whilst Money Market Funds increased by £4M.



Other Investments	Term	Maturity Date	Opening £	Closing £	Indicative Rate (YTD)	Current Fixed Rate	Interest to Date £
Call Accounts							
Natwest (Cash Manager Plus)			131,602	527,635		0.01%	23
Money Market Funds							
Fund			0	6,000,000	0.50%		4,954
LGIM			2,100,000	0	0.51%		4,272
Ignis			6,000,000	6,000,000	0.52%		7,512
Insight			0	0	0.45%		194
Fixed Term Deposits							
Guildford Borough Council	364 days	17/07/2018	5,000,000	5,000,000		0.53%	6,607
Rugby Borough Council	11 months	29/06/2018	1,000,000	0		0.35%	853
Antrim & Newtown Abbey BC	364 days	06/08/2018	3,000,000	3,000,000		0.37%	2,767
Broxtowe Borough Council	364 days	28/09/2018	1,000,000	1,000,000		0.40%	997
London Borough of Islington	364 days	01/10/2018	2,000,000	2,000,000		0.40%	1,995
Surrey Heath Borough Council	44 days	15/05/2018	5,000,000	0		0.50%	3,014
Surrey Heath Borough Council	183 days	16/11/2018	0	1,000,000		0.75%	904
Northamptonshire County Council	363 days	01/04/2019	0	1,000,000		0.70%	1,688
Telford & Wrekin Council	123 days	25/09/2018	0	4,000,000		0.55%	2,230
Sub-total			25,231,602	29,527,635			38,010
						Budgeted income	59,750
							(21,740)

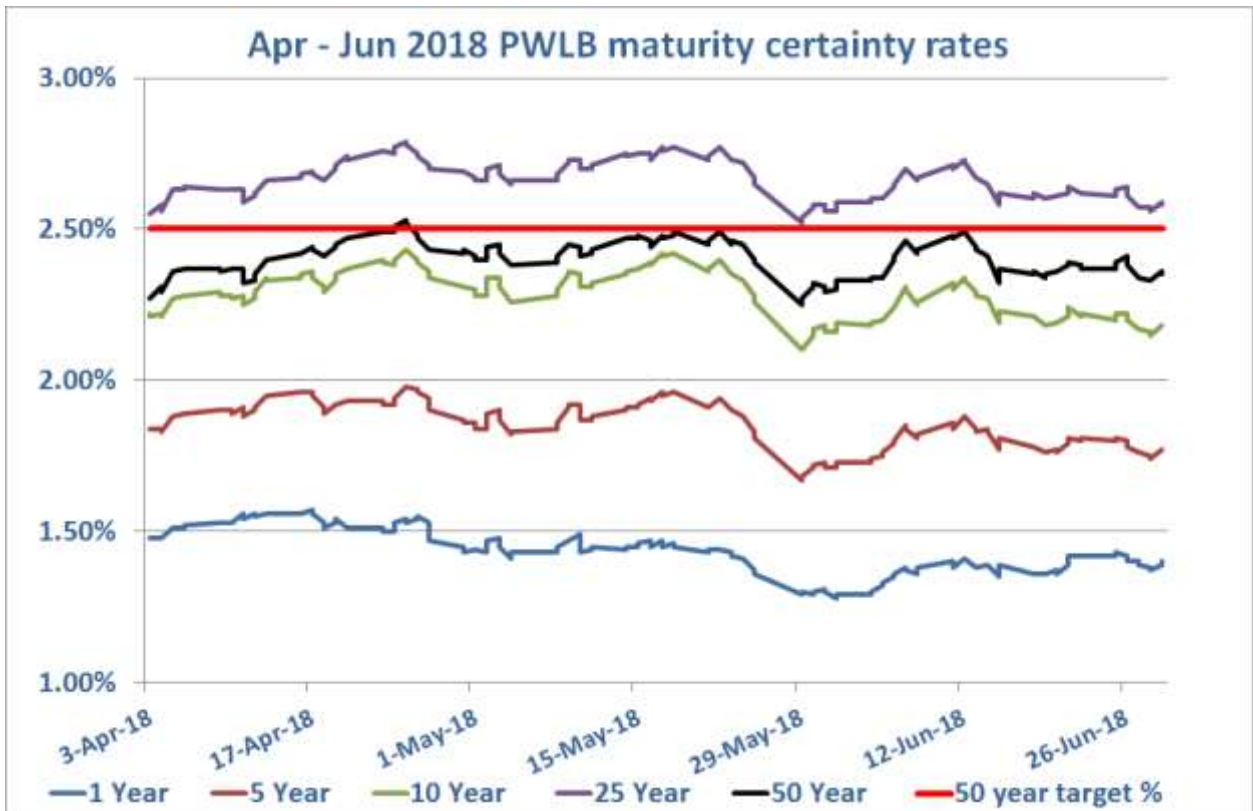
*Regarding Northamptonshire and their s114 notice, that does not affect the security of the investment. A s114 notice does not enable an authority simply to renege on its contractual obligations, such as repaying an investment, and if reorganisation occurs, then any successor organisation/s would pick up those repayment obligations. Local authorities cannot go into liquidation in the same way that banks etc. can; the requirement to provide (and therefore manage the cash to fund) statutory public services remains.



5. Borrowing (commentary provided by Link Asset Services)

As depicted in the graph(s) below, PWLB rates have not been on any consistent trend in this quarter.

During the quarter ended 30 June 2018, the 50 year PWLB target (certainty) rate for new long term borrowing was marginally reduced to 2.40%.



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, including consideration of the nature and status of counterparty groups (eg. MMFs, banks, local authorities).

BUDGET & PERFORMANCE PANEL

Performance Monitoring: Quarter 1 2018-19 11 September 2018

Report of Executive Support Manager

PURPOSE OF REPORT				
To report on the performance of key indicators for April-June 2018 (Quarter 1).				
Key Decision		Non-Key Decision	X	Referral from Cabinet Member
This report is public				

OFFICER RECOMMENDATIONS

- (1) That Cabinet note the performance of key indicators during Quarter 1.
- 1.0 Performance Monitoring Quarter 1 2018-19**
- 1.1 A breakdown of performance against key corporate indicators for the period April-June 2018 is contained in the appendix to this report.
- 2.0 Changes to Corporate Indicators**
- 2.1 Four indicators have been removed from the scorecard:
- CP1.1 and CP1.2, regarding online self-service capability, as these figures relate to an ongoing project
 - CP9.1 and CP9.2, regarding page visits to 'Welcome Lancaster' and 'Welcome Morecambe' web pages, as performance against these indicators is not within the Council's control.
- 2.2 Following adoption of Ambitions: Our Council Plan for 2018-22, performance indicators will be further reviewed to align with the new Ambitions. Future performance monitoring reports will gradually introduce new indicators as these are developed.
- 3.0 Significant Achievements**
- Time taken to re-let Council houses (A3.7) has dramatically improved during Q1, following a review of the process for restoring and re-letting properties
 - Salt Ayre Leisure Centre has seen a significant increase in the number of admissions (A3.6) compared to Q1 2017-18, due to continued promotion of the redeveloped facilities
 - The number of fly-tipping enforcement notices (A2.2) has continued to increase, as a result of a range of new intervention actions
 - The amount of residual waste collected per household (A2.4) has decreased further, in line with the Council's focus on reducing waste under the 'reduce, reuse, recycle' waste hierarchy

4.0 Areas for Improvement

- Average time taken to process new Housing Benefit and Council Tax Support claims (A4.4) remains outside the target, however investing additional resource to liaise with the Department for Work and Pensions (DWP) is expected to drive improvement

<p>RELATIONSHIP TO POLICY FRAMEWORK</p> <p>Performance monitoring provides a link between the Corporate / Council Plan and operational achievement, by providing regular updates on the impact of operational initiatives against strategic aims.</p>	
<p>CONCLUSION OF IMPACT ASSESSMENT (including Health & Safety, Equality & Diversity, Human Rights, Community Safety, HR, Sustainability and Rural Proofing):</p> <p>The content of this report has no impact in itself.</p>	
<p>LEGAL IMPLICATIONS</p> <p>No legal implications directly arising from this report.</p>	
<p>FINANCIAL IMPLICATIONS</p> <p>No financial implications directly arising from this report.</p>	
<p>OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:</p> <p>No other implications 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.</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>N/A</p>	<p>Contact Officer: Jez Bebbington Executive Support Manager Telephone: 01524 582011 E-mail: jbebbington@lancaster.gov.uk Ref: N/A</p>

Performance Information		Year 2017/18										Year 2018/19		High Neutral Low	Trend
		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2017/18		Quarter 1			
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
A Thriving and Prosperous Economy															
A1.1	Percentage of minor planning applications determined within 8 weeks or agreed time (Speed of Decision)	70%	100%	70%	98%	70%	98.41%	70%	100%	70%	99.1%	70%	98.61%	High is Good	
Green: 98.61% of the 72 Minor applications that were determined in the Quarter were determined within either the statutory timescale or a mutually-agreed timescale with the applicant.															
A1.2	Percentage of other planning applications determined within 8 weeks or agreed time (Speed of Decision)	70%	98.67%	70%	100%	70%	99.32%	70%	97.30%	70%	98.82%	70%	97.52%	High is Good	
Green: 97.52% of the 181 Other applications that were determined in the Quarter were determined within either the statutory timescale or a mutually-agreed timescale with the applicant.															
A1.3	Percentage of major planning applications determined within 13 weeks or agreed time (Speed of Decision)	60%	100%	60%	100%	60%	100%	60%	100%	60%	100%	60%	100%	High is Good	
Green: All 10 major applications received during the Quarter were determined within either the statutory time period or within a mutually-agreed time period with the applicant.															
A1.4	Number of empty properties brought back into use	15	17	15	19	15	14	15	26	60	76	15	12	High is Good	
Red: 12 empty homes were brought back into use with Council involvement in the first quarter. So of the 239 properties being monitored this quarter 5% were brought back into use with Council involvement. The number of empty homes brought back into use each quarter is likely to fluctuate given the nature of the work, as it will depend on home owners willingness to works with the Council and the amount of work required to bring a home back into use. It is expected that the target of 15 properties will be met again in Q2.															
Clean, Green and Safe Neighbourhoods															
A2.1	Number of fly tipping reports actioned within 5 days	125	162	125	394	125	313	125	351	500	1,220	125	389	High is Good	
Green: Between 1st April and 30th June 2018 Public Realm received 578 service requests in relation to Fly Tipping. This is 230 cases more than the QTR 1 in 2017/18. 389 of the service requests received were closed on the system within 5 working days which equates to 67.30%.															
A2.2	Number of fly tipping enforcement notices issued	164	202	199	190	233	162	182	228	778	782	164	263	High is Good	
Green: The reported figure for this quarter is drawn from FlyCapture data to provide continuity with the pre-existing way of measuring. It comprises 174 warning letters, 88 statutory notices and 1 vehicle seizure. This was our first vehicle seizure in a new tactic targeting organised criminals. However this is not the full picture. The Environmental Enforcement team is testing a range of new intervention actions including relevant Anti-Social Behaviour powers. 218 Community Protection Warnings (CPWs) and 6 Community Protection Notices (CPNs) were issued in this period. The team is also trying a new tactic of writing to blocks of residents whose areas such as back alleys are affected by waste dumping, recognising that some people are offenders but many more are victims. New tactics seem to be working and getting public support. They will be refined in the coming months.															
A2.3	Percentage of household waste recycled (Lagging - Quarter Behind)	45%	26.87%	45%	36.50%	45%	41.40%	45%	33.5%	45%	35.6%	45%	30.07%	High is Good	
Red: This is a lagging measure and the final quarter for the year 2017/18. The data for Q4 shows: 30.07% which consists of 22.46% dry materials and 7.61% garden waste. Q4 has seen an increase compared to the same quarter the previous year at 26.87%, dry materials for the same period last year (19.63%) with a marginal increase on garden waste (7.24%). The aggregated tonnage for 2017/18 is 35.6% an overall reduction of -3.3% resulting from less garden waste over the year. What is highlighted is that the decrease in overall recycling is mainly attributable to reduced garden waste being collected for composting as opposed to significant reduction in dry recyclables. This same trend is being experienced by other Councils that have introduced charges for garden waste. The Government's waste strategy is expected to be published in the autumn. Following this we would expect to see a different strategy for waste disposal / collection arrangements in Lancashire. In terms of context this indicator needs to be considered alongside A2.4.															
A2.4	Kilogrammes of residual waste per household (Lagging - Quarter Behind)	Not Reported	87.17	89.20	87.17	88.4	87.17	82.2	348.68	334.58	87.17	75.9	Low is Good		
Green: This is a lagging measure Q4 2017/18. The combined kg per head for the year was 334.58kg, we have seen a consistent reduction over the past few years in this measure. At an average of 337kg per head, in terms of the waste hierarchy for reduce, reuse, recycle Lancaster performance is the 3rd best in Lancashire. Economically and environmentally reducing waste is far better than recycling or composting. Much work is taking place with partners (County, Lancaster University, local businesses) to look at innovative ways of reducing waste in the first place, with a particular focus on single use plastics															
A2.5	Total number of subscriptions to the Garden Waste Scheme	30,000	21,805	30,000	23,888	30,000	23,971	30,000	23,967	30,000	23,967	24,000	22,042	High is Good	
Red: Based on actual performance in the first round of the subscription during 2017-18, garden waste service budget estimates were made on 24,000 subscriptions. Q1 saw 22,042 subscriptions, which means the target was 92% achieved. Based on the evidence from the initial round of subscriptions in 2017-18, further subscriptions are expected in Q2 and Q3.															

Performance Information		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2017/18		Quarter 1		High	Low	Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Neutral		
A2.6	Diesel Consumption - Council Vehicle Fleet (Litres)	121,728	125,532	121,728	123,610	121,728	120,321.5	121,728	115,342	486,912	484,805.5	121,728	119,639.5	Low is Good		
Green: This is mainly attributable to better management of the fleet through use of the tracking technology.																
A2.7	Cost/M2 spent on energy across corporate buildings (Lagging)	Not Reported	Baseline	£3.27	Baseline	£3.31	Baseline	£5.02	Baseline	£16.31	Baseline	£4.71	Low is Good			
Baseline: This figure reflects the cost per square metre for gas and electricity from January to March 2018. It is a slight decrease from the previous quarter which we would expect as the lighter mornings and nights start to take effect. This is the final quarter to complete a full year of reporting. Subsequent quarters will allow us to compare year on year. We will need to make some allowances for changing gas and electricity prices going forward with this measure; however, this won't affect the other two measures around consumption.																
A2.8	Amount of energy usage in council buildings (Gas/KWH) (Lagging)	Not Reported	Baseline	738,881	Baseline	809,376	Baseline	1,838,504	Baseline	5,591,719	Baseline	2,204,958	Low is Good			
Baseline: This figure relates to October to December 2017. As mentioned in previous comments, we can only accurately look at data a quarter behind due to a lag in billing. This is a significant increase on the previous quarter but given some of the extremely cold temperatures experienced between October and December we would expect this. We would only predict that the following quarter (January to March 2018) will show a similar figure.																
A2.9	Amount of energy usage in council buildings (Electricity/KWH) (Lagging)	Not Reported	Baseline	595,395	Baseline	656,213	Baseline	807,951	Baseline	2,754,790	Baseline	695,231	Low is Good			
Baseline: This figure relates to October to December 2017. As mentioned in previous comments, we can only accurately look at data a quarter behind due to a lag in billing. There has been an expected increase this quarter compared to last due to the winter season where we experience darker mornings and nights, and lighting is required for longer periods.																
Healthy and Happy Communities																
A3.1	Number of people statutorily homeless	25	10	25	20	25	24	25	21	100	75	Not Available	Low is Good			
Not Available: With the introduction of the new homeless reduction Act in April this year, central government have changed the way they require the statutory homelessness figures reporting to them. This has necessitated a major change to the software system that records and collates this data. Our software provider is still working on amending the system to meet the new data requirements and as a result, the information cannot be retrieved from the system for this quarter. Many other local authorities are in exactly the same position but it is hoped that the fix will be completed for quarter 2. Anecdotally, we can say that we haven't seen a huge increase in homelessness cases this quarter.																
A3.2	Number of Disabled Facilities Grants completed	50	58	50	46	50	50	50	78	200	232	50	122	High is Good		
Green: The average number of DFG completions per month in 2017/18 was 19. The average number of grants completed per month over Q1 of 2018/19 is 41. This is due to an administrative issue from beyond the Council. Technically, the grant can't be closed until the invoices are received and paid. This didn't have any impact on the service provided to our residents																
A3.3	Number of properties where 'category 1 hazards' have been eliminated	25	27	25	16	25	42	25	27	100	112	25	18	High is Good		
Red: The number of category 1 hazards resolved fluctuates according to the type of complaints that come in. This quarter, officers have been concentrating on HMO licensing, including promoting the new licensing requirements coming into force from October 2018. The success of work in the HMO sector means category 1 hazards are not being found in previously licensed HMOs. The team also has a number of complicated cases ongoing which are resource intensive, for example replacing a new roof in default of the owner, and 3 rural farm properties found to be in very poor condition. Preparation work currently being done in the West End of Morecambe will bring forward improvements in the next quarter.																
A3.4	Percentage of premises scoring 4 or higher on the food hygiene rating scheme	90%	88.15%	90%	88.35%	90%	88.49%	90%	88.52%	90%	88.52%	90%	88.36%	High is Good		
Green: This result comprises 72.26% 5-rated plus 16.1% 4-rated food businesses (totaling 88.36%) at the time of most recent food safety inspection. Food safety service remodeling is underway to bring about further compliance improvements at these higher food hygiene rating levels which are good for both consumers and businesses.																
A3.5	Percentage of high risk food hygiene inspections completed	100%	100%	100%	85%	100%	93%	100%	100%	100%	100%	100%	85%	High is Good		
Amber: This figure represents a shortfall of two premises, which will be addressed in Q2																

Performance Information		Quarter 1		Quarter 2		Quarter 3		Quarter 4		End of Year 2017/18		Quarter 1		High Neutral Low	Trend
Reference Code	Indicator	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
A3.6	Total number of admissions to Salt Ayre Leisure Centre	130,000	131,856	180,000	145,669	230,000	237,222	197,740	232,554	737,740	747,301	130,000	210,621	High is Good	
Green: Whilst the recent warm weather has resulted in a number of people preferring to undertake outdoor leisure activities the Leisure Centre has adopted an agile marketing/promotional approach and retained a good level of throughput. Swimming has proved popular and continues to increase, partly due to warm climate and improvement of supporting facilities which are more in demand than those of a traditional leisure centre.															

A3.7	Time taken to re-let council houses (Days)	38	66.99	38	71.67	38	66.31	38	63.13	38	63.13	38	30.80	Low is Good	
Green: Significant progress has been made. In brief: We have re-let a total of 60 properties in Q1. The current average time taken to re-let council houses when compared to the end of Q1 in 2017/18 figure of 66.99 days represents a 54% improvement in performance. Finally, June was an excellent month in terms of standard re-let times, where we achieved an average time taken to re-let council houses of 23.00 days. We are still confident that the continuing implementation of review action plan should bring further improvements to the re-letting of council housing over the coming year.															

A Smart and Forward - Thinking Council

A4.1	Number of followers on Lancaster City Council's Twitter Page (Cumulative Indicator)	9000	8,668	9000	8,835	9000	9,295	9000	10,250	9000	10,250	9000	10,923	High is Good	
Green: Number of followers on Twitter has increased due to additional focus on this channel.															

A4.2	Average number of days of sickness absence per full time employee	1.75	1.25	1.75	1.37	1.75	1.79	1.75	1.64	7	6.05	1.75	1.73	Low is Good	
Green															

A4.3	Occupancy rates for all commercial properties (including estate shops)	Not Reported		100%	96%	100%	97%	100%	96.5%	100%	96.50%	100%	95.60%	High is Good	
Amber: The total level of occupancy has fallen by 0.9% following the vacation of one tenant during this quarter. We are currently dealing with new expressions of interest in this vacant unit. In general terms 95.6% still represents a good level of occupancy in the current climate.															

A4.4	Average time taken to process new Housing Benefit and Council Tax claims (Days)	23	28	23	26.9	23	26	23	26.2	23	26.2	23	28.3	Low is Good	
Amber: Whilst the average time to process change in circumstances is similar to the same period last year, the time taken to process change events is gradually increasing. The processing of changes in circumstances is affected by the delays in obtaining Universal Credit information, required to accurately calculate the claim. Notification of Universal Credit changes creates a large volume of change events to be actioned for Council Tax Support, many of which can be time consuming and complicated. Liaison with DWP is ongoing to try and address outstanding issues, and procedures are continually reviewed to work more efficiently. We are currently recruiting additional resources (2 posts) to assist with this work, funded from DWP grant.															

BUDGET AND PERFORMANCE PANEL

Work Programme Report

11th September 2018

Report of the Interim Head of Legal and Democratic Services and Monitoring Officer

PURPOSE OF REPORT

To consider the Work Programme report for the forthcoming year.

This report is public.

RECOMMENDATIONS

(1) That the Panel considers its Work Programme for the forthcoming year.

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 At the last meeting of the Panel Members were advised that the Overview and Scrutiny Committee had considered the process for considering scrutiny Work Programme topics and agenda items, with priority given to topics that are closely linked to the Council Plan. The Overview and Scrutiny Committee has now agreed its Work Programme. The Panel is requested to consider whether the following items of scrutiny, currently included on the Work Programme, are still required and, if so, provide clarity on the purpose for scrutiny. Notes have been provided where there is, or could be, duplication with the Overview and Scrutiny Committee: -

- Economic Growth Strategy (issues relating to budget and performance).
Note: Overview and Scrutiny Committee has agreed to review the draft Strategy.
- Morecambe Area Action Plan (issues relating to budget and performance).
- Canal Quarter (for Budget and Treasury Management issues).
Note: Overview and Scrutiny Committee has agreed to scope a Task Group to look at the lessons learnt and due diligence.

- 2.2 The Panel is asked to note that the Repairs and Maintenance Service (RMS) item has been re-scheduled for the 13th November meeting.
- 2.3 Appendix A sets out the Panel's current Work Programme.

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

None.

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BUDGET & PERFORMANCE PANEL - WORK PROGRAMME

Matter for consideration	Detail	Officer responsible/ External	Expected date of meeting
Financial Monitoring (to include an update on the financial position of Salt Ayre as well as Commercial Properties)	Work Programme Report 10 th July 2018	Financial Services Manager	Quarter 1 – 11 th September 2018 Quarter 2 – 13 th November 2018 Quarter 3 – 5 th February 2019.
Corporate Performance Monitoring (to include Compliments and Complaints Half Yearly Report as appropriate)	Work Programme Report 10 th July 2018	Chief Officer (Environment)	Quarter 1 – 11 th September 2018 Quarter 2 – 13 th November 2018 Quarter 3 – 5 th February 2019.
Key Performance Measures	Work Programme Report 10 th July 2018	Chief Officer (Environment)	Quarter 1 – 11 th September 2018 Quarter 2 – 13 th November 2018 Quarter 3 – 5 th February 2019.
Repairs and Maintenance Service (RMS)	That further reports on RMS (previously referred to in the report as APSE) be added to the Work Programme and be reported to the Panel as appropriate. Min. 14 (13 th Sep 16) refers. When considered, O&S Members to be invited to ask questions. Min. 50 (6 th Feb 18) refers.	Chief Officer (Environment)	13 th November 2018 (previously scheduled for 11 th September 2018).
Annual Stakeholder's Meeting (Note: Held at MTH)	Arranged as part of the budget consultation process. Other organisations invited to present their budget proposals.	Financial Services Manager	22 nd January 2019.
Treasury Management Strategy	The Panel's views to be sought regarding the proposed treasury	Financial Services Manager	5 th February 2019.

	management framework for 2019/2020.		
Economic Growth Strategy – issues relating to budget and performance.	Min. 7 refers – Work Programme Report - 11 th July 2017.	Economic Development Manager	To be considered in the new municipal year 2018/19.
Morecambe Area Action Plan – issues relating to budget and performance.	Min. 7 refers – Work Programme Report - 11 th July 2017.	Economic Development Manager	To be considered in the new municipal year 2018/19.
Canal Quarter (for Budget and Treasury Management issues).	Work Programme Report Min. 50 (6 th Feb 18) refers.	Financial Services Manager	To be considered in the new municipal year 2018/19.

Invitations to Cabinet Members

Cabinet Member and area of responsibility	Issue	Expected date of meeting
Councillor Blamire, Leader of the Council.	Corporate Performance Monitoring. Financial Monitoring. Key Performance Measures.	Quarter 1 – 11 th September 2018 Quarter 2 – 13 th November 2018 Quarter 3 – 5 th February 2019
Councillor Whitehead, Portfolio holder for Community Wealth Building, Finance, Revenues and Benefits, Performance Management.	Corporate Performance Monitoring. Financial Monitoring. Key Performance Measures.	Quarter 1 – 11 th September 2018 Quarter 2 – 13 th November 2018 Quarter 3 – 5 th February 2019
All Members of Cabinet.	Annual Stakeholder's Meeting.	22 nd January 2019

Outstanding Briefing Notes

Matter for Consideration	Date Requested/additional detail	Officer Responsible	Date Circulated
Procurement Strategy.	Further pre-scrutiny prior to the updated Procurement Strategy being presented to Cabinet.	Financial Services Manager.	To be considered in the new municipal year 2018/19.

	(Min. 8 (12 th July 2016) and 19 refers (8 th November 2016) – Action – briefing note to be provided).		
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